

Annual Report

2016–17

Highlights 2016–17

DIA installed a second solar array and achieved first generation in December 2016.

The Catalina Lounge welcomed its first passengers in September 2016—the first airport-developed premium international lounge in Australia.

ADG is approaching \$500 million in capital expenditure projects.

DIA was awarded an AAA Airport Innovation and Excellence Award and an Airports Council International Asia Pacific Award for its solar farm project.

The Wirraway Business Centre opened in May 2017—the first airport in Australia to establish and operate its own business centre.

ADG celebrated the 25th anniversary of the Darwin International Airport and Alice Springs Airport terminals.

More than \$1 million was invested in installing new car park access control equipment to improve service and reliability.

DIA became the first Australian airport to acquire an interest in existing Joint User Hydrant Installation (JUHI) infrastructure.

Tennant Creek Airport became the first registered airport in Australian aviation history to receive a Civil Aviation Safety Authority certification exemption.

A new continuous improvement team was appointed, and the 'New Thinking and Approach' program was launched.

The DIA business precinct leased 100 per cent of tenancies in the new Osgood South Commercial section.

The 'Darwin International Airport Master Plan and Environment Strategy' was submitted to the federal Minister for Infrastructure and Transport in June 2017 (subsequently approved).

ADG maintained a strong collaborative approach with the NT Government and Tourism NT to develop aviation opportunities, with a new direct aviation link between Darwin and China a priority.

NT Airports committed more than \$120,000 in cash plus in-kind support to community projects.

Vision, Purpose and Values

Our Vision

Our vision is to be the most successful airport business in Australasia.

We will achieve this by:

- › developing a commercial non-aviation property portfolio of more than \$200 million
- › growing passengers to 3 million at Darwin International Airport and 700,000 at Alice Springs Airport
- › maintaining the respect of all our airline customers
- › creating a positive work environment and making ADG an attractive place to work
- › being recognised as a significant contributor to the NT economy
- › ensuring development is done in accordance with the airports' master plans and environment strategies
- › securing strong and diverse community support for our airport businesses
- › continuing to outperform other Australasian airports' growth of total shareholder return.

Our Purpose

Our purpose is to provide safe, efficient and environmentally sound services that represent value for money for our customers and optimise the financial returns to our shareholders.

We will do this by:

- › operating safe and secure airports
- › providing outstanding customer service
- › developing a sustainable aviation and non-aviation airport business
- › excelling in environmental and financial management
- › maximising long-term value for our shareholders
- › contributing to the NT's economic growth and our community.

Our Values

We recognise that stakeholders and the community judge us by the way we act. Our reputation is paramount, and as a result, we will act with honesty and integrity at all times. Our workplace reflects our corporate values.

Safety first

Safety is our number one priority.

Customer focussed

Our customers are important, and our focus on their needs will ensure our relevance and success.

Honesty and integrity

We are honest, ethical and professional in all we do.

Accountability

We will deliver on our commitments and take ownership of our responsibilities.

Innovative and creative

We encourage new thinking in our team.

Respect for each other

Our people are our most important resource, and we appreciate their values, respect their rights, promote their talents and reward their commitment.

Environmentally responsible

We take stewardship of our environment seriously.

Community engagement

We are an important part of our communities, and we will seek to engage with them at all levels.

Teamwork

We will work together to achieve the collective goals.

The Airport Development Group (ADG) has been part of the Northern Territory community for almost two decades.

About ADG

As part of Australia's airport privatisation program, ADG acquired leases from the Australian Government for the three Northern Territory airports—Darwin International Airport, Alice Springs Airport and Tennant Creek Airport—in June 1998. Each lease is for 50 years, with an option of a further 49-year lease.

ADG now owns and operates the three airports and a rapidly growing business precinct in Darwin—Darwin Airport Central.

The company is proudly 100 per cent Australian owned by IFM Investors (77.4%) and Palisade Investment Partners Limited (22.6%).

The three airports have 85 full-time employees and many other contractors providing key airport services, generating total direct and indirect jobs for some 1800 Territorians. More than 2.88 million passengers travelled through the three airports in 2016–17.





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Chairman's report

Sound performance across our three airports—Darwin, Alice Springs and Tennant Creek—continued to benefit the Northern Territory in 2016–17.

Airport Development Group (ADG) is almost entirely owned by superannuation funds, and as we approach 20 years of privatisation in 2018, we are proud of the positive returns we delivered to bolster the retirement funds of some 70,000 Territorians during the year.

We are also one of the Territory's largest employers, supporting some 1800 Territory workers last year either directly or through businesses operating on airport land. ADG's injection of \$270 million to the NT economy, or 1.2 per cent of the NT's gross state product, means we continue to play a vital role in the Territory.

We have faith in the Territory's future and are still investing in it, with our capital expenditure projects approaching \$500 million. ADG has significantly invested in solar energy across all three airports, with the second solar array

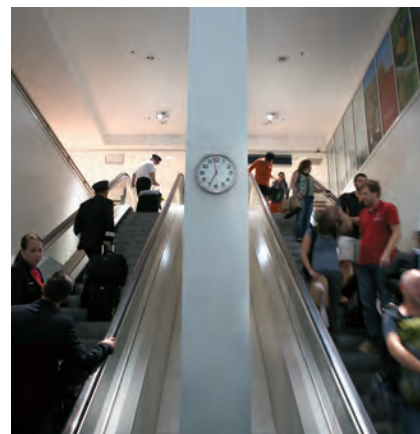
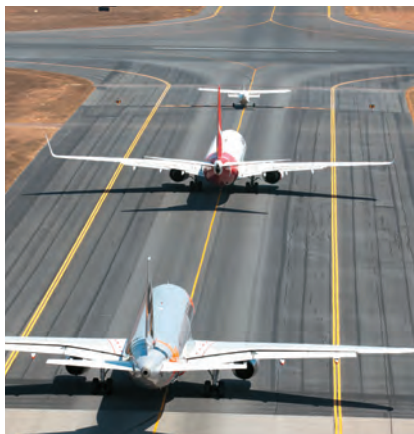
installed in Darwin International Airport (DIA) last year making the \$13 million project the largest airside photovoltaic system in the Southern Hemisphere.

Darwin International Airport is the hub of northern Australia, with its expanding services to the offshore oil and gas industry, growing tourism links with Asia and expanded choices for regional centres.

Two major developments put DIA in the spotlight during the year. The Catalina Lounge opened in September 2016—the first VIP international lounge in Australia to be developed and operated by an airport. And our new Wirraway Business Centre gives ADG diverse revenue opportunities beyond the traditional airport platform—three of the seven long-term tenancies have already been leased. My board members were delighted to meet in the centre in May 2017.

The draft Darwin International Airport Master Plan and Environment Strategy was submitted (and subsequently approved) to the federal Minister for Infrastructure and Transport in June 2017. We are delighted to note he supports the plan's 20-year vision.

Darwin International Airport's property portfolio grew strongly again in 2016–17. The 60-hectare Darwin Airport Precinct was rebranded as Darwin Airport Central and relaunched during the year,



Darwin International Airport will become the hub of northern Australia, with its expanding services to the offshore oil and gas industry, growing tourism links with Asia and expanded choices for regional centres.

welcoming new tenants—including an ice-skating rink—further establishing itself as Darwin's premier lifestyle and commercial hub. In February 2017, the NT Minister for Health announced that the airport will become the home of 25th aeromedical base for the Royal Flying Doctor Service (RFDS)—a partnership we are very proud of.

