DAA

Annual Report 2009

Údarás Aerfort Bhaile Átha Cliath cpt

Dublin Airport Authority plc

Críochfort Terminal 2

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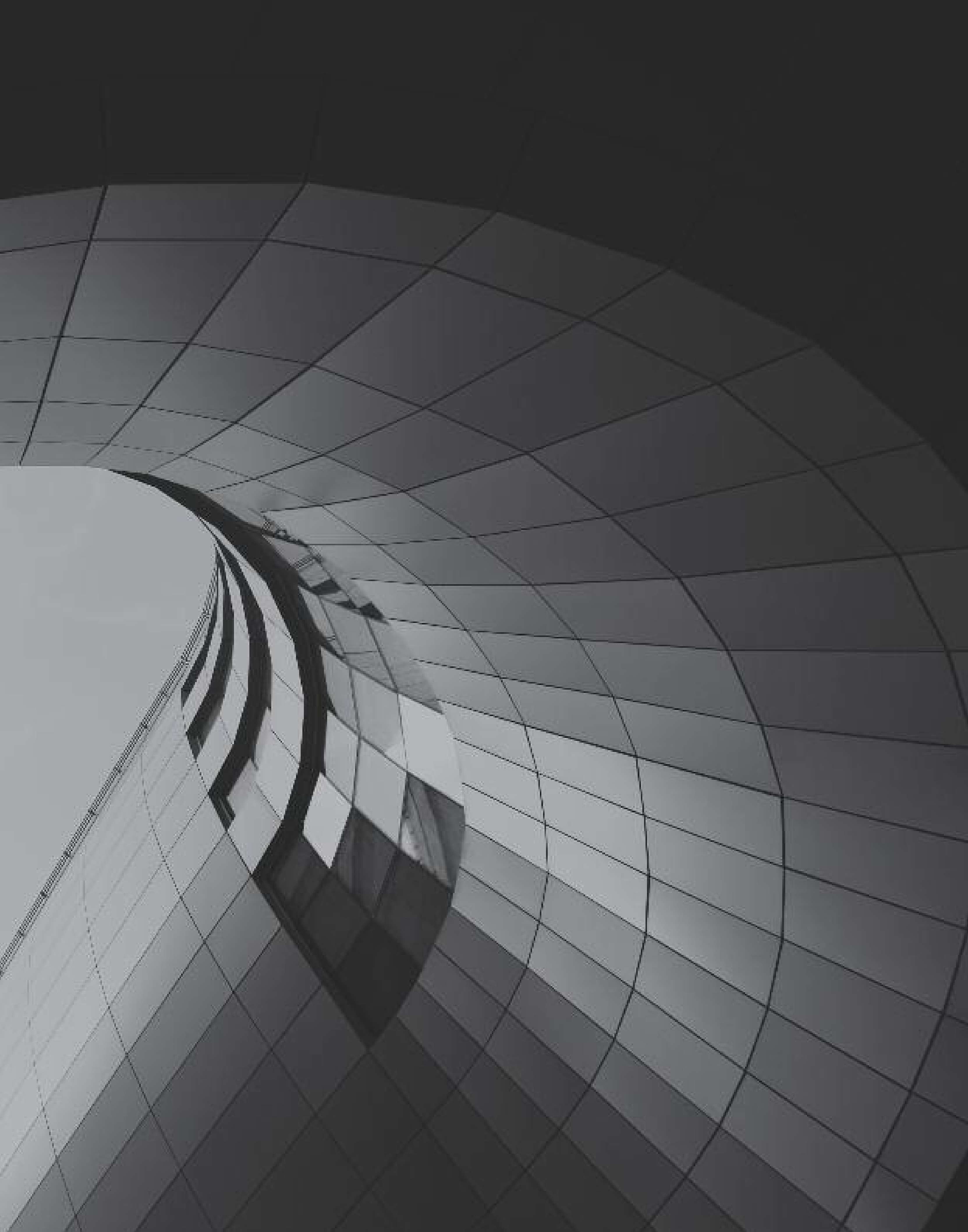
2009

Dublin Airport Authority plc

Annual Report and Financial Statements



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Board of Directors
Dublin Airport Authority plc

Peter Barrett
Peter began his career in Andersen Consulting (Accenture) before moving to GPA Group in the late 1980s where he specialised in cross-border tax leasing and securitisations. In 1994, Peter joined KBC Bank as Head of Aviation Finance. Peter joined RBS Aviation Capital in 2001 as Chief Operating Officer and became Chief Executive in March 2004. Peter has a Bachelor's degree in Engineering. RBS Aviation Capital is the aviation operating lease subsidiary of the Royal Bank of Scotland.

Declan Collier
Declan Collier joined the Dublin Airport Authority as Chief Executive in April 2005. Prior to his appointment, Declan worked all his professional career with ExxonMobil, where he held various senior management positions in Ireland and the UK, including, from 2000 to 2002, as Chairman and lead Country Manager, Esso Ireland. Declan is a member of the World and European Boards of Airports Council International. He is a member of the Board of Directors of Allied Irish Banks.

Gerard Collins
Gerard Collins is a former senior Irish politician. During his ministerial career, he served as Minister for Communications, Minister for Justice and Minister for Foreign Affairs. Gerard is also a former President of the EU Council of Ministers, former Vice President of the European Parliament, a member of the Transport Committee and former Co-Chairman of the Anglo-Irish Conference.

Michael Lenane
Michael Lenane was appointed to the Board in October 2009 under the Worker Participation (State Enterprises) Acts, 1977 to 2001. Michael holds a BSc (Hons) in Business and Information Technology from Trinity College and is a Chartered Member of the Institute of Logistics and Transport (CMILT). Michael joined the Company in 1980 and now is the Apron Operations Manager in Dublin Airport. Michael is a member of IMPACT.

Mary McCabe
Mary McCabe was appointed to the Board in December 2008 under the Worker Participation (State Enterprises) Acts, 1977 to 2001. Mary joined the Company in 1998 and works in the Cleaning Department. Since 2007 Mary has held the position of Vice President of SIPTU's Civil Aviation Branch and for over nine years has represented the Cleaning Department at local and branch level.

Barry Nevin
Barry Nevin was appointed to the Board in March 2005 under the Worker Participation (State Enterprises) Acts, 1977 to 2001. Barry joined the company in 1990 and works in the Airport Police/Fire Service. He is a member of the National Executive of SIPTU, the Irish Congress of Trade Unions Worker Directors Group and the Dublin Airport Authority Group of Unions.

David Dilger, Chairman

David Dilger is a former Chief Executive of the international food group Greencore. During more than a decade at the helm of Greencore, David led the transformation of the company from a largely Irish-focused producer of sugar and malt into a major international convenience food group with 8,000 employees in four countries. Before joining Greencore, David was Chief Executive of Food Industries and prior to that he was Group Finance Director with Woodchester Investments. A graduate of Trinity College Dublin, he is a former member of the Bank of Ireland Court of Directors and a former director of Enterprise Ireland.

Bill Cullen

Bill Cullen is Chairman of Glencullen Holdings Limited. A successful author, he is also President of the Irish Youth Foundation, where he has been the principal driver of successful fundraising campaigns for youth projects throughout Ireland.

Thomas Guilfoyle

Thomas Guilfoyle was appointed to the Board in October 2009 under the Worker Participation (State Enterprises) Acts, 1977 to 2001. A qualified electrician, Thomas joined the company in 2001 and has been working in the Maintenance Department in Shannon Airport for the past nine years. Thomas was the TEEU shop steward in Shannon Airport for four years and is currently Chairman of the Airport Group of Unions.

Sir Michael Hodgkinson

Sir Michael Hodgkinson joined the British Airport Authority (BAA) in 1992 as Group Airport Director, having held senior management positions in the motor and food industries in Britain and Europe. During his 12 years at BAA, including from 1999 to 2003 as Chief Executive, he had responsibility for expansion planning at BAA's airports including Heathrow and Stansted. He is Deputy Chairman of TUI Travel and a board member of Transport for London and Crossrail.

Brian O'Connell

Brian O'Connell is Chairman of Shannon Airport Authority. He is Managing Director of Westpark Shannon and Co-Founder and Chairman of Atlantic Way. Brian was educated in Mungret College, Co. Limerick. He commenced his general contracting career in 1975, and successfully managed numerous projects throughout the Mid-West Region, as well as in Dublin and Cork. In February 2009, Brian was appointed to the Mid-West Task Force.

Marie O'Connor

Marie O'Connor has been a partner in the Asset Management practice in PricewaterhouseCoopers since 1986.

Gerry Walsh

Gerry Walsh is Chairman of Cork Airport Authority. Gerry is an independent business advisor who provides strategic support to the boards and senior management teams of a number of Irish and international companies. As Chief Executive of Bord Gáis from 2000 to 2007, he led the transition of the company to an all-Ireland energy company providing both gas and electricity to customers throughout the island of Ireland. He is an engineering graduate of UCC.

Airport charges at Dublin Airport have fallen by more than 30% in real terms over the past 20 years and have not adequately remunerated the airport operator for its investment in the asset base or for the services it provides to customers.

Chairman's Statement
David Dilger

The year under review has been a difficult one, not just for the Dublin Airport Authority (DAA) but for the entire Irish economy.

Economic output declined significantly during 2009, as the full impact of the recession took hold. The fall off in consumer spending was marked, as unemployment levels increased significantly and those still in employment decided to save rather than spend.

While the European and US economies struggled to emerge from recession, the slowdown in the domestic economy was mirrored by the downturn in the UK, which is our nearest trading partner and a key provider of air traffic into and out of the Republic of Ireland. Passenger traffic at our three Irish airports at Dublin, Cork and Shannon declined by 13% to 26.1 million last year, reflecting the slowdown in air travel due to the economic downturn. The traffic performance reflected the fact that the Irish economy was among the hardest hit by the recession. Overall passenger traffic at European airports for 2009 decreased by 6% compared with 2008, with only one of the top 20 airports recording growth.

Despite the fall in passenger traffic, our Irish airports continue to play a pivotal role in the Irish economy. Last year, our three airports handled 96% of all international air traffic to the Republic of Ireland and 75% of all air traffic to the island of Ireland.

It is understandable that in the midst of a major downturn, an important and natural focus is on current challenges. The DAA has taken considerable steps to address its cost base and has agreed and already begun to execute a Cost Recovery Programme (CRP) with its employees, which will generate annual payroll savings and efficiencies of €38 million. The plan includes pay reductions for all staff earning the annual equivalent of more than €30,000, a voluntary severance scheme which will see about 300 employees leaving the company and changes in work practices. Gaining agreement on this programme represents a major achievement for the company and its entire workforce. In addition, the CRP will see further reductions in operating costs.

However, for an airport operator with a strategic vision, it is essential to recognise that the current recession, which has had a significant impact on passenger numbers, will end. The long-term pattern for air traffic shows that in the wake of every economic or geopolitical shock, there is a subsequent return to significant growth.

As providers and operators of key elements of national infrastructure, the Board and management of the DAA should have a sagacious view of the long-term requirements of the business and how best to meet the needs of the Group's multiple customers and stakeholders.

As an open, export-led economy, with no land link to continental Europe, Ireland relies heavily on its aviation infrastructure to support the requirements of the business and tourism sectors. The traffic that passes through our airports supports more than 100,000 jobs and we provide vital hubs for the financial well-being of the entire economy.

The decisions that are made or not made in relation to airport operations and developments have consequences that may reverberate

throughout our business and the Irish economy for decades to come. It is vital that we make the appropriate long-term decisions in relation to airport infrastructure and capacity. In order to do this, it is equally critical that we have a considered and coherent regulatory regime that supports and mandates those appropriate decisions. However, it is now clear that the current regulatory system that governs Dublin Airport is not working to achieve its key economic objectives laid down by Government.

Firstly, airport charges appropriate for the future should not be calculated by reference to airport charges which may have been deemed appropriate in the past. Secondly, vital airport infrastructure mandated and required by Government should be fully and fairly remunerated. Thirdly, the reasonable needs and requirements of passengers should be given at least equal priority to the perceived needs and requirements of individual airlines – all of which have many other challenges to occupy them over and above the adequacy and reasonableness of airport infrastructure provided for the benefit of their passengers.

Airport charges at Dublin Airport have fallen by more than 30% in real terms over the past 20 years and have not adequately remunerated the airport operator for its investment in the asset base or for the services it provides to customers.

Dublin Airport's charges are highly competitive compared to the airport's European peer group. Dublin's proposed maximum airport charge for 2010, including the proposed increase to remunerate the cost of Terminal 2 (T2), as stipulated by the Commission for Aviation Regulation (CAR), is 25% lower than the average €12.50 charge levied in 2008 by comparable European airports such as Stansted, Gatwick, Brussels, Copenhagen, Lisbon, Zurich, Vienna, Munich, and Oslo. There are very few other Irish services that will charge 25% less this year than their European peers were charging two years ago.

Maintaining principles where airport charges are kept lower than the reasonable cost of providing the service, and investment in infrastructure necessary to efficiently operate the airport is not remunerated, has a direct and unavoidable financial consequence. In a State-owned enterprise such as the DAA, it ensures the sustained transfer of wealth from the State to the shareholders of privately-owned airlines.

The current regulatory system places an over reliance on the views of airlines. Airlines are run for the benefit of their shareholders, which is as it should be. Therefore, the interests of airlines are solely commercial and their views cannot be properly deemed a proxy for either the views of passengers or the best interests of the nation.

The DAA has the task of operating and developing its three airports on behalf of the State, which is its ultimate shareholder. As infrastructure operators, we must ensure the efficient operation of our three Irish airports and also plan for their appropriate long-term development.

The DAA also has a strong commercial mandate and this requires the company to be fairly remunerated for the capital that we invest. We receive no funding from the State and, in fact, are a net contributor to the Exchequer in the form of taxes and dividends.

Our current €1.2 billion investment programme at Dublin Airport, which is being delivered cost effectively and on budget, is largely funded by borrowings from the European Investment Bank (EIB) and by international debt markets. Both of these providers of capital have to be fairly remunerated, as well as fully repaid.

Ireland's return to economic growth will be contingent upon a resurgent export industry, renewed foreign direct investment and the expansion of the knowledge economy. Modern efficient airport infrastructure that provides direct links to Ireland's key trading partners – both traditional and new markets – is essential and the national interest is too often overlooked within the current regulatory regime.

The planning horizons for investment in airport infrastructure are necessarily longer than those of our airline customers. Economic regulation should require Dublin Airport to be operated as efficiently as possible, and we welcome such challenging regulation.

However, the current downturn and the resultant reduction in passenger numbers should not be used as an excuse to either underestimate or to ignore the long-term requirements of the Irish aviation sector. Previous periods of underinvestment led to Dublin Airport experiencing severe congestion and a significant reduction in service quality. Poor, over-stretched facilities severely compromised the passenger experience and service quality at Dublin Airport and also damaged Ireland's international competitiveness and its ability to attract business from abroad.

The main runway at Dublin Airport, which facilitated 20 years of growth in passenger traffic, was planned and constructed during the 1980s. If the current regulatory regime – and its over reliance on the views of airlines rather than all airport users – had existed then, it is highly unlikely that such an investment would have been sanctioned and Dublin would have missed out on much of that growth.

Like the runway of the 1980s, T2 is being built for decades to come and will be used by passengers long after the current economic downturn has been replaced by the next sustained period of prosperity to which, of course, T2 will contribute. T2 is a cost effective, user friendly facility that will transform the passenger experience for all those using Dublin Airport. Its advent will stimulate growth from Dublin and attract new business, new airlines and new routes for Dublin. Etihad Airways, for example, has recently announced the expansion of its services into Dublin and has confirmed that it intends to open a business lounge in the new terminal. Others will follow.

The improved passenger experience offered by T2 was central to Etihad's decision to grow its services from Dublin. The new terminal and the new US Customs and Border Protection (CBP) facility that will be located in Pier E are also encouraging other airlines to examine the opportunities available at Dublin Airport.

Similarly, the new CBP service in Shannon is also creating new markets for its operation. British Airways is using Shannon CBP for its all-business class London City Airport to JFK service and the recent extension of CBP to general aviation should also bring additional business. The new terminal in Cork also creates the foundations for expanded services in the future.

By investing prudently in improved facilities, in our staff and in our management systems, we are laying the foundations of future growth and prosperity, not just for the DAA, but also for the wider Irish economy. The DAA will continue to strive to offer the best service at the lowest economic price to all our customers. We will also continue to treat all customers fairly and equitably, despite demands that may arise to favour one customer over another.

It was an honour to have been asked to become Chairman of the DAA and it is both a privilege and a challenge to lead a team that is entrusted with, and is passionate about, the management and operation of such vital elements of national infrastructure.

I would like to thank the Minister for Transport, Noel Dempsey TD and Tom O'Mahony, Secretary General of the Department of Transport and all their colleagues for the help and advice and constructive input over the past 12 months. My thanks also to the Minister for Finance, Brian Lenihan TD, and Kevin Cardiff, the Secretary General of the Department of Finance and all their colleagues for their assistance.

I also wish to thank my colleagues on the Board for their commitment, advice and support. I would also like to take this opportunity to formally recognise the contribution made by Des Cummins, Mary Davis, Marion Keating and Anthony Spollen, all of whom completed their term as a director of the company since my appointment as Chairman.

Finally, I would like to thank the entire management and staff of the DAA for their professionalism and commitment over the past 12 months at Dublin, Cork and Shannon airports and at Aer Rianta International and its many overseas locations.

David Dilger, Chairman
12 March 2010

The fall in passenger numbers at Dublin, Cork and Shannon airports closely mirrored the drop in overall Irish retail sales during 2009, which decreased by 14.1% during the period.

Chief Executive's Review
Declan Collier

The global economic downturn had a significant impact on the financial performance of the Group in 2009. The recession, which was felt throughout Europe and North America, was particularly severe in the Irish market and contributed to lower passenger numbers and reduced spending.

The severity of the downturn is reflected in the fact that Irish GDP is estimated to have declined by up to 7.5% last year following on from a 3% decline in 2008. The Irish economy has been particularly hard hit by the downturn, as the OECD estimates that output contracted by 4% in the Eurozone and by 2.5% in the United States during 2009.

The problems facing the Irish economy were exacerbated by the continued recession in the UK and the strength of the Euro against Sterling, and the US Dollar, both of which had a serious impact on the competitive performance of the domestic economy.

The poor economic conditions, both domestically and internationally, permeated through the entire Group as lower passenger numbers and weaker retail sales had a material impact on the business.

Passenger numbers at our three Irish airports declined by just under 13% to 26.1 million during the year. The fall in passenger numbers at Dublin, Cork and Shannon airports closely mirrored the drop in overall Irish retail sales during 2009, which decreased by 14.1% during the period. Retail sales are a strong barometer of domestic economic activity, as they account for about half of all Irish consumer spending.

Turnover declined by 13% to €547 million. Group profit, excluding exceptional items, decreased by 51% to €38 million, while EBITDA (earnings before interest, taxation, depreciation and amortisation) declined by 19% to €126 million. The impact of exceptional items such as the costs associated with a voluntary severance scheme and an asset impairment charge meant the Group recorded an after-tax loss of €13 million for the year, compared to a profit of €47 million in 2008.

Falling passenger numbers and a reduced consumer propensity to spend eroded the Group's gross profit during the year as it declined by 10% to €417 million.

The retailing arm of our international business Aer Rianta International (ARI) also experienced a challenging year in 2009. From the beginning of the year, sharp reductions in both the number of airline passengers and passenger spending were recorded at overseas airports where ARI operates retailing concessions, particularly in Russia and the Ukraine. These factors, together with provisions in relation to ARI's balance sheet led to a sharp reduction in profits in the year.

The Group has reacted to the changed economic circumstances with a series of measures that will significantly reduce its cost base. Payroll costs, coupled with the cost of materials and services, were reduced by €18 million during the year under review. Following several months of negotiations, a Cost Recovery Programme (CRP) generating €38 million in payroll savings and other efficiencies was agreed with unions representing the vast majority of the Group's employees at the Labour Relations Commission in December.

The programme includes a voluntary severance scheme, pay reductions for all staff earning the annual equivalent of more than €30,000, and a wide

range of other measures. In recognition of the significant contribution that employees are making to the Group, pay levels may be fully restored in the future, if certain agreed financial targets are met.

Post year-end, staff voted by an overwhelming majority to accept the CRP with 71% of those who voted in a union ballot across the Group's three Irish airports endorsing the plan. Voting to accept a reduction in one's pay is a hugely difficult thing to do, and the employees that supported the Group in its efforts to address its cost base deserve praise and respect in equal measure.

