DAA

Annual Report 2010
Údarás Aerfort Bhaile Átha Cliath cpt
Dublin Airport Authority plc

2010

Dublin Airport Authority plc

Annual Report and Financial Statements

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Board of Directors
Dublin Airport Authority plc

Peter Barrett
Peter Barrett began his career in Andersen Consulting (Accenture) before moving to GPA Group in the late 1980s where he specialised in cross-border leasing and financing. 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 Officer in March 2004. Peter has a Bachelor's degree in Engineering. RBS Aviation Capital is a leading global aircraft leasing company.

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 is now Head of Airside Operations in Dublin Airport. Michael is a member of the IMPACT Union.

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. She is a Divisional Committee member of the Utilities and Construction Section of SIPTU and for over 10 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 Irish Congress of Trade Unions Worker Directors Group and the Dublin Airport Authority Group of Unions. Barry holds a BA in Legal Studies.

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. He currently serves as a non-executive director of James Hardie, a building materials company quoted in New York and Sydney.

Bill Cullen

Bill Cullen is Chairman of Glencullen Holdings.
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 works in the Maintenance Department in Shannon Airport. Thomas was the TEEU shop steward in Shannon Airport for four years and is currently Chairman of the Airport Group of Unions and a member of the ICTU Worker Directors Group. He is an elected officer of the TEEU's National Executive Council and the TEEU Limerick No1. Branch Secretary.

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, County Limerick. He commenced his general contracting career in 1975, and successfully managed numerous projects throughout the Mid-West Region, as well as Dublin and Cork. In February 2009, Brian was appointed to the Mid-West Task Force.

Marie O'Connor

Marie O'Connor is a Fellow of the Association of Chartered Certified Accountants and a barrister. She is an audit partner in the Financial Services practice at PricewaterhouseCoopers in Ireland.

Gerry Walsh

Gerry Walsh is Chairman of Cork Airport Authority. He 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.

Notwithstanding the fall in passenger numbers, the year also witnessed a number of significant achievements for the Group, most notably the opening of Terminal 2 at Dublin Airport in November.

Chairman's Statement

David Dilger

The year under review was a challenging one for the Group, as the impact of Ireland's economic slowdown had a sharply negative effect on passenger numbers at our three Irish airports.

While our European neighbours are emerging slowly from the recession – with overall EU GDP growing by 1.7% last year – the Irish economy remains one of those worst hit by the downturn.

Passenger numbers were also further depressed by a number of one-off factors during the year, which collectively had a significant impact on traffic. The eruption of the Icelandic volcano Eyjafjallajökull sent ash clouds into the skies across northern Europe in mid-April and May, closing large areas of airspace and causing a severe and prolonged disruption to air services into and out of Ireland.

Severe winter weather in November and December also disrupted services at Dublin Airport and at airports throughout Britain and Western Europe, and industrial action by Irish air traffic controllers in the early part of last year also reduced traffic numbers.

Passenger traffic at Dublin, Cork, and Shannon declined by 13% to 22.6 million last year. The underlying decline in passenger numbers was 10%, as the aforementioned one-off factors reduced the Group's overall passenger traffic by about 900,000 during the year.

Meanwhile overall European passenger traffic increased by 3.4% last year, with airports in Russia and Turkey providing the main engine for growth. Ireland, Greece and the UK all saw traffic numbers decline during the year. Worsening economic conditions reduced demand for air travel in all three countries and the UK and Ireland were particularly affected by the impact of volcanic ash and the severe winter weather.

Passenger traffic fell at the UK's main airports – Stansted was down 7%, Glasgow -9%, Manchester -5%, Gatwick -3% and Heathrow down 0.2% – and Britain remains a key destination for business and leisure travel to Ireland.

Notwithstanding the fall in passenger numbers, the year also witnessed a number of significant achievements for the Group, most notably the opening of Terminal 2 (T2) at Dublin Airport in November. New terms and conditions and methods of working were agreed with staff representatives to allow the company to operate T2 in a highly efficient and cost-effective manner. The cost benchmarks for the new terminal set by the Commission for Aviation Regulation (CAR) and by the shareholder were stringent, but DAA has successfully met them through innovative and flexible arrangements.

We also implemented a major cost recovery programme with staff that included a voluntary severance programme and pay reductions for all employees earning more than €30,000 per year. DAA is the only semi-State company to have instituted a cost savings programme that included a voluntary severance programme, work practice changes and voluntary pay reductions, and it did so in an agreed manner with staff representatives.

As an island nation, with an open, export-led economy, Ireland's aviation gateways play a central and strategic role in the State's economic life and have particular importance in terms of facilitating foreign direct investment. In recent years, state agencies such as IDA Ireland and Forfás regularly expressed concerns about facilities at Dublin Airport, which is Ireland's prime international gateway.

In October 2006, IDA Ireland's then Chief Executive Sean Dorgan told a conference that the problems at Dublin Airport had to be addressed if Ireland was to continue to attract overseas investment.

Forfás, the State's policy advisory board for investment, innovation and technology, indicated in early 2007 that overcrowding at Dublin Airport was "damaging our international competitiveness and reputation" and "cannot be allowed to continue". Forfás also warned that it was essential that "adequate capacity is planned for, so that the airport is not characterised by constant development in the long-term".

The investments that have been made at Dublin Airport over the past five years have transformed the airport and this has been recognised by those same key agencies. In his end of year statement for 2010, IDA Ireland Chief Executive Barry O'Leary noted that the State's infrastructure had improved significantly in recent years and he argued that the "completion of Dublin Airport's Terminal 2, opening up the possibility of new direct access to existing and growth markets" was "creating a positive impact".

Airport facilities at Dublin, once deemed a hindrance to potential foreign direct investment, are now seen as an enabler. Given that economic commentators agree that Ireland's return to growth will be export led, this transformation will help speed that recovery.

The opening of Terminal 2 completed a five-year capital investment programme, which transformed the passenger experience at Dublin Airport. We embarked on this major investment programme to fulfil the requirements of the Government's 2005 Aviation Action Plan and to improve the travel experience for all our customers. Our passengers and the vast majority of airline customers had indicated that they wanted better facilities and we have now delivered them.

The improvements at Dublin Airport have already been recognised by passengers through regular independent measurements of customer satisfaction levels. Since the third quarter of 2006, we have been steadily improving our scores and our performance across key areas such as cleanliness, waiting times at security, wayfinding, comfort of gate areas and value for money, as well as maintaining our high scores for the courtesy and helpfulness of airport staff.

We are benchmarked against more than 25 other European airports that handle between five million and 20 million passengers per year. In 2006, Dublin Airport was near the bottom of those rankings. However, I am pleased to report that we are now in the top half of the table and are consistently improving our position. We expect our customer satisfaction levels to improve further with the opening of Terminal 2.

The transition to Terminal 2 has progressed well from a passenger perspective with a planned phased transfer of operations and with no significant issues relating to the operation of the new terminal. Aer Lingus, American Airlines, Delta, Etihad Airways, Continental Airlines, and US Airways have all transferred their entire operations to Terminal 2 and have expressed satisfaction with their new home and the benefits that it delivers.

Post year-end, the new United States Customs and Border Protection (CBP) facility in T2 commenced operations on January 19. Passengers availing of this facility clear all US customs, immigration and agricultural checks before boarding the aircraft in Dublin.

During its first full year of operation, we expect Terminal 2 will handle about 40% of all traffic using Dublin Airport.

We have also been investing in our facilities at Cork and Shannon airports. In total, more than €1.5 billion has been invested in new and improved facilities at our three Irish airports over the past five years. At Dublin, we have delivered a new passenger terminal, two new departure gate piers, improvements and upgrades to the existing terminal, a new road network, a new car hire facility, a new coach park, a new multi-storey car park, enhanced environmental protections, significant utilities upgrades and major improvements to airfield parking and taxiways, all of which help the efficiency of our airline customers.

At Cork we have opened a new terminal, a new multi-storey car park, a new fire station, new apron and improved airfield facilities, while at Shannon we have opened a new US CBP facility, made improvements to the terminal and the car park, while also investing heavily on maintaining the airfield.

These significant investments in key elements of national infrastructure have been completed without any disruption to day-to-day operations and without a single cent of taxpayers' money being spent. Although State-owned, DAA does not receive any State funding, support, subsidy or contribution. Rather it consistently contributes to the State through taxation, levies and dividends. Over the past 30 years for example, DAA and its predecessor Aer Rianta have paid more than €500 million in cash dividends to the State in current value terms.

The investments that have been made at Dublin, Cork and Shannon airports have been financed through a combination of DAA's own funds – generated by aeronautical charges and commercial activity – and from debt raised from capital markets and the European Investment Bank.

DAA is a semi-State company and operates in line with its mandate from the shareholder as a fully commercial organisation. The company's key objectives are to provide an efficient service to its customers, to charge an appropriate but competitive price for that service, to plan, develop and operate appropriate facilities for its broad range of customers and to deliver on these objectives while achieving an appropriate return on capital for the shareholder.

DAA plays a vital role within the Irish economy by providing connectivity that is essential for industry and tourism. However, in order for that connectivity to be sustainable, our airports must be allowed to operate profitably, while delivering competitively-priced and efficient facilities and services to our customers.

We are focused on profit, not for profit's sake, but because only by generating appropriate levels of profits, can we attract the funding to resource and remunerate the ongoing necessary investment required at our three airports.
Due to prudent cost management and more appropriate aeronautical charges, the company returned to profit last year, following a loss after exceptional items in 2009.