We are also leading the way in airport refuelling, with preparation to purchase jet fuel storage infrastructure assets in Darwin well under way at year end. We will embark on a similar exercise in Alice Springs.

I warmly thank two outgoing board members—Ashley Barker and Julian Widdup—for their contributions to our work over the years. We welcomed two new board members in their place: Michael Landman, representing IFM Investors, and Daniel Roberts, representing Palisade Partners.

I am proud of the work Ian Kew and his team are doing and thank them for their dedication during the year. Ian's continued community involvement, including as new Chair of the Darwin Festival and driving business initiatives as Chair of the Darwin Major Business Group, demonstrates the company's commitment to the Territory.

Our company looks forward once again to working with our communities, partners and stakeholders next year to provide safe, efficient and world-class airports for all Territorians.

Chris Barlow
Chairman

20-year vision

OUR MASTER PLAN WAS SUPPORTED AND APPROVED BY THE FEDERAL MINISTER FOR INFRASTRUCTURE AND TRANSPORT

CEO's report

Despite the challenging economic climate in 2016–17, our airport business remained positive, with solid international traffic and growth in passenger numbers in Alice Springs.

As one of the Territory's largest private enterprises and employers, our airports are key economic contributors in the Northern Territory, benefitting the community across the business, tourism and industry sectors. Innovation, the environment and community partnerships are also high on our list of priorities.

Maintaining a strong airport community is integral to the success of our business, as is supporting the broader community in the Northern Territory. Our community consultation groups in Darwin and Alice Springs met regularly in 2016–17 and continued to be a strong community voice, raising issues arising from airport operations and development.

During the year, we commemorated Darwin International Airport's 25th anniversary of the terminal with the launch of a new history book called

25 years

DARWIN INTERNATIONAL AIRPORT &
ALICE SPRINGS AIRPORT TERMINALS



'The World Flies in...and Darwin takes off' by celebrated local historians Peter and Sheila Forrest.

Alice Springs Airport terminal also turned 25 last year, which we marked in December with the unveiling of a brass plaque by Member for Lingiari Warren Snowdon, who formally opened the new terminal two and a half decades ago. The airport has grown significantly in 25 years, with undercover parking, the introduction of solar power and landside access notable developments, as well as a continuous growth in food and beverage options.

We proudly opened the VIP Catalina Lounge and the premium Wirraway Business Centre in Darwin during the year, two Australian firsts giving our customers new and improved facilities and the company new outside-the-box revenue streams. The names Catalina and Wirraway acknowledge Darwin's rich

We proudly opened the VIP Catalina Lounge and the premium Wirraway Business Centre in Darwin during the year, two Australian firsts giving our customers new and improved facilities and the company new outside-the-box revenue streams.



aviation heritage, and we're confident both facilities will become very popular.

During the year, ADG proudly collected two awards for Darwin International Airport's \$13 million solar energy project: the Airport Innovation and Excellence Award for Environmental Management from the Australian Airports Association (AAA) and the Airports Council International (ACI) Asia-Pacific Green Airports Platinum Award.

Our investment in solar energy is unparalleled for an airport operator in the Southern Hemisphere, and we're very proud of this international recognition for our efforts in creating a more sustainable future and reducing our carbon footprint.

This year, we released the draft Darwin International Airport Master Plan and Environment Strategy, which is both a regulatory requirement and an important

strategic planning tool that outlines our vision for growth over the next 20 years. The federal minister has approved the plan.

It was a big year for Tennant Creek Airport, which rewrote the records book as the first registered airport in Australian aviation history to receive a Civil Aviation Safety Authority (CASA) certification exemption. It also switched on its solar power system, recorded its first full year of regular public transport (RPT) operations since RPT services were restored, secured a car rental agreement and refurbished the terminal.

I am proud to chair the new Darwin Major Business Group that was established during the year for major businesses to have a strong, coordinated voice to inform and influence government. Our 14 member businesses are some of Darwin and the NT's most powerful, with records of significant investment and

employment. I look forward to working with them in 2017-18 to help drive the Territory economy in the right direction.

All our achievements last year would not be possible without community support. We work hard to communicate and engage with the NT community with our extensive sponsorship program that supports arts, culture and environmental organisations and our passionate Corporate Giving Committee, which regularly provides grants to community groups. I thank all our employees for their ongoing commitment to supporting our fellow Territorians.

Ian Kew
CEO

Board of directors



Chris Barlow
Chairman

Chris Barlow has more than 40 years' experience in the aviation industry. From July 2000 until August 2007, Chris was Managing Director and Chief Executive Officer of Australia Pacific Airports Corporation, the operator of Melbourne and Launceston airports. Prior to that, he held several roles with the United Kingdom airports company BAA (now known as Heathrow Airport Holdings), including Managing Director of Aberdeen Airport and Corporate Development Director.

Chris is currently Chairman of the Melbourne Visitor and Convention Bureau and a non-executive director of Australian Rail and Track Corporation and Visit Victoria. Chris has a Bachelor of Science (Honours) in Civil Engineering from London University.



Barry Coulter
Director

Barry Coulter has worked in the Northern Territory for more than 35 years. He was elected to the Northern Territory Legislative Assembly in 1983 and served as Deputy Chief Minister from 1986 to 1995. Barry spearheaded the Alice Springs to Darwin Railway project for almost 14 years and stepped down from politics in 1999 following the announcement that the project would move ahead.

Barry is currently on the board of the Northern Australia Infrastructure Facility (NAIF). He also has significant experience in the seaports and aviation sectors and was previously Chairman of both the Darwin Port Authority and Airnorth. Barry is a Fellow of the Australian Institute of Management.



Michael Landman
Director

Michael Landman is the Executive Director of Portfolio Management with IFM Investors. During his 10 years with IFM, Michael has been responsible for the origination, analysis and management of infrastructure investments, including IFM's acquisition of a portfolio of UK airports.

Prior to joining IFM Investors, Michael was involved in oil and gas exploration, production, and mergers and acquisitions at BHP Billiton. In addition to Airport Development Group, Michael represents IFM Investors on the boards of Ecogen Energy in Victoria and Airport Motorway and Interlink Roads in New South Wales.



Marigold Look

Director

Marigold Look is an Investment Director with IFM Investors. She has more than 15 years' experience in infrastructure, investment evaluation, asset management and corporate finance. At IFM Investors, Marigold is responsible for the origination, analysis, structure and execution of fund investments, along with ongoing management of assets in the infrastructure portfolio. She has significant experience in the airports and seaports sectors, having been involved in a number of acquisitions as well as asset management activities in both sectors.

Prior to joining IFM Investors, Marigold held roles with Wilson HTM as an equities research analyst and with the Corporate Finance division of PricewaterhouseCoopers.

Marigold is a CFA charterholder, a fellow of the Financial Services Institute of Australasia and holds a Bachelor of Accounting from Monash University. Marigold is also a graduate of the Australian Institute of Company Directors.



Daniel Roberts

Director

Daniel Roberts joined Palisade Investment Partners in January 2012 and is a member of its board of directors. He is responsible for acquisition and management of economic infrastructure assets, and he represents Palisade on the board of a number of investee companies.