The Group is committed to the full implementation of the cost recovery proposals on a timely basis and the full impact of these savings will be seen during 2010. Together with other savings in operating costs, this will deliver a substantial reduction in our cost base. The estimated cost of the programme, which chiefly relates to the voluntary severance package, resulted in a €46.5 million exceptional charge to the profit and loss account in the year under review.

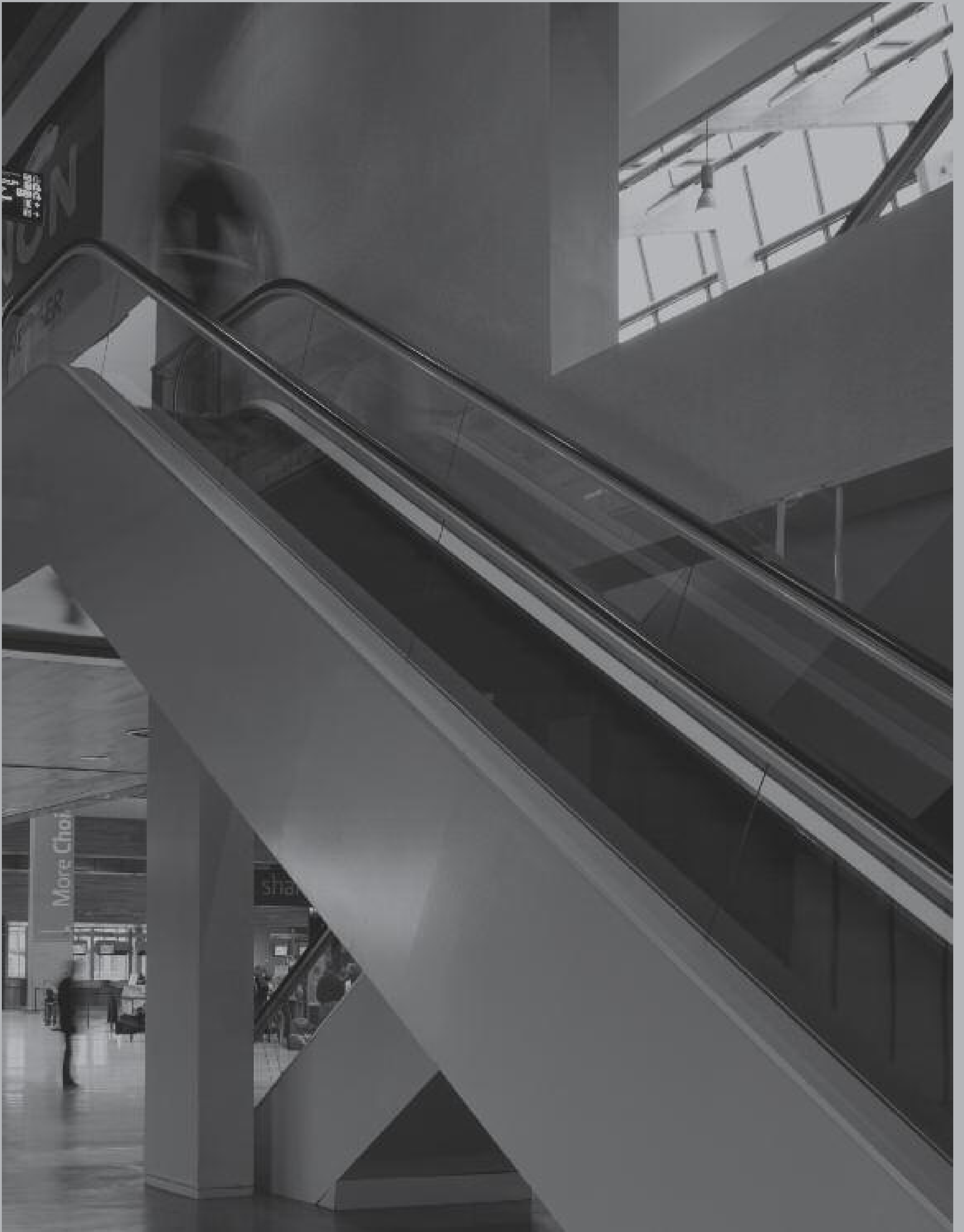
While it is prudent to reduce costs during the current difficult economic climate, the Group continues to invest wisely in building new and improved facilities for its customers. These investments will benefit the Group over the longer term and will also stimulate economic activity in Dublin, Cork and Shannon and indeed throughout the entire Irish economy.

The DAA receives no Exchequer funding. Airport charges, commercial revenue and borrowings are its only sources of income. To help fund the necessary capital investments in new and improved facilities, gross debt was €1.25 billion at year-end. The debt has a well distributed maturity profile, with an average maturity of nine years. Currently, all drawn debt is 100% fixed carrying an average year-end interest rate of 5.8%. The Group has committed undrawn facilities of €560 million, including a €260 million facility from the European Investment Bank (EIB). Based on planned future investment levels, these facilities could secure the Group's funding position until 2014.

The Group had cash balances at year-end of €638 million compared to €879 million 12 months previously. This position reflected Group capital expenditure of €523 million during the year and the draw down of a €200 million facility from the EIB. It is expected that the cash position will decrease significantly during the remainder of 2010 as the Group completes construction of Terminal 2 (T2) at Dublin Airport and a number of other projects.

Since the year-end, Standard & Poor's Rating Services (S&P), in line with their recent decisions on many other peer European airports, changed DAA's long term corporate credit rating from A- to BBB+. The rating reflects S&P's assessment that the DAA's financial profile will weaken more significantly in 2010 than previously expected, mainly as a result of the significant fall in passenger numbers compared to other S&P rated airports, combined with the deteriorating economic position in Ireland for passenger traffic.

The negative outlook for the rating reflects S&P's view that a recovery



in traffic is uncertain at this stage, especially in the context of Ireland's current economic position.

Airport charges at Dublin Airport are independently regulated by the Commission for Aviation Regulation (CAR). CAR issued its final determination on charges at Dublin Airport for 2010–2014 in December and provided for a 33% increase in prices on a like-for-like basis over the five-year period.

Despite regular claims by vested interests in the airline industry, airport charges at Dublin Airport are very low by European standards. The increase stipulated by CAR would raise the maximum average passenger charge at Dublin Airport to an average maximum charge of €9.97 for the five years between 2010 and 2014. In 2008, the average passenger charge levied by Dublin Airport's European peers was €12.50.

The increase set out by the regulator does not adequately remunerate the DAA for the investment it has made in T2 and the many other capital projects at Dublin Airport. As stipulated by the regulator, the average maximum passenger charge at Dublin Airport will be €9.97 for the next five years. That €9.97 helps fund a €1.2 billion investment in improved infrastructure and also contributes towards the safe operation of Europe's tenth largest airport for international travel. It is worth noting that the airlines which claim that Dublin Airport has high charges regularly levy higher charges on passengers for a range of services such as web check-in, re-printing of a boarding card, use of a credit card to book a flight or checking in bags.

Transforming Dublin Airport

The year under review was the busiest to date for the Transforming Dublin Airport Programme. During 2009, almost €470 million was invested by the DAA in the ongoing programme to deliver new and improved facilities at Dublin Airport and close to five million work hours were expended on its various projects, including the new passenger terminal, T2, which will open in November 2010.

Very significant progress was made on T2 during the period as visitors to the airport can now readily observe when they drive through the heart of the new building en route to the existing terminal. By year end, in excess of 85% of the building programme for T2 had been delivered and more than 2,200 construction workers were on site, making it by far the largest construction project in Ireland. The T2 programme also supports an estimated 6,500 additional jobs offsite in manufacturing, transport and various services.

The T2 project is on schedule for handover by the construction team despite challenges to its delivery such as severe weather conditions and a nationwide work stoppage by electricians last summer.

The DAA's Operational Readiness and Transitioning (ORAT) team was established in mid-2009 and will take responsibility for the building from the end of April 2010. The ORAT programme involves comprehensive familiarisation and training for all those who will work in the new terminal and the commissioning and testing of the terminal's equipment and systems. ORAT will culminate in "live" trials of the new facility in the autumn and planned full operation of T2 from November.

While T2 is the most high profile piece of infrastructure being delivered by the Transforming Dublin Airport Programme, major progress was also made on many of the other projects designed to enhance the current customer experience at the airport and to enable it to efficiently handle more than 30 million passengers per annum in the future.

In this context, the opening of the extension to the existing terminal last May represented not only a significant milestone in itself, but also gave passengers a foretaste of the much improved standards they can expect to enjoy when T2 opens to the public.

Delivered under budget, this €53 million extension to Terminal 1 provides additional circulation space for passengers and a range of new retail and catering facilities for outbound passengers en route to Piers A and D. Comfort levels were also enhanced for inbound passengers using the same piers last year with delivery of additional space at the Garda National Immigration Bureau facility.

Other areas where significant progress was made during 2009 include the airport's internal campus roads and utilities upgrade projects. The delivery of new, widened and resurfaced roads throughout the airport campus and a new network of power, communications, water and waste pipes will be completed by the middle of 2010. We have also continued planning and preparatory work for Dublin Airport's proposed new parallel runway.

Overall, almost 500,000 work hours were expended during 2009 on capital projects at Dublin Airport other than T2. These included the provision of upgraded aircraft stands on the airfield and new safety installations on the runway; delivery of a new coach park adjacent to the airport church and environmental initiatives such as the ongoing campus-wide water attenuation project.

A key priority for the DAA is its health and safety programme and the provision of optimal protection for all workers on its various construction sites. While the DAA is mindful of the need to maintain the utmost vigilance in this regard, it is satisfied with the health and safety record of the overall Transforming Dublin Airport programme to date.

A key benchmark in this context is the programme's Accident Frequency Ratio (AFR) – the number of accidents per 100,000 hours worked that required the injured person to remain off-site for a period of more than three days. The AFR for the overall Transforming Dublin Airport programme during 2009 was 0.28, which is significantly lower than the national average and also better than the UK average for the construction sector.

The DAA is determined to maintain this health and safety performance and improve it if possible as the investment programme at Dublin Airport moves into its fifth year and as the countdown continues to the completion and opening of the airport's new passenger terminal later this year.

Dublin Airport

The year under review saw the first decline in traffic at Dublin Airport since 1991. A total of 20.5 million passengers passed through the airport last year, representing a decline of 13%.

Flights to continental Europe saw a 13% decline as 10.4 million people travelled between Dublin and Europe as Ryanair in particular, Aer Lingus, and other carriers reduced capacity. UK traffic decreased by 12% to just under 7.6 million passengers as Ryanair reduced capacity, British Airways withdrew from the London market and BMI scaled back its services to Heathrow.

The transatlantic market declined by 8% during 2009 as Aer Lingus reduced capacity and 1.6 million passengers travelled between Dublin and North America.

The domestic market declined by almost 25% to just over 630,000 passengers, as this sector was hit by the dramatic downturn in the Irish economy and increased competition from road and rail transport. Passenger volumes between Dublin and other international locations such as North Africa and the Middle East declined by 4% to 240,000 due largely to a fall in charter traffic to North Africa.

A total of 63 airlines operated to 190 destinations from Dublin Airport last year. Dublin Airport's largest airline, Ryanair, increased its market share to 43% last year from 42% in 2008, while Aer Lingus increased its market share from 34% to 36%. The airport's two largest customers now account for 79% of total traffic, up from 76% in 2008. The remaining 21% is divided between the other 61 airlines that operate services from Dublin Airport.

Post year-end, two projects to improve the customer experience were successfully completed as new way-finding signage was installed throughout Dublin Airport and the 168 boarding gates were re-named as the old alphabetical pre-fixes of A, B, C and D gates were replaced with a more logical numerical system.

Cork Airport

Passenger volumes at Cork Airport declined by 15% to just under 2.8 million last year, which was the first annual decline since 1991. Decreases were recorded across all market segments. On the domestic front, traffic continued to decline significantly on the Cork-Dublin route, with a 24% decrease recorded in 2009 to 336,000 passengers. Improved road and rail access continue to erode this route's attractiveness. The full completion of a new motorway between the two cities during 2010 is likely to impact further on this route.

The UK market was down 17%, with the greatest decline occurring in services to regional British cities. The London market, which accounts for about one third of Cork's overall traffic, fell by 5% in 2009. European traffic declined by 8% to 1.1 million passengers. Traffic on scheduled European services actually increased during the year; however the holiday charter market saw a significant decline.

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Aer Lingus, Cork's largest airline increased its market share from 40% to 47% during 2009. Ryanair's market share declined slightly to 28%. Polish carrier Wizz Air continued to grow its business from Cork and is now the third largest carrier operating from the airport.

Post year-end, Aer Lingus and Ryanair announced a range of flights to summer sun destinations from Cork as both airlines targeted the charter segment of the market. It was also announced post year-end that Aer Lingus' new franchise agreement with Aer Arann will see the launch of a new Cork-Glasgow route.

Shannon Airport

Almost 2.8 million passengers travelled through Shannon Airport last year, a 12% decline on the previous year. Terminal traffic – that is passengers who began or ended their journey at Shannon – declined by 14% to 2.4 million.

Transatlantic traffic declined by 23% to 442,000 passengers as carriers reduced capacity due to the economic downturn. European traffic declined by 13% to almost 900,000 passengers, while domestic traffic fell by 46% to 52,000 passengers. UK traffic was down by 7% to almost 1.1 million.

Shannon Airport opened Europe's first full US Customs and Border Protection (CBP) facility last summer and US-bound passengers can now undertake all necessary immigration, customs and agriculture inspections at Shannon before departure for the United States. The CBP service was extended to general aviation post year-end, opening up an important additional market for Shannon.

CBP is already delivering new business to Shannon and it is hoped that the airport's transit business will further increase with the availability of CBP. British Airways uses the facility twice daily as a transit stop on its new all-business class service from London City Airport to JFK in New York.

The DAA invested more than €28 million in capital projects at Shannon last year as it completed the new US Customs and Border Protection facility and made a number of upgrades in other areas.

During the year, Shannon Airport refused to accede to a number of unreasonable, non-negotiable demands made by Ryanair in an ultimatum on a possible new five-year agreement. Ryanair had failed to honour the contractual commitments within the existing agreement with Shannon Airport and was seeking even more generous terms for a new agreement. Services have to be commercially viable for both the airport operator and the airline but the non-negotiable demands made by Ryanair did not meet those criteria. Ryanair has said it intends to significantly reduce its operation at Shannon.

A joint marketing initiative was signed with Shannon Development aimed at boosting the region's economy. The new joint approach will focus on marketing and developing airline services from Shannon.

During the year, airport retailing at our three Irish airports was rebranded as The Loop. The Loop focuses on value, quality and excellent customer service and includes a price promise to never be beaten by downtown prices.

Commercial/Retail

Approximately 43% of Group turnover was derived from retailing and other commercial activities at the three Irish airports. Weak consumer sentiment coupled with the strength of the Euro against both Sterling and the US Dollar had an impact on trading during the year.

Total retail sales, including sales by concessionaires, at Dublin, Cork and Shannon airports declined by 17% to €244 million. The Group focused on innovation and value, with the launch of a number of new initiatives and the enhancement of existing offers.

During the year, airport retailing at our three Irish airports was rebranded as The Loop. The Loop focuses on value, quality and excellent customer service and includes a price promise to never be beaten by downtown prices. The Loop has been well received by passengers and further retail innovations will be launched later this year.

A new service was launched in May to allow customers travelling within the EU to shop at our airports prior to departure and collect their purchases on their return. The Shop & Collect service has proved hugely popular with passengers and by late December had recorded sales of more than €1 million.

New regulations governing the sale of tobacco products in the Republic of Ireland have placed the Group's Irish airports at a significant competitive disadvantage compared to their international competitors where such products continue to remain on the shelves in open view. This has caused a major drop in sales and a loss to the Irish Exchequer, as travellers – both from Ireland and overseas – are buying their tobacco products abroad rather than at Irish airports.

Turnover from car parking at our three Irish airports declined during the year. Significant progress was made with the company's online car park booking system for Dublin Airport. The volume of online bookings increased almost five fold during the year and proactive yield management has also benefitted the return from the car park operation. The Group intends to roll out an online car park booking service to Cork and Shannon airports.

Dublin Airport City

The DAA continued to progress its plans last year for Dublin Airport City, a proposed 350-acre commercial zone located on the company's non-operational land to the east of Dublin Airport.

While mindful of the current depressed nature of the commercial property market, the DAA still believes that the master-planned development of this strategic site over a 25-year timeframe will deliver significant benefits to the Irish economy as a whole and to Dublin Airport specifically, in the form of an alternative source of revenue.

The principal focus during the period under review was on progressing key aspects of the planning and governance arrangements for Dublin Airport City and on advocating the benefits of attracting cleantech-related organisations and activities into the first phase of the development.

In this context, the DAA is pleased to note the inclusion of Dublin Airport City's cleantech proposals in the Government-sponsored Report of the High Level Committee on Green Enterprise, published late last year.

Aer Rianta International

Aer Rianta International (ARI), a wholly-owned subsidiary of the DAA, manages airport retail operations overseas and holds minority shareholdings in a small number of overseas airports.

ARI had a challenging financial year in 2009 with profits of €13.4 million (before exceptional items), a reduction of 47% on the previous year. In addition, an asset impairment charge of €11.3 million was incurred during the year.

The reduction in profits reflected the impact of the global downturn with reduced passenger numbers and lower spends. ARI's travel retailing businesses in Russia and the Ukraine were also affected by the devaluation of local currencies.

Whilst we are seeing some modest improvements in terms of passenger numbers and retail spends in the CIS, competitive pressures in the market may result in continued dampened future profitability from this region.

During the year under review, ARI, with our local partner IDFS, was successful in its tender to operate the main duty free outlet at Delhi International Airport. When completed, the terminal at Delhi International Airport will be the second largest in the world. The new joint venture with the airport will operate 4,000 square metres of retail space at the new Terminal 3 for a 15-year period. The start-up phase of this project is underway and stores will open later this year. Terminal 3 has been designed to handle up to 34 million passengers per year.

In Cyprus, the new Larnaka International Airport, which is operated by the Hermes Airports consortium, was successfully opened in November. ARI's subsidiary Aer Rianta International (Middle East) owns 11% of Hermes Airports and also has a major role in the retail and food and beverage concessions at Larnaka Airport.

The scheduled opening of Terminal D (which was formally known as SVO3) at Moscow's Sheremetyevo International airport where ARI has secured a seven year contract was further postponed during the year. The new terminal is now expected to be fully commissioned later this year.

Thanks

Finally I wish to sincerely thank all of my colleagues at the DAA for their hard work and professionalism over the past 12 months. I would also like to express my gratitude to the Board of the DAA and to its Chairman, David Dilger, for their continued support and encouragement.

Declan Collier, Chief Executive
12 March 2010

2009 Financial Review

Group Financial Highlights	2009	2008	2007
Passengers			
Total ('000)	26,067	29,895	30,088
Growth (%)	-13%	-1%	8%
Profitability (€'m)			
Turnover	547	631	623
Growth (%)	-13%	1%	6%
Group EBITDA[1]	126	155	170
Growth (%)	-19%	-9%	17%
Group profit excluding exceptionals	38	78	109
Group (loss)/profit for the year	(13)	47	348
Cash Flow (€'m)			
Cash flow from operating activities	131	162	170
Cash flow before financing / liquid resources	(429)	(222)	171
Balance Sheet (€'m)			
Gross assets[2]	2,612	2,432	1,705
Shareholders' funds	977	1,009	977
Gross debt	1,254	1,067	481
Cash	638	879	516
Net debt / (funds)	616	188	(35)
Capital Expenditure (€'m)			
Capital expenditure additions	522	406	272
Key Ratios			
Group EBITDA: Net interest charge[3]	11.4x	18.2x	21.4x
Net debt: Group EBITDA	4.9x	1.2x	n/a
Group EBITDA: Turnover	23%	25%	27%
Return on average equity pre exceptionals[4]	4%	8%	13%

1 Group EBITDA comprises group earnings before interest, tax, depreciation, amortisation and exceptional items from group activities, excluding contributions from associated and joint venture undertakings.
2 Gross assets comprise fixed and current assets.
3 Net interest charge comprises Group net interest, excluding associated and joint venture undertakings.
4 Return on average equity is based on Group profit excluding exceptional items as a percentage of average shareholders' funds.