The aviation environment remains challenging due to the continued downturn in Ireland and the slow recovery of key trading partners, but DAA is confident that profitability levels will continue to strengthen in the years ahead, as passenger volumes stabilise and return to growth.

Notwithstanding this, the company's key facility at Dublin Airport continues to operate in an unsupportive regulatory environment. This regulatory environment has dictated that, in the foreseeable future, DAA cannot recover the full capital cost of its recent investment in Terminal 2. This regulatory decision unfairly penalises the company, increases its borrowing cost, reduces its attraction to future capital markets and jeopardises the company's ability to engage in further necessary infrastructure development.

Ireland needs a regulatory system that properly remunerates necessary investments in long-term airport infrastructure, and that is designed to prioritise and provide for the needs of passengers over and above all other demands.

Some commentators argue that DAA should not be focused on making a profit, but instead should merely cover its costs or even operate at a loss in pursuit of lower aeronautical charges. I do not share that view. It runs counter to the airport funding model that has worked effectively in Ireland and at most large overseas airports for many decades, damages the company's ability to make the necessary investments in infrastructure, transfers a significant burden from our airline customers to the taxpayer and, in my opinion, does not make economic sense.

It would be inappropriate to run State-owned airport infrastructure in a manner that transfers significant value from the State to the shareholders of privately-owned airline companies. Operating aviation infrastructure in this way would also burden the State with significant unnecessary obligations.

Competitive, but appropriately priced, airport charges, are at the heart of our strategy. No successful business should be defensive about charging a fair price for its product and services and DAA makes no apology for doing that. Instead, we remain dedicated to providing an efficient and friendly service – as well as excellent value for money – to all of our passengers and to all of our airline customers.

Charges at Dublin Airport remain hugely competitive when compared to its peers. Dublin Airport's passenger charge during the year under review was more than 25% lower than the average €12.53 passenger charge levied in 2009 by comparable European airports such as Stansted, Gatwick, Brussels, Copenhagen, Lisbon, Zurich, Vienna, Munich, Athens and Oslo. It was also significantly lower than the charges at larger European airports such as London Heathrow, Paris CDG, Amsterdam and Frankfurt.

Independent confirmation of the excellent value offered by Dublin Airport can be found in RDC Aviation's 2010 Airport Charges Monitor, which concluded that "the lowest passenger charges can be found at Dublin, Cologne, and at airports in Spain, as they were in 2009". The charges at Cork and Shannon airports also remain highly competitive when compared to their peers.

DAA has one highly vocal customer which publicly criticises every element of the company and, indeed its very existence. That customer's agenda is naturally self-serving, as its principal and understandable goal is to increase the wealth of its shareholders. That company's claims are not representative of the views of any other DAA customer, and its policy demands are designed to maximise the profits of that airline. These demands therefore should be viewed in that context and should not be deemed as a proxy for the views of passengers, or for the views of the tourism industry or the business community.

In contrast, DAA operates its facilities commercially and in the long-term interests of the State, the wider Irish economy and all our customers. We do not and will not favour one customer over another and we will continue to operate, maintain and develop our airports to meet the broad needs of both existing and future customers.

By investing wisely for the future at our three airports, we have created a platform for long-term growth and put in place the necessary infrastructure to enable Ireland to properly compete for international investment generally, and more specifically for new direct airline routes and aviation services.

The impact of the Icelandic volcanic ash crisis in the early part of 2010 highlighted the strategic role of the three State-owned airports in providing vital access to the country. It also emphasised the importance of Irish aviation policy, which is set by Government.

The DAA believes that it can continue to contribute to the debate on the State's aviation policy. In this context, some of the issues that will feed into determining future aviation policy include:

— A clear focus on meeting the needs of our passengers as the key users of our airports

— The requirement to attract competitive capital to fund further necessary infrastructural investment to encourage increased direct connectivity to our main airports

— The requirement to achieve regulatory reform to appropriately incentivise future investment

— The requirement to create an environment which ensures a broad portfolio of airlines are encouraged to operate to and from our main aviation gateways.

On behalf of myself and my colleagues on the Board, I would like to thank the former Minister for Transport, Noel Dempsey TD and Tom O'Mahony, Secretary General of the Department of Transport and all their colleagues for their support and constructive engagement during 2010. Thanks also to the former Minister for Finance, Brian Lenihan TD, and Kevin Cardiff, the Secretary General of the Department of Finance and all their colleagues for their support, assistance and challenge during the year.

My colleagues on the Board provided fantastic commitment, advice, support and challenge during the year and I thank them for that. The entire executive and management team and staff of the DAA also deserve credit for their efforts during the past 12 months.

Finally, I would like to thank all of our customers for their business last year. The 22.6 million passengers that used our three Irish airports, our airline customers, and the many millions of travellers that shopped in the overseas retail outlets operated by our subsidiary Aer Rianta International (ARI) are at the heart of our business and we thank them sincerely for their custom.

David Dilger, Chairman
13 May 2011

Despite the fall in passenger numbers due to the economic downturn in Ireland and the additional impact of volcanic ash and severe weather, the Group recorded an improved financial performance last year and returned to profit.

Chief Executive's Review

Declan Collier

The slowdown in the Irish economy continued to have a significant impact on the Group's operations during the year under review. Irish GDP, which is a key driver of passenger growth and revenue, fell by 1% and domestic consumer confidence was weak. However, despite the reduction in passenger numbers at our three Irish airports, the Group returned to profit during 2010 due principally to stringent management of the company's cost base and increased revenues from aeronautical charges.

Passenger numbers at Dublin, Cork and Shannon airports declined by 13% to 22.6 million last year. Traffic volumes were reduced by the downturn in Ireland, capacity reductions by a number of airlines and the considerable impact of several one-off factors during the year. These one-off factors caused the loss of about 900,000 passengers during the year. On a normalised basis, we estimate that traffic at the three airports declined by 10% to 23.5 million in 2010.

The eruption of the Icelandic volcano Eyjafjallajökull on April 14 had a particularly pronounced impact on European air traffic during the year under review, and Irish airports suffered more than most. More than 100,000 flights were disrupted across Europe in April, involving more than 10 million passenger journeys. A further 7,000 flights were disrupted during the second phase of the ash cloud crisis in May. During the ash cloud disruptions in April, Dublin Airport was one of the worst affected airports – alongside Helsinki, Manchester and Edinburgh – while in May, Dublin was the worst affected airport in Europe.

Air services throughout Western Europe were also curtailed by the prolonged and severe cold weather spells in late November and December, which caused significant disruption to airport operations at Dublin and at a large number of airports in Britain and continental Europe.

Despite the fall in passenger numbers due to the economic downturn in Ireland and the additional impact of volcanic ash and severe weather, the Group recorded an improved financial performance last year and returned to profit.

Group turnover increased by 2% during the year to €558 million, due principally to higher aeronautical charges and increased sales at our overseas operations. Group EBITDA (earnings before interest, taxation, depreciation and amortisation) increased by 17% to €147 million. Payroll and materials and services costs declined by 5% during the year to €278 million. Gross profit for the year was ahead by 2% at €425 million. Group profit was €33 million for the year under review compared to a loss (after exceptional items) of €13 million in 2009.

The improved financial performance was due in part to a significant reduction in costs as a result of the successful implementation of the company's Cost Recovery Programme (CRP). Payroll and payroll-related costs declined by 10% to €156 million, as average staff numbers were reduced from 3,168 to 2,971.

In January of the year under review, staff approved the company's Cost Recovery Programme by a significant majority with 71% of those who voted endorsing the plan. As part of the programme, all employees earning the annual equivalent of more than €30,000 per year agreed to accept voluntary pay reductions ranging from 5% to 12%, while a voluntary severance scheme and changes in work practices were also introduced.

The staff that were recruited to operate Terminal 2 (T2) during the year joined on new terms and conditions that offered the Group the required flexibility to meet the challenging cost benchmarks established by the Commission for Aviation Regulation that were set out by the Minister for Transport as a precondition for the DAA's operation of the new terminal.

The combination of the successful implementation of CRP, a continued focus on non-manpower costs and the introduction of new terms and conditions in Terminal 2 has brought the company's cost base back to 2005 levels.

The Group had cash balances of €477 million at the year-end, compared to €638 million at the end of 2009. The reduction in cash reflected the €228 million capital spend during the year.

Gross debt at year-end was €1.24 billion compared with €1.25 billion in the previous year while year-end net debt was €765 million compared to €616 million in 2009. At December 31, over 70% of the debt had a maturity profile of more than five years. Based on current expectations, the Group's facilities will secure its funding position until 2015.

Post year-end, the company repaid the €250 million bond that was due in February 2011 and drew down €260 million from a European Investment Bank facility. Also post year-end, the company repurchased just over €50 million of its loan notes due in 2018. In the wake of this transaction, which was completed in February 2011, just under €550 million of the 2018 notes remain in issue.