Prior to joining Palisade, Daniel spent six years with the Macquarie Group in Sydney and London working in the infrastructure and renewable energy sectors. His roles included origination, execution and management of investments, both as a principal investor and in an advisory capacity, for co-investors and infrastructure funds.

Previously, Daniel worked with PricewaterhouseCoopers in its financial services group in Sydney.

Daniel is a graduate member of the Australian Institute of Company Directors and holds a Masters of Finance from the INSEAD Business School and a Bachelor of Business from the University of Technology, Sydney.



Tom Ganley

Company Secretary

Tom Ganley is Chief Financial Officer and Company Secretary of ADG. He joined the company in June 1998. Tom has more than 25 years' experience in aviation finance, having previously held senior finance and commercial management roles at Adelaide and Alice Springs airports. A Justice of the Peace, Tom has a Bachelor of Accountancy and a Graduate Diploma in Applied Corporate Governance.

Tom holds the International Airport Professional (IAP 2014 Valedictorian) post-nominal designation and fellow memberships with CPA Australia, the Governance Institute of Australia, the Australian Institute of Management and the Australian Institute of Company Directors.

Year in brief

2016–17

Revenue growth

1.2 %

ON THE PREVIOUS YEAR (2016: 5.2%)



Revenue

\$122.0^M

LAST YEAR: \$120.6M

EBITDA

\$78.9^M

LAST YEAR: \$74.6M

\$434^M invested in capital works since 1998



Winner

AAA Airport Innovation and Excellence Award
Environmental Category for Environmental Management:
Darwin International Airport Solar Stage 1 project

Platinum Award

Airports Council International (ACI) Asia-Pacific Green Airports Platinum Award for Asia Pacific and Middle East Airports with fewer than 25 million passengers each year:
Darwin International Airport Solar Stage 1 project

Passenger growth

1.6 %

(2016: POSITIVE 0.6%)



Passengers (including transfers)

411,000 International

INCLUDING TRANSFERS



2,472,800 Total Domestic Northern Territory

INCLUDING TRANSFERS



2,246,000 Darwin International Airport

2,216,000 LAST YEAR



633,000 Alice Springs Airport

619,000 LAST YEAR



83 staff 

STAFF NUMBERS HAVE GROWN FROM
45 TO 83 IN THE PAST 18 YEARS

1 Operations and Customer Experience

Ensuring excellence in the customer experience is ADG's continuing priority. The safe and efficient movement of local, interstate and international passengers is the core focus of our dedicated operations teams across all three airports.





300-bay

STAFF CAR PARK CONSTRUCTED WITH BOOM GATES AND NUMBER PLATE RECOGNITION

New program: 'New Thinking and Approach'

In 2016, Northern Territory Airports appointed a continuous improvement team and launched the 'New Thinking and Approach' program.

The initiative is in response to significant business growth in the last two decades, with NTA's annual capital expenditure (CAPEX) budget increasing from \$1.6 million in 1998 to \$26 million in 2016. Staff numbers grew from 45 to 83 in the same period.

In today's diversified aviation business, our workforce must be broadly skilled. As well as being innovative, creative and entrepreneurial, airport professionals must understand airport regulations, operations, safety and security. Sound cross-unit cooperation and processes are also essential.

The new team developed a methodology to encourage business units' cooperation at four touchpoints during an airport project: concept, pre-CAPEX approval, mid-point review and post-implementation review. This is known as the 'Approach' methodology.

In 2016–17, staff attended 28 'Approach' sessions during the six-month pilot phase. Team discussion in these sessions saw \$1 million of CAPEX budget reprioritised. The methodology will be used in 2017–18 to review business requirements for 130 approved CAPEX projects.

Projects

In Darwin during 2016–17, the major terminal and facilities upgrade to improve the customer experience continued, with a number of projects delivered.

DIA completed the full rollout of its new Common User Terminal Equipment (CUTE) system during the year. New hardware and software was installed, which will streamline operations around check-in, boarding and efficient passenger movement and reduce airlines' costs.

The second 1.5-megawatt solar array was installed west of the General Aviation northern apron, achieving first generation in December 2016. This is the second stage of DIA's \$13 million solar project, following installation of the 4-megawatt solar array in 2016. This is the largest airside photovoltaic system in the Southern Hemisphere, and it is forecast to meet up to 100 per cent of the airport's peak energy demand in the middle of the day and to generate 25 per cent of its overall energy needs.

New ground transport facilities were constructed during the year: a new 300-bay staff car park with boom gates and number plate recognition, and more covered walkways linking the terminal with customer car parks.

Work continued to replace air-handling units and improve ventilation in the terminal. In 2016–17, the western plant room and central plant rooms were completed. The eastern plant room will be finished in 2017–18.

A cable replacement project for airfield ground lighting for runway 11/29 commenced in mid-2017, due for completion in October 2017. The new cabling and lighting terminations will achieve compliance in insulation cable resistance.

The projects and infrastructure team undertook a major infrastructure asset audit within DIA's leased boundary (excluding the terminal) during the year. The assets identified through this process included sewer, water and high-voltage electrical systems. The audit results will help us understand the condition of our critical assets, implement appropriate maintenance regimes and accurately forecast asset upkeep costs.

A local \$3 million contract saw the 25-year-old air conditioning system replaced, ensuring visitors to the Alice Springs terminal are cool and comfortable.



New 'visual tunnel' in Darwin welcomes international arrivals

In partnership with the NT Department of Tourism and Culture, in 2016–17, DIA reconfigured the international arrivals exit to launch a 'visual tunnel' to welcome international travellers arriving in the Top End.

The immersive tunnel takes passengers through some of the Territory's most iconic destinations and experiences.

Making our terminal 'China ready'

Following a high-level delegation to China in 2017, Darwin International Airport launched a project to make our terminal 'China ready' and look to attract Chinese airlines. In 2016–17, the project involved trialling airport systems translated into Mandarin, including the flight information display system and some terminal voiceovers.

It's our objective to ensure that if and when Chinese visitors are able to start flying directly to Darwin, we give them a positive experience by welcoming them to our city right from the outset.

Improving the terminal experience in Alice Springs

Major upgrades to Alice Springs Airport during 2016–17 will enhance customers' experience in the terminal.

A local \$3 million contract saw the 25-year-old air conditioning system replaced, ensuring visitors to the terminal are cool and comfortable.

Terminal LED lights were also replaced, and a Central Australia destination display wall was completed in partnership with Tourism NT.

The upgrades align with Northern Territory Airports' significant investment in renewable solar power and its mission to become fully self-sufficient. The new air conditioning system will also contribute to the five-year emissions management plan in the airport's Master Plan and Environment Strategy.

A new café was also opened in the arrivals area during the year. Steve's Barista Bar is run by a well-known Alice Springs family and is open seven days a week.

Security

The safety and security of people in our airports is our continuing priority, and new security measures and technology upgrades were introduced during the year.

Two new checked baggage x-rays were installed in Darwin International Airport. It also upgraded its suite of explosive trace detection machines. The main screening point was also realigned to enhance security and process passengers more efficiently.

A new security service provider was also appointed at both Darwin and Alice Springs airports in 2016–17. The new contractor will bring a renewed focus to staff training, innovation, awareness and reaction.