Profitability

The Group recorded a loss for the financial year of €13 million (post-tax), compared with a profit of €47 million in 2008. When exceptional items (net of tax) of €51 million (2008: €31 million) are excluded, Group profit for the year was €38 million (2008: €78 million). Group EBITDA for the year decreased by €29 million (-19%) to €126 million. This reflected a fall in gross margin contribution of €47 million associated with the weaker economic environment less operating cost savings (payroll and non payroll) of €18 million.

Passenger volume and growth

Passenger numbers at the three airports were 26.1 million, a decrease of 12.8%. Passenger numbers at Dublin Airport were 20.5 million, a decrease of 12.6%. At Shannon Airport passenger numbers declined to 2.8 million, a decrease of 11.8%. Passenger numbers at Cork Airport were 2.8 million, a decrease of 15.0%.

Turnover

Group turnover was €547 million, an decrease of €84 million (-13%) on the previous year. Some €359 million of turnover came from commercial activities both overseas and at the three airports, a decrease of €59 million (-14%) on 2008. Turnover from aeronautical activities decreased by €25 million (-12%).

Operating costs

Total Group operating costs (excluding cost of sales, depreciation, amortisation and exceptional items) decreased by €18 million (-6%) to €291 million reflecting the initial impact of cost-saving measures introduced by the Group during 2009. Group payroll costs (excluding exceptional items) decreased by €10 million (-5%) and Group non-payroll costs decreased by €8 million (-6%).

Exceptional items

Exceptional items are set out in note 4 and include a provision of €46 million in respect of a cost recovery programme which has been agreed, following consultation with staff and staff representatives during 2009. Exceptional items also include an impairment charge of €11 million following a review of the carrying value of tangible fixed assets of a subsidiary undertaking. Total net exceptional items after tax were €51 million in 2009 (2008: €31 million).

Depreciation and amortisation

Depreciation and amortisation costs (excluding exceptional items) decreased by €4 million to €63 million.

Associates and joint ventures

Group share of operating profits (before interest and taxation) from associates and joint ventures decreased by €16 million to €14 million.

Interest

Group net interest (excluding associates & joint ventures) for 2009 was €11 million (2008: €8.5 million). Interest capitalised amounted to €21 million (2008: €4 million). The Group's share of net interest cost from associates and joint ventures increased by €0.6 million to €9 million.

Taxation

The Group taxation charge decreased by €7 million to €9 million. Excluding tax on exceptional items, the taxation charge decreased by €6 million to €15 million reflecting the decline in taxable profits. Excluding exceptional items, the effective tax rate was 27% (2008: 21%) reflecting that, in particular, higher tax rates apply to the Group's international operations relative to its Irish activities.

Cash flow and funding

Net cash inflow from operating activities was €131 million (2008: €162 million) which primarily reflects reduced EBITDA. At the end of 2009, the Group had net debt of €616 million compared to €188 million in 2008. Cash was €638 million at year-end (2008: €879 million).

Group interest cover was 11.4 times (2008: 18.2 times) based on Group EBITDA divided by the Group net interest charge.

Balance Sheet

Shareholders' funds decreased to €977 million (2008: €1,009 million).

Gross assets were €2.6 billion (2008: €2.4 billion). Fixed and financial assets were €1.9 billion (2008: €1.5 billion).

Company accumulated profit and loss account, the basis for determining company distributable reserves, decreased by €28 million to €630 million at 31 December 2009.

Treasury

The main risks arising from the Group's financial instruments are liquidity risk, interest rate risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

On occasion, the Group utilises derivatives to eliminate or reduce foreign exchange and interest rate risks arising from the Group's operations and its sources of finance.

Liquidity risk

The Group's policy is to ensure continuity of funding by (a) maintaining committed facilities covering the minimum of 12 months capital expenditure or 18 months net financing needs and (b) ensuring a substantial portion of borrowings mature in more than five years. Some 73% of the Group's borrowings at the end of 2009 were due to mature in more than five years. Undrawn committed facilities were €560 million at the year-end. At the year-end the Group had capital commitments (both contracted and uncontracted) of €127 million (Company: €125 million). Liquidity at the same date was €1,198 million, comprising cash of €638 million and undrawn committed borrowing facilities of €560 million.

Interest rate risk

The Group's policy is to protect the profit and loss account and cash flows from material adverse movements in interest rates by undertaking controlled management of the interest rate structure on the Group's borrowings and investments. At the end of 2009, all of the Group's debt was denominated as fixed interest debt, thus minimising exposure to interest rate fluctuations. This includes listed debt through two eurobond issues and long-term loans from the European Investment Bank. During 2009, the weighted average interest rate applicable to the Group's borrowings was 6.0%. The Group's policy is to maintain a minimum fixed ratio of 70% on existing debt.

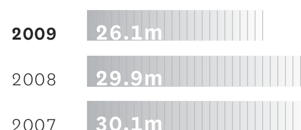
Foreign exchange risk management

The Group's Irish businesses are primarily euro denominated. The Group has a number of overseas subsidiary and associated undertakings from which dividends and management charges are denominated in foreign currencies. Where they do arise, the Group's policy is to minimise currency transaction risk, by seeking to hedge foreign exchange transaction exposures that might impact on reported profit. Currency exposures are disclosed in Note 27. The Group does not carry foreign currency exposures other than in the normal course of business

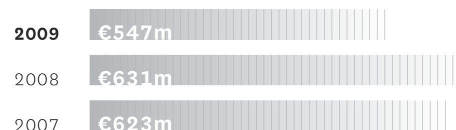
Credit risk

The Group's credit risk consists principally of cash deposits, short-term investments and trade debtors. Cash surpluses are only deposited with banks and institutions with an appropriate credit standing. The Group has formalised procedures for the setting of credit limits, including the monitoring of trade debtors, and deposit limits.

Total Passenger Numbers (m)

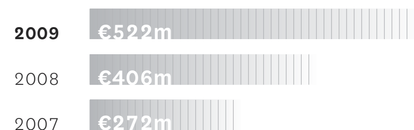


Group Turnover (€'m)



Group EBTIDA (€'m)

Fixed Asset Additions (€'m)



Cashflow from Operating Activities (€'m)

Group Net Debt (€'m)

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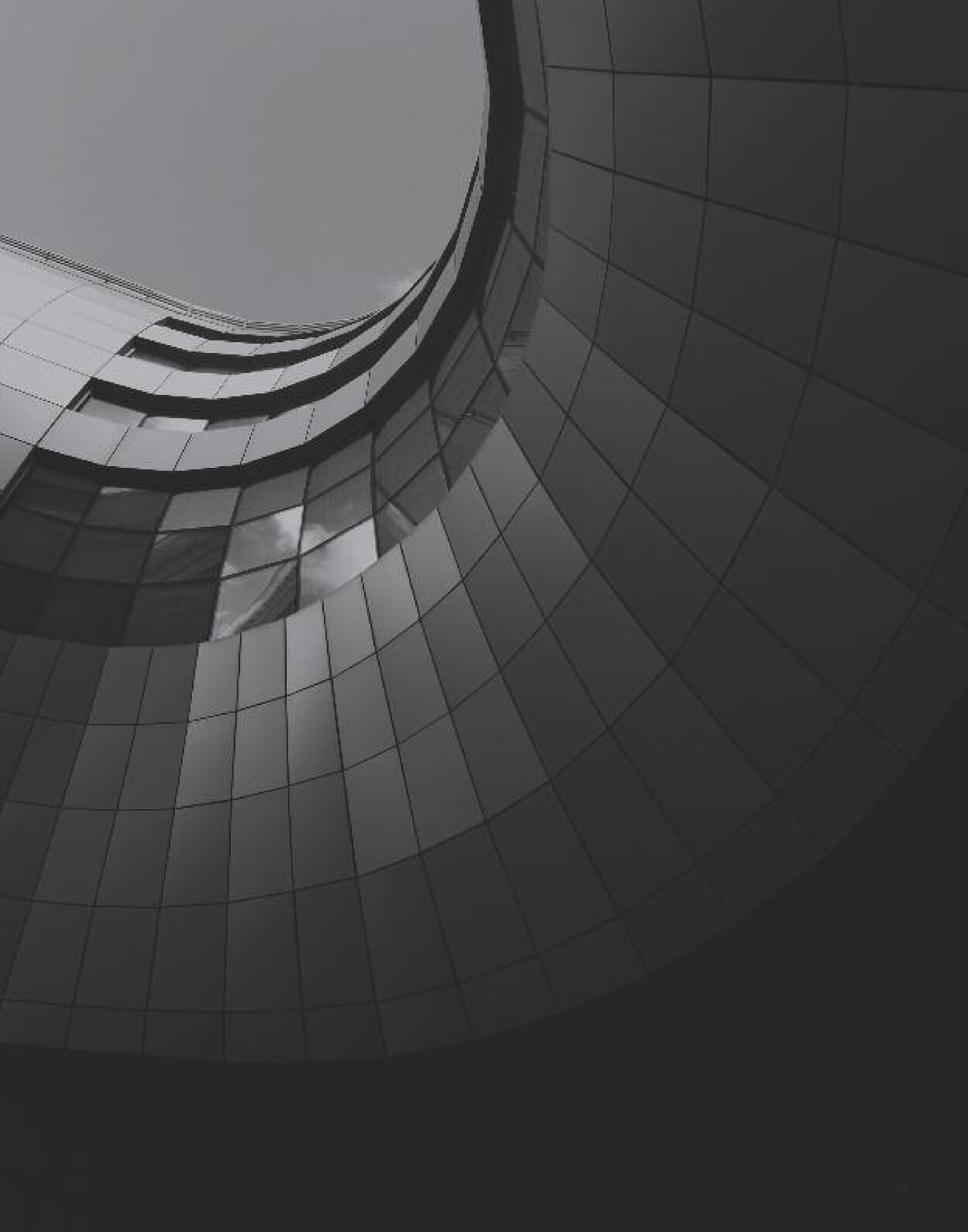

Report of the directors

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 December 2009.

Principal Activities

The Group's principal activities are airport development, operation and management, Irish and international airport retail management and international airport investment.

Review of the Business and Future Developments

Detailed commentaries on performance for the year ended 31 December 2009, including information on recent events, likely future developments, principal risks and uncertainties facing the business and key performance indicators, required in accordance with Statutory Instrument 116 of 2005: European Communities (International Financial Reporting Standards and Miscellaneous Amendments) Regulations 2005, are contained in the Chairman's Statement, the Chief Executive's Review and the Financial Review.

As set out below, the financial results of the Group for the year show a loss for the financial year amounting to €13.3 million compared with a profit of €47.1 million for 2008, summarised as follows:

	2009	2008
	€ million	€ million
Group operating profit before exceptional items	**62.7**	87.7
Exceptional item – impairment (2008: pension costs)	**(11.3)**	(36.0)
Group operating profit after exceptional items	**51.4**	51.7
Share of operating profit of associates and joint ventures	**14.0**	30.2
Exceptional items – cost recovery programme and other	**(45.6)**	0.8
Group profit before interest and taxation	**19.8**	82.7
Interest (net)[1] – Group, associates and joint ventures	**(20.1)**	(17.1)
Group (loss)/profit before taxation	**(0.3)**	65.6
Tax – Group, associates and joint ventures	**(9.5)**	(16.6)
Group (loss)/profit after taxation	**(9.8)**	49.0
Minority interest	**(3.5)**	(1.9)
Group (loss)/profit for the financial year	**(13.3)**	47.1

1. Includes income from other financial assets

Details of the results for the year are set out in the Group profit and loss account and related notes.

In 2009, the Group recorded a net exceptional loss of €51.2 million (€56.9 million pre-tax) comprising of a once-off cost recovery programme provision of €40.7 million (€46.5 million pre-tax), an impairment charge of €11.3 million (2008: Nil) and a net adjustment of €0.8 million (€0.9 million pre-tax) in respect of a prior year exceptional item. In 2008, the Group recorded a net exceptional loss of €30.8 million comprising of a once-off pension provision of €31.5 million (€36.0 million pre-tax) and a net adjustment of €0.7 million (€0.8 million pre-tax) in respect of prior year exceptional items. Exceptional items are discussed further in Note 4 to the financial statements.

State Airports Act 2004 and Separation of Cork and Shannon Airports

In 2003, the Government announced its intention to restructure the Company, the necessary legislative basis for which is set out in the State Airports Act 2004 ("the 2004 Act"), pursuant to which it is proposed that the Group will, in the future, cease to own Shannon and Cork airports (the "Restructuring"). In December 2008, the Minister for Transport announced that the Restructuring is to be deferred until 2011.

Pending the completion of the Restructuring, all assets and liabilities of Cork and Shannon airports remain within the Company as does ultimate responsibility for the management, operation and development of these airports. Following the Restructuring, Cork Airport Authority plc ("CAA") and Shannon Airport Authority plc ("SAA"), which are owned by the Minister for Finance but are not part of the Group, will act as fully independent and legally autonomous airport authorities for Cork and Shannon airports respectively. Pending this, and pursuant to the 2004 Act, the Company has entered into a management agreement with each of CAA and SAA for the performance of certain of its functions in relation to Cork and Shannon airports respectively.

Corporate Governance

The directors are committed to maintaining high standards of corporate governance. Set out below are details of how the relevant principles of good governance contained in the Combined Code on Corporate Governance (the "2008 Combined Code") are voluntarily applied in Dublin Airport Authority plc. The directors believe that the application of these principles assist the Group to comply with the ethical and other considerations implicit in the Code of Practice for the Governance of State Bodies published by the Department of Finance.

The following paragraphs deal with the Group's compliance with the 2008 Combined Code.

The Board and Committees

The Group is headed by a Board, which comprises eight non-executive directors, four employee representative directors and one executive director (the Chief Executive). The role of the Chairman is separate from that of the Chief Executive. The Minister for Transport, with the consent of the Minister for Finance, appoints the Chairman and the non-executive directors to the Board. Non-executive directors are appointed for terms not exceeding five years. The Chief Executive is appointed by the Board of Directors of the Company and is an ex-officio member of the Board. The employee representative directors are appointed for a term of up to four years following a nomination and election process under the Worker Participation (State Enterprises) Acts, 1977 to 2001.

The Board considers that all non-executive directors, which for this purpose comprise directors other than the Chief Executive and employee representative directors, are independent and the board has specific procedures to deal with potential conflicts of interest that may arise. The Board considers that all non-executive directors are independent in character and judgement, notwithstanding that they have been appointed to the Board with the consent of the Minister for Finance, the principal shareholder. In line with the 2008 Combined Code, it is Board policy that the Chairman holds meetings with the non-executive directors, without the other directors being present, at least once a year.

The Chairman leads the Board in the determination of its strategy and in the achievement of its objectives. The Chairman is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda. The Chairman facilitates the effective contribution of non-executive directors and constructive relations between the executive director and non-executive directors, ensures that directors receive accurate, timely and clear information and manages effective communication with shareholders.

Regular meetings of the Board are held throughout the year. The Board is responsible for the proper management of the Group and takes all significant strategic decisions and retains full and effective control while allowing management sufficient flexibility to run the business efficiently and effectively within a centralised reporting framework.

On 12 March and 20 March 2009 respectively, Mr. Gary McGann (Chairman) and Mr. Brian Lynch resigned as directors. The Minister for Transport, with the consent of the Minister of Finance, appointed Mr. David Dilger as Chairman of the Board on 22 May 2009.

On 30 September 2009, the terms of office of the following directors expired; Mr. Bill Cullen, Mr. Des Cummins, Ms. Mary Davis, Sir Michael Hodgkinson, Ms. Marion Keating, Ms. Marie O'Connor and Mr. Anthony Spollen.

On 5 November 2009, Mr. Gerard Collins and Mr. Gerry Walsh were appointed to the Board and Mr. Bill Cullen, Ms. Marie O'Connor and Sir Michael Hodgkinson were reappointed to the Board by the Minister for Transport, with the consent of the Minister for Finance.

On 3 December 2009, Mr. Brian O'Connell was appointed to the Board by the Minister for Transport, with the consent of the Minister for Finance.

Pursuant to a nomination and election process under the Worker Participation (State Enterprises) Acts 1977 to 2001, the Minister for Transport, with the consent of the Minister for Finance, on 1 October 2009, reappointed Ms. Mary McCabe and Mr. Barry Nevin, and appointed Mr. Michael Lenane and Mr. Thomas Guilfoyle, to the Board.

The total number of meetings held by the Board during the year was ten and were attended as follows:

Director	Attendance
Mr. David Dilger	5/5
Mr. Gary McGann	2/3
Mr. Declan Collier	10/10
Mr. Peter Barrett	10/10
Mr. Gerard Collins	2/2
Mr. Bill Cullen	10/10
Mr. Des Cummins	7/8
Ms. Mary Davis	5/8
Mr. Thomas Guilfoyle	2/2
Sir Michael Hodgkinson	9/10

Director	Attendance
Ms. Marion Keating	7/8
Mr. Michael Lenane	2/2
Mr. Brian Lynch	3/3
Mr. Barry Nevin	10/10
Ms. Mary McCabe	8/10
Mr. Brian O'Connell	1/1
Ms. Marie O'Connor	10/10
Mr. Anthony Spollen	6/8
Mr. Gerry Walsh	2/2

The Board has reserved certain items for its review including, inter alia, the approval of the annual financial statements, annual budgets, corporate plan, significant acquisitions, disposals, investments in joint ventures, significant contracts, property transactions, major investments and capital expenditures and senior management appointments and remuneration. The Group has a comprehensive process for reporting management information to the Board. The Board is provided with regular information, which includes key performance indicators for all aspects of the business. Regular reports and papers are circulated to the directors in a timely manner in preparation for Board and committee meetings. These papers are supplemented by information specifically requested by the directors from time to time.

Regular management financial reports and information are provided to all directors which enables them to scrutinise the Group's and management's performance against agreed objectives.

All directors have access to the advice and services of the Company Secretary who is responsible to the Board for ensuring that board procedures are followed and that applicable rules and regulations are complied with. The Company's professional advisers are available for consultation by the Board as required. Individual directors may take independent professional advice, in line with Company procedures, at the Company's expense.

On appointment, all directors are provided with briefing documents on the Group and its operations as well as relevant training.

Mr. Bill Cullen is the Senior Independent Non-Executive Director.

Performance Evaluation

The Board has formally evaluated Board and Committee performance in line with the requirements of the 2008 Combined Code.

Board Committees

The Board has activated an effective committee structure to assist in the discharge of its responsibilities.

Details in relation to both the Audit and the Remuneration & Appointments Committees, including their current Board membership, are set out below.

Audit Committee

The Audit Committee currently comprises of Mr. Peter Barrett (Chairman), Mr. Gerard Collins, Ms. Marie O'Connor and Mr. Gerry Walsh. This committee normally meets at least four times a year and operates under formal terms of reference and an audit charter. The committee may review any matters relating to the financial affairs and internal control arrangements of the Group. The committee is responsible to the Board for the review of internal controls, the review of draft financial statements and the scope and performance of the Group Internal Audit function.

It also reviews the scope and results of the external audit and the nature and extent of the services provided by the external auditors. The Board maintains an objective and professional relationship with the Group's auditors. Where the external auditor provides non-audit services, review procedures are in place to safeguard auditor objectivity and independence. The Chairman of the Audit Committee reports to the Board on all significant issues considered by the committee.

The Company has established procedures to ensure that appropriate arrangements are in place for employees to raise, in confidence, matters of possible impropriety, with suitable subsequent follow-up action.

Remuneration & Appointments Committee
The Remuneration & Appointments Committee currently comprises Mr. David Dilger (Chairman), Mr. Bill Cullen, Sir Michael Hodgkinson and Ms. Marie O'Connor. This committee advises the Board on new board and senior management appointments and determines and approves remuneration and bonus arrangements for the Chief Executive and other senior management.

There were no meetings of the current Audit Committee or of the current Remuneration & Appointments Committee in the year. There were four meetings of the previous Audit Committee and one meeting of the previous Remuneration & Appointments Committee in the year. Details of attendance by individual directors at these meetings are as follows:

Audit Committee

Director	Attendance
Mr. Anthony Spollen	4/4
Mr. Des Cummins	4/4
Ms. Mary Davis	4/4

Remuneration & Appointments Committee

Director	Attendance
Mr. Gary McGann	1/1
Ms. Marie O'Connor	1/1
Sir Michael Hodgkinson	1/1

In addition to the Audit and Remuneration & Appointments Committees, the Board has a number of other committees to assist in the discharge of its responsibilities. These include the Airport Development Committee, the Health, Safety, Security and Customer Service Committee, T2 Specification Committee, T2 Benchmark Committee and the Sealing Committee.