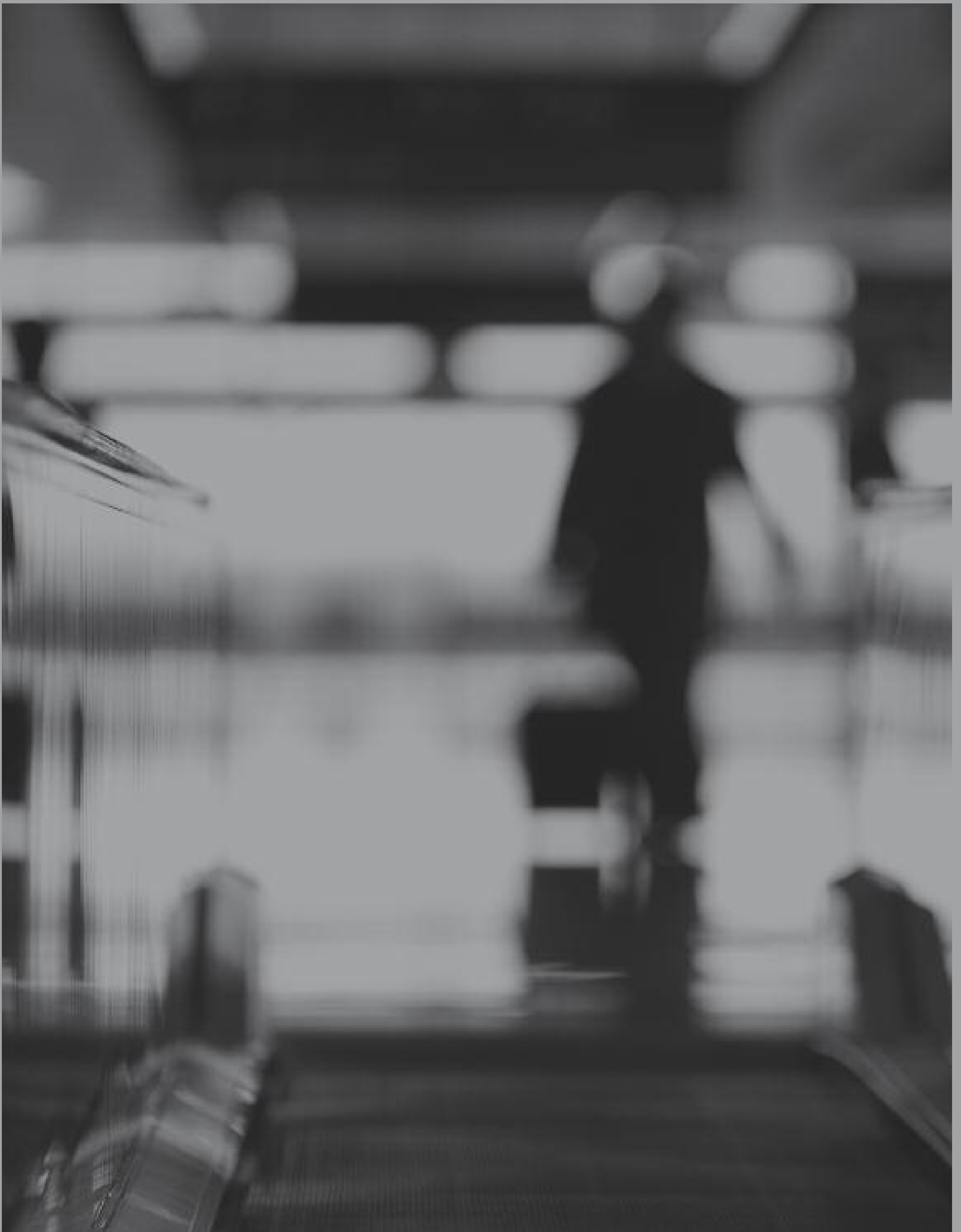
The Group's credit rating was reduced twice by Standard & Poor's (S&P) during the course of the year under review from a level of A-/Negative Outlook at the beginning of 2010 to BBB/CreditWatch Negative. The weaker rating reflected a weakened financial profile, Irish economic conditions, a significant decline in passenger numbers and arising from the fall in the sovereign rating, the loss of a one-notch uplift for the likelihood of extraordinary government support. Post year-end, S&P affirmed DAA's credit rating at BBB, removed the CreditWatch Negative placement and replaced it with a Negative Outlook. S&P stated that the affirmation of the rating reflected its view of a recovery in DAA's financial performance in 2010 in spite of continued traffic contraction at the three airports. S&P assess DAA's business profile as "strong" and its financial profile as "significant".

During the year, Dublin, Cork and Shannon airports became *Airport Carbon Accredited* for the first time. *Airport Carbon Accreditation* is the only independent and institutionally-endorsed carbon accreditation programme designed specifically for airport operators.

The programme has four levels of accreditation – Mapping, Reduction, Optimisation and Neutrality. Our accreditation at the Mapping level means that we have embarked on a direct strategy to measure and map all of the CO_2 emissions sources under our direct control, at each of our three airports.

This is an important first step in developing an extensive plan to reduce the DAA's energy use across its three airports.

THE IRISH WHISKEY COLLECTION



Transforming Dublin Airport

Undoubtedly, the highlight of the year was the opening of Terminal 2 at Dublin Airport, which marked a major milestone in the overall transformation of the airport's passenger facilities. Customer reaction to the new terminal has been very positive, as passengers have been impressed with the space, light and ease of transit offered by the new facility.

The €1.2 billion Transforming Dublin Airport programme – half of which related to the construction cost of Terminal 2 and its associated facilities – has now been successfully completed. The five-year programme, initiated in 2005 in response to the Government's Aviation Action Plan, was designed to address the long-term capacity deficit at Dublin Airport through the provision of improved passenger facilities, enhanced airfield efficiency and better environmental systems.

Transforming Dublin Airport incorporated more than 100 separate construction projects and involved more than 14.5 million hours worked up to the end of 2010. About 10 million hours were worked on Terminal 2, which at its peak was the largest construction project in the State, with more than 2,200 people employed on-site, and several thousand additional jobs supported off-site.

Health and safety has been a major focus for the construction teams working on Transforming Dublin Airport over the past four and half years. It was the first agenda item at every management meeting relating to the programme and the company provided safety inductions and training to all those working on the various projects within the capital programme. Regular safety leadership teams were also established bringing together DAA management and the key personnel from the various subcontractor companies working onsite, and the DAA enforced a zero tolerance attitude towards unsafe practices.

The main safety benchmark within the construction sector is the Accident Frequency Ratio (AFR), which measures the number of accidents that require a person to remain off-site for more than three days per 100,000 hours worked. The AFR for the overall Transforming Dublin Airport programme was 0.35 to the year-end, while the AFR for the Terminal 2 project was 0.27. Both of these ratios are significantly better than the Irish and UK national averages for the construction sector. The company will continue to maintain a vigilant focus on safety on all future construction projects across the three airports.

Apart from Terminal 2 and its associated facilities, the Transforming Dublin Airport programme also delivered additional new passenger facilities such as Pier D, an extension to Terminal 1, a new coach park, a new long-term car park, a new car hire facility and an upgraded services and telecommunications infrastructure across the airport campus. A wide range of improvements were also made to the airfield with the construction of new taxiways, parking stands, apron areas and significant investment in water attenuation and other environmental systems.

Terminal 2, the centrepiece of the investment programme, was formally opened on November 19, following a rigorous testing and commissioning phase. Scheduled flights began operating from the new terminal four days later, and a phased transfer of business continued through December and post year-end. By February 2011, the airlines scheduled to operate in Terminal 2 had successfully transferred all their operations to the new facility.

Designed with the passenger in mind, Terminal 2 makes wonderful use of natural light throughout and offers passengers fantastic views across north Dublin and beyond to Dublin Bay and the Dublin and Wicklow mountains. The advent of T2 has brought more space, and improved comfort levels to all Dublin Airport passengers, regardless of which terminal they use.

Terminal 2 was planned and built for the long-term and is the type of infrastructure that Dublin Airport has required for more than a decade. It is a facility that will enhance the experience of all airport users and visitors to Ireland for the next generation. The new terminal provides a strong platform for future growth and has already begun to attract new services to Dublin Airport.

The new US Customs and Border Protection (CBP) facility, which is located in Pier E adjacent to Terminal 2, was completed in late 2010 and commenced operations just after the year-end. Ireland is the only country outside the North American region to offer CBP checks prior to departure for the United States, and the Dublin operation joins the existing CBP service in Shannon Airport.

CBP enables airlines operating between Ireland and the US to fly to less congested and cheaper domestic terminals at major US airports and to fly to large non-international airports throughout the United States. This facility will lower airlines' costs and has the potential to provide passengers with a wider range of US destinations from both Dublin and Shannon.

Dublin Airport

Traffic at Dublin Airport declined by 10% last year as 18.4 million passengers passed through the airport. Operations at Dublin were severely affected by the impact of ash cloud disruptions in April and May and severe weather in November and December. But for these and other one-off events, we estimated that overall traffic at Dublin would have declined by less than 7% to 19.2 million passengers during the year.

Passenger traffic to continental Europe declined by 8% last year with almost 9.6 million passengers travelling between Dublin and European destinations. UK traffic recorded an 11% decrease with just over 6.7 million passengers travelling between Dublin and Britain.

Transatlantic traffic declined by 8% with almost 1.5 million passengers travelling from Dublin to North America last year.

Passenger numbers on domestic routes declined by 42% last year with just under 370,000 passengers travelling from Dublin to other domestic airports during 2010. Domestic air travel has declined significantly over the past two years due to factors such as the downturn in the Irish economy, the improved road network and increased competition from rail and coach travel.