90%

OF THE MSS TEAM COMPLETED FACE-TO-FACE INDUCTIONS AND TRIALLED THE NEW ONLINE INDUCTION PORTAL

4.2 /5



DIA OVERALL SATISFACTION INCREASED FROM 4.15 OUT OF 5 TO 4.20 OUT OF 5



Testing our emergency response

As part of Aerodrome Emergency Plan and Civil Aviation Safety Authority (CASA) requirements, exercises are held every two years in both Alice Springs and Darwin to test our response to emergencies.

NT Airports develops a new scenario each time in conjunction with stakeholders and emergency services.

In July 2016, an emergency field exercise was conducted at Alice Springs Airport. The exercise saw a simulated B737 aircraft crash, resulting in a fire and injured passengers.

The aim of these exercises is to test our emergency procedures, roles and responsibilities to make sure the airport and agencies are well-equipped to work together.

In Darwin, 'Exercise Carousel' in November 2016 examined the designated passenger, reception and reunion areas in the expanded terminal. The exercise achieved its aim of proving the response to an aircraft incident and familiarising care agencies and responders with the new terminal environment.



The customer experience

In 2016–17, ADG continued its focus on enhancing the customer experience at all three airports.

The successful 'Welcome to Our Place' program was launched at the Darwin International Airport in April 2016 to make all visitors feel welcome and comfortable.

The program's charter is that the airport and its surrounds feel like a home for everyone who visits. It encourages airport employees and contractors to treat customers with respect, warmth and friendliness—as they would if they welcomed a guest into their own home.

In March 2017, Welcome to Our Place was introduced to DIA's largest service provider, MSS security. More than 90 per cent of the MSS team completed face-to-face inductions and trialled the new online Welcome to Our Place induction portal.

The program will be rolled out to Alice Springs Airport in 2017–18.

The Welcome to Our Place program has contributed to Darwin International Airport's positive Airport Service Quality (ASQ) results, positioning it as one of the most improved facilities in Australia.

Managed by the Airports Council International, ASQ is a worldwide global benchmarking program that measures passengers' satisfaction while they are travelling through an airport.

In 2016–17, Darwin International Airport's rating for overall satisfaction increased from 4.15 out of 5 to 4.20 out of 5 (from quarter 1 in 2016 to quarter 1 in 2017). This is up again from the previous financial year's result of 3.71 out of 5 at quarter 1 in 2015.

2

Commercial
development

ADG is proud of the relationships we've built with our airline and retail partners across the Territory. We are particularly proud of the two 'Australian first' developments launched in Darwin in 2016–17: the Catalina Lounge and the Wirraway Business Centre.

New Catalina Lounge—the first of its kind

The Catalina Lounge opened in the Darwin International Airport in September 2016—the first airport-developed and only airport-operated premium international lounge in Australia. At 30 June, nearly 5200 passengers had visited the lounge since it opened.

Rather than a lounge aligned with a specific airline or agency, the Catalina Lounge was created to benefit all the airport's existing airline partners. It also aims to attract new international airlines and to promote tourism in the Northern Territory, with a special focus on Hong Kong, mainland China and New Zealand.

The licensed lounge can host up to 70 people and was designed to meet the needs of all travellers, from business guests to families. The premium

facilities include a flexible menu with chef-prepared food; a VIP area that can be used to welcome or farewell high-end travellers, VIPs, dignitaries and government officials; and a kids' zone. There is a dedicated space to showcase products and tailored visual merchandising, and the lounge can also be hired during off-peak times by local businesses for functions and events.

The lounge features Indigenous artwork called 'Waterlilies' by Malaluba Gumana, the 2013 Telstra National Aboriginal and Torres Strait Islander Art Award winner.

The Catalina Lounge took six months to build and fit out. All works were completed by Northern Territory builders and trades. The Catalina Lounge supports 10 new staff positions across the airport

The lounge is open for every departing and transitioning international flight. Entry is not exclusive to members or certain airline clients—everyone is welcome. Entry costs start from \$28, with family packages available.

5,200



PASSENGERS HAD VISITED THE LOUNGE SINCE IT OPENED IN SEPTEMBER 2016

Wirraway

NAMED AFTER THE AUSTRALIAN-BUILT
TRAINING AND GENERAL-PURPOSE PLANE



New Wirraway Business Centre

The first airport in Australia to establish and operate its own business centre, Darwin International Airport set a precedent for airport business diversification with the opening of its Wirraway Business Centre in May 2017.

Accessed from the main airport terminal by a private lift or staircase, the centre has a contemporary \$3 million fit out and state-of-the-art facilities. It caters for short and long-term business needs, large and small groups, and sole business people, including domestic and international travellers.

It has a 75-seat function room (theatre style), a 25-seat conference room, two six-seat meeting rooms, two twin-seat hot desks and three one-seat hot desks that can be rented by the hour, day or week. There's a reception area, high-

end kitchen facilities, contemporary bathrooms and seven permanent office spaces of between 30 and 68 square metres for long- and short-term leases.

One of the highlights of the business centre is the specially designed carpet by renowned Nuiyu artist Aaron McTaggart.

Several of the permanent offices already have long-term leases, and interest in the remaining spaces has been expressed from a number of businesses.

The centre is adjacent to the Catalina Lounge, and the two facilities can be seamlessly integrated, further increasing capacity.

The Wirraway Business Centre is named after the Australian-built training and general-purpose plane, which was converted to a light bomber during WWII.

75-seat

FUNCTION ROOM (THEATRE STYLE) AT THE
NEW WIRRAWAY BUSINESS CENTRE

Hector's

BAR WAS EXPANDED TO INCLUDE A BEER GARDEN, ADDING 20 SEATS

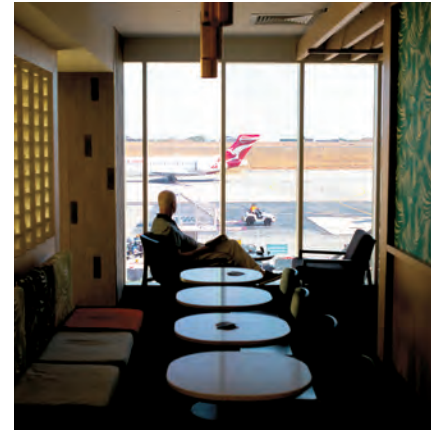
Retail partners

In Darwin, Hector's Bar was expanded to add Hector's Beer Garden. This work was done in collaboration with hospitality and food service management company Delaware North and our nominated charity, Helping People Achieve. The expansion increased the number of seats by 20, giving Hector's greater capacity to serve customers during peak periods.

Our relationship with Delaware North was further strengthened with the decision to appoint the company to cater in the Catalina Lounge and the Wirraway Business Centre.

In Alice Springs, Steve's Barista Bar opened, giving customers another excellent option for coffee and a bite to eat. The business is run by a well-known family that has been part of the Alice Springs food scene since 2008. The business has grown from a curry stall at the Todd Mall Market to a professional food van servicing the town's markets to the new café in the Alice Springs Airport. The cafe is in the arrivals area near the hire car desk and baggage carousel.

During the year, we worked with our airport retailers in Darwin to ensure they are also 'China ready', helping them make sure they have the appropriate point-of-sale systems, such as China Union Pay, and that staff are trained on Chinese customers' expectations. JR Duty Free has recruited a number of Mandarin-speaking staff. During the year, DIA trialled airport systems translated into Mandarin, including the flight information display system and some terminal voiceovers.