Directors' and Secretary's Interests
The directors and secretary had no beneficial interest in the shares or loan stock of the Company or in those of its subsidiaries at any time during the year or the preceding financial year other than, Mr. David Dilger, Chairman, who at 22 May 2009, the date of his appointment to the Board and at 31 December 2009, had a beneficial interest in €500,000 of the listed 6.5872% loan notes repayable in 2018 issued by the Company's subsidiary, DAA Finance plc.

The Board is satisfied that its directors are free from any business or other relationship that could materially affect, or could appear to affect, the exercise of their independent judgement. Members of the Board may hold directorships or, in the case of non-executive directors executive positions in third party companies, including certain banks and financial institutions, some of which (or their affiliates) may, in the normal course of business, undertake transactions on an arm's length basis with the Group.

It is the practice, in accordance with the provisions of section 34 of the Air Navigation and Transport (Amendment) Act, 1998 and the Code of Practice for the Governance of State Bodies, that all directors disclose any required interest and absent themselves from Board discussions where they have a direct or indirect interest. Disclosure is provided, as required, in Note 29 Related Party Disclosures of related party transactions where the director holds a material interest in the relevant entity. In accordance with company law, details of directorships held by members of the Board are filed in the Companies Office.

Directors' Remuneration
Fees for directors are determined by the Minister for Transport, with the consent of the Minister for Finance. The remuneration of the Chief Executive is determined in accordance with the arrangements issued by the Department of Transport for determining the remuneration of Group Chief Executives of Commercial State Bodies under its aegis and is subject to the approval of the Remuneration & Appointments Committee and the Minister for Transport. A proportion of the Chief Executive's remuneration is performance-related and, in this way, is linked to Group objectives and strategies.

Details of directors' fees and emoluments are set out in Note 6 to the financial statements in accordance with the requirements of the Companies Acts, 1963 to 2009, and the Code of Practice for the Governance of State Bodies.

Accountability, Risk Management and Audit
The directors acknowledge their overall responsibility for establishing and maintaining the system of internal control throughout the Group.

The system of internal control comprises those ongoing processes for identifying, evaluating and managing the significant risks faced by the Group in pursuing its business objectives. Such a system is designed to manage rather than eliminate risk of failure and can therefore only provide reasonable and not absolute assurance that the Group will achieve those objectives or that the Group will not suffer material misstatement or loss.

The organisation structure of the Group under the day-to-day direction of the Chief Executive is clear. Defined lines of responsibility and delegation of authority have been established.

Management is responsible for the identification and evaluation of significant risks applicable to their areas of business together with the design and operation of suitable internal controls. As part of this identification process, management has identified the significant risks which could materially adversely affect the Group's business, financial condition or results of operations. These risks are assessed on a continual basis and management reports to the Board significant changes in the business and external environment, which affect the significant risks identified.

The directors have established a number of key procedures designed to provide an effective system of internal control, which includes an annual review of the effectiveness of the system of internal control. The key procedures, which are supported by detailed controls and processes, are as follows:

— active Board involvement in assessing key business risks faced by the Group and determining the appropriate course of action for managing these risks;
— a schedule of items reserved to the Board for approval;
— a clearly defined organisation structure with appropriate segregation of duties and delegation of responsibility and authority within which the Group's activities can be planned, executed, controlled and monitored to achieve the strategic objectives which the Board has adopted for the Group;
— a formalised risk reporting system;
— a formal code of business ethics;
— a comprehensive system of management and financial reporting, accounting, treasury management and project appraisal;
— clearly defined limits and procedures for financial expenditure including procurement and capital expenditure;
— annual budgets and financial plans for the Group and business units;
— representation at board level in the Group's principal associates and joint ventures by senior Group executives;
— monitoring of performance against budgets for the Group and its principal associates and joint ventures and reporting thereon to the Board on a monthly basis;
— an Internal Audit department which reviews key systems and controls;
— an Audit Committee, comprised of four non-executive directors, which reviews audit plans and deals with significant control issues raised by the internal or external auditors and meets periodically with the internal auditors and the external auditors;
— full and unrestricted access to the Audit Committee for internal and external audit;
— an active Board sub-committee structure;
— Aviation Security, Safety and Standards management functions which monitor and report on aviation safety and security standards and operational procedures at the airports;
— a Health, Safety, Security and Customer Service Committee of the Board that monitors and reviews matters in relation to aviation safety and security, and health and safety at the airports.

The directors confirm that the Group's ongoing process for identifying, evaluating and managing the significant risks facing it, is in accordance with the guidance in *Internal Control: Guidance for Directors on the Combined Code (Turnbull)*. The Audit Committee, on behalf the Board, reviews the process for identifying and evaluating the significant risks affecting the business and the policies and procedures by which these risks are managed. The Audit Committee also approves a risk management framework for the Group and periodically conducts a review of the Group's risk management framework. The results of the Audit Committee's work are reported to the Board. Investment in associated and joint venture companies are considered as part of the Group's ongoing risk review process.

Communication with Shareholder

Through regular contact with relevant Government Departments, the Board and management maintain an ongoing dialogue with the Company's shareholder on strategic issues including the proposed restructuring of the Group provided for in the State Airports Act, 2004.

The Board has established procedures to ensure that Board members have an understanding of the views of the shareholder.

Compliance Statement

The Group has been in compliance with the Code of Best Practice provisions of the Combined Code relevant to it throughout the financial year under review and up to the date of this report other than as follows:

— The Minister for Transport, with the consent of the Minister for Finance, appoints the Chairman and the non-executive directors to the Board. The employee representative directors are appointed to the Board for a term of up to four years by the Minister following a nomination and election process under the Worker Participation (State Enterprises) Acts 1977 to 2001 which were last held in 2009. The Chief Executive is appointed by, and is an ex-officio member of, the Board. As a result, the Board is satisfied that the provisions in relation to a Nomination Committee and director re-election do not apply.
— The Remuneration & Appointments Committee is chaired by the Chairman of the Board, as remuneration for directors, including the Chairman, is determined by the Minister for Transport with the consent of the Minister for Finance.
— Full disclosure is made in these financial statements relating to directors' emoluments and pension contributions in accordance with the requirements of the Irish Companies Acts, 1963 to 2009 and the Department of Finance. However, these disclosures do not extend to those contained in the 2008 Combined Code.

Going Concern

The directors have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Accounting Records

The directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990 with regard to books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Company are maintained at the Company's premises at Dublin, Shannon and Cork airports.

Health and Safety

The well being of the Group's employees is safeguarded through the strict adherence to health and safety standards. The Safety, Health and Welfare at Work Act 2005 imposes certain requirements on employers and all relevant companies within the Group to take the necessary action to ensure compliance with the Act.

Subsidiary, Associated and Joint Venture Undertakings

The information required by Section 158 of the Companies Act, 1963 in relation to subsidiary, associated and joint venture undertakings is set out in Note 11.

Prompt Payments Act

Dublin Airport Authority plc's policy is to comply with the provisions of the European Communities (Late Payments in Commercial Transactions) Regulations 2002 and the Prompt Payment of Accounts Act 1997. The Group's standard terms of credit taken, unless otherwise specified in specific contractual arrangements, are 30 days. Appropriate internal financial controls are in place, including clearly defined roles and responsibilities and the regular review of payment practices. These procedures provide reasonable but not absolute assurance against material non-compliance with the regulations. As in previous years, substantially all payments were made within the appropriate credit period as required.

Electoral Act, 1997

The Group did not make any political donations during the year.

Post Balance Sheet Events

There have been no significant post balance sheet events which require adjustment to the financial statements or the inclusion of a note thereto.

Auditors

In accordance with Section 160(2) of the Companies Act, 1963, the auditors, KPMG, Chartered Accountants, will continue in office.

On behalf of the Board
David Dilger, Chairman
Peter Barrett, Director
12 March 2010

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

The directors are responsible for preparing the Annual Report and financial statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent company financial statements for each financial year. Under that law the directors have elected to prepare the Group and parent company financial statements in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by Chartered Accountants Ireland.

The Group and parent company financial statements are required by law to give a true and fair view of the state of affairs of the Group and the parent company and of the profit or loss of the Group for that period. In preparing each of the Group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Acts, 1963 to 2009. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Acts, 1963 to 2009. The Directors have also elected to prepare a report on Corporate Governance which is included in the Directors' Report.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board
David Dilger, Chairman
Peter Barrett, Director
12 March 2010

Independent auditor's report to the member of Dublin Airport Authority plc

We have audited the Group and Company financial statements (the "financial statements") of Dublin Airport Authority plc for the year ended 31 December 2009 on pages 42 to 74 which comprise the Statement of Accounting Policies, Group Profit and Loss Account, Statement of Total Recognised Gains and Losses, Reconciliation of Movement in Shareholders' Funds, Group Balance Sheet, Company Balance Sheet, Group Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's member, as a body, in accordance with section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to the member in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Company and the Company's member, as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the Group financial statements in accordance with applicable law and the accounting standards issued by the Accounting Standards Board and promulgated by Chartered Accountants Ireland (Generally Accepted Accounting Practice in Ireland), are set out in the Statement of Directors' Responsibilities on page 40.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Acts, 1963 to 2009. We also report to you whether, in our opinion, proper books of account have been kept by the Company; at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the Company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the Company balance sheet is in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not disclosed and, where practicable, include such information in our report.

We review whether the statements regarding the system of internal financial control required by the Code of Practice for the Governance of State Bodies on pages 35 to 38 reflect the Group's compliance with the relevant provisions of the Code and we report if they do not. We review, at the request of the directors, whether the voluntary statement on page 38 reflects the Company's compliance with the nine provisions of the 2008 Combined Code specified for auditor review by the Listing Rules of the Irish Stock Exchange, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the annual report and consider whether it is consistent with the audited financial statements. The other information comprises only the Report of the Directors, Board of Directors section, Chairman's Statement, Chief Executive's Review, 2009 Financial Review, DAA Group Structure and Management section, Five Year Summaries and Aeronautical Information and General Business Information. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

— the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the Group's and Company's affairs as at 31 December 2009 and of the Group's loss for the year then ended;

— the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Company. The Company balance sheet is in agreement with the books of account.

In our opinion, the information given in the Report of the Directors is consistent with the financial statements.

The net assets of the Company, as stated in the Company balance sheet on page 48 are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2009 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the Company.

KPMG
Chartered Accountants, Registered Auditor
1 Stokes Place, St. Stephen's Green, Dublin 2
15 April 2010

Statement of accounting policies

for the year ended 31 December 2009

The financial statements have been prepared in accordance with the following accounting policies which have been applied consistently with last year.

Basis of Preparation

The financial statements are prepared in accordance with generally accepted accounting principles in Ireland under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board, as promulgated by Chartered Accountants Ireland.

The State Airports Act, 2004 sets out the necessary legislative basis for the Restructuring which is more fully described in the Report of the Directors. It is not possible for the directors to determine, at this juncture, the impact of the completion of the proposed Restructuring on the financial position of the Group and no account of any proposed new arrangements has been taken in these financial statements.

Basis of Consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings (subsidiaries) made up to 31 December 2009.

Joint venture undertakings (joint ventures) are those undertakings over which the Group exercises control jointly with one or more other parties. Associated undertakings (associates) are those undertakings in which the Group has a participating interest in the equity capital and over which it is able to exercise significant influence.

The Group includes its share of associates' and joint ventures' profits and losses and separately discloses its share of its joint ventures' turnover in the consolidated profit and loss account. For associates, the Group includes its share of net assets in the consolidated balance sheet. For joint ventures, the Group includes its share of gross assets and gross liabilities in the consolidated balance sheet.

The results of subsidiaries, associates and joint ventures acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Financial Assets

Investments in subsidiaries, joint ventures and associates are shown in the Company balance sheet as financial fixed assets and are valued at cost less provisions for impairment in value. Other financial fixed assets (excluding listed investments) are also carried in both the Company and the Group balance sheet on the same basis, with income from such assets being recognised on a receivable basis in the profit and loss account.

Listed investments are carried at the lower of cost and net realisable value.

Turnover

Turnover represents the fair value of goods and services, net of discounts, delivered to external customers in the accounting period excluding intra-Group sales and value added tax. For certain commercial activities, where the provision of a service is delivered over a time period, turnover is recognised proportionately to the time elapsed.

Foreign Currency

Transactions arising in foreign currencies are translated into euro at the rates of exchange ruling at the date of the transactions or at contracted rates. Monetary assets and liabilities denominated in foreign currencies are translated into euro at the contracted rates or at year-end rates of exchange. The resulting profits or losses are dealt with in the profit for the year.

Where applicable, the Group's net investment in overseas subsidiaries, associates and joint ventures is translated at the rate ruling at the balance sheet date. The results of overseas subsidiaries, associates and joint ventures are, where applicable, included at the average rate of exchange. The resulting translation differences are taken to reserves and reflected in the statement of total recognised gains and losses.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and any impairment losses. Depreciation is calculated to write off the cost of tangible fixed assets other than land and assets in the course of construction on a straight-line basis over the estimated useful lives as follows:

Terminal complexes	10 – 50 years
Airfields	10 – 50 years
Plant and equipment	2 – 20 years
Other property	10 – 50 years

Assets in the course of construction are transferred to completed assets when substantially all the activities necessary to get the asset ready for use are complete.

Borrowing costs incurred up to the time that separately identifiable major capital projects are ready for service are capitalised as part of the cost of the assets. Where appropriate, cost also includes own labour costs of construction-related architectural and engineering services and directly attributable overheads.

Where a tangible fixed asset is to be withdrawn from use, the depreciation charge for that asset is accelerated to reflect the asset's remaining useful life based on the period between the date of the decision to withdraw the asset and the forecast date when withdrawal will take place.

On an annual basis, the Group estimates the recoverable amount of its tangible fixed assets based on the higher of their net realisable values or the present values of future cash flows expected to result from their use. For the purposes of this review, Dublin, Cork and Shannon airports combined are considered to form one income-generating unit. Where the recoverable amount is less than the carrying amount of the assets the Group recognises an impairment loss in the financial statements.

Intangible Assets and Goodwill

Purchased goodwill arising on an acquisition (representing the excess of the fair value of the consideration given over the fair value of the separate net assets acquired) is capitalised and amortised on a straight line basis over its estimated useful life, the period during which benefits are expected to accrue.

Where control of a subsidiary undertaking is obtained in stages, in accordance with Financial Reporting Standard 2 (FRS 2) "Subsidiary Undertakings", using the true and fair override, purchased goodwill is calculated as the sum of the goodwill arising on each purchase of shares, being the difference at the date of each purchase between the fair value of the consideration given and the fair value of the identifiable assets and liabilities attributable to the interest purchased. This represents a departure from Irish company law, under which goodwill is calculated as the difference between the total acquisition costs of the interests held and the fair value of the identifiable assets and liabilities on the date that the entity becomes a subsidiary undertaking.

Purchased goodwill is being amortised over a 20-year period, or where shorter, over the period of the concession agreement entered into in the acquired entity.

Where events or circumstances are present which indicate that the carrying amount of goodwill may not be recoverable, the Group estimates the recoverable amount based on the present value of future cashflows expected to result from the use of the asset and its eventual disposition. Where this amount is less than the carrying amount of the asset, the Group will recognise an impairment loss.

Negative goodwill arising on acquisitions of associate undertakings is included within financial assets and released to the profit and loss account in the periods in which the fair values of the non-monetary assets purchased on the same acquisition are recovered.

Other intangible assets are recorded at acquisition cost, being fair values at date of acquisition, less the amounts amortised to the profit and loss account. These intangible assets are amortised over their economic lives, being the terms of various concessions which currently range from three to 11 years.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on invoice price on either an average basis or on a first-in first-out basis depending on the stock category. Net realisable value is calculated as estimated selling price less estimated selling costs.

Taxation

Corporation tax in respect of the Company and its subsidiary undertakings is provided at current rates and is calculated on the basis of their results for the year, adjusted for taxation purposes. The taxation charge in the profit and loss account includes taxation on the Group's share of profits of associated and joint venture undertakings.

Full provision without discounting is made for all timing differences, other than those arising from unremitted earnings of certain overseas subsidiaries and associates, at the balance sheet date in accordance with Financial Reporting Standard 19 (FRS 19) "Deferred Tax". Provision is made at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. No deferred tax has been recognised on the unremitted earnings of certain overseas subsidiaries and associates as no tax is expected to be payable on them and there is no contractual arrangement to pay dividends. Deferred tax assets are recognised to the extent that they are regarded as recoverable based on the likelihood of there being suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

Pension and Other Post-Retirement Obligations

The Group operates or participates in contributory pension schemes, covering the majority of its employees. The schemes are administered by trustees and are independent of the Group.

For schemes accounted for as defined contribution schemes, contributions are accrued and recognised in operating profit in the period in which they are earned by the relevant employees.

For the schemes accounted for as defined benefit schemes:

- The difference between the market value of the schemes' assets and actuarially assessed present value of the schemes' liabilities, calculated using the projected unit credit method, is disclosed as an asset/liability on the balance sheet net of deferred tax (to the extent that it is recoverable).
- The amount charged to operating profit is the actuarially determined cost of pension benefits promised to employees earned during the year plus any benefit improvements granted to members during the year.
- The expected return on the pension schemes' assets during the year and the increase in the schemes' liabilities due to the unwinding of the discount during the year are shown in finance income/costs in the profit and loss account.
- Any differences between the expected return on assets and that actually achieved and any changes to the liabilities due to changes in assumptions or because actual experience during the year was different to that assumed, are recognised as actuarial gains and losses in the statement of total recognised gains and losses.

The Group has certain unfunded retirement benefit liabilities which are accounted for as defined benefit arrangements.

Operating Leases

Expenditure on operating leases is charged to the profit and loss account on a basis representative of the benefit derived from the asset, normally on a straight-line basis over the lease period.

Capital Grants

Capital grants are treated as deferred income and amortised over the expected lives of the related fixed assets.

Derivative Financial Instruments

The principal objective of using derivative financial instruments, including forward exchange contracts, forward rate agreements and interest rate swaps, is to hedge the Group's interest rate and currency exposures. Where these derivative financial instruments hedge an asset, liability or interest cost reflected in the financial statements, the cost of the hedging instrument is included in the carrying amount together with the income and expenses relating to the asset and liability. Where the derivative is a hedge of future cash flow, the gains and losses on the hedging instruments are not recognised until the hedged future transaction occurs.

Cash and Liquid Resources

Within the Group cash flow statement, cash is defined as cash, deposits repayable on demand and overdrafts. Other deposits with maturity or notice periods of over one working day, but less than one year, are classified as liquid resources.

Debt and Finance Costs

Debt is initially stated at the amount of the net proceeds after deduction of finance/issue costs. Finance and issue costs are charged to the profit and loss account over the term of the debt at a constant rate on the carrying amount.