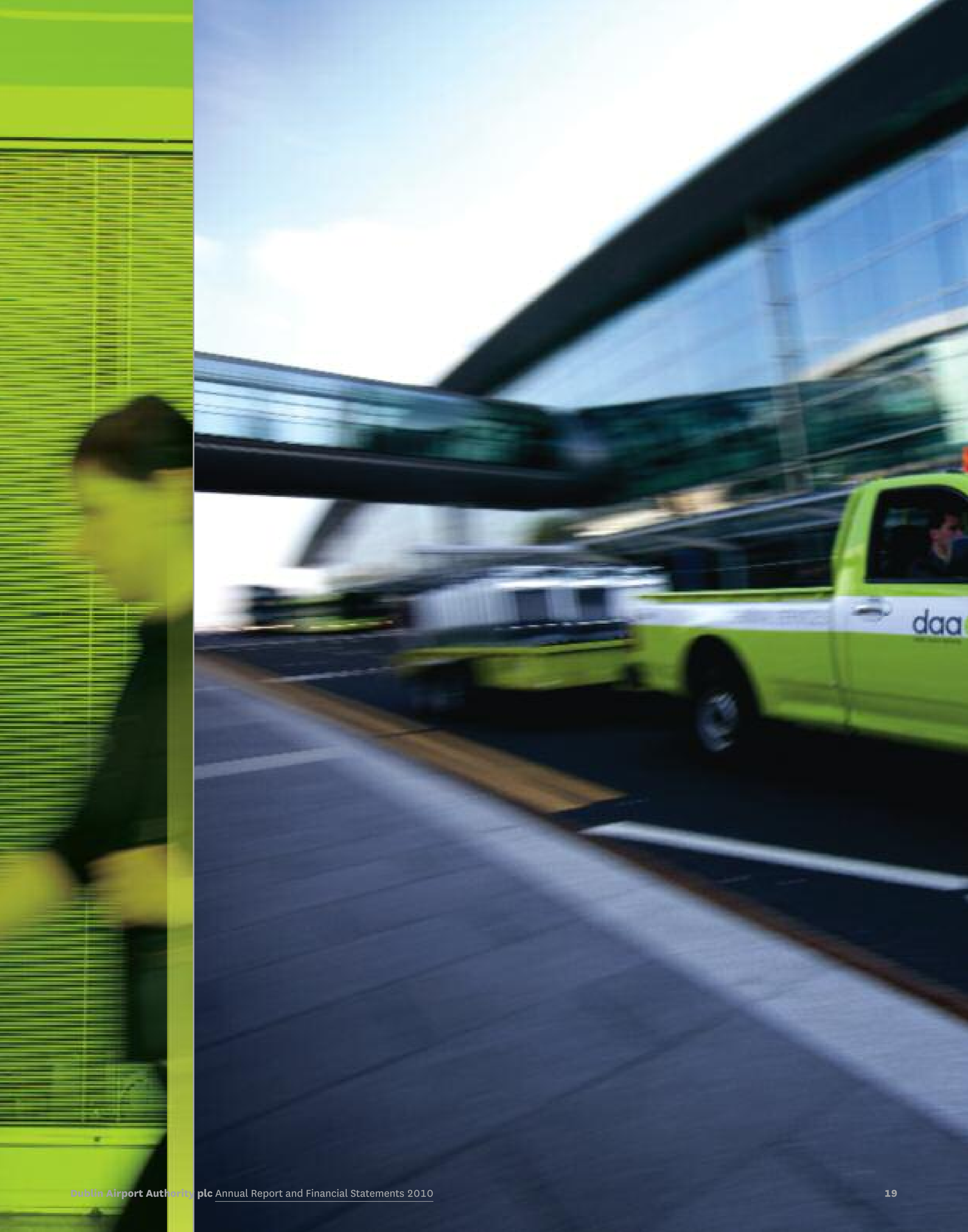
Passenger volumes between Dublin and other international locations – principally flights to the Middle East – increased by 10% last year to 266,000.

A total of 63 airlines operated to 177 destinations from Dublin Airport last year, while 34 airlines operated scheduled services to 155 locations. Dublin Airport's largest airline Ryanair saw its market share decline from 43% to 41%, as the airline reduced capacity at Dublin. Meanwhile Aer Lingus increased its market share from 36% to 37%.

The airport's two largest customers now account for 78% of total traffic, a decline of one percentage point from 2009. The remaining 22% of the market is divided between the 61 other airlines that operate services from Dublin Airport.

The 2011 summer season is delivering 11 new routes and services from Dublin. American Airlines, which suspended its daily Dublin-Chicago route for the winter season, resumed operations from Dublin in April. US Airways is also due to begin a new Dublin-Charlotte North Carolina service in May for the summer season. Aer Lingus launched new summer routes to Izmir in Turkey, Stuttgart in Germany and the French city of Perpignan, while Ryanair has started new services to Ibiza and Vilnius.

The Group continues to progress its long-term plans for a new parallel runway at Dublin Airport. It has planning permission for a new runway, but restrictions applying to that permission would severely reduce the airport's existing operational capacity at peak travel periods.


daa

13:00
Tuesday, 1 March

04:00
Wednesday, 2 March

Terminal 2 and Pier E, Dublin Airport

In one week in March this year, Terminal 2 handled just over 150,000 passengers and 1,004 flights.

07:00
Wednesday, 2 March

09:00
Wednesday, 2 March

12:00
Thursday, 3 Ma

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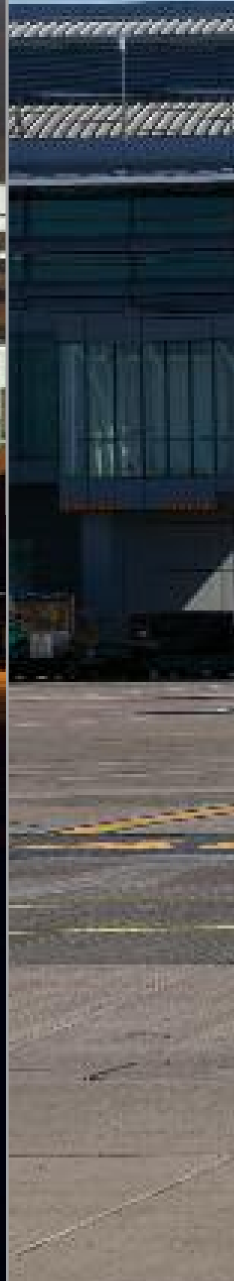
20:00
Friday, 4 March

22:00
Friday, 4 March

15:00
Saturday, 5 March

21:00
Sunday, 6 March



17:00
Monday, 7 March
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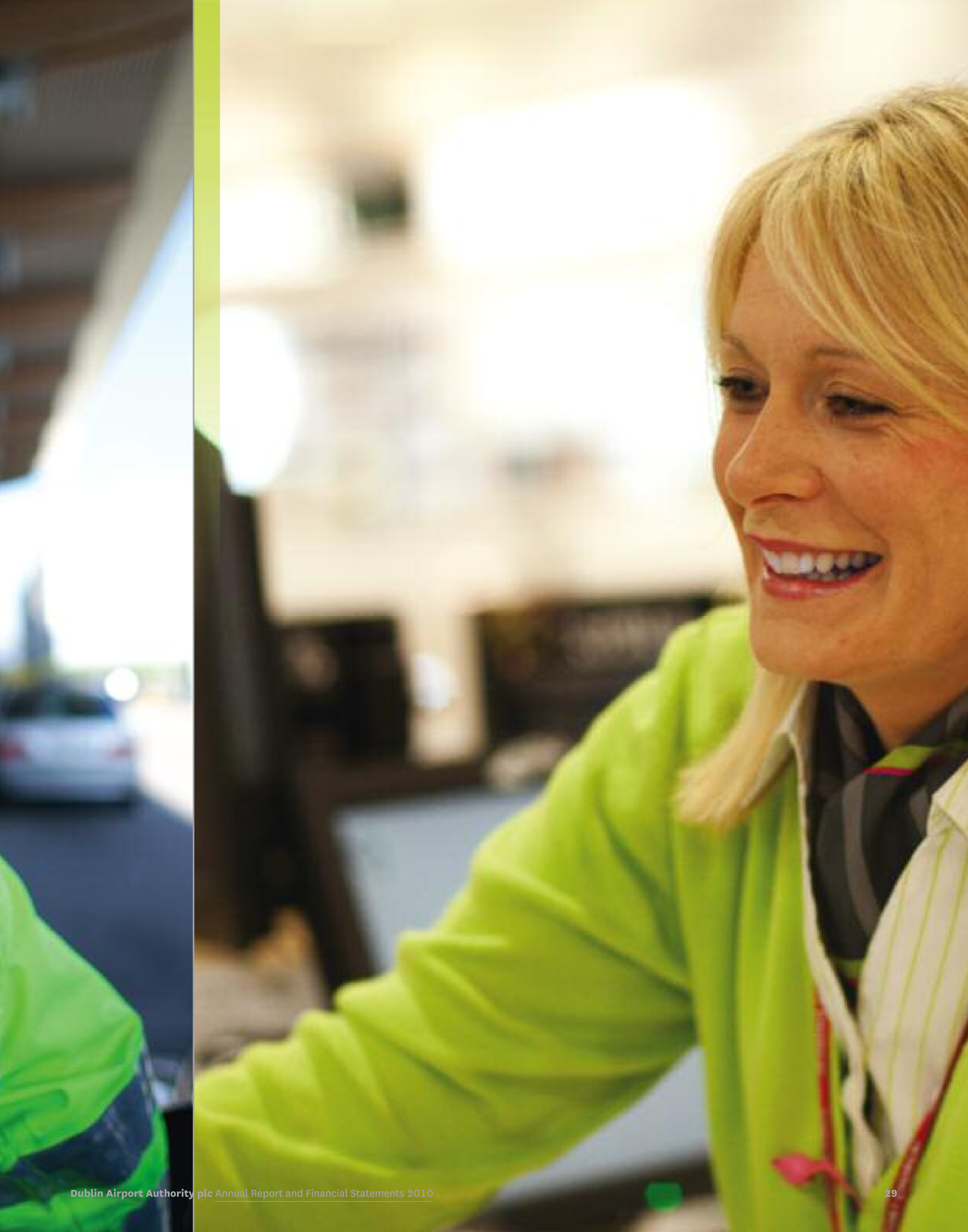
AIRPORT
POLICE



The economic downturn and the resultant reduction in passenger numbers has mitigated the need to construct a new runway in the short-term, however we continue to plan for the long-term and the best interests of the Irish economy. The DAA therefore intends to submit a new runway planning application within the next 12 months.