In 2016–17, ADG continued to work with our retailers to fulfil our customers' needs and deliver the best customer experience.



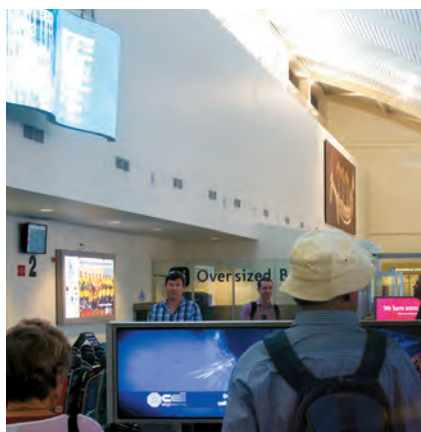
250,000

CUSTOMERS USED THE PUBLIC CAR PARKS AT OUR THREE AIRPORT SITES DURING 2016-17

Digital advertising upgrade

During the year, ADG continued to develop new advertising platforms and expand the offering to potential advertisers with a digital advertising upgrade. Three extra screens were installed in Darwin at the international arrivals area, and a new 'video wall' was installed in the domestic arrivals area. Two new outdoor advertising sites were also developed.

In Alice Springs, six new double-sided roadside billboards were erected on the Stuart Highway at the Adelaide turn off. The billboards are angled towards the highway to give advertisers maximum exposure. Local businesses designed and constructed the billboards to withstand the harsh Central Australian climate.



Ground transport

During 2016-17, more than 250,000 customers used the public car parks at our three airport sites.

We invested more than \$1 million in new car park access control equipment in both Darwin and Alice Springs, which dramatically improved the service and reliability for customers entering and leaving the car parks.

The technology in the new equipment will pave the way for introducing new services to our customers in future, including booking parking online. This will give customers peace of mind, speed up entry and exit, allow the airports to open new distribution channels and better manage demand and capacity, and it allows us to communicate special offers and promotions to customers.

Parking capacity was significantly increased in 2016-17. The Long Stay Plus car park in Darwin more than doubled its original size—to 527 spaces. These extra car spaces will make finding a parking spot much easier for customers and allow them to park within easy walking distance of the terminal.



The car rental ready bays were also relocated in 2016-17, enhancing safety and minimising congestion on the forecourt by eliminating the need for car rental vehicles to use it for operations. A state-of-the-art security system was also installed in the car rental car park, which takes multiple pictures of exiting and entering vehicles to monitor any damage to vehicles caused by renters. This initiative will reduce disputes with renters over damage caused to vehicles and reduce car rental costs.

We also relocated the staff car park

During the year, free parking continued to be offered in the short-term car parking for public pick-up. These customers receive 15 minutes free in priority spaces close to passenger arrivals. More than 30,000 customers made use of free parking during the year.

3

Aviation development

ADG continued its focus on developing the China relationship during 2016–17, with a priority to establish a direct aviation link with Darwin. China will soon be Australia's largest inbound visitor market, with the Northern Territory currently ranked at five.

Working with the NT Government

During 2016–17, ADG was focussed on a stronger collaborative partnership with the NT Government, Tourism NT and other stakeholders in developing opportunities for the period ahead.

We worked with the NT Government around air carriers' support of regional areas in operating the centre run between Darwin, Katherine, Tennant Creek and Alice Springs, which has continued to receive government support as a public service.

New Catalina Lounge

Darwin International Airport's new Catalina Lounge opened in September 2016—the first airport-developed, independent premium international lounge in Australia. The new facility

supports the NT's existing international carriers and helps attract new carriers that target business class and higher-yielding passengers who expect a lounge on departure.

Developing opportunities for the future

We continued working with a range of airlines during the year, with priorities to secure a new direct aviation link between Darwin and China and to sustain and grow existing services.

A high-level delegation to China in June 2017 led by the NT Minister for Tourism included the NT Airports CEO and Aviation Director. This delegation resulted in one Chinese airline sending a delegation to Darwin for a site visit of the airport. At year end, another was in the planning phase to visit.

SilkAir's fifth anniversary

Darwin International Airport welcomed the inaugural flight of full-service carrier SilkAir to Darwin in June 2012. Since then, SilkAir has grown significantly, with higher passenger numbers and services increasing to four times a week—six in the peak season.

It was a pleasure to partner with the regional wing of Singapore Airlines, and we thank the company for its loyalty to Darwin and the Northern Territory.

China

IS A PRIORITY FOR A NEW DIRECT
AVIATION LINK WITH DARWIN

Increased capacity in Alice Springs

Initial planning commenced during 2016–17 for Virgin Australia's increased capacity on its services between Adelaide, Alice Springs and Darwin. The increased services will be implemented in September 2017.

Tennant Creek Airport preparing for the future

The NT Government is developing the North East Gas Interconnector (NEGI) to connect NT gas to eastern markets. The Northern Gas Pipeline (NGP) will link Tennant Creek to Mount Isa in Queensland, driving commercial and economic opportunities for the Territory.

During the planning, construction and commissioning phases of the project, there may be a need to support a FIFO workforce using aircraft as large as a Fokker 100. Currently, Tennant Creek Airport is only licensed for a maximum of 30-seat aircraft.

In a first for an Australian-registered airport, in February 2017, CASA (the Civil Aviation Safety Authority) granted Tennant Creek Airport a temporary authorisation to allow aircraft with a maximum capacity of between 31 and 110 seats to operate.



Alice Springs Airport passengers

	Number	% variance to 2015–16
Total domestic origin/destination (includes transfers)	584,000	1.7
Total domestic transit passengers	49,000	8.9
Total passengers	633,000	2.3

Darwin International Airport – international passengers

Total international origin/destination	314,000	6.1
Total international transit passengers (includes transfers)	97,000	6.6
Total international passengers	411,000	6.2

Darwin International Airport – domestic passengers

Total domestic origin/destination	1,816,000	1.2
Total domestic transit passengers	19,000	(44.1)
Total domestic passengers	1,835,000	0.4

Darwin International Airport – total passengers

Total passengers, DIA (includes transfers)	2,246,000	1.4
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Tennant Creek Airport passengers

Total passengers**	4,800	65.5
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** RPT service commenced 19/10/2015

Traffic data

Passenger numbers were flat across all airports compared with 2015–16, which reflects the challenging economic environment in the NT at present as we transition from a fly in, fly out, resources-driven economy to a visitor economy.

During the year, Malaysia Airlines announced its withdrawal from the market and ceased services on 28 July 2017. It was the third time Malaysia Airlines has served Darwin and withdrawn over its many years of service. NT Airports, the NT Government and industry will remain

focussed on working with airlines with the aim to again connect Darwin with Kuala Lumpur and other Asian ports.

Moving forward, we will focus on capitalising on the wider opportunities of people visiting Darwin and the Northern Territory to experience our landscapes, cultural attractions and community by promoting education opportunities and location advantages for business, with Asia on our doorstep.

1.4%

INCREASE IN DARWIN INTERNATIONAL AIRPORT TOTAL PASSENGER NUMBERS SINCE LAST FINANCIAL YEAR



2.3%

INCREASE IN ALICE SPRINGS AIRPORT TOTAL PASSENGER NUMBERS SINCE LAST FINANCIAL YEAR



4

Property

Darwin Airport Central is a fully integrated and master-planned commercial hub with state-of-the-art commercial, retail and leisure facilities.