Group profit and loss account

for the year ended 31 December 2009

	Note	2009 Pre-exceptional €000	2009 Exceptional €000	2009 Total €000	2008 Pre-exceptional €000	2008 Exceptional €000	2008 Total €000
Turnover							
Group and share of joint ventures		**547,351**	**–**	**547,351**	631,627	–	631,627
Less: share of joint ventures' turnover		**(635)**	**–**	**(635)**	(687)	–	(687)
Group turnover – continuing operations	1	**546,716**	**–**	**546,716**	630,940	–	630,940
Operating costs							
Cost of goods for resale		**(129,986)**	**–**	**(129,986)**	(167,242)	–	(167,242)
Payroll and related costs	2	**(172,945)**	**–**	**(172,945)**	(182,562)	–	(182,562)
Materials and services		**(118,273)**	**–**	**(118,273)**	(126,479)	–	(126,479)
Depreciation, amortisation and impairment	4	**(62,820)**	**(11,300)**	**(74,120)**	(67,000)	–	(67,000)
Exceptional item – pension costs	4	**–**	**–**	**–**	–	(36,000)	(36,000)
		(484,024)	**(11,300)**	**(495,324)**	(543,283)	(36,000)	(579,283)
Group operating profit – continuing operations		**62,692**	**(11,300)**	**51,392**	87,657	(36,000)	51,657
Share of operating profit/(losses)							
Joint venture undertakings		**(5,442)**	**–**	**(5,442)**	(6,920)	–	(6,920)
Associated undertakings	3	**19,449**	**–**	**19,449**	37,192	–	37,192
Exceptional items							
Costs of cost recovery programme/restructuring – continuing operations	4	**–**	**(46,498)**	**(46,498)**	–	(550)	(550)
Profit on sale of discontinued operations	4	**–**	**882**	**882**	–	1,356	1,356
Group profit before interest and taxation		**76,699**	**(56,916)**	**19,783**	117,929	(35,194)	82,735
Income from other financial assets		**255**	**–**	**255**	126	–	126
Interest receivable							
Group		**40,006**	**–**	**40,006**	33,282	–	33,282
Joint venture undertakings		**–**	**–**	**–**	1	–	1
Associated undertakings		**10**	**–**	**10**	289	–	289
Interest payable and similar charges							
Group	5	**(51,035)**	**–**	**(51,035)**	(41,781)	–	(41,781)
Joint venture undertakings	5	**(997)**	**–**	**(997)**	(979)	–	(979)
Associated undertakings	5	**(8,357)**	**–**	**(8,357)**	(8,055)	–	(8,055)
Group (loss)/profit on ordinary activities before taxation	6	**56,581**	**(56,916)**	**(335)**	100,812	(35,194)	65,618
Tax on (loss)/profit on ordinary activities	7	**(15,161)**	**5,702**	**(9,459)**	(20,941)	4,369	(16,572)
Group (loss)/profit on ordinary activities after taxation		**41,420**	**(51,214)**	**(9,794)**	79,871	(30,825)	49,046
Minority interest	30	**(3,473)**	**–**	**(3,473)**	(1,972)	–	(1,972)
Group (loss)/profit for the financial year	22	**37,947**	**(51,214)**	**(13,267)**	77,899	(30,825)	47,074

On behalf of the Board

David Dilger, Chairman

Peter Barrett, Director

12 March 2010

Statement of total recognised gains and losses

for the year ended 31 December 2009

	Note	2009 €000	2008 €000
Group (loss)/profit for the financial year		**(13,267)**	47,074
Exchange differences on translation of overseas investments (arising on net assets)			
Subsidiary undertakings	22	**(106)**	(2,328)
Associated undertakings	22	**(966)**	2,842
Actuarial gain/(loss) recognised in pension schemes			
Group	21	**1,524**	(18,070)
Deferred tax (charge)/credit thereon			
Group	21	**(191)**	2,259
Total recognised gains and losses for the year		**(13,006)**	31,777

Reconciliation of movement in shareholders' funds

for the year ended 31 December 2009

		2009 €000	2008 €000
At 1 January		**1,009,123**	977,346
Total recognised gains and losses for the year		**(13,006)**	31,777
Dividends paid	22	**(19,400)**	–
At 31 December		**976,717**	1,009,123

Group balance sheet

at 31 December 2009

	Note	2009 €000	2009 €000	2008 €000	2008 €000
Fixed assets					
Tangible assets	9		**1,791,497**		1,344,260
Intangible assets	10		**10,527**		11,509
			1,802,024		1,355,769
Financial assets					
Investments in joint venture undertakings					
Share of gross assets		**23,805**		24,834	
Share of gross liabilities		**(40,015)**		(34,605)	
Loans to joint venture undertakings		**4,882**		4,882	
Total of investments in and liabilities relating to joint venture undertakings			**(11,328)**		(4,889)
Investments in associated undertakings			**91,209**		104,157
Other financial assets			**3,697**		4,713
Total financial assets	11		**83,578**		103,981
Total fixed assets			**1,885,602**		1,459,750
Current assets					
Stocks	12	**21,767**		29,225	
Debtors	13	**66,223**		64,182	
Cash at bank and in hand	26	**638,223**		878,522	
		726,213		971,929	
Creditors: Amounts falling due within one year	15	**(242,921)**		(271,947)	
Net current assets			**483,292**		699,982
Total assets less current liabilities			**2,368,894**		2,159,732
Creditors: Amounts falling due after more than one year	16		**(1,260,698)**		(1,067,138)
Capital grants	18		**(15,863)**		(16,909)
Provisions for liabilities	19		**(85,952)**		(38,156)
Net assets excluding net pension liability			**1,006,381**		1,037,529
Net pension liability	21		**(19,820)**		(19,002)
Net assets			**986,561**		1,018,527
Capital and reserves					
Called up share capital	20		**186,337**		186,337
Profit and loss account	22		**792,208**		823,542
Other reserves	22		**(1,828)**		(756)
Shareholders' funds			**976,717**		1,009,123
Minority interest	30		**9,844**		9,404
			986,561		1,018,527

On behalf of the Board

David Dilger, Chairman

Peter Barrett, Director

12 March 2010

Company balance sheet

at 31 December 2009

	Note	2009 €000	2008 €000
Fixed assets			
Tangible assets	9	**1,778,733**	1,331,565
Financial assets	11	**33,733**	34,547
		1,812,466	1,366,112
Current assets			
Stocks	12	**8,752**	10,527
Debtors	13	**55,492**	61,242
Cash at bank and in hand		**618,838**	857,930
		683,082	929,699
Creditors: Amounts falling due within one year	15	**(289,350)**	(308,412)
Net current assets		**393,732**	621,287
Total assets less current liabilities		**2,206,198**	1,987,399
Creditors: Amounts falling due after more than one year	16	**(1,271,052)**	(1,069,470)
Capital grants	18	**(15,863)**	(16,909)
Provisions for liabilities	19	**(83,143)**	(38,156)
Net assets excluding net pension liability		**836,140**	862,864
Net pension liability	21	**(19,820)**	(19,002)
Net assets		**816,320**	843,862
Capital and reserves			
Called up share capital	20	**186,337**	186,337
Profit and loss account	22	**629,983**	657,525
Shareholders' funds		**816,320**	843,862

On behalf of the Board
David Dilger, Chairman
Peter Barrett, Director
12 March 2010

Group cash flow statement

for the year ended 31 December 2009

	Note	2009 €000	2008 €000
Cash inflow from operating activities	23	**131,368**	161,624
Dividends received from associated undertakings	11	**19,025**	13,567
Returns on investments and servicing of finance	24	**(27,238)**	(13,750)
Payments in respect of cost recovery and restructuring programmes	19	**(1,558)**	(9,028)
Payments in respect of pension provision	19	**(360)**	–
Taxation paid		**(2,986)**	(15,342)
		118,251	137,071
Capital expenditure	24	**(522,771)**	(349,152)
Acquisitions and disposals	24	**(562)**	(9,588)
Dividends paid	24	**(24,110)**	–
Cash outflow before management of liquid resources and financing		**(429,192)**	(221,669)
Management of liquid resources			
Net cash transferred from/(to) liquid resources	26	**263,219**	(381,252)
Financing	24	**188,681**	585,295
Increase/(decrease) in cash in year	25	**22,708**	(17,626)

1. Turnover

	Group	
	2009	2008
	€000	€000
Ireland		
Aeronautical revenue	**188,175**	213,425
Commercial activities	**232,470**	282,642
Total Ireland	**420,645**	496,067
Overseas – commercial activities	**126,071**	134,873
	546,716	630,940

A segmental analysis of results and net assets is not provided, as disclosure of such information would, in the opinion of the directors, be seriously prejudicial to the interests of the Group.

2. Payroll and related costs

	Group	
	2009	2008
	€000	€000
Wages and salaries	**153,155**	161,237
Social welfare costs	**13,885**	14,367
Pension costs (Note 21)	**8,423**	7,537
Other staff costs	**2,317**	2,361
	177,780	185,502
Staff costs capitalised into fixed assets	**(4,835)**	(2,940)
Payroll and related costs (pre-exceptional)	**172,945**	182,562
Exceptional cost recovery programme (Notes 4 and 19)	**46,498**	–
Exceptional pension costs (Notes 4 and 21)	**–**	36,000
Net staff costs charged to the profit and loss account	**219,443**	218,562

	2009	2008
Average employee numbers (full-time equivalents) were as follows		
Airports	**2,519**	2,665
International activities	**584**	572
	3,103	3,237

3. Share of operating profits of associated undertakings

This relates to the Group's share of profits before interest and taxation for the year in its associated undertakings (Note 11) as defined in the Statement of Accounting Policies. Management fees and other direct income from these undertakings are included in turnover of the Group.

4. Exceptional items

a. Costs of Cost Recovery Programme (CRP) / restructuring

During 2009, in response to significant challenges in the business environment, a CRP was developed following consultation with staff and staff representatives to address fundamental changes to the cost base. The CRP, which has been agreed, includes a voluntary severance scheme, reductions in pay, further pay pauses and changes in work practices. The estimated cost of the programme is €46.5 million (before tax) which has been charged to the profit and loss account in the current year. The impact on the taxation charge was to reduce the tax charge by €5.8 million. Implementation of this programme has commenced and is expected to be completed in 2010, with certain elements of the costs of the CRP payable in future years.

In 2008, following a revised assessment of the related cost, a further €0.550 million before tax was charged to the profit and loss account in respect of a previous fundamental restructuring at Shannon Airport. The impact on taxation was to reduce the tax charge for that year by €0.1 million.

b. Impairment

In 2009, an impairment charge of €11.3 million was recorded in the profit and loss account in relation to a review of the carrying value of tangible fixed assets of a subsidiary undertaking at 31 December 2009. The impairment charge arose as a result of discounting the expected cash flows attributable to this investment over the period of the investment. This impairment charge had no impact on the taxation charge for the year.

c. Pension costs

During 2008, as more fully set out in Note 21, the Company reached agreement with the trade unions representing the majority of staff to establish, subject to Ministerial approval, certain additional pension arrangements independent of the existing scheme. Pursuant to this agreement, the Company intends to make a once-off pension contribution in respect of past service. In 2008, €36.0 million was charged to the profit and loss account. The impact on taxation was to reduce the charge in 2008 by €4.5 million.

d. Profit on sale of discontinued operations

In 2009, €0.882 million (2008: €1.356 million) was released to the profit and loss account arising from the revision of cost estimates relating to the disposal of the Group's former hotel business. The impact on taxation was to increase the tax charge by €0.1 million in 2009 (2008: €0.2 million).

5. Interest payable and similar charges

		Group
	2009	2008
	€000	€000
Interest payable on loans wholly repayable by instalments:		
Within five years	**235**	385
After five years	**14,126**	10,107
Interest on loan notes	**54,898**	34,277
Amortisation of issue costs/other funding costs	**699**	791
Amounts written off financial assets	**–**	550
Other interest payable	**167**	6
Other finance costs	**1,562**	97
	71,687	46,213
Interest capitalised	**(20,652)**	(4,432)
Total interest payable – Group	**51,035**	41,781
Joint venture undertakings:		
Interest on loans repayable by instalments within five years	**997**	1,353
Interest capitalised	**–**	(374)
Total share of interest payable – joint venture undertakings	**997**	979
Associated undertakings:		
Interest payable on loans repayable by instalments within five years	**2,102**	1,681
Interest payable on loans repayable by instalments after five years	**6,255**	6,374
Total share of interest payable – associated undertakings	**8,357**	8,055

6. Statutory and other information

Group profit on ordinary activities before tax is stated after charging/(crediting):

	2009	2008
	€000	€000
Auditors' remuneration (including expenses):		
For audit services	**369**	437
For other services	**353**	704
	722	1,141
Operating lease rentals:		
Equipment	**1,410**	1,246
Buildings	**7,285**	7,277
Depreciation	**62,937**	65,795
Impairment of tangible fixed assets	**11,300**	–
Loss on retirements and disposals of tangible fixed assets	**599**	1,308
Amortisation of capital grants	**(1,046)**	(1,115)
Amortisation of intangible assets and goodwill/negative goodwill		
Group (Note 10)	**1,232**	1,266
Associated undertakings	**(447)**	(254)
	785	1,012

6. Statutory and other information *(continued)*

Directors' remuneration

Amounts paid to directors disclosed in accordance with the Code of Practice for the Governance of State Bodies and the Companies Acts, 1963 to 2009, are provided below.

	2009 €000	2008 €000
Fees		
— David Dilger	**19.2**	–
— Gary McGann	**7.0**	35.0
— Peter Barrett	**16.3**	1.5
— Colm Barrington	**–**	11.7
— Declan Collier	**16.3**	17.5
— Gerard Collins	**2.4**	–
— Bill Cullen	**14.8**	17.5
— Des Cummins	**–**	–
— Mary Davis	**12.4**	17.5
— Thomas Guilfoyle	**3.9**	–
— Sir Michael Hodgkinson	**14.8**	17.5
— Marion Keating	**12.4**	17.5
— Michael Lenane	**3.9**	–
— Brian Lynch	**3.9**	17.5
— Mary McCabe	**16.3**	1.5
— Ian McDonnell	**–**	11.0
— Barry Nevin	**16.3**	17.5
— Brian O'Connell	**–**	–
— Marie O'Connor	**14.8**	17.5
— Anthony Spollen	**12.4**	17.5
— Gerry Walsh	**–**	–
For services as director	**187.1**	218.2
Other emoluments (including pension contributions)	**778.3**	902.3
Compensation or other payments on retirement or loss of office – other than in respect of the office of director	**255.4**	–
	1,220.8	1,120.5

Remuneration of employee directors, elected pursuant to the Worker Participation (State Enterprises) Acts 1977 to 2001, arising from their normal contracts of employment, for the portion of the year for which they were directors, is included above in other emoluments and compensation or other payments on retirement or loss of office.

The remuneration of the Chief Executive, disclosed in accordance with the applicable government department guidelines relating to the remuneration arrangements of Chief Executives of Commercial State Bodies, is provided below.

	2009 €000	2008 €000
Fees	**16.3**	17.5
Salary [a]	**320.4**	347.9
Performance related remuneration	**50.9**	88.9
Pension contributions and other taxable benefits	**180.5**	184.2
	568.1	638.5

a. Pursuant to his contract, the salary of the Chief Executive at 31 December 2009 and 2008 was €350,556. For 2009, the Chief Executive, in conjunction with the Board, agreed to a voluntary reduction in pay.

Expenses paid to members of the Board during the year in respect of services as director, disclosed in accordance with the Code of Practice for the Governance of State Bodies, were €3,058 (2008: €2,412). These amounts primarily related to travel, subsistence and telephone expenses.

7. Tax on (loss)/profit on ordinary activities

	2009	2008
	€000	€000
Current tax:		
Corporation tax – Ireland	**(1,512)**	8,325
Overseas corporation tax of subsidiary undertakings	**4,230**	3,626
Capital gains tax – Ireland	**55**	491
Over provision in respect of prior periods	**(964)**	(207)
Tax attributable to Group	**1,809**	12,235
Share of overseas tax of associated undertakings	**4,499**	8,014
Share of Irish tax of associated undertakings	**7**	(9)
Tax attributable to associated undertakings	**4,506**	8,005
Current tax charge	**6,315**	20,240
Deferred tax:		
Origination/reversal of timing differences		
Attributable to Group (Note 14)	**3,499**	(3,617)
Attributable to Group share of associated undertakings	**–**	(18)
Adjustment in respect of prior years (Note 14)	**(44)**	96
Timing differences relating to FRS 17 pension liabilities	**(311)**	(129)
Deferred tax charge/(credit)	**3,144**	(3,668)
Tax on (loss)/profit on ordinary activities	**9,459**	16,572

A further deferred tax charge of €0.2 million (2008: deferred tax credit: €2.3 million) in relation to timing differences relating to FRS 17 liabilities is included in the statement of total recognised gains and losses.

The Group's Irish operations are subject to differing rates of corporation taxation, according to, inter alia, the nature of activities. During 2009 and 2008, these rates varied from 12.5% to 25% while the standard rate of corporation taxation was 12.5%.

The current tax charge for the period is higher than that based on the standard rate of tax in the Republic of Ireland. The differences are set out in the tax reconciliation below:

	2009	2008
	€000	€000
(Loss)/profit on ordinary activities before taxation	**(335)**	65,618
(Loss)/profit on ordinary activities at standard corporation tax rate in Republic of Ireland of 12.5% (2008: 12.5%)	**(42)**	8,202
Effects of:		
Differences between capital allowances for period and depreciation	**(3,412)**	(1,829)
Expenses not deductible for tax purposes (timing differences)	**1,673**	3,644
Expenses not deductible for tax purposes (permanent differences)	**2,439**	2,312
Profits of foreign undertakings taxable at higher rates	**5,952**	7,065
Irish profits taxable at higher rates	**705**	1,323
Over provision in respect of prior periods	**(964)**	(207)
Other	**(36)**	(270)
Current tax charge for the year	**6,315**	20,240

8. Profit for the financial year

A separate Company profit and loss account is not presented, as provided for under the Companies Act 1963, Section 148(8). A loss for the financial year of €9.5 million (2008: €33.8 million profit) has been dealt with in the financial statements of the Company.

9. Tangible fixed assets

Group	Terminal complexes	Lands and airfields	Plant and equipment	Other property	Assets in the course of construction	Total
	€000	€000	€000	€000	€000	€000
Cost						
At 1 January 2009	479,689	301,244	355,624	242,762	428,521	1,807,840
Additions	1,013	8,921	23,252	29,033	459,647	521,866
Transfer to completed assets	55,392	10,397	15,403	1,274	(82,466)	–
Disposals	–	–	(4,883)	–	–	(4,883)
Retirements	(1,398)	(2,193)	(6,910)	(1,034)	–	(11,535)
Translation reserves	–	–	724	–	–	724
At 31 December 2009	**534,696**	**318,369**	**383,210**	**272,035**	**805,702**	**2,314,012**
Depreciation						
At 1 January 2009	129,432	80,112	169,011	85,025	–	463,580
Charge for the year	13,515	9,506	31,544	8,372	–	62,937
Impairment	–	–	11,300	–	–	11,300
Disposals	–	–	(4,824)	–	–	(4,824)
Retirements	(1,154)	(2,193)	(6,662)	(947)	–	(10,956)
Translation reserves	–	–	478	–	–	478
At 31 December 2009	**141,793**	**87,425**	**200,847**	**92,450**	**–**	**522,515**
Net book value						
At 31 December 2009	**392,903**	**230,944**	**182,363**	**179,585**	**805,702**	**1,791,497**
At 31 December 2008	350,257	221,132	186,613	157,737	428,521	1,344,260

Company	Terminal complexes	Lands and airfields	Plant and equipment	Other property	Assets in the course of construction	Total
	€000	€000	€000	€000	€000	€000
Cost						
At 1 January 2009	479,689	294,358	342,090	236,736	428,521	1,781,394
Additions	1,013	8,921	10,477	29,033	459,647	509,091
Transfer to completed assets	55,392	10,397	15,403	1,274	(82,466)	–
Disposals	–	–	(126)	–	–	(126)
Retirements	(1,398)	(2,193)	(6,910)	(1,034)	–	(11,535)
At 31 December 2009	**534,696**	**311,483**	**360,934**	**266,009**	**805,702**	**2,278,824**
Depreciation						
At 1 January 2009	129,432	80,112	159,387	80,898	–	449,829
Charge for the year	13,515	9,506	29,944	8,320	–	61,285
Disposals	–	–	(67)	–	–	(67)
Retirements	(1,154)	(2,193)	(6,662)	(947)	–	(10,956)
At 31 December 2009	**141,793**	**87,425**	**182,602**	**88,271**	**–**	**500,091**
Net book value						
At 31 December 2009	**392,903**	**224,058**	**178,332**	**177,738**	**805,702**	**1,778,733**
At 31 December 2008	350,257	214,246	182,703	155,838	428,521	1,331,565

Lands and airfields include airport land at a cost of €20.0 million (2008: €19.2 million). Fixed asset additions include internal architectural and engineering costs of €4.8 million (2008: €2.9 million). Cost of fixed assets include cumulative interest capitalised of €40.1 million (2008: €19.4 million). Interest of €20.7 million (2008: €4.4 million) was capitalised during the year at an average rate of 5.9% (2008: 5.7%) per annum.

10. Intangible assets

Group	Goodwill	Concession rights	Total
	€000	€000	€000
Cost			
At 1 January 2009	10,373	14,423	**24,796**
Exchange movement	–	1,965	**1,965**
At 31 December 2009	**10,373**	**16,388**	**26,761**
Amortisation			
At 1 January 2009	823	12,464	**13,287**
Charge for the year	979	253	**1,232**
Exchange movement	–	1,715	**1,715**
At 31 December 2009	**1,802**	**14,432**	**16,234**
Net book value			
At 31 December 2009	**8,571**	**1,956**	**10,527**
At 31 December 2008	9,550	1,959	11,509

The goodwill arose in 2008 on the acquisition of Aer Rianta International (Middle East) WLL ("ARIME") and will be amortised over 10 years which is the average term of the concession agreements held by ARIME.