Cork Airport

Passenger volumes at Cork Airport declined by 12% to just over 2.4 million last year. We estimated that passenger numbers would have been 2.5 million but for the impact of one-off factors such as volcanic ash and snow and ice disruptions at a number of other airports.

The UK market was down almost 8%, with 1.2 million passengers flying between Cork and UK destinations. Continental European traffic declined by 7%, as just over one million passengers travelled between Cork and European locations during the year.

Aer Lingus increased its market share from 47% to 50% during the year while Ryanair's market share declined by one percentage point to 27%. Cork had 25 airlines operating to 53 destinations during the year, including seven scheduled operators flying a combined total of 41 routes.

Post year-end, Wizz Air announced a new Cork-Vilnius service, bringing to six the number of destinations served by Wizz from Cork. New Ryanair summer season services to Fuerteventura, Gran Canaria and Tenerife began earlier this year and the airline will operate a Cork-Bergamo service from June. A new Aer Lingus seasonal service to Palma Majorca also commenced recently.

On February 10, 2011, Cork Airport witnessed a serious accident involving a Manx2 aircraft en route from Belfast to Cork. The accident occurred as the aircraft was coming into land in fog and tragically resulted in two crew members and four passengers losing their lives. A swift response from the airport's emergency services resulted in the rescue of the six other passengers. The DAA is cooperating fully with the various investigations underway into the accident, and again offers its sincere condolences to the families and friends of the deceased.

Shannon Airport

Almost 1.8 million passengers travelled through Shannon Airport last year, a 37% decline on the previous year. Terminal traffic – that is passengers who began or ended their journey at Shannon – declined by 40% to 1.46 million.

As was signalled in last year's annual report, Ryanair significantly reduced its operations at Shannon during the year under review and this was the principal source of the decline in Shannon's traffic during the year. Despite Ryanair's marketing skills it failed to meet the targets of a previous five-year agreement with Shannon and had wanted unsustainably low airport charges in 2009 to continue to operate a range of routes. Post year-end, Ryanair indicated that it wanted to pay nothing to use Shannon Airport's facilities, and instead argued that DAA should pay the airline to deliver passengers.

Shannon is now focused on attracting profitable and sustainable traffic that can deliver for the airport and the region, and on continuing to reduce its cost base.

UK traffic was down by 28% to almost 762,000 passengers due in the main to the Ryanair reductions. Transatlantic traffic declined by 21% to 349,000 passengers, as carriers continued to reduce capacity due to the economic downturn. Due in part to the Ryanair capacity reductions, continental European traffic declined by 64% to 323,000 passengers. Domestic traffic declined by 52% to just over 25,000 passengers.

1-28
Arrivals
ATM
29-56

The impact of the Ryanair reductions will continue for the first quarter of 2011. However, a number of new routes have been launched both prior to and post year-end and the benefit of these services will be reflected in passenger numbers for the full year.

Aer Lingus Regional is operating services to Manchester, Birmingham, Glasgow and Bristol and has recently added an Edinburgh route for summer 2011. Aer Lingus launched a Paris-CDG service in December and started a new daily Gatwick service at the end of March. Post year-end Ryanair added a new Fuerteventura service and reinstated services to Nantes, Malaga and Palma-Majorca.

There were 17 airlines operating to 42 destinations from Shannon during the year, including six scheduled airlines operating 28 scheduled routes. Ryanair's market share at Shannon declined from 58% to 37% while Aer Lingus' market share increased from 17% to 27% during the year.

Commercial

Total retail sales, including sales by concessionaires, at Dublin, Shannon and Cork declined by 9% to €221 million during the year. However, revenue per passenger increased by 4% as customers chose to shop at our airports more often due to the value and range of products on offer. We improved the quality of selling space, and introduced new ranges and shopping services, all of which helped to grow spend per passenger. Income generated by retail outlets at our three Irish airports subsidises aeronautical charges.

Through the introduction of the online shopping service www.theloop.ie and the popular Shop & Collect service we continue to improve the retail customer experience.

In Terminal 2, we opened 9,000 sq metres of new retailing space, which will allow our customers to enjoy more choice and exciting new ranges across many categories. The retail space in Terminal 2 was successfully tendered to a mix of Irish and international operators, some of which are new entrants to the Irish market.

The majority of the retail offer at our airports is operated by concessionaires, but the company continues to operate its own outlets in categories such as perfume and cosmetics, alcohol and tobacco. Within perfume and cosmetics, we introduced a number of new brands and fragrances and also opened a new treatment room. During the year, we added a second Jo Malone store in Dublin Airport, with the Terminal 2 outlet joining the highly successful operation in Terminal 1.

We also launched The Irish Whiskey Collection, a new store within a store concept in Terminal 2. This outlet is an international showcase for Irish whiskey and is designed to stimulate increased interest in, and sales from, the sector. It stocks the largest range of Irish whiskeys available anywhere in the world and carries a number of exclusive lines.

Tobacco sales continue to lag due to the impact of legislation in the domestic Irish market. Tobacco sales at our three airports are 36% below 2008 levels, driven by legislation and display restrictions imposed in Ireland during 2009. Shoppers have switched their purchasing to UK and European airports, where such restrictions have not been implemented, and this continues to cause a significant drop in sales and a loss to the Irish Exchequer, as customers buy tobacco products abroad.

The economic downturn negatively impacted the profitability of our car park business during 2010. Long-term car park performance was particularly hard hit with intensified competition from new operations and substitution to alternative modes of transport. This impact was partially offset by aggressive yield management and additional promotions, and by successfully up-selling to higher yielding products in the short-term car park.

While the short-term car parking business delivered a strong performance in the circumstances, the outlook for the long-term car parking business remains challenging.

Customer feedback during the year was positive with lower prices, and a greater range of car park products available through the company's online booking engine. A new short-term car park was opened late in the year adjacent to Terminal 2 and it has been performing well post year-end.

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. Airport retailing operations are located in North America, the Caribbean, Europe, the CIS, the Middle East and India.

The global economic situation is improving and this has been reflected by the growth in airline passengers at our overseas retail outlets and an increase in passenger spends. Retail operations at most locations reported improved sales during the year with an overall increase in Group sales of 11% compared to 2009. ARI made a profit for the financial year of €18.8 million, compared to a profit before exceptional items of €13.4 million in the previous 12 months.

ARI's operations at the new terminal at Delhi International Airport – the company's first move into the Indian subcontinent – commenced in July. Sales performed strongly at the Indian joint venture, which operates 4,000 sq metres of retail space under a 15-year contract, and exceeded the spend per passenger targets set for the year.

In Canada, our business performed well during the year with sales and passenger spends increasing. Our business in the Middle East also performed strongly with a number of contracts extended during the year under review, including Bahrain Duty Free, Muscat Duty Free, Oman Duty Free and Qatar Duty Free.

ARI is continuing to pursue a policy of reducing its financial exposure to certain markets and remains focused on cost reduction across the business while seeking new opportunities in developing markets.

Thanks

Finally I wish to thank all of my colleagues at the company for their hard work and commitment during 2010. I would also like to express my appreciation to the Chairman, David Dilger, the Board, and the executive team for their continued support during the year.

Declan Collier, Chief Executive
13 May 2011

2010 Financial Review

Group Financial Highlights	2010	2009	2008
Passengers			
Total ('000)	22,612	26,067	29,895
Growth (%)	-13%	-13%	-1%
Profitability (€'m)			
Turnover	558	547	631
Growth (%)	2%	-13%	1%
Group EBITDA[1]	147	126	155
Growth (%)	17%	-19%	-9%
Group profit excluding exceptionals	33	38	78
Group profit/(loss) for the year	33	(13)	47
Cash Flow (€'m)			
Cash flow from operating activities	147	131	162
Cash flow before financing / liquid resources	(148)	(429)	(222)
Balance Sheet (€'m)			
Gross assets[2]	2,612	2,612	2,432
Shareholders' funds	1,012	977	1,009
Gross debt	1,242	1,254	1,067
Cash	477	638	879
Net debt	765	616	188
Capital Expenditure (€'m)			
Capital expenditure additions	243	522	406
Key Ratios			
Group EBITDA: Net interest charge[3]	5.0x	11.4x	18.2x
Net debt: Group EBITDA	5.2x	4.9x	1.2x
Group EBITDA: Turnover	26%	23%	25%
Return on average equity pre exceptionals[4]	3%	4%	8%

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 pre exceptionals is based on Group profit excluding exceptional items as a percentage of average shareholders' funds.

Profitability

The Group recorded a profit for the financial year of €33 million, compared with a loss of €13 million in 2009. When exceptional items (net of tax) of €0.3 million (2009: €51 million) are excluded Group profit for the year was €33 million (2009: €38 million). Group EBITDA for the year increased by €21 million (17%) to €147 million. This reflected an increase in gross profit contribution of €8 million associated with an increase in airport charges plus operating cost savings (payroll and non payroll) of €13 million.