Darwin Airport Central launched

On 13 October 2016, the business park was rebranded and relaunched as Darwin Airport Central—an exciting new business, retail and entertainment precinct in the heart of Darwin, only a stone's throw from the airport terminal.

Darwin Airport Central is a fully integrated and master-planned commercial hub with state-of-the-art commercial, retail and leisure facilities. The complex is bordered by two major arterial roads and well positioned in a highly visible traffic zone, with close, easy connections to the CBD, northern suburbs and beyond.

A centrepiece of the 60-hectare precinct is Osgood South Commercial, a high-quality architecturally designed centre with showroom space and retail and warehouse options for businesses.

Osgood South Commercial was the first speculative development since the airport was privatised, with 100 per cent of tenancies fully leased shortly after it was completed in October 2016.

New tenants in 2016–17 include childcare provider Little Flyers Learning Centre, indoor trampoline franchise Flip-Out, kitchen and bathroom supplier Tradelink, drive-through coffee and juice chain MuzzBuzz and Bargain Car Rentals. The Darwin Ice Skating Centre completed the precinct's entertainment offering.

Opening in 2017–18 are gym F45 Training; Aussie Pooch, an NT pet store that sells natural, minimally processed, chemical and toxin-free pet products; and Little Rompers, the baby retail outlet. Bunnings Warehouse signed a new 11-year lease for its site at the precinct.

60

-hectare

NEW BUSINESS, RETAIL AND ENTERTAINMENT
PRECINCT IN THE HEART OF DARWIN



New jet fuel storage facility

During 2016–17, Darwin International Airport reached a financial agreement to acquire a part ownership in the Joint User Hydrant Installation (JUHI) fuel storage facility—a ‘servo’ for planes. In time, DIA will purchase the facility outright. Until then, it will continue to be operated by the current joint venture partners.

It’s the first time an Australian capital city airport has acquired an interest in existing JUHI infrastructure.

A safe, continuous supply of fuel is critical to on-time performance of all carriers at the airport. Any disruptions to the fuel supply will affect aircraft movements and passengers.

Through the purchase, the airport has introduced an open access regime that allows fuel suppliers to market aviation fuel to airlines, which should result in more competition in jet fuel pricing for our airline customers.

Strong interest has already been shown from aviation fuel marketers that are not currently marketing at Darwin International Airport.

Darwin Airport home to new ‘Flying Doctor’ base

In February 2017, the NT Minister for Health announced that Darwin International Airport will become the home of the 25th aeromedical base for the Royal Flying Doctor Service (RFDS).

John Lynch, CEO of RFDS Central Operations, said the project would enable the RFDS to fulfil its strategic



goal of providing the finest care through the entire north-south corridor of South Australia and Northern Territory.

Darwin International Airport is proud to be the home of this new state-of-the-art facility, which is a critical and valued remote medical service in the Northern Territory.

The announcement further solidifies our long-standing relationship with the RFDS.

Moving forward with Osgood South stage 2

Given the success of stage 1 of the Osgood South development in the Darwin Airport Central precinct—with all tenancies leased in 18 months ahead of schedule and some \$225,000 in revenue raised ahead of forecast—ADG is moving ahead with stage 2 of Osgood South in 2017–18. It will be known as ‘West Village’.

Stage 2 will allow for a myriad of uses and flexible tenancy sizes from 80 square metres up to 3000 square metres, allowing for retail, warehousing and showroom configurations.

West Village

THE NAME FOR STAGE 2 OF THE OSGOOD SOUTH DEVELOPMENT IN 2017–18

\$225,000

IN REVENUE RAISED AHEAD OF FORECAST IN STAGE 1

5

Our environment

As well as our major investment in solar energy at Alice Springs Airport and now with Darwin's \$13 million array, the largest airside photovoltaic system in the Southern Hemisphere, we ensure all three airports drive environmental stewardship objectives and guide continual improvement in environmental management.

\$13^M

ARRAY THE LARGEST AIRSIDE PHOTOVOLTAIC SYSTEM IN THE SOUTHERN HEMISPHERE

2 awards

FOR DARWIN INTERNATIONAL AIRPORT'S SOLAR STAGE 1 PROJECT

15,000

SOLAR PANELS OVER SIX HECTARES



Airport Environment Strategy launched

In March 2017, ADG launched its Airport Environment Strategy (AES), which is updated every five years and sets out our commitment to manage environmental issues. The AES is a regulatory requirement under the *Airports Act*, and it's the framework the Australian Government uses to monitor our environmental performance. We also use it to track our progress against set action plans.

Darwin and Alice Springs both have an AES, which covers environmental aspects and how they are strategically managed at each airport. Tennant Creek includes environmental aspects in its Development Control Plan.

Covered in these documents are:

- › water management
- › soil and land management
- › biodiversity and conservation management
- › air quality and emissions
- › noise
- › hazardous substances and dangerous goods
- › waste and resource management
- › sustainable energy and resource management
- › heritage
- › development in airport lease areas
- › tenant and contractor responsibilities
- › community engagement on environmental management.

The AESs are released as part of the preliminary draft Master Plan, which outlines Darwin International Airport's major developments in the last five years and planned growth for the next five. The Alice Springs AES is due for review in 2020.

During the year, the environment team worked towards meeting our environmental objectives outlined in the AES, including overhauling our environment management systems (EMS) and reviewing environmental monitoring programs and procedures.

Conserving Rapid Creek

In 2016–17, two local contracts were awarded to help protect the important Rapid Creek area that borders the Darwin International Airport site: a conservation contractor and a landscape management contractor.

In previous years, conservation and landscape work was done on an ad-hoc basis. The new dedicated contractors will ensure the Rapid Creek area is managed consistently and professionally.

Rapid Creek is one of Darwin's largest and most significant natural freshwater waterways running through urbanised and industrialised areas. As well as the new dedicated contractors, Darwin Airport manages a 75-metre development-free buffer zone to protect the creek's ecosystem for future generations to enjoy.

In 2016–17, our community partnerships on Rapid Creek conservation also remained strong with Landcare groups, Greening Australia and Charles Darwin University (CDU). As part of Darwin Airport's sponsorship of the annual



Territory Natural Resource Management Conference and NT Natural Management Awards, CDU students are supported to attend the events.

Darwin International Airport also sits on the newly reformed Rapid Creek Water Advisory Committee along with other stakeholder representatives in the Rapid Creek catchment. This committee provides a key function in a forum where catchment-wide environmental management issues can be discussed and dealt with collaboratively. The committee reports to the NT Minister for Environment and Natural Resources.

Darwin Airport wins two environment awards

During 2016–17, Darwin International Airport's solar stage 1 project won two environmental awards: the Airport Innovation and Excellence Award for Environmental Management at the prestigious Australian Airports Association Awards and the Airports Council International Asia Pacific Green Airports Platinum Award.

Darwin's \$13 million solar project is the largest airside photovoltaic array in the Southern Hemisphere. The 4 megawatt facility supplies most of the airport's power and was developed entirely by ADG.

The array has 15,000 solar panels over six hectares.

Stakeholder relations

DIA works with other federally leased airports and their environmental managers through the Inter Airport Environment Forum, collaborating on ideas and approaches to environmental issues that face airports Australia wide.