11. Fixed assets – financial

Group	**1 January 2009 €000**	**Additions / other increases during the year €000**	**Disposals / other movements during the year €000**	**31 December 2009 €000**
Joint venture undertakings				
Share of gross assets	24,834	–	(1,029)[a]	**23,805**
Share of gross liabilities	(34,605)	–	(5,410)[a]	**(40,015)**
Loans to joint venture undertakings	4,882	–	–	**4,882**
	(4,889)	**–**	**(6,439)**	**(11,328)**
Associated undertakings				
Equity interest at cost	71,221	–	–	**71,221**
Goodwill	376	–	(115)	**261**
Negative goodwill	(2,391)	–	562	**(1,829)**
Loan to associated undertaking	563	–	–	**563**
Share of post acquisition profits	108,885	6,596	–	**115,481**
Dividends paid	(79,621)	–	(19,025)	**(98,646)**
Translation reserve	5,124	–	(966)	**4,158**
	104,157	**6,596**	**(19,544)**	**91,209**
Other financial assets				
Listed investments at cost	4,713	17	(1,033)[b]	**3,697**
Total financial assets	**103,981**	**6,613**	**(27,016)**	**83,578**
Company				
Ordinary shares in subsidiary undertakings at cost	22,614	–	–	**22,614**
Capital contributions to subsidiary undertakings	5,938	–	(814)[c]	**5,124**
Loan to subsidiary undertaking	550	–	–	**550**
Loan to associated undertaking	563	–	–	**563**
Loan to joint venture undertaking	4,882	–	–	**4,882**
	34,547	**–**	**(814)**	**33,733**

a. The movements in joint venture undertakings reflects the share of assets and liabilities, as adjusted for the share of losses of joint ventures for the year of €6.4 million. The negative joint venture balance reflects the current value of joint venture assets and related liabilities, principally debt.

b. Listed investments are held by a subsidiary undertaking and are stated at the lower of cost and net realisable value.

c. An amortisation charge of €0.8 million was applied to the investment in a subsidiary undertaking by the Company.

In the opinion of the directors, the net realisable value of the investments is not less than the book amounts shown above. The basis on which financial assets are stated is set out in the Statement of Accounting Policies.

11. Fixed assets – financial *continued*

The principal operating subsidiary, associated and joint venture undertakings of the Group, all of which are included in the Group financial statements, together with the percentage beneficial holding of ordinary shares, are as set out below:

Undertaking	Registered office	Nature of business	%
Subsidiary undertakings			
Aer Rianta International cpt	Shannon, Ireland	International management services and airport investor	100
Aer Rianta International (North America) Inc.	Montreal, Canada	Duty free shopping and related activities	100
Aer Rianta International Kosovo LLC	Pristina, Kosovo	Duty free shopping and related activities	100
DAA Finance plc	Dublin, Ireland	Financing company	100
Derryquin Hotels Limited	Dublin, Ireland	Former hotel operator	100
Aer Rianta International Duty Free LLC	Moscow, Russia	Duty free shopping and related activities	100
Kievrianta LLC	Kiev, Ukraine	Duty free shopping and related activities	99
Aer Rianta International (Middle East) WLL	Manama, Bahrain	Duty free shopping and related activities	61.25
Associated undertakings			
Arial CJSC[1]	Moscow, Russia	Duty free shopping and related activities	50
Caribbean ARI Inc.[1]	Bridgetown, Barbados	Duty free shopping and related activities	50
Lenrianta CJSC	St. Petersburg, Russia	Duty free shopping and related activities	48.3
ZAO MediaPort	Moscow, Russia	Advertising	40
Brooklyn Properties Limited	Cork, Ireland	Cork Airport Business Park development	37.5
Aerofirst CJSC	Moscow, Russia	Duty free shopping and related activities	33.3
CTC – ARI Airports Limited	Nicosia, Cyprus	Duty free shopping and related activities	30.63
CTC – ARI (F&B) Limited	Nicosia, Cyprus	Duty free shopping and related activities	30.63
Oman Sales & Services LLC	Muscat, Oman	Duty free shopping and related activities	30.63
Delhi Duty Free Services Private Limited[2]	Delhi, India	Duty free shopping and related activities	25.55
Flughafen Düsseldorf GmbH	Düsseldorf, Germany	Airport operator	20
Rex Trading LLC	Moscow, Russia	Duty free shopping and related activities	19.9
Phoenicia Aer Rianta Co. SAL	Beirut, Lebanon	Duty free shopping and related activities	9.99
Joint venture undertakings			
Gatland Property Limited	Dublin, Ireland	Property development	50
Turckton Developments Limited	Dublin, Ireland	Business park development	50

1. In the opinion of the directors the investment should be treated as an associated undertaking as defined under Financial Reporting Standard 9 (FRS 9) “Associates and joint Ventures” on the grounds that the Group exercises significant influence rather than dominant influence or joint control over these entities.
2. ARI International cpt holds 33.1% of the shares of Delhi Duty Free Services Private Limited, with 7.55% of these shares held in trust for a third party.

All financial statements of subsidiary, associated and joint venture undertakings are coterminous with the year-end of the Group other than in respect of DAA Finance plc whose financial statements are prepared to a 28 February year-end. Management accounts have been prepared to 31 December 2009 for the purposes of including the results of that company in the Group financial statements. Transactions between the Group and its associated and joint venture undertakings are detailed in Note 29.

12. Stocks

	Group		Company	
	2009	2008	**2009**	2008
	€000	€000	**€000**	€000
Goods for resale	**19,287**	26,880	**6,272**	8,184
Maintenance	**2,480**	2,345	**2,480**	2,343
	21,767	29,225	**8,752**	10,527

The replacement value of stocks is not materially different from the carrying amounts.

13. Debtors

	Group		Company	
	2009	2008	**2009**	2008
	€000	€000	**€000**	€000
Trade debtors	**32,528**	32,779	**22,082**	23,397
Prepayments and accrued income	**1,981**	3,306	**1,218**	1,419
Due from subsidiary undertakings	**–**	–	**8,985**	14,325
Due from associated undertakings	**8,498**	6,356	**–**	–
VAT	**–**	13	**–**	5
Corporation tax	**3,097**	2,316	**3,097**	2,316
Deferred tax asset (Note 19)	**–**	239	**–**	922
Other debtors	**20,119**	19,173	**20,110**	18,858
	66,223	64,182	**55,492**	61,242

Debtors of €7.2 million (2008: €7.3 million) in the Group and debtors of €12.6 million (2008: €20.5 million) in the Company, fall due after more than one year.

14. Deferred tax (liability)/asset

	Group		Company	
	2009	2008	**2009**	2008
	€000	€000	**€000**	€000
Asset/(liability) at 1 January	**239**	(3,282)	**922**	(2,551)
(Charge)/credit for the year	**(3,499)**	3,617	**(3,265)**	3,569
Adjustment in respect of prior years	**44**	(96)	**44**	(96)
(Liability)/asset at 31 December	**(3,216)**	239	**(2,299)**	922
Deferred tax				
Comprising:				
Timing differences on capital allowances	**(9,835)**	(6,148)	**(8,918)**	(5,465)
Amounts not deductible for corporation tax in the current year	**6,619**	6,387	**6,619**	6,387
Deferred tax (liability)/asset	**(3,216)**	239	**(2,299)**	922

The deferred tax asset related to the pension liability is not included above and is disclosed separately in Note 21.

15. Creditors: amounts falling due within one year

	Group		Company	
	2009	2008	**2009**	2008
	€000	€000	**€000**	€000
Bank loans (Note 17)	**13,377**	11,319	**6,389**	4,669
Trade creditors	**25,314**	27,826	**5,978**	12,046
Due to subsidiary undertakings	**–**	–	**105,878**	97,765
Due to associated undertakings	**499**	296	**–**	–
Other creditors	**10,462**	13,214	**9,858**	11,616
Accruals and deferred income	**110,833**	112,885	**82,699**	75,909
Capital accruals	**82,436**	106,407	**78,548**	106,407
	242,921	271,947	**289,350**	308,412
Tax included in other creditors:				
Corporation tax	**2,904**	3,298	**2,216**	2,216
Capital gains tax	**55**	–	**55**	–
PAYE	**2,064**	3,521	**1,868**	3,521
PRSI	**1,740**	2,200	**1,740**	2,200
VAT	**891**	–	**1,204**	–
Other taxes	**553**	587	**550**	587

16. Creditors: amounts falling due after more than one year

	Group		Company	
	2009	2008	**2009**	2008
	€000	€000	**€000**	€000
Bank loans (Note 17)	**395,197**	208,575	**301,873**	108,262
Loan notes (Note 17)	**845,635**	845,104	**–**	–
Loan from minority interest to subsidiary undertakings	**–**	1,564	**–**	–
Other creditors	**13,866**	8,270	**13,866**	8,270
Due to subsidiary undertakings	**–**	–	**949,313**	949,313
Capital accruals	**6,000**	3,625	**6,000**	3,625
	1,260,698	1,067,138	**1,271,052**	1,069,470

Other creditors of €9.1 million (2008: €5.1 million), Group and Company, fall due after more than five years.

17. Financial liabilities

	Group		Company	
	2009	2008	**2009**	2008
	€000	€000	**€000**	€000
Repayable by instalments:				
Repayable within one year	**13,377**	11,319	**6,389**	4,669
Repayable within one to two years	**13,915**	13,377	**6,565**	6,389
Repayable within two to five years	**61,566**	43,557	**37,129**	20,255
Repayable after more than five years	**319,716**	153,205	**258,179**	81,618
	408,574	221,458	**308,262**	112,931
Repayable other than by instalments:				
Repayable within one to two years	**249,789**	–	**–**	–
Repayable within two to five years	**–**	249,612	**–**	–
Repayable after more than five years	**595,846**	595,492	**–**	–
	1,254,209	1,066,562	**308,262**	112,931
Split as follows:				
Bank loans	**408,574**	219,894	**308,262**	112,931
Loan notes	**845,635**	845,104	**–**	–
Loan from minority interest	**–**	1,564	**–**	–
	1,254,209	1,066,562	**308,262**	112,931
Included in creditors falling due within one year	**13,377**	11,319	**6,389**	4,669
Included in creditors falling due after more than one year	**1,240,832**	1,055,243	**301,873**	108,262

The loan notes comprise €600 million of loan notes repayable in 2018 and €250 million of loan notes repayable in 2011 (less amortised amounts). These are held through the Company's subsidiary, DAA Finance plc. The €600 million loan notes are listed on the Official List of the Irish Stock Exchange and the €250 million loan notes are listed on the Official Lists of the Irish and London Stock Exchanges. All amounts are guaranteed by Dublin Airport Authority plc. Interest rates and risk profile of financial liabilities are further analysed in Note 27. DAA Finance plc also has a bank loan from the European Investment Bank of €100.3 million (2008: €107.0 million) which is guaranteed by Dublin Airport Authority plc.

The Company's bank loans at 31 December 2009 of €308.3 million (2008: €112.9 million) are unsecured and are repayable by instalments.

Borrowing facilities

The Group has various undrawn committed borrowing facilities. At 31 December 2009, the Group had €560 million undrawn committed facilities available in respect of which all conditions precedent had been met, €260 million of which will expire in more than one year but not more than two years, and €300 million of which will expire in more than two years.

18. Capital grants

	Group		Company	
	2009	2008	**2009**	2008
	€000	€000	**€000**	€000
At 1 January	**16,909**	18,024	**16,909**	18,024
Amortised to profit and loss account	**(1,046)**	(1,115)	**(1,046)**	(1,115)
At 31 December	**15,863**	16,909	**15,863**	16,909

19. Provisions for liabilities

	Pension costs (Note 4 and Note 21)	Deferred tax (Note 14)	Cost recovery programme/ restructuring (Note 4)	Total
	€000	**€000**	**€000**	**€000**
Group				
At 1 January	36,000	–	2,156	38,156
Charge for the year	–	3,499	46,498	49,997
Adjustment in respect of prior years	–	(44)	–	(44)
Utilised during the year	(360)	–	(1,558)	(1,918)
Transfer from debtors (Note 13)	–	(239)	–	(239)
At 31 December	**35,640**	**3,216**	**47,096**	**85,952**
Company				
At 1 January	36,000	–	2,156	38,156
Charge for the year	–	3,265	44,000	47,265
Adjustment in respect of prior years	–	(44)	–	(44)
Utilised during the year	(360)	–	(952)	(1,312)
Transfer from debtors (Note 13)	–	(922)	–	(922)
At 31 December	**35,640**	**2,299**	**45,204**	**83,143**

20. Called up share capital

	Group and Company	
	2009	2008
	€000	€000
Authorised:		
317,500,000 ordinary shares of €1 each	**317,500**	317,500
Allotted, called up and fully paid:		
186,336,813 ordinary shares of €1 each	**186,337**	186,337

All the ordinary shares are beneficially held by the Minister for Finance of the Irish Government.

21. Pensions

The Group operates, or participates in, pension schemes in respect of the parent company and its principal subsidiary undertakings covering the majority of its employees. Pension scheme assets are held in separate, Revenue approved, trustee administered funds.

The Group accounts for pensions in accordance with Financial Reporting Standard 17 (FRS 17) "Retirement Benefits".

Dublin Airport Authority plc

Irish Airlines (General Employees) Superannuation Scheme

The majority of the Group's employees are those of the parent company, Dublin Airport Authority plc, whose permanent employees over the age of 20 are members of the multi-employer Irish Airlines (General Employees) Superannuation Scheme ("the IAS Scheme" or "the IAS"). The Company's current and past employees comprise less than one third of the membership of the IAS Scheme as at the last valuation date. Aer Lingus, whose past and present employees comprise the majority of the membership, and SR Technics are the other employer members of the IAS.

Both the benefits and the contributions are defined within the rules of the IAS Scheme. Benefits payable are determined by reference to final salary and the IAS Scheme is registered as a defined benefit scheme with the Pensions Board. However, under the trust deed governing the scheme, normal contributions are specified for both the employer and employees at the rate of 6.375% of pensionable salary. Employer contributions cannot be varied without the consent of all of the participating employers, whether in the event of a deficiency or otherwise and DAA is of the view that it has no legal or contractual obligation to alter its contribution rate. Accordingly, the IAS Scheme is accounted for as a defined contribution scheme under FRS 17 with the annual charge to the profit and loss account being the actual contributions payable by the Company to the scheme during the year.

During 2009 the Trustee of the IAS Scheme advised the participating employers and membership of the IAS that, following a significant fall in asset values, at 31 March 2009 there existed a material deficiency, as measured under the statutory minimum funding standard, in the scheme. Pursuant to the Pensions Act 1990, the Trustee is required to submit an agreed funding proposal to the Pensions Board by 30 June 2010 outlining how the deficiency is to be eliminated. This process is ongoing and the likely outcome is unclear.

Also during 2009, the other employer members of the IAS indicated changes in their business circumstances that may result in all or a substantial proportion of their employees ceasing to be active members of the IAS.

These recent developments have significant implications for the future operation and solvency of the IAS Scheme including whether the IAS Scheme will have sufficient assets to fully meet member pension expectations, in particular those of active members.

Reflecting these uncertainties, alternative pension arrangements may become necessary in the future. These may involve a break-up of the IAS to be replaced by the establishment of independent, single employer, successor pension arrangements and would be subject to, inter alia, Ministerial approvals. The Company has recently agreed, on foot of a request by trade unions representing the Company's employees, to explore the feasibility of separating the IAS into separate individual employer schemes.

While a change in the current IAS Scheme arrangements for past and future pension provision in respect of current and past employees of the Company is possible, the directors are unable, at this juncture, to determine the precise nature of any alternative arrangements that might be agreed in the future and whether, or to what extent, these might lead to changes in existing Company pension arrangements (see "Other Company Pension Arrangements" below), changes in the accounting treatment afforded to pension obligations in the Group's financial statements or the profit and loss account impact.

Other Company Pension Arrangements

During 2008, the Company reached agreement with the trade unions representing the majority of staff to establish, subject to Ministerial approval, (a) additional discretionary, fixed contribution, pension arrangements for DAA members of the multi-employer IAS Scheme ("Additional Fixed Contribution Funds for Existing Employees") and (b) new "hybrid" (i.e. part defined benefit and part defined contribution) pension scheme arrangements, for new employees ("Hybrid Scheme for New Employees"). These new arrangements will, in each case, be independent of the IAS Scheme.

The purpose of the Additional Fixed Contribution Funds for Existing Employees will be to seek to provide to eligible members, insofar as available funds permit and subject to their trustees' discretion, additional pensions in payment to those paid by the IAS Scheme.

Pursuant to this agreement with trade unions:

a. the Company intends to make a once-off contribution to the Additional Fixed Contribution Funds for Existing Employees in respect of past service (see Notes 4(c) and 19), which will be conditional, inter alia, upon employee election to join and contribute to the funds, the associated cost of which was estimated at €36 million at 31 December 2008.

b. the Company, and current eligible employees who opt to become members of the funds, will also pay ongoing annual defined contributions. As is the case with the IAS Scheme, these funds are being established on the basis that neither the Company nor a participating employee can be obliged to pay more than the specified contribution to the funds without their written consent. Accordingly, they will be accounted for as defined contribution schemes under FRS 17.

21. Pensions *continued*

It is intended that the Hybrid Scheme for New Employees will be funded by ongoing annual contributions from both the Company and eligible employee members of the scheme.

The Company also contributes to certain other pension arrangements, accounted for as defined benefit schemes under FRS 17, the principal one of which is the Aer Rianta Supplemental Superannuation Scheme ("the AR Supplemental Scheme"), a scheme for certain categories of company employees to provide certain retirement pension benefits supplementary to those payable under the IAS Scheme.

The Company also has an unfunded obligation to provide for the costs of early retirement for a certain category of employees (the "Early Retirement Obligation") as a result of agreements entered into in prior years which up to 2008 did not result in any significant cost to the Group. Due primarily to a change in the relevant actuarial assumptions arising during 2008, the Group has recognised a pension liability in respect of the Early Retirement Obligation at 31 December 2009 of €18.5 million (2008: €17.0 million), of which €2.0 million (2008: €0.4 million) was included in the profit and loss account, representing current service costs and net finance costs, and a credit of €0.5 million (2008: €16.6 million charge) was reflected in the statement of total recognised gains and losses, representing actuarial gains/losses.

Aer Rianta International cpt

Aer Rianta International cpt ("ARI") operates defined contribution pension schemes or makes the required statutory contribution in respect of ARI and its principal subsidiary undertakings, covering the majority of its employees. Aer Rianta International (North America) Inc., a subsidiary of ARI, operates a defined benefit scheme which is not material in the context of the Group. Full details of the scheme are set out in the financial statements of that company.

FRS 17 "Retirement Benefits" disclosures

The pension cost to the Group charged against operating profit under FRS 17 for the financial year amounted to €8.4 million (2008: €43.5 million including €36.0 million exceptional pension costs).

	2009	2008
	€000	€000
Defined benefit schemes	**1,724**	1,474
Defined contribution schemes – pre-exceptional	**6,699**	6,063
– exceptional	**–**	36,000
	8,423	43,537

The combined net pension liabilities of arrangements, accounted for as defined benefit schemes under FRS 17, consisting primarily of the Early Retirement Obligation and the AR Supplemental Scheme were as follows:

Group and Company	**2009**	2008
	€000	€000
Net pensions liability	**19,820**	19,002

The AR Supplemental Scheme is actuarially valued every three years by independent professionally qualified actuaries. In accordance with FRS 17 at each reporting date the most recent valuation of the scheme is updated by the actuaries to reflect financial assumptions that are current at the balance sheet date. The Early Retirement Obligation has been valued by an independent professionally qualified actuary at the balance sheet date.

At 31 December 2009, the net pensions liability in the Group and Company was €19.820 million (2008: €19.002 million) being assets of €6.038 million (2008: €4.106 million) and present value of accrued scheme liabilities of €28.692 million (2008: €25.822 million) net of a related deferred tax asset of €2.834 million (2008: €2.714 million).

21. Pensions *continued*

The main financial assumptions, given on a combined basis, used by the actuaries of these arrangements to value the liabilities were:

	As at 31/12/2009	As at 31/12/2008
Valuation method	**Projected Unit**	Projected Unit
Rate of increase in salaries	**3.0 – 3.25%**	3.25 – 3.75%
Rate of increase in pension payment	**0.00%**	0.00%
Discount rate	**5.50%**	5.75%
Inflation assumption	**2.00%**	2.00%
Life expectancy		
Male member age 61 (current life expectancy)	**24.4**	24.4
Male member age 40 (life expectancy at age 61)	**25.1**	25.1
Female member age 59 (current life expectancy)	**29.4**	29.4
Female member age 40 (life expectancy at age 59)	**30.3**	30.3

The discount rate of 5.50% is based on AA Corporate Rated Bonds which are appropriate for the duration of the liabilities of the schemes.