Passenger volume and growth

Passenger numbers at the three airports were 22.6 million, a decrease of 13%. Passenger numbers at Dublin Airport were 18.4 million, a decrease of 10%. At Shannon Airport passenger numbers declined to 1.8 million, a decrease of 37%. Passenger numbers at Cork Airport were 2.4 million, a decrease of 12%.

Turnover

Group turnover was €558 million, an increase of €11 million (2%) on the previous year. Some €353 million of turnover came from commercial activities both overseas and at the three airports, a decrease of €5 million (2%) on 2009. Turnover from aeronautical activities increased by €17 million (9%).

Operating costs

Total Group operating costs (excluding cost of sales, depreciation, amortisation and exceptional items) decreased by €13 million (5%) to €278 million reflecting the impact of cost saving measures introduced by the Group during 2009. Group payroll costs decreased by €17 million (10%) and Group non-payroll costs increased by €4 million (3%).

Exceptional items

Exceptional items are set out in Note 4. Total net exceptional items after tax were €0.3 million in 2010 (2009: €51 million).

Depreciation and amortisation

Depreciation and amortisation costs (excluding exceptional items) increased by €11 million to €74 million.

Associates and joint ventures

Group share of operating profits (before interest and taxation) from associates and joint ventures increased by €5 million to €19 million.

Interest

Group net interest expense (excluding associates and joint ventures) for 2010 was €29 million (2009: €11 million). Interest capitalised amounted to €27 million (2009: €21 million). The Group's share of net interest cost from associates and joint ventures was €11 million (2009: €9 million).

Taxation

The Group taxation charge increased by €6 million to €15 million. Excluding exceptional items, the effective tax rate was 29% (2009: 27%) 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 €147 million (2009: €131 million). The increase primarily reflects increased aeronautical charges and reductions in costs arising from the cost recovery programme. At the end of 2010, the Group had net debt of €765 million compared to €616 million in 2009. Cash was €477 million at year-end (2009: €638 million).

Group interest cover was 5.0 times (2009: 11.4 times) based on Group EBITDA divided by the Group net interest charge.

Balance Sheet

Shareholders' funds increased to €1,012 million (2009: €977 million).

Gross assets were €2.6 billion (2009: €2.6 billion). Fixed and financial assets were €2.0 billion (2009: €1.9 billion).

Company accumulated profit and loss account, the basis for determining company distributable reserves, increased by €16 million to €646 million at 31 December 2010.

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 72% of the Group's borrowings at the end of 2010 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 €39 million. Liquidity at the same date was €1,037 million, comprising cash of €477 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 2010, 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 2010, the weighted average interest rate applicable to the Group's borrowings was 5.9%. The Group's policy is to maintain a minimum fixed ratio of 70% on existing debt.

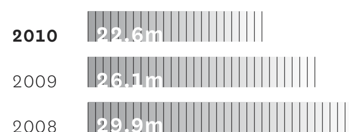
Foreign exchange risk management

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 of the financial statements. The Group does not carry foreign currency exposures other than in the normal course of business.

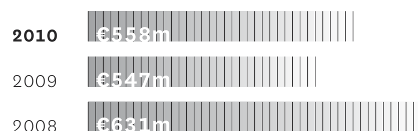
Credit risk

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 and backing. The Group has formalised procedures for the setting of credit limits, including the monitoring of trade debtors, and deposit limits.

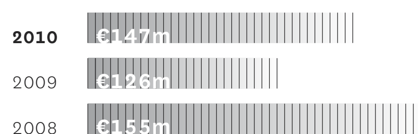
Total Passenger Numbers



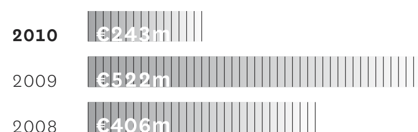
Group Turnover



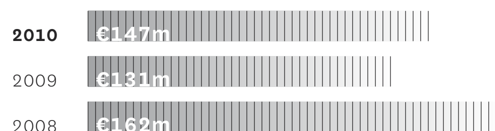
Group EBITDA



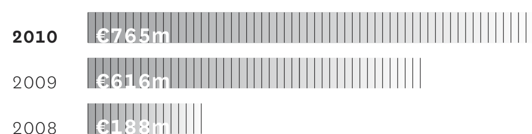
Fixed Asset Additions

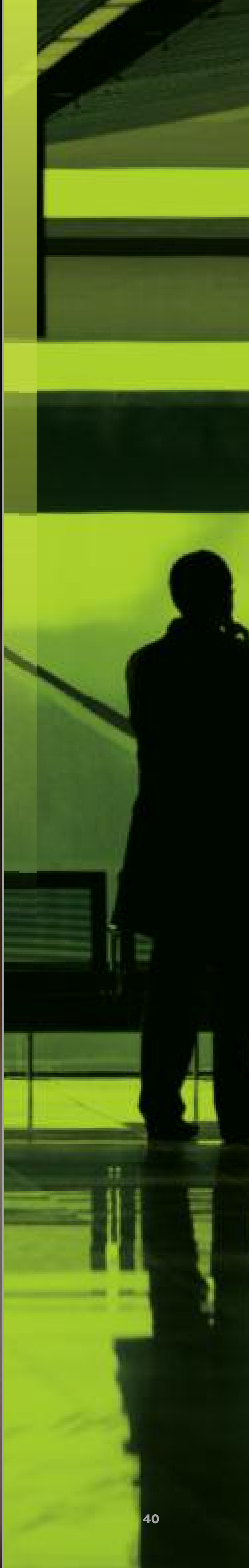


Cashflow from Operating Activities



Group Net Debt





Directors' Report and Consolidated Financial Statements

2010

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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 2010.

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 2010, 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 2010 Financial Review.

As set out below the financial results of the Group for the year show a profit for the financial year amounting to €33.1 million compared with a loss of €13.3 million for 2009, summarised as follows:

	2010 € million	2009 € million
Group operating profit before exceptional item	**72.5**	62.7
Exceptional item[1] – impairment	**–**	(11.3)
Group operating profit after exceptional item	**72.5**	51.4
Share of operating profit of associates and joint ventures	**18.9**	14.0
Exceptional items[1] – cost recovery programme and other	**0.4**	(45.6)
Group profit before interest and taxation	**91.8**	19.8
Interest (net)[2] – Group, associates and joint ventures	**(39.8)**	(20.1)
Group profit/(loss) before taxation	**52.0**	(0.3)
Tax – Group, associates and joint ventures	**(15.1)**	(9.5)
Group profit/(loss) after taxation	**36.9**	(9.8)
Minority interest	**(3.8)**	(3.5)
Group profit/(loss) for the financial year	**33.1**	(13.3)

1. See Note 4 to the financial statements
2. 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.

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 ("the Minister") announced the deferral until 2011 of a decision on the Restructuring given the very difficult circumstances in the aviation sector.

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 the Board, which may comprise of up to thirteen directors. The Minister, with the consent of the Minister for Finance, appoints the Chairman and seven other directors to the Board for terms not exceeding five years. Such directors are eligible for re-appointment. Following a nomination and election process under the Worker Participation (State Enterprises) Acts, 1977 to 2001, four directors are appointed by the Minister, with the consent of the Minister for Finance, for a term of up to four years. The Chief Executive is appointed by the Board and is an ex-officio member of the Board. The role of the Chairman is separate from that of the Chief Executive.

The Board considers that all directors are independent in character and judgement. As required by the Combined Code, the Board has completed an evaluation of the independence of its members using the independence criteria as set out in the Combined Code. Having regard to the criteria as set out in the Code, the Board considers that the Chief Executive and the four directors elected pursuant to the Worker Participation (State Enterprises) Acts 1977 to 2001, who all have contracts of employment with the Company, cannot for that reason be considered as independent for the purposes of the Code. Notwithstanding that the eight remaining directors have all been selected for, and appointed to the Board by the Minister, with the consent of the Minister for Finance, the principal shareholder, the Board considers them to be independent for the purposes of the Code. Mr Gerry Walsh and Mr Brian O'Connell are the chairpersons of CAA and SAA respectively (see "State Airports Act 2004 and Separation of Cork and Shannon Airports" above); however in view of the deferral by the Minister of a decision on the Restructuring, their chairmanship of CAA and SAA respectively is not considered by the Board to compromise their independence. Ms Marie O'Connor is a partner in a professional services firm which provides advisory services to the Group; however as Ms O'Connor has no involvement in either the procurement by the Group of such services or the provision of such services to the Group, her partnership of the firm is not considered by the Board to compromise her independence.

The Board has specific procedures to deal with potential conflicts of interest that may arise.

In line with the requirements of the 2008 Combined Code, it is Board policy that the Chairman holds meetings at least once a year with those directors who do not have contracts of employment with the Group.

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 directors and constructive relations between directors, ensures that directors receive accurate, timely and clear information and manages effective communication with the shareholder.

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.

There were no changes in directors during 2010.