NT Airports also works on community engagement events and activities with environmental groups such as the Rapid Creek Landcare Group and Conservation Volunteers Australia. We plan to expand this program in 2017–18 to build stronger relationships within the community and display the work we do in the environment.

6

Our people

We are proud of our teams across all three airport sites—some 83 Territorians who work hard to ensure our customers' positive experience. Nurturing their development and giving them a rewarding, happy and safe workplace is a continuing priority for ADG.

Workplace Giving

ADG aims to give back to the communities its staff work and live in. This is part of our culture at our airports.

Our Workplace Giving program is voluntary and gives staff the opportunity to contribute part of their salary towards

NT community causes, such as charities and not-for-profit groups.

Staff choose how much to donate, and ADG matches the contribution, dollar for dollar. Each year, staff that take part in the program decide which charity they would like to support.

In 2016–17, the recipient was Dawn House Women's Refuge, which provides safe and secure crisis accommodation for women and their children escaping domestic violence. During the year, DIA staff contributed more than \$5000 and ASA staff also contributed. The company matched staff donations to a total of \$11,710, which was spent on new CCTV equipment to give the facility increased security.

During the year, staff also fundraised for the Darwin RSPCA through cupcake day and held a barbecue for RUOK? day.



949,787

STEPS WALKED IN OUR PEDOMETER CHALLENGE BY THE WINNING TEAM

8 staff

PARTICIPATED IN OUR CERTIFICATE IV IN LEADERSHIP AND MANAGEMENT



Workplace health and safety

Safety is our number one priority—we put the safety and security of our staff, stakeholders and passengers first.

This was recognised for the third consecutive year, with NT Airports receiving an Australian Airports Association (AAA) safety award. In 2016–17, it was for the terminal roof walkways upgrade project at Alice Springs Airport. Its safe operating procedures and reporting mechanisms continue to ensure the safety of staff and contractors at the airport.

Many infrastructure projects were completed in 2016–17, with millions of dollars spent on improving facilities. No serious incidents were recorded during the year, despite the considerable work done.

While we strive to meet our injury-free target for our employees and contractors each year, in 2016–17 one employee and one contractor sustained minor injuries, resulting in three days off work in total for the year.

Our main objective is to remain focussed on our proactive safety performance indicators: hazard reporting, safety observations and inspections, with 254 positive actions recorded, resulting in improved safety for staff, contractors and visitors.

Gateway to Health

The human resources team delivers ADG's Gateway to Health program, which aims to help staff learn about good health and wellbeing.

The program includes regular individual health screen assessments, health presentations and exercise sessions. Lunchtime yoga and boxing classes continued to be popular in 2016–17.

In 2016–17, staff participated in the NT Airports Corporate Pedometer Challenge 'Post-Easter Rebound', with nine teams participating. The challenge ran for 10 days, and the goal was for each person to walk 10,000 steps per day—the recommended daily step goal for a healthy adult. The winning team walked a massive 949,787 steps, and the winner for the highest individual stepper walked 333,596 steps.

ADG also maintained its Living Well rebate in 2016–17, which provides up to \$200 per financial year towards health-management programs or services to help improve staff members' health.

The Employee Assistance Program (EAP) remained available to all staff in 2016–17. The EAP is a comprehensive program that provides counselling, support and strategies for personal and work-related issues for staff and their families.

Our staff

Changes to the Executive Management Team

Two new members of the Executive Team—the Commercial Director and the Aviation Director—joined the company in May 2017. The Head of Infrastructure, Planning and Environment was promoted to Director of Operations the same month.

Leadership development program

In 2016–17, NT Airports ran a Certificate IV in Leadership and Management, with eight staff participating for future career development.

The practical course is designed to enhance employees' ability to manage people through developing effective communication skills, building workplace relationships and clarifying performance expectations.

Work experience placements

We continued to support and host several students through the year to gain work experience and exposure to our airport activities. Schools that have participated in work experience programs include Tiwi College from Melville Island, Casuarina Senior College and O'Loughlin Catholic College.

During the year, we continued to support Charles Darwin University accounting students seeking professional placement hours, who worked closely with our finance team.

Milestones

In 2016–17, one staff member achieved 20 years of service, one reached 15 years of service and two achieved 10 years. ADG is grateful for its staff's ongoing commitment.

7

Our community

Supporting the Northern Territory community has been important to ADG for the last 20 years. We are proud to invest in Territory events, art and culture, and community organisations that all help make the Territory the vibrant place it is.

Darwin Festival's partner

In 2016–17, Darwin International Airport was proud to be a 'Partner in Excellence' of the Darwin Festival. We also sponsored other community arts organisations such as Tracks Dance, Browns Mart, the Darwin Symphony Orchestra, the Deckchair Cinema, the Darwin International Film Festival, Off the Leash and SPUN (a live story-telling event).

Adding to his already busy workload, CEO of NT Airports Ian Kew stepped into the role of Chair of the Darwin Festival for 2017. Ian is passionate about the arts and about Darwin International Airport supporting the art community.



\$40,000

RAISED FOR VARIETY NT AT OUR ANNUAL CHARITY GOLF DAY IN 2016



Annual charity golf day

The annual Darwin International Airport Charity Golf Day not only attracts an enthusiastic crowd of the airport's friends, staff and stakeholders, it helps raise much-needed funds for a worthy cause.

In 2016, the golf day raised \$40,000 for Variety NT. It was the event's 10th anniversary as well as the 25th birthday of Variety NT. The funds assisted Sunshine Coaches by providing crucial modifications and upgrades to vehicles for schools that service two Northern Territory communities: Palmerston Senior College and Shepherdson College on Elcho Island.

Alice Springs

In the Red Centre, the sponsorship program diversified to include support for the Chamber of Commerce NT, as well as key tourism and sporting events.

In 2016, the Alice Springs Airport sponsored the 30th Masters Games. Alice Springs and Tennant Creek airports both participated in and supported the Chamber of Commerce NT's annual charity golf days. ASA also secured naming rights for the Alice Springs Airport Tourism Central Australia Awards ceremony and the annual Chamber of Commerce Customer Service Awards. It also sponsored the Imparja Cup Ladies Indigenous team to raise awareness of domestic violence.

In both Darwin and Alice Springs, corporate giving was again a focus for staff and management in 2016–17. Not only did NT Airports continue a workplace

donation system established to help raise much-needed funds for worthy charities throughout the year, the Corporate Giving Committees also supported a range of organisations and individuals who needed assistance for events, equipment or venue support. In 2016–17, these beneficiaries included Dawn House, the Nightcliff Seabreeze Festival, the Secret Women's Business Fishing Competition and Fireflies volleyball team.

Through its programs in Alice Springs and Darwin, NT Airports was also a proud supporter of iconic theatre venues, festivals large and small, sporting events, tourism awards and companies with community at their heart.

Community engagement is at the heart of the Airport Development Group. Sponsorships and corporate giving help us stay connected to the people living in the Northern Territory.



Community engagement is at the heart of the Airport Development Group. Sponsorships and corporate giving help us stay connected to the people living in the Northern Territory.