The asset allocations and expected long-term rate of return on assets at the year-end were as follows:

	2009		2008	
	Percentage of plan assets	**Expected Return**	Percentage of plan assets	Expected Return
Equities	**69.9%**	**6.95%**	64.2%	8.5%
Bonds	**19.6%**	**3.65%**	21.6%	4.0%
Property	**3.8%**	**6.5%**	4.7%	7.0%
Other	**6.7%**	**2.0%**	9.5%	3.0%
	100.0%		100.0%	

To develop the expected long term rate of return on assets assumption, the Company considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long term rate of return on assets assumption for the portfolio. This resulted in the selection of an assumption of the weighted average long-term rate of return on assets of 5.95% (2008: 6.87%).

	2009 €000	2008 €000
Amounts recognised in the balance sheet		
Present value of funded obligations	**(10,192)**	(8,822)
Fair value of plan assets	**6,038**	4,106
Deficit for funded plans	**(4,154)**	(4,716)
Present value of unfunded obligations	**(18,500)**	(17,000)
Gross liability	**(22,654)**	(21,716)
Related deferred tax asset	**2,834**	2,714
Net liability	**(19,820)**	(19,002)
Change in benefit obligation		
Benefit obligation at beginning of year	**(25,822)**	(8,034)
Service cost	**(1,724)**	(1,297)
Past service cost	**–**	(177)
Interest cost	**(1,562)**	(508)
Plan members' contributions	**(359)**	(367)
Actuarial gain/(loss)	**691**	(15,580)
Benefits paid	**84**	141
Benefit obligation (funded and unfunded) at end of year	**(28,692)**	(25,822)

21. Pensions *continued*

	2009 €000	2008 €000
Change in plan assets		
Fair value of plan assets at beginning of year	**4,106**	5,428
Expected return on plan assets	**311**	412
Actuarial gain/(loss)	**833**	(2,490)
Employer contributions	**513**	530
Member contributions	**359**	367
Benefits paid from plan	**(84)**	(141)
Fair value of plan assets at end of year	**6,038**	4,106
Components of pension expense		
Amounts recorded in profit and loss		
Current service cost	**1,724**	1,297
Past service cost	**–**	177
Interest cost	**1,562**	508
Expected return on plan assets	**(311)**	(412)
Total pension expense recognised in the profit and loss account	**2,975**	1,570
Actuarial (gain)/loss immediately recognised	**(1,524)**	18,070
Total pension (gain)/loss recognised in the statement of total recognised gains and losses ("STRGL")	**(1,524)**	18,070
Cumulative amount of actuarial loss immediately recognised	**15,667**	17,191

Contributions of €0.5 million are expected to be paid by the Group in the forthcoming accounting period for defined benefit arrangements.

				Year ended 31 December	
	2009	2008	2007	2006	2005
History of experience adjustments	**€000**	€000	€000	€000	€000
Difference between expected and actual return on assets	**833**	(2,490)	(679)	138	181
Expressed as a percentage of scheme assets	**13.8%**	60.6%	12.5%	3.4%	6.0%
Experience gains and (losses) on scheme liabilities	**770**	490	(987)	(172)	(11)
Expressed as a percentage of scheme liabilities	**2.7%**	1.9%	12.3%	2.6%	–
Total actuarial gains and (losses)	**1,524**	(18,070)	(89)	157	(567)
Expressed as a percentage of scheme liabilities	**5.3%**	70.0%	1.1%	2.3%	10.6%
History of scheme deficits					
Fair value of scheme assets	**6,038**	4,106	5,428	4,315	3,041
Present value of scheme liabilities	**(28,692)**	(25,822)	(8,034)	(6,979)	(5,366)
Deficit in schemes	**(22,654)**	(21,716)	(2,606)	(2,664)	(2,325)

	2009 €000	2008 €000
Deferred tax asset – pension related		
At beginning of year	**2,714**	326
Credit to profit	**311**	129
(Charge)/credit to STRGL	**(191)**	2,259
At end of year	**2,834**	2,714

22. Reserves

	2009				2008
	Profit and loss account €000	**Translation reserve €000**	**Other reserves €000**	**Total reserves €000**	Total reserves €000
Group					
At 1 January	**823,542**	**(1,002)**	**246**	**822,786**	791,009
(Loss)/profit for the financial year	**(13,267)**	**–**	**–**	**(13,267)**	47,074
Currency translation adjustments	**–**	**(1,072)**	**–**	**(1,072)**	514
Actuarial gain/(loss) in pension schemes	**1,524**	**–**	**–**	**1,524**	(18,070)
Deferred tax (charge)/credit thereon	**(191)**	**–**	**–**	**(191)**	2,259
Dividends paid	**(19,400)**	**–**	**–**	**(19,400)**	–
At 31 December	**792,208**	**(2,074)**	**246**	**790,380**	822,786
Reserves are held as follows:					
Dublin Airport Authority plc	**629,983**	**–**	**–**	**629,983**	657,525
Subsidiary undertakings	**163,970**	**(2,919)**	**–**	**161,051**	146,528
Joint venture undertakings	**(12,879)**	**–**	**–**	**(12,879)**	(6,440)
Associated undertakings	**15,606**	**845**	**246**	**16,697**	29,645
Consolidation adjustment	**(4,472)**	**–**	**–**	**(4,472)**	(4,472)
	792,208	**(2,074)**	**246**	**790,380**	822,786

	2009 €000	2008 €000
Company		
Profit and loss account		
At 1 January	**657,525**	639,558
(Loss)/profit for the financial year	**(9,475)**	33,778
Actuarial gain/(loss) in pension schemes	**1,524**	(18,070)
Deferred tax (charge)/credit thereon	**(191)**	2,259
Dividends paid	**(19,400)**	–
At 31 December	**629,983**	657,525

During 2009, a dividend of €0.10411 per share, totalling €19.4 million was paid to the Minister for Finance (2008: nil).

23. Reconciliation of operating profit to cash inflow from operating activities

	Group	
	2009	2008
	€000	€000
Operating profit	**51,392**	51,657
Depreciation charge	**62,937**	65,795
Amortisation of intangible assets	**253**	744
Amortisation of goodwill/negative goodwill	**531**	268
Impairment and write-off of tangible fixed assets/investments	**12,912**	1,276
Amortisation of capital grants	**(1,046)**	(1,115)
Loss on disposal of tangible fixed assets	**20**	32
Decrease in stocks	**7,422**	2,931
Decrease/(increase) in debtors	**71**	(1,050)
(Decrease)/increase in creditors	**(4,335)**	4,172
Increase in provisions	**–**	36,000
Increase in net pension liability	**1,211**	914
Cash inflow from operating activities	**131,368**	161,624

24. Analysis of headings grouped in cash flow statement

	Group	
	2009	2008
	€000	€000
Returns on investments and servicing of finance		
Interest received	**37,679**	29,406
Interest paid	**(65,172)**	(43,282)
Income from other financial assets	**255**	126
	(27,238)	(13,750)
Capital expenditure		
Purchase of tangible fixed assets	**(522,810)**	(349,232)
Sale of tangible fixed assets	**39**	80
	(522,771)	(349,152)
Acquisitions and disposals		
Acquisition of subsidiary undertaking	**–**	(12,154)
Disposal of subsidiary undertaking	**(562)**	–
Net cash acquired with subsidiary undertaking	**–**	3,811
Acquisition of associated undertaking	**–**	(695)
Loan to joint venture undertaking	**–**	(550)
	(562)	(9,588)
Dividends paid		
By parent company	**(19,400)**	–
By subsidiary undertakings to minority interests	**(4,710)**	–
	(24,110)	–
Financing		
New bank loans	**200,000**	–
Repayments of bank loans	**(11,319)**	(10,033)
Proceeds from issue of new loan notes	**–**	600,000
Costs associated with issue of new loan notes	**–**	(4,672)
	188,681	585,295

25. Reconciliation of net cash flow to movement in net debt

	Group	
	2009	2008
	€000	€000
Increase/(decrease) in cash in the year	**22,708**	(17,626)
(Decrease)/increase in liquid resources	**(263,219)**	381,252
Increase in debt	**(188,681)**	(585,295)
Change in net debt resulting from cash flows	**(429,192)**	(221,669)
Disposal of subsidiary undertaking	**1,575**	–
Amortisation of issue costs	**(530)**	(330)
Foreign exchange movement	**201**	(845)
Movement in net debt in the year	**(427,946)**	(222,844)
Net (debt)/funds at 1 January	**(188,040)**	34,804
Net debt at 31 December	**(615,986)**	(188,040)

26. Analysis of net debt

	At 1 January 2009 €000	Cash flow €000	Non-cash movement €000	Foreign exchange movement €000	At 31 December 2009 €000
Cash	16,233	22,708	–	212	39,153
Liquid resources	862,289	(263,219)	–	–	599,070
	878,522	(240,511)	–	212	638,223
Debt due within one year	(11,319)	11,319	(13,377)	–	(13,377)
Debt due after one year	(1,055,243)	(200,000)	14,422	(11)	(1,240,832)
	(1,066,562)	(188,681)	1,045	(11)	(1,254,209)
Total	**(188,040)**	**(429,192)**	**1,045**	**201**	**(615,986)**

27. Financial Instruments

Narrative disclosures concerning the Group's treasury policy and management are set out in the Financial Review. The required disclosures in respect of relevant financial assets and liabilities (as defined) in accordance with Financial Reporting Standard 13 (FRS 13) "Derivatives and Other Financial Instruments" are provided below. Relevant financial assets/liabilities exclude short-term debtors and creditors and investments in subsidiaries, associated undertakings and joint ventures.

i. Interest rate risk profile of financial liabilities and assets

After taking into account, where relevant, the various interest rate swaps and forward foreign currency contracts entered into by the Group, the interest rate profile of the Group's relevant financial liabilities and interest bearing relevant financial assets at 31 December 2009 was:

			2009			2008
	Total	**Floating rate**	**Fixed rate**	Total	Floating rate	Fixed rate
	€000	**€000**	**€000**	€000	€000	€000
Financial liabilities						
Euro	**1,254,209**	**–**	**1,254,209**	1,064,998	–	1,064,998
US dollar	**–**	**–**	**–**	1,564	–	1,564
	1,254,209	**–**	**1,254,209**	1,066,562	–	1,066,562
Financial assets						
Euro	**631,047**	**396,047**	**235,000**	866,728	187,728	679,000
Sterling	**1,831**	**1,831**	**–**	770	770	–
US dollar	**3,923**	**3,923**	**–**	8,860	8,860	–
Canadian dollar	**997**	**997**	**–**	1,571	1,571	–
Ukraine hryvnia	**246**	**246**	**–**	368	368	–
Russian rouble	**101**	**101**	**–**	–	–	–
Swiss franc	**74**	**74**	**–**	157	157	–
Other currencies	**4**	**4**	**–**	68	68	–
	638,223	**403,223**	**235,000**	878,522	199,522	679,000

The weighted average interest rate for fixed rate Euro currency financial liabilities was 6.0% (2008: 5.7%) and the weighted average period for which the rate is fixed was 9.4 years (2008: 8.6 years). There were no financial liabilities on which no interest is paid. The fixed rate financial assets were comprised of bank deposits bearing fixed agreed interest returns. The floating rate financial assets were comprised of term and call bank deposits of less than one year that bore interest based on market rates. No interest is received on loans to associated and joint venture undertakings of €5.4 million (2008: €5.4 million).

27. Financial Instruments *continued*

ii. Currency exposures

The table below shows the Group's currency exposure, being those assets and liabilities (or non-structural exposures) that give rise to the net monetary gains and losses recognised in the profit and loss account. Such exposures comprise the monetary assets and liabilities of the Group that are not denominated in the functional currency of the unit involved. These exposures were as follows:

	Net foreign currency monetary assets €000						
	Euro	**Sterling**	**US dollar**	**Canadian dollar**	**Ukraine hryvnia**	**Russian rouble**	**Swiss franc**
As at 31 December 2009							
Functional currency of Group operations							
Euro	–	1,908	3,858	183	251	101	18
Canadian dollar	–	–	17	–	–	–	–
US dollar	5,176	68	–	–	–	–	56
	5,176	**1,976**	**3,875**	**183**	**251**	**101**	**74**
As at 31 December 2008							
Functional currency of Group operations							
Euro	–	744	8,917	1,014	368	64	7
Canadian dollar	–	–	16	–	–	–	–
US dollar	3,927	160	–	11	–	–	150
	3,927	**904**	**8,933**	**1,025**	**368**	**64**	**157**

The amounts shown in the table above take into account the effect of any currency swaps, forward contracts and other derivatives entered into to manage these currency exposures.

iii. Fair values of financial liabilities and assets

Set out below is a comparison by category of book values and fair values of the Group's relevant financial liabilities as at 31 December 2009.

	2009		2008	
	Book value €000	**Fair value €000**	Book value €000	Fair value €000
Primary financial instruments held or issued to finance the Group's operations				
Short-term financial liabilities and current portion of long-term borrowings (Note 17)	**13,377**	**14,476**	11,319	12,407
Long-term borrowings (Note 17)	**1,240,832**	**1,257,444**	1,055,243	1,069,630
	1,254,209	**1,271,920**	1,066,562	1,082,037
Derivative financial instruments held to manage interest rate and currency profile	**–**	**4,170**	–	10,478
Derivative financial instruments held or issued to hedge the currency exposure on expected future sales:				
Forward foreign exchange contracts	**–**	**19**	–	(667)

Where available, market values have been used to determine fair values. Where market values are not available, fair values have been calculated by discounting expected cash flows at prevailing interest rates.

At the balance sheet date the fair values of the relevant financial assets and other creditors falling due after more than one year were not materially different from their carrying value.

27. Financial Instruments *continued*

iv. Hedges

As set out in the Financial Review, the Group enters into forward foreign currency contracts to eliminate the currency exposure that arises on cash flows denominated in foreign currencies. It also may use interest rate swaps and forward rate agreements to manage its interest rate profile. As set out in the Statement of Accounting Policies, changes in the fair value of instruments used as hedges are not recognised in the financial statements until the hedged position matures. An analysis of these unrecognised gains and losses is as follows:

	Gains €000	Losses €000	Total net gains/ (losses) €000
Unrecognised gains and losses on hedges on 1 January 2009	**11,003**	**(1,192)**	**9,811**
Gains and losses arising in previous years recognised in 2009	**(7,441)**	**1,192**	**(6,249)**
Gains and losses arising before 1 January 2009 not recognised in 2009	**3,562**	**–**	**3,562**
Gains and losses arising in 2009 not recognised in 2009	**627**	**–**	**627**
Unrecognised gains and losses on hedges at 31 December 2009	**4,189**	**–**	**4,189**
Of which:			
Gains and losses expected to be recognised in 2010	**4,189**	**–**	**4,189**

28. Commitments and related matters

	Group		Company	
	2009 €000	2008 €000	**2009 €000**	2008 €000
i. Capital commitments				
Contracted	**70,257**	377,128	**70,257**	377,128
Authorised by the directors but not contracted for	**56,438**	183,900	**54,646**	157,740
	126,695	561,028	**124,903**	534,868

At 31 December 2009, €2.0 million (2008: €2.0 million) of capital commitments had been secured by performance bonds issued by banks and guaranteed by subsidiary undertakings. In addition a subsidiary undertaking had an equity subscription commitment of €6.7 million (2008: €6.7 million) in respect of an existing airport investment.

ii. International concessions agreements

Certain of the Group's international retail activities are subject to arrangements that include guaranteed minimum concession fees.

Concessions fees payable during the next 12 months are made up as follows:

	Group		Company	
	2009 €000	2008 €000	**2009 €000**	2008 €000
Payable on concession agreements which expire within:				
One year	**252**	221	**–**	–
Two to five years	**3,889**	5,576	**–**	–
Greater than five years	**32,553**	50	**–**	–
	36,694	5,847	**–**	–

At 31 December 2009, €16.3 million (2008: €5.0 million) of these commitments had been secured by performance bonds issued by banks and guaranteed by the Company's subsidiary undertaking, Aer Rianta International cpt.

iii. Operating leases

Leasing commitments payable during the next 12 months were made up as follows:

	Group		Company	
	2009	2008	**2009**	2008
	€000	€000	**€000**	€000
Buildings				
Payable on leases which expire within:				
One year	**89**	31	**–**	–
Two to five years	**440**	225	**–**	–
Greater than five years	**344**	208	**–**	–
	873	464	**–**	–
Plant and equipment				
Payable on leases which expire within:				
One year	**–**	–	**–**	–
Two to five years	**1,162**	983	**1,162**	983
	1,162	983	**1,162**	983

iv. Other commitments

In the normal course of business the Group has entered into commitments for the future supply of gas and electricity at its airports. At 31 December 2009, the purchase commitments amounted to €8.3 million (2008: nil).

29. Related party disclosures

The related parties of the Group, as defined by Financial Reporting Standard 8 (FRS 8) "Related Party Disclosures", the nature of the relationship and the extent of transactions with them (excluding subsidiary undertakings), are summarised below.

	2009	2008
	€000	€000
Management charges to associated undertakings	**15,187**	10,402
Sales at cost to associated undertakings	**6,786**	15,227
Dividends received from associated undertakings	**19,025**	13,567
Loans to associated undertakings	**563**	563
Due from associated undertakings at year-end	**8,498**	6,356
Due to associated undertakings at year-end	**499**	296
Loans to joint venture undertaking at year-end	**4,882**	4,882

In common with many other Government and state bodies, the Group deals in the normal course of business with a range of other Government and state bodies. In addition, pursuant to the State Airports Act 2004, the Company has entered into interim arrangements with Cork Airport Authority plc and Shannon Airport Authority plc for the performance on its behalf of certain functions covering Cork and Shannon airports respectively.

Details of the Group's principal associated and joint venture undertakings are set out in Note 11.

Ms Marie O'Connor, a director of the Company, is also a Partner in PricewaterhouseCoopers ("PwC") in Ireland. Fees in respect of services provided to the Group in the normal course of business by PwC in Ireland during the year ended 31 December 2009 were €329,629 (2008: €415,000). Mr Bill Cullen, a director of the Company, is a Principal of the Europa Academy. Fees in respect of rental of rooms provided to the Group in the normal course of business by Europa Academy during the year ended 31 December 2009 were €4,014 (2008: €28,399).

30. Minority interest

	2009 €000
At beginning of year	9,404
Share of profit for the year	3,473
Exchange differences	(135)
Disposal of subsidiary	1,812
Dividend to minority shareholders	(4,710)
At end of year	**9,844**

31. Associates and joint ventures

In accordance with the requirements of Financial Reporting Standard 9 (FRS 9): "Associates and Joint Ventures", the following additional information is given about associated and joint venture undertakings which play a significant part in the operations of the Group, where applicable.

The Group's share of turnover, fixed assets, current assets, liabilities due within one year and liabilities due after more than one year of all associated undertakings is as follows:

	2009 €000	2008 €000
Turnover	194,811	196,232
Fixed assets	294,073	281,356
Current assets	62,738	72,841
Liabilities due within one year	(23,497)	(30,934)
Liabilities due after one year or more	(241,099)	(218,042)

The Group's share of capital commitments of all associated undertakings amounted to €43.2 million (2008: €48.5 million).

The Group's share of the results, assets and liabilities of Flughafen Düsseldorf GmbH in which the Group holds a 20% stake (via its 40% stake in Airport Partners GmbH) (associated undertaking which exceeds certain size criteria as set down in FRS 9) is as follows:

	2009 €000	2008 €000
Turnover	78,664	83,579
Profit before tax	7,782	12,728
Taxation	(2,692)	(4,690)
Profit after tax	5,090	8,038
Fixed assets	279,729	273,194
Current assets	23,442	16,992
Liabilities due within one year	(4,836)	(5,601)
Liabilities due after one year or more	(223,129)	(207,431)

32. Litigation

In the normal course of business, the Group is involved in various legal proceedings with third parties, the outcome of which is uncertain. Where appropriate, provision is made in the financial statements based on the directors' best estimate of the potential outcome of such proceedings. It is the policy of the Group to rigorously defend all legal actions taken against the Group.

33. Approval of financial statements

The financial statements were approved by the Board on 12 March 2010.