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

Director	Attendance	Director	Attendance
Mr. David Dilger	10/10	Mr. Michael Lenane	10/10
Mr. Declan Collier	10/10	Mr. Barry Nevin	10/10
Mr. Peter Barrett	9/10	Ms. Mary McCabe	10/10
Mr. Gerard Collins	10/10	Mr. Brian O'Connell	10/10
Mr. Bill Cullen	10/10	Ms. Marie O'Connor	10/10
Mr. Thomas Guilfoyle	10/10	Mr. Gerry Walsh	10/10
Sir Michael Hodgkinson	8/10		

The Board has reserved certain items for its review including, inter alia:

- Annual financial statements
- Annual budgets
- Strategic plan
- Treasury policy
- Significant acquisitions, disposals, investments in joint ventures
- Significant contracts
- Property transactions
- Major investments and capital expenditures
- Appointment of Chief Executive and matters concerning organisation structure.

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 Director.

Performance Evaluation

The Board has completed a formal evaluation of its performance and that of the Audit Committee in 2010. These reviews were conducted by way of online surveys and all directors participated in the process. Reports on the outcome of the reviews have been prepared for the Board and the Audit Committee respectively.

The Board does not conduct a formal review of the individual performance of directors but the Chairman does communicate with directors individually during the year.

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 Nomination & Remuneration Committees, including their current Board membership, are set out below.

Audit Committee

The Audit Committee currently comprises 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 committee charter. The Committee may review any matters relating to the financial affairs, risk management and internal control arrangements of the Group. The Committee is responsible to the Board for the review of internal controls, the review of financial statements and the scope and performance of the Group Internal Audit function.

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 review of the risk management framework and key risks are reported to the Board.

The Audit Committee 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 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.

The Chairman of the Audit Committee reports to the Board on significant issues considered by the Committee.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee currently comprises Mr. David Dilger (Chairman), Mr. Bill Cullen, Sir Michael Hodgkinson and Ms. Marie O'Connor. The Committee determines, on behalf of the Board, the remuneration and other terms and conditions of employment of the Chief Executive, having regard to the Department of Finance guidelines on these matters as set out from time to time. The Committee is also mandated to consider matters which should be advised to the Minister in the context of pending board vacancies having regard to the skills and competencies required of board members.

The Chairman of the Nomination & Remuneration Committee reports to the Board on significant issues considered by the Committee.

There were nine meetings of the Audit Committee and five meetings of the Nomination & Remuneration Committee in the year. Details of attendance by individual directors at these meetings are as follows:

Audit Committee

Director	Attendance
Mr. Peter Barrett	9/9
Mr. Gerard Collins	8/9
Ms. Marie O'Connor	8/9
Mr. Gerry Walsh	7/9

Nomination & Remuneration Committee

Director	Attendance
Mr. David Dilger	5/5
Mr. Bill Cullen	5/5
Ms. Marie O'Connor	5/5
Sir Michael Hodgkinson	4/5

In addition to the Audit and Nomination & Remuneration 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 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 and 31 December 2010, 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 executive positions or have interests 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 Registration Office.

Directors' Remuneration

Fees for directors are determined by the Minister, 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 Nomination & Remuneration Committee and the Minister. 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 of 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 responsibility for determining the nature and extent of the significant risks the Group is willing to take in achieving its strategic objectives. Risk management is an integral part of the Group's decision making and comprises the culture, processes and structures that are directed towards the effective management of potential opportunities and adverse consequences arising from the Group's commercial and operational activities. The Board has given direction to management on the level of risk appetite it is willing to take in pursuit of its objectives.

The risk management process in the Group involves defining and analysing risks, and then deciding on the appropriate course of action in order to minimise these risks whilst still achieving business goals. The risks faced by the Group include strategic and financial risks as well as risks relating to people, structures, systems and technology and safety, security and environmental matters. The risk management system also involves providing assurance that mitigation strategies and internal controls are effective. During the year under review, the Group's risk management awareness processes and its systems for monitoring and reporting risks were enhanced.

The Risk Assurance function, covering Risk Management, Internal Audit, Health Safety & Security and Environmental compliance, reports to the Deputy Chief Executive. 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. Risk registers which are prepared by individual risk owners are updated regularly and monitored and reviewed by the corporate risk management function. The holding of business risk workshops and regular update reviews at a divisional level, together with reviews of divisional risks with the executive management and Audit Committee support this process. As part of the risk identification process, management have 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 report to the Board significant changes in the business and external environment, which affect the significant risks identified.

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 and the key structures and procedures designed to provide an effective system of internal control. 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.

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 used to maintain an effective internal control system and which are supported by detailed controls and processes are as follows:

— A Board approved Strategic Plan;
— A formal code of business ethics;
— An active Board sub-committee structure;
— An Audit Committee, 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;
— A Nomination & Remuneration Committee that, inter alia, determines and approves remuneration and performance related pay arrangements for the Chief Executive;
— 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;
— Representation at board level in the Group's principal associates and joint ventures by senior Group executives;
— Aviation Security, Safety and Standards management functions which monitor and report on aviation safety and security standards and operational procedures at the airports;
— Capital Approval Committee which reviews and sanctions capital expenditure above a certain threshold;
— A Revenue Approvals Committee which approves the appointment of concessionaires and approves amendments to concessionaire contracts;
— Active Board involvement in assessing key business risks faced by the Group and determining the appropriate course of action for managing these risks;
— A formalised risk reporting system;
— 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 schedule of items reserved to the Board for approval;
— 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;
— 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;
— Full access to the Audit Committee for internal and external audit.

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). Investments in associated and joint venture companies are considered as part of the Group's ongoing management 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, with the consent of the Minister for Finance, appoints the Chairman and seven other directors to the Board. The Minister also appoints four directors following a nomination and election process under the Worker Participation (State Enterprises) Acts 1977 to 2001. 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 Nomination & Remuneration Committee is chaired by the Chairman of the Board, as remuneration for directors, including the Chairman, is determined by the Minister 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 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
13 May 2011

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
13 May 2011

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 2010 on pages 50 to 83 which comprise the Statement of Accounting Policies, Group Profit and Loss Account, Group 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 48.

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.

The Code of Practice for the Governance of State Bodies requires that we review whether the statements regarding the system of internal financial control required by the Code on pages 43 to 46 reflect the Group's compliance with the relevant provisions of the Code and we report if they do not. We also review, at the request of the directors, whether the voluntary statement on page 46 reflects the Company's compliance with the nine provisions of the 2008 Combined Code specified for review by the auditor in 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, 2010 Financial Review, DAA Group Structure and Management section, Five Year Summaries and General Business and Aeronautical 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 2010 and of the Group's profit 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 56 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 2010 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
13 May 2011

Statement of accounting policies

for the year ended 31 December 2010

The financial statements have been prepared in accordance with the following accounting policies which have been applied consistently with the prior 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 2010.

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 their value in use, consisting of 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.

In estimating the present values of future cash flows the discount rate used is the pre-tax discount rate that reflects the time value of money and the risk specific to the income generating unit.

The cash flows are taken from the Group's ten-year business plan. The main components of the business plan are:

- Earnings projections based on expected passenger numbers, revenues and costs
- Capital investment and working capital projections.

Added to these cash flows is a terminal value including an estimate of the full remuneration for all regulated assets, some of which has been deferred due to the regulatory profiling of future revenues.

The main assumptions that affect the estimation of the value in use are continuation of the current regulatory regime without material change, the passenger growth rate and the discount rate.

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 twenty 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 eleven 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 2010

		2010	2009		
			Pre-		
		Total	exceptional	Exceptional	Total
	Note	€000	€000	€000	€000
Turnover					
Group and share of joint ventures		**558,784**	547,351	–	547,351
Less: share of joint ventures' turnover		**(631)**	(635)	–	(635)
Group turnover – continuing operations	1	**558,153**	546,716	–	546,716
Operating costs					
Cost of goods for resale		**(133,443)**	(129,986)	–	(129,986)
Payroll and related costs	2	**(155,884)**	(172,945)	–	(172,945)
Materials and services		**(122,070)**	(118,273)	–	(118,273)
Depreciation, amortisation and impairment		**(74,262)**	(62,820)	(11,300)	(74,120)
		(485,659)	(484,024)	(11,300)	(495,324)
Group operating profit – continuing operations		**72,494**	62,692	(11,300)	51,392
Share of operating profit/(losses)					
Joint venture undertakings		**(5,471)**	(5,442)	–	(5,442)
Associated undertakings	3	**24,378**	19,449	–	19,449
Exceptional items					
Costs of cost recovery programme					
– continuing operations	4	**–**	–	(46,498)	(46,498)
Profit on sale of discontinued operations	4	**435**	–	882	882
Group profit before interest and taxation		**91,836**	76,699	(56,916)	19,783
Income from other financial assets		**278**	255	–	255
Interest receivable					
Group		**19,434**	40,006	–	40,006
Associated undertakings		**7**	10	–	10
Interest payable and similar charges					
Group	5	**(48,779)**	(51,035)	–	(51,035)
Joint venture undertakings	5	**(1,691)**	(997)	–	(997)
Associated undertakings	5	**(9,052)**	(8,357)	–	(8,357)
Group profit/(loss) on ordinary activities before taxation	6	**52,033**	56,581	(56,916)	(335)
Tax on profit/(loss) on ordinary activities	7	**(15,108)**	(15,161)	5,702	(9,459)
Group profit/(loss) on ordinary activities after taxation		**36,925**	41,420	(51,214)	(9,794)
Minority interest	30	**(3,815)**	(3,473)	–	(3,473)
Group profit/(loss) for the financial year	22	**33,110**	37,947	(51,214)	(13,267)

