

Christchurch International Airport Limited

Cost of Service

2002/03 BUDGET \$		2003/04 BUDGET \$
56,040,000	Revenue	57,852,000
19,563,000	Maintenance and Operating Costs	20,989,000
4,811,000	Financing and Interest Costs	4,504,000
9,750,000	Depreciation	10,635,000
34,124,000	Total Expenditure	36,128,000
21,916,000	Net Surplus Before Taxation	21,724,000

Net Surplus Before Income Tax

Projected Operating Surplus Before Taxation 2004/05	(21,955,000)
Projected Operating Surplus Before Taxation 2005/06	(23,526,000)

Capital Expenditure

Projected Capital Expenditure 2003/04	11,852,000
Projected Capital Expenditure 2004/05	26,700,000
Projected Capital Expenditure 2005/06	40,700,000

Nature and Scope

- Operating Christchurch International Airport for commercial and non-commercial aviation users in accordance with its aerodrome licence.
- Providing appropriate Airport facilities including runways, taxiways, turnouts and aprons in co-operation with the Airways Corporation and other airport users and in accordance with actual and forecast market demand.
- Generating non-aeronautical revenue by providing for associated services and facilities meeting the needs of air travellers.

- Promoting Christchurch International Airport as a major destination for international air services, thereby attracting additional in-bound and out-bound flights.

The Company is responsible for 727 hectares of land providing aerodrome facilities for 41,500 scheduled aircraft departures involving approximately 4.6 million passengers and 32,000 tonnes of international freight. It provides a mixture of commercial and industrial buildings to satisfy the accommodation requirements of airport users.

Relationship to the Council

Christchurch International Airport Limited is a private company owned by Christchurch City Holdings Limited (75%) and the Crown (25%). The Christchurch City Council exercises influence on the Company through the negotiation of an annual Statement of Intent.

For a list of the Company directors see page 221.

The Council's interest in this Company is in accordance with its Strategic Objective F4 (see page 13).

Overall Objective

Ensure economic benefits for Christchurch by providing the tourist, business traveller and airfreight gateway to the South Island and Antarctica through operating Christchurch International Airport as a successful business at internationally competitive standards of quality, efficiency and profitability.

Objectives for 2003/04

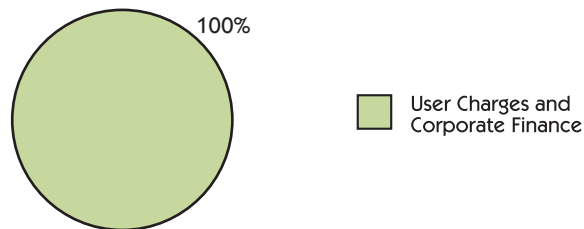
1. Achieve through service provision and promotion targeted aircraft, passenger and international airfreight movements.
2. Maintain acceptable safety standards.
3. Achieve projected dividend payments.

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Performance Indicators

1. Record at least 41,870 aircraft departures and 4.9 million passenger movements.
2. 100% compliance with the standards and conditions laid down in the aerodrome licence issued by the Civil Aviation Authority.
3. Subject to Directors' recommendation, a dividend payment of \$8,524,800 (CCC's 75% share equals \$6,393,600).

Sources of Funding



Ready for take off.



The International Departure Lounge.