Five-year summary of financial results

	2009	2008	2007	2006	2005
	€000	€000	€000	€000	€000
Operating results					
Turnover	**546,716**	630,940	623,364	590,586	524,982
Group EBITDA	**125,512**	154,657	169,917	145,228	110,992
Group operating profit (pre-exceptional)	**62,692**	87,657	111,608	85,003	64,070
Share of profits of associates and joint ventures	**14,007**	30,272	38,471	31,350	30,000
Net interest payable – Group, joint ventures and associates	**(20,118)**	(17,117)	(17,105)	(28,156)	(30,120)
Group exceptional items	**(56,916)**	(35,194)	239,320	115,638	–
(Loss)/profit before taxation	**(335)**	65,618	372,294	203,835	63,950
Taxation	**(9,459)**	(16,572)	(24,735)	(37,978)	(14,213)
Minority interest	**(3,473)**	(1,972)	(33)	105	349
(Loss)/profit for the financial year	**(13,267)**	47,074	347,526	165,962	50,086
Profit excluding exceptional items (after tax)	**37,947**	77,899	108,500	69,523	50,086
Capital employed					
Tangible fixed assets	**1,791,497**	1,344,260	1,006,126	793,447	809,082
Intangible fixed assets	**10,527**	11,509	3,327	4,100	5,476
Financial fixed assets	**83,578**	103,981	94,175	151,567	171,544
Net current assets/(liabilities)	**483,292**	699,982	386,220	238,945	(18,420)
Total assets less current liabilities	**2,368,894**	2,159,732	1,489,848	1,188,059	967,682
Creditors over one year	**(1,260,698)**	(1,067,138)	(479,710)	(498,731)	(457,354)
Capital grants	**(15,863)**	(16,909)	(18,024)	(19,380)	(24,558)
Provisions for liabilities	**(85,952)**	(38,156)	(13,916)	(37,677)	(5,129)
Net pension liability	**(19,820)**	(19,002)	(2,280)	(2,331)	(4,116)
Net assets	**986,561**	1,018,527	975,918	629,940	476,525
Summary Cash Flow					
Cash flow from operating activities	**131,368**	161,624	170,001	148,183	121,044
Payments in respect of exceptional restructuring and pension programmes	**(1,918)**	(9,028)	(27,017)	–	–
Dividends from associated undertakings	**19,025**	13,567	9,628	8,648	8,449
	148,475	166,163	152,612	156,831	129,493
Net interest paid	**(27,238)**	(13,750)	(12,875)	(22,514)	(22,693)
Taxation paid	**(2,986)**	(15,342)	(23,520)	(21,505)	(4,437)
	118,251	137,071	116,217	112,812	102,363
Investment in tangible fixed assets	**(522,810)**	(349,232)	(248,875)	(134,406)	(100,322)
Investment in/loans to associated and joint venture undertakings and financial assets	**–**	(1,245)	–	(83)	(918)
Purchase of subsidiary undertakings	**–**	(8,343)	–	–	–
Sale of discontinued operations	**–**	–	–	234,906	–
Net (outflow)/proceeds from disposal of subsidiary/associated undertakings	**(562)**	–	303,677	–	–
Sale of tangible and financial assets	**39**	80	390	30,456	2,352
	(523,333)	(358,740)	55,192	130,873	(98,888)
	(405,082)	(221,669)	171,409	243,685	3,475
Dividends paid					
to Minister for Finance	**(19,400)**	–	–	–	–
to minority undertakings of subsidiaries	**(4,710)**	–	–	–	–
Cash (outflow)/inflow before management of liquid resources and financing	**(429,192)**	(221,669)	171,409	243,685	3,475
Net debt					
Group net debt/(funds) at year end	**615,986**	188,040	(34,804)	135,577	379,736

Five-year summary of passenger statistics

Passengers	**2009**	2008	2007	2006	2005
Overall					
Transatlantic	**2,056,649**	2,323,454	2,279,592	2,138,117	1,974,263
Britain	**9,954,850**	11,295,164	11,349,040	11,449,517	10,994,132
Continental Europe	**12,409,145**	14,221,820	14,213,849	11,939,090	9,630,418
Other International	**248,992**	261,793	240,796	213,371	101,068
Domestic	**1,024,814**	1,384,682	1,470,508	1,326,945	986,134
Transit	**372,838**	407,966	534,535	778,963	796,754
	26,067,288	29,894,879	30,088,320	27,846,003	24,482,769
Percentage change year-on-year	**-12.8%**	-0.6%	+8.1%	+13.7%	+12.4%
Dublin					
Transatlantic	**1,614,375**	1,748,299	1,532,799	1,356,974	1,260,504
Britain	**7,575,288**	8,559,677	8,670,935	8,626,342	8,261,174
Continental Europe	**10,416,954**	11,997,198	11,901,747	10,092,559	8,087,153
Other International	**242,670**	252,252	232,960	198,434	88,178
Domestic	**634,973**	844,594	885,233	813,177	652,733
Transit	**19,417**	64,691	63,764	108,896	100,697
	20,503,677	23,466,711	23,287,438	21,196,382	18,450,439
Percentage change year-on-year	**-12.6%**	+0.8%	+9.9%	+14.9%	+7.7%
Shannon					
Transatlantic	**442,147**	574,843	746,551	780,917	713,556
Britain	**1,062,915**	1,139,970	1,253,570	1,286,317	1,162,942
Continental Europe	**888,946**	1,020,437	1,066,630	816,676	655,831
Other International	**869**	2,820	507	320	16
Domestic	**52,448**	96,836	89,034	100,484	95,238
Transit	**347,238**	334,623	464,331	654,332	674,841
	2,794,563	3,169,529	3,620,623	3,639,046	3,302,424
Percentage change year-on-year	**-11.8%**	-12.5%	-0.5%	+10.2%	+37.9%
Cork					
Transatlantic	**127**	312	242	226	203
Britain	**1,316,647**	1,595,517	1,424,535	1,536,858	1,570,016
Continental Europe	**1,104,245**	1,204,185	1,245,472	1,029,855	887,434
Other International	**5,453**	6,721	7,329	14,617	12,874
Domestic	**336,393**	443,252	496,241	413,284	238,163
Transit	**6,183**	8,652	6,440	15,735	21,216
	2,769,048	3,258,639	3,180,259	3,010,575	2,729,906
Percentage change year-on-year	**-15.0%**	+2.5%	+5.6%	+10.3%	+21.1%

Five-year summary of aircraft movements

	2009	2008	2007	2006	2005
Overall					
Commercial					
Scheduled	**197,797**	231,139	228,681	211,894	199,490
Non Scheduled	**19,859**	26,803	30,197	29,645	31,756
Cargo	**6,719**	9,396	9,913	10,278	11,134
Commercial Air Transport Movements	**224,375**	267,338	268,791	251,817	242,380
Percentage change year-on-year	**-16.1%**	-0.5%	+6.7%	+3.9%	+7.5%
Others	**40,120**	48,787	62,088	56,521	52,425
Total Aircraft Movements	**264,495**	316,125	330,879	308,338	294,805
Dublin					
Commercial					
Scheduled	**156,290**	181,850	176,564	161,375	151,108
Non Scheduled	**8,656**	13,158	14,218	14,110	15,477
Cargo	**4,132**	5,103	5,271	5,720	6,525
Commercial Air Transport Movements	**169,078**	200,111	196,053	181,205	173,110
Percentage change year-on-year	**-15.5%**	+2.1%	+8.2%	+4.7%	+1.9%
Others	**7,733**	11,779	15,751	15,436	13,728
Total Aircraft Movements	**176,811**	211,890	211,804	196,641	186,838
Shannon					
Commercial					
Scheduled	**18,357**	21,172	22,230	22,525	20,046
Non Scheduled	**9,255**	8,513	10,297	9,997	11,097
Cargo	**1,711**	2,985	3,101	3,067	3,096
Commercial Air Transport Movements	**29,323**	32,670	35,628	35,589	34,239
Percentage change year-on-year	**-10.2%**	-8.3%	0.1%	+3.9%	+32.0%
Others	**5,643**	9,689	12,486	11,126	10,854
Total Aircraft Movements	**34,966**	42,359	48,114	46,715	45,093
Cork					
Commercial					
Scheduled	**23,150**	28,117	29,887	27,994	28,336
Non Scheduled	**1,948**	5,132	5,682	5,538	5,182
Cargo	**876**	1,308	1,541	1,491	1,513
Commercial Air Transport Movements	**25,974**	34,557	37,110	35,023	35,031
Percentage change year-on-year	**-24.8%**	-6.9%	+6.0%	0.0%	+18.2%
Others	**26,744**	27,319	33,851	29,959	27,843
Total Aircraft Movements	**52,718**	61,876	70,961	64,982	62,874

DAA Group Structure and Management

Group Structure

Dublin Airport Authority plc
Dublin, Cork, Shannon

Aer Rianta International

Airport Investments

Europe
Düsseldorf

Airport Retailing

CIS / Eastern Europe
Moscow, St. Petersburg, Kiev, Kosovo

India
Delhi

Middle East
Bahrain, Beirut, Cyprus, Egypt, Oman, Qatar

North America / Caribbean
Barbados, Edmonton, Halifax, Montreal, Ottawa, Winnipeg

DAA Management Team

Declan Collier
Chief Executive

Oliver Cussen
Deputy Chief Executive and Company Secretary

Eamon Foley
Director General, Aer Rianta International

Ray Gray
Chief Financial Officer

Vincent Harrison
Director, Strategy & Regulation

Robert Hilliard
Chief Operations Officer

Pat Keohane
Director, Cork Airport

Damian Lenagh
Director, Human Resources

Jack MacGowan
Chief Commercial Officer

Colm Moran
Director, Asset Management & Development

Martin Moroney
Director, Shannon Airport

Paul Neeson
Director, Retail

Marion O'Brien
Director, Corporate Services

Paul O'Kane
Director, Public Affairs

Aeronautical Information

Dublin Airport	
Location	Lat. 532517N, Long. 0061612W (midpoint Runway 10/28)
Elevation	242 ft. AMSL
Runway Data	**Runway 10/28** Length 2637 metres – Width 45 metres plus 7.5 metre shoulders each side Surface Concrete Category III A (Runway 28) / Category II (Runway 10) **Runway 16/34** Length 2072 metres – Width 61 metres Surface Asphalt Category I (Runway 16) / Non-precision (Runway 34)
Refuelling	JET A1
Operational	24 hrs
Postal Address	Dublin Airport, Co. Dublin, Ireland
Fax Number	(01) 814 1034 (09:00—17:00) (01) 814 5479 (24hrs)
Telephone Number	National (01) 814 1111 International 353 1 814 1111
Web	www.dublinairport.com
SITA	DUBRN7X (Airport Administration) DUBYREI (Operations)

Cork Airport	
Location	Lat. 515029N, Long. 0082928W
Elevation	502 ft. AMSL
Runway Data	**Runway 17/35:** Length 2133 metres – Width 45 metres plus 7.5 metre shoulders each side Surface Asphalt Category II (Runway 17) / Category I (Runway 35) **Runway 07/25:** Length 1310 metres – Width 45 metres Surface Concrete Non Inst.
Refuelling	Full refuelling facilities available
Operational	24 hrs
Postal Address	Cork Airport, Co. Cork, Ireland
Fax Number	(021) 431 3442
Telephone Number	National (021) 431 3131 International 353 21 431 3131
Web	www.corkairport.com
SITA	ORKARXH

Shannon Airport

Location	Lat. 524207N, Long. 0085529W
Elevation	46ft. AMSL
Runway Data	**Runway 06/24:** Length 3199 metres – Width 45 metres plus 8 metre shoulders each side Surface Asphalt Category II (Runway 24) / Category I (Runway 06) **Runway 13/31:** Length 1720 metres – Width 45 metres Surface Asphalt/Concrete Non Inst.
Refuelling	Hydrant and mobile refuelling available – Jet A1 (24 hrs) Avgas (Monday to Friday, 0900 – 1730hrs)
Operational	24 hrs
Postal Address	Shannon Airport, Co. Clare, Ireland
Fax Number	(061) 712282 (Airport Operations Dept) (061) 471719 (Shannon Aviation Fuels)
Telephone Number	National (061) 712000 (24 hr) International 353 61 712000 (24 hr)
Web	www.shannonairport.com

General Business Information

Dublin Airport Authority plc

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Aer Rianta International cpt

Head Office

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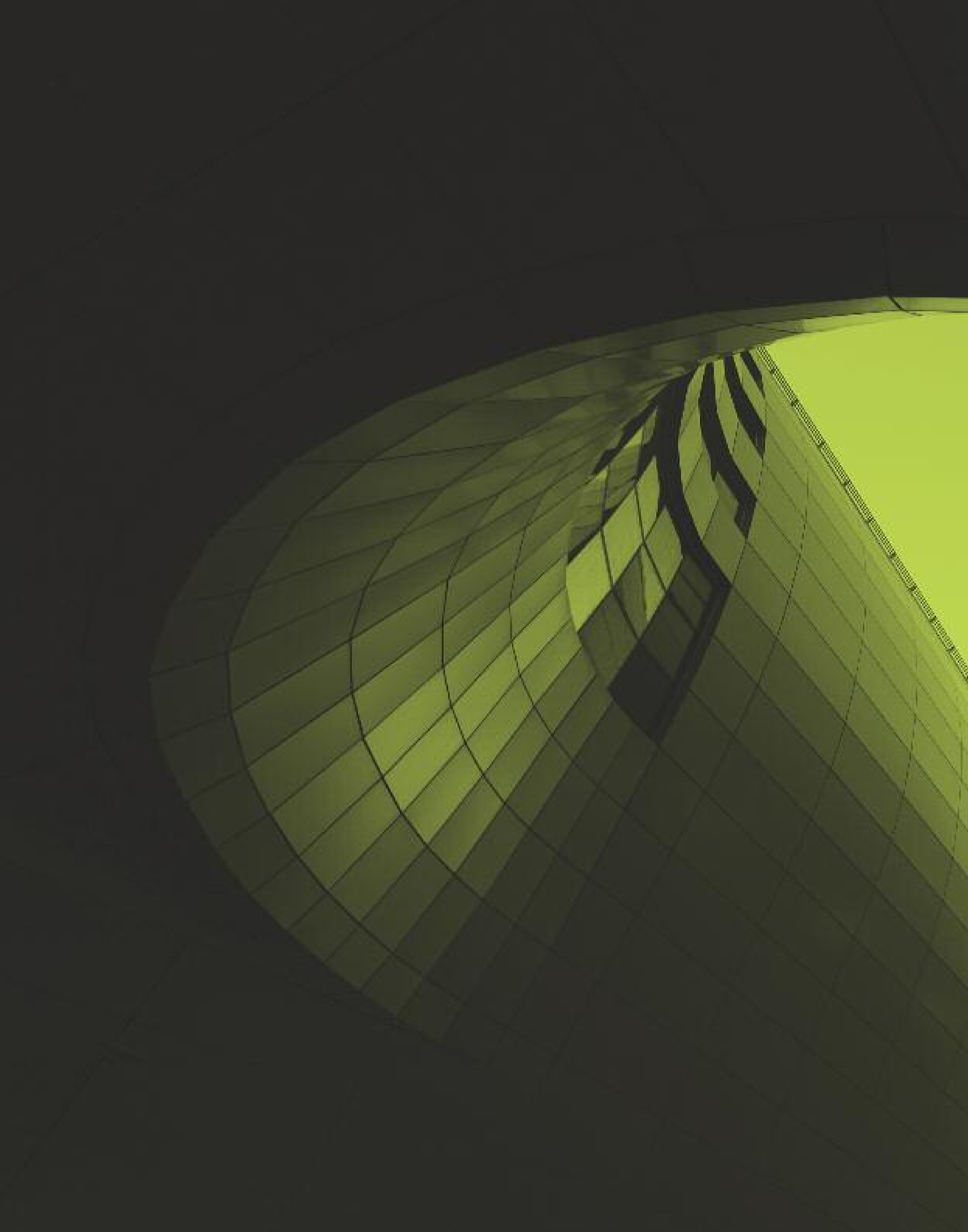
St Stephen's Green, Dublin 2, Ireland

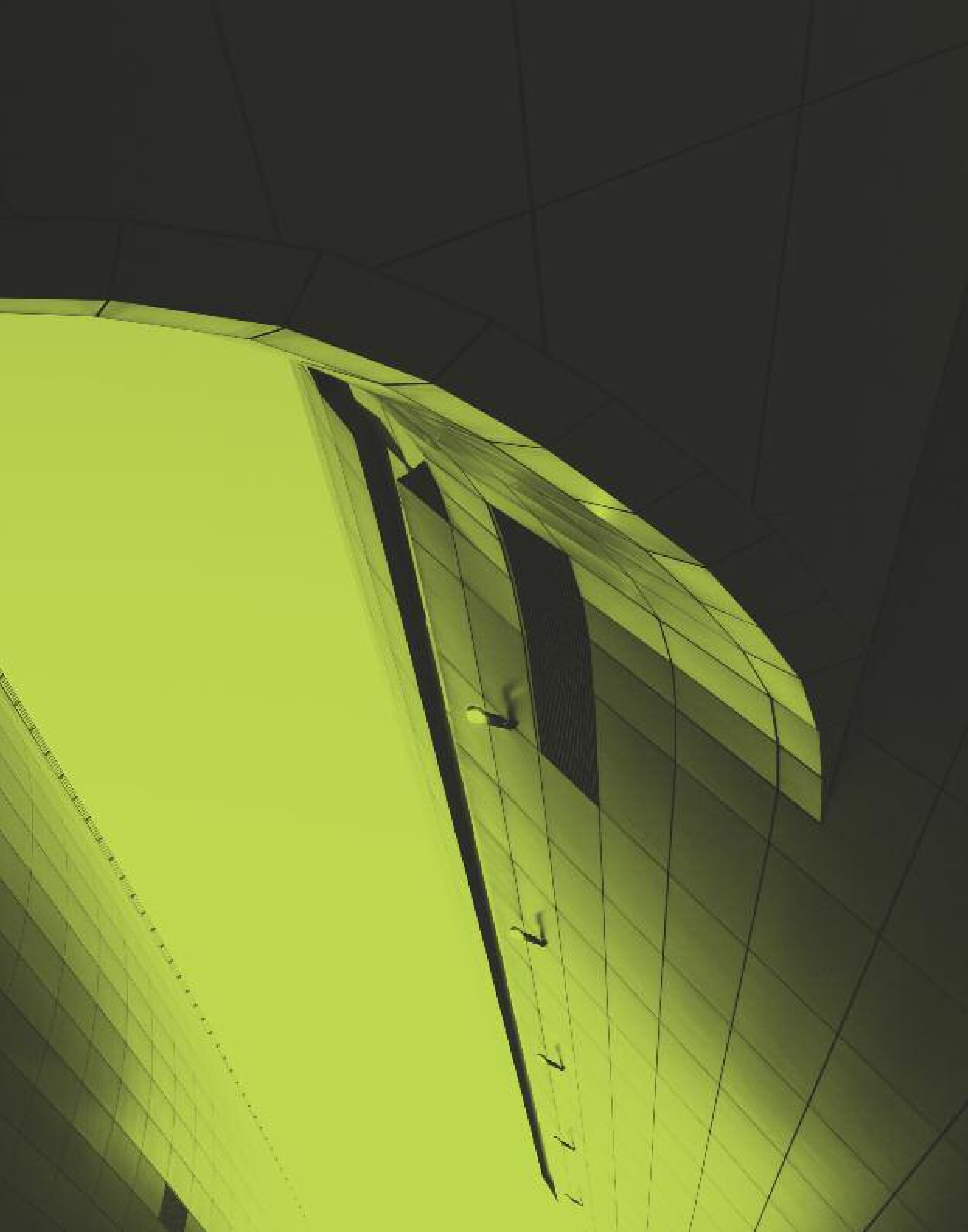
Principal Bankers

Bank of Ireland
Barclays Bank plc
BNP Paribas
European Investment Bank
Ulster Bank

Forward Looking Statements

This document contains certain forward looking statements with respect to the financial condition, results of operations and businesses of Dublin Airport Authority plc. These statements involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors which could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements. The statements are based on current expected market and economic conditions, the existing regulatory environment and interpretations of Financial Reporting Standards applicable to past, current and future periods. Nothing in this report should be construed as a profit forecast.





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Selected portraits of DAA Board and T2 construction photographed by Willie Dillon

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T2, Dublin Airport photographed by Peter Rowen

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Shannon Airport photographed by Paul Tierney

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T2 construction photographed by Fran Veale

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