Financial performance report

Income statement

	2015 \$'000	2016 \$'000	2017 \$'000
REVENUE			
Aeronautical	72,004	70,807	71,591
Trading	15,632	19,315	18,831
Property	18,465	19,545	21,004
Other income	8,542	10,948	10,650
Total Revenue	114,643	120,615	122,076
Operating Expenses	43,771	45,974	43,186
EBITDA*	70,872	74,641	78,889
Margin	61.8%	61.9%	64.6%
Increments/(decrements) in fair value of investment properties	7,337	5,833	800
Net gain on interest rate swap contracts	59	1,649	9,973
Depreciation and amortisation	(16,657)	(19,022)	(38,081)
Impairment expense - infrastructure assets	(6)	(171)	(64)
Impairment of goodwill			(3,072)
Finance costs	(20,178)	(23,340)	(26,276)
Net Profit/(Loss) Before Tax	41,428	39,591	22,170
Income Tax (Expense) Benefit	(11,031)	(8,932)	(12,993)
Net Profit/(Loss) After Tax	30,397	30,659	9,177

* EBITDA represents earnings before interest expense, tax, fair value adjustment on investment property, unrealised gains, depreciation and amortisation.

Interest Rate Management

The consolidated entity refinanced its senior debt facility in June 2016 with facility A having a 5-year term, facility B having a 7-year term and facility C having a 3-year term. In addition, two senior secured notes having a 10- and 12-year term were established. Facility A and B along with the two senior secured notes were used to repay previous debt, while facility C will be used to fund the ongoing aeronautical capital expenditure requirements of the consolidated entity.

The group manages its exposure to interest rate fluctuations using interest rate swaps.

Loan facilities A, B and C are interest only, and interest is charged at the bank bill rate plus a margin that is determined by the interest coverage ratio. Interest is generally payable quarterly.

Senior secured notes represent a secured US Private Placement issuance denominated in Australian dollars. Interest is payable semi-annually at fixed interest rates.

Balance sheet

year end 30 June

	2015 \$'000	2016 \$'000	2017 \$'000
Cash	10,797	11,704	18,245
Total Assets	554,326	860,089	866,787
Interest Bearing Liabilities	405,640	444,414	485,714
Total Liabilities	487,701	609,078	647,888
Total Equity	66,625	251,011	218,899
CAPITAL SPEND			
DIA	39,104	20,887	26,406
ASA	2,187	4,388	4,143
TCA	81	193	69
AFP	-	3,510	10,054
Total	41,372	28,978	40,672
Life to date capital spend (since 1998) inc. AFP Trust	355,242	392,893	433,564

Cash Flow

NET CASH FLOWS FROM OPERATING ACTIVITIES

\$47.2m

(2016: \$40.2m)

After funding capital expenditure cash balances increased by \$6.5 million to \$18.2 million (2016: Increased by \$0.9 million).

There has been a net increase in Total Assets resulting from:

An increase in the fair value of investment properties of \$0.8 million.

A increase in infrastructure, plant and equipment being the net impact of asset additions/disposals and depreciation.

In 2016 a revaluation model was adopted for ADG's terminal buildings and subsequently the terminal buildings were revalued at fair value.

Annual Report for the 12 months to 30 June 2017

The annual report for the 12 months to the 30 June 2017 comprises:

- director's report
- auditor's independence declaration
- financial report
- director's declaration
- independent auditor's report to members

The annual report is available on the website www.ntapl.com.au or from Darwin International Airport.

Fast facts

Financial year ending	2015 \$'000	2016 \$'000	2017 \$'000
PASSENGERS			
DIA	2,218,000	2,216,000	2,246,000
ASA	599,000	619,000	633,000
TCA		2,900	4,800
Total	2,817,000	2,837,900	2,883,800
LANDED TONNES			
DIA	960,000	930,000	944,000
ASA	230,000	249,000	251,000
TCA	6,600	7,600	8,500
Total	1,196,600	1,186,600	1,203,500
AERONAUTICAL CHARGES (EX GST)			
Passenger facilitation Charge (\$/pax) **			
DIA	9.51	9.80	10.09
ASA	8.86	9.13	9.36
TCA	-	-	-
Airport Services Charge (\$/pax) **			
DIA	8.14	8.38	8.64
ASA	8.44	8.69	8.91
TCA	18.00	18.00	18.00
Landing Charges General Aviation \$/MTOW **			
DIA	23.64	24.35	24.96
ASA	23.64	24.35	24.96
TCA	25.13	25.88	26.53
REVENUE \$000 ***			
DIA	80,419	84,148	86,525
ASA	17,491	18,562	17,747
TCA	667	685	728
Other	(76)	(45)	(78)
Total ADG	98,501	103,350	104,922
AFP Trust	3,280	3,729	4,106
Total all entities	101,782	107,079	109,028
EBITDA \$000			
DIA	55,043	59,722	63,006
ASA	12,811	13,333	12,536
TCA	384	384	415
Other	0	(1,472)	0
Total ADG	68,238	71,967	75,956
AFP Trust	2,634	2,674	2,934
Total all entities	70,872	74,641	78,890

Financial year ending	2015 \$'000	2016 \$'000	2017 \$'000
NET PROFIT BEFORE TAX			
DIA	32,771	32,907	11,187
ASA	3,461	5,340	(4,642)
TCA	366	201	337
Other	1,049	178	9,973
Total ADG	37,647	38,626	16,855
AFP Trust	3,780	964	5,315
Total all entities	41,428	39,591	22,170
CAPITAL EXPENDITURE \$000			
DIA	39,101	29,985	26,406
ASA	2,187	4,388	4,143
TCA	81	193	69
Total ADG	41,369	34,566	30,617
AFP Trust	8,654	3,510	10,054
INVESTMENT PROPERTY MOVEMENT IN FAIR VALUE			
DIA	5,781	5,139	(2,130)
ASA	(335)	1,312	(622)
Total ADG	5,446	6,451	(2,752)
AFP trust	1,892	(618)	3,552
Total all entities	7,337	5,833	800
AIRPORT DEVELOPMENT GROUP			
Cash	10,499	11,503	17,822
Total assets	521,406	825,177	817,598
Interest Bearing Liabilities	387,331	427,370	456,809
Total Liabilities	467,618	587,197	616,156
Total Equity	53,788	237,980	201,442
Net cash from operating activities	33,028	37,945	45,503
AFP TRUST			
Cash	298	202	423
Total assets	32,920	34,912	49,190
Interest Bearing Liabilities	18,309	17,044	28,905
Total Liabilities	20,084	21,881	31,733
Total Equity	12,837	13,031	17,457
Net cash from operating activities	1,001	2,245	1,672
EMPLOYEES			
DIA	74	66	68
ASA	14	14	14
TCA	1	1	1
Total ADG	89	81	83

** as at 30 June | *** excludes safety and security charge revenue | AFP Trust Deeds signed 5 August 2010

**Darwin International Airport**

PO Box 40996
Casuarina NT 0811
t 61 (0) 8 8920 1811
e information.drw@ntairports.com.au
darwinairport.com.au
ABN 87081258157

Alice Springs Airport

PO Box 796
Alice Springs NT 0871
t 61 (0) 8 8951 1211
e information.asp@ntairports.com.au
alicespringsairport.com.au
ABN 19081258246

Tennant Creek Airport

PO Box 35
Tennant Creek NT 0861
t 61 (0) 8 8962 2894
e information.tca@ntairports.com.au
tennantcreekairport.com.au
ABN 42081258844