On behalf of the Board

David Dilger, Chairman

Peter Barrett, Director

13 May 2011

Group statement of total recognised gains and losses

for the year ended 31 December 2010

	Note	2010 €000	2009 €000
Group profit/(loss) for the financial year		**33,110**	**(13,267)**
Exchange differences on translation of overseas investments (arising on net assets)			
Subsidiary undertakings	22	**1,841**	**(106)**
Associated undertakings	22	**1,234**	**(966)**
Actuarial (loss)/gain recognised in pension schemes			
Group	21	**(738)**	**1,524**
Deferred tax charge thereon			
Group	21	**(41)**	**(191)**
Total recognised gains and losses for the year		**35,406**	**(13,006)**

Reconciliation of movement in shareholders' funds

for the year ended 31 December 2010

	Note	2010 €000	2009 €000
At 1 January		**976,717**	1,009,123
Total recognised gains and losses for the year		**35,406**	(13,006)
Dividends paid	22	**–**	(19,400)
At 31 December		**1,012,123**	976,717

Group balance sheet

at 31 December 2010

	Note	2010 €000	2010 €000	2009 €000	2009 €000
Fixed assets					
Tangible assets	9		**1,960,017**		1,791,497
Intangible assets	10		**9,471**		10,527
			1,969,488		1,802,024
Financial assets					
Investments in joint venture undertakings					
Share of gross assets		**17,068**		23,805	
Share of gross liabilities		**(40,440)**		(40,015)	
Loan to joint venture undertaking		**4,882**		4,882	
Total of investments in and liabilities relating to joint venture undertakings			**(18,490)**		(11,328)
Investments in associated undertakings			**86,185**		91,209
Other financial assets			**11,315**		3,697
Total financial assets	11		**79,010**		83,578
Total fixed assets			**2,048,498**		1,885,602
Current assets					
Stocks	12	**23,195**		21,767	
Debtors	13	**63,011**		66,223	
Cash at bank and in hand	26	**476,861**		638,223	
		563,067		726,213	
Creditors: Amounts falling due within one year	15	**(492,905)**		(242,921)	
Net current assets			**70,162**		483,292
Total assets less current liabilities			**2,118,660**		2,368,894
Creditors: Amounts falling due after more than one year	16		**(990,412)**		(1,260,698)
Capital grants	18		**(14,844)**		(15,863)
Provisions for liabilities	19		**(69,247)**		(85,952)
Net assets excluding net pension liability			**1,044,157**		1,006,381
Net pension liability	21		**(19,794)**		(19,820)
Net assets			**1,024,363**		986,561
Capital and reserves					
Called up share capital	20		**186,337**		186,337
Profit and loss account	22		**824,539**		792,208
Other reserves	22		**1,247**		(1,828)
Shareholders' funds			**1,012,123**		976,717
Minority interest	30		**12,240**		9,844
			1,024,363		986,561

On behalf of the Board

David Dilger, Chairman

Peter Barrett, Director

13 May 2011

Company balance sheet

at 31 December 2010

	Note	2010 €000	2009 €000
Fixed assets			
Tangible assets	9	**1,948,264**	1,778,733
Financial assets	11	**32,682**	33,733
		1,980,946	1,812,466
Current assets			
Stocks	12	**9,375**	8,752
Debtors	13	**51,983**	55,492
Cash at bank and in hand		**462,591**	618,838
		523,949	683,082
Creditors: Amounts falling due within one year	15	**(577,996)**	(289,350)
Net current (liabilities)/assets		**(54,047)**	393,732
Total assets less current liabilities		**1,926,899**	2,206,198
Creditors: Amounts falling due after more than one year	16	**(994,188)**	(1,271,052)
Capital grants	18	**(14,844)**	(15,863)
Provisions for liabilities	19	**(66,553)**	(83,143)
Net assets excluding net pension liability		**851,314**	836,140
Net pension liability	21	**(19,274)**	(19,820)
Net assets		**832,040**	816,320
Capital and reserves			
Called up share capital	20	**186,337**	186,337
Profit and loss account	22	**645,703**	629,983
Shareholders' funds		**832,040**	816,320

On behalf of the Board

David Dilger, Chairman

Peter Barrett, Director

13 May 2011

Group cash flow statement

for the year ended 31 December 2010

	Note	2010 €000	2009 €000
Cash inflow from operating activities	23	**147,284**	131,368
Dividends received from associated undertakings	11	**17,097**	19,025
Returns on investments and servicing of finance	24	**(48,090)**	(27,238)
Payments in respect of cost recovery and restructuring programmes	19	**(30,165)**	(1,558)
Payments in respect of pension provision	19	**(214)**	(360)
Taxation refund/(paid)		**2,056**	(2,986)
		87,968	118,251
Capital expenditure	24	**(227,870)**	(522,771)
Acquisitions and disposals	24	**(6,613)**	(562)
Dividends paid	24	**(1,631)**	(24,110)
Cash outflow before management of liquid resources and financing		**(148,146)**	(429,192)
Management of liquid resources			
Net cash transferred from liquid resources	26	**147,739**	263,219
Financing	24	**(13,377)**	188,681
(Decrease)/increase in cash in year	25	**(13,784)**	22,708

Notes on and forming part of the financial statements

for the year ended 31 December 2010

1. Turnover

	Group	
	2010	2009
	€000	€000
Ireland		
Aeronautical revenue	**205,012**	188,175
Commercial activities	**213,029**	232,470
Total Ireland	**418,041**	420,645
Overseas – commercial activities	**140,112**	126,071
	558,153	546,716

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	
	2010	2009
	€000	€000
Wages and salaries	**138,838**	153,155
Social welfare costs	**12,623**	13,885
Pension costs (Note 21)	**8,010**	8,423
Other staff costs	**665**	2,317
	160,136	177,780
Staff costs capitalised into fixed assets	**(4,252)**	(4,835)
Payroll and related costs (pre-exceptional)	**155,884**	172,945
Exceptional cost recovery programme (Notes 4 and 19)	**2,815**	46,498
Exceptional pension credit (Notes 4 and 21)	**(2,815)**	–
Net staff costs charged to the profit and loss account	**155,884**	219,443

	2010	2009
Average employee numbers (full-time equivalents) were as follows:		
Airports	**2,383**	2,584
International activities	**588**	584
	2,971	3,168

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") and related pension credit

In 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 included a voluntary severance scheme, reductions in pay, further pay pauses and changes in work practices. The estimated cost of the programme of €46.5 million (before tax) was charged to the profit and loss account in 2009. The impact on the taxation charge was to reduce the tax charge by €5.8 million.

An additional €2.8 million has been charged to exceptional items in 2010, reflecting an increase in the estimated cost of the CRP.

Arising from the implementation of the CRP, a number of staff who previously had entitlements (including, inter alia, the Early Retirement Obligation (see Note 21)), left the service of the Company. This resulted in a curtailment gain of €2.8 million for the purposes of FRS 17 "Retirement Benefits" and was credited to exceptional items as it arises directly from the CRP, the cost of which has been charged to exceptional items.

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.

c. Profit on sale of discontinued operations

In 2010, €0.4 million (2009: €0.9 million) was released to the profit and loss account arising from the revisions of cost estimates relating to the disposal of a former business of the Group. The impact on taxation was to increase the tax charge by €0.1 million in 2010 (2009: €0.1 million).

5. Interest payable and similar charges

		Group
	2010	2009
	€000	€000
Interest payable on loans wholly repayable by instalments:		
— Within five years	**261**	235
— After five years	**18,249**	14,126
Interest on loan notes	**54,898**	54,898
Amortisation of issue costs/other funding costs	**726**	699
Other interest payable	**6**	167
Other finance costs	**1,738**	1,562
	75,878	71,687
Interest capitalised (Note 9)	**(27,099)**	(20,652)
Total interest payable – Group	**48,779**	51,035
Joint venture undertakings:		
Interest on loans repayable by instalments within five years	**1,691**	997
Total share of interest payable – joint venture undertakings	**1,691**	997
Associated undertakings:		
Interest payable on loans repayable by instalments within five years	**3,148**	2,102
Interest payable on loans repayable by instalments after five years	**5,904**	6,255
Total share of interest payable – associated undertakings	**9,052**	8,357

6. Statutory and other information

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

	2010	2009
	€000	€000
Auditors' remuneration:		
KPMG Ireland		
— audit of Group and Company accounts	**253**	258
— other assurance services	**70**	50
— tax advisory services	**158**	225
— other non-audit services	**40**	14
	521	547
Other KPMG firms		
— other assurance services	**69**	73
— tax advisory services	**25**	49
— other non-audit services	**25**	35
	119	157
	640	704
Operating lease rentals:		
— Equipment	**1,647**	1,410
— Buildings	**1,629**	1,078
Depreciation	**74,315**	62,937
Impairment of tangible fixed assets	**–**	11,300
Loss on retirements and disposals of tangible fixed assets	**438**	599
Amortisation of capital grants	**(1,019)**	(1,046)
Amortisation of intangible assets and goodwill/negative goodwill:		
— Group (Note 10)	**1,302**	1,232
— Associated undertakings	**(318)**	(447)
	984	785

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.

	2010	2009
	€000	€000
Fees		
— David Dilger (Chairman)	**31.5**	19.2
— Gary McGann	**–**	7.0
— Peter Barrett	**15.8**	16.3
— Declan Collier	**15.8**	16.3
— Gerard Collins	**15.8**	2.4
— Bill Cullen	**15.8**	14.8
— Mary Davis	**–**	12.4
— Thomas Guilfoyle	**15.8**	3.9
— Sir Michael Hodgkinson	**15.8**	14.8
— Marion Keating	**–**	12.4
— Michael Lenane	**15.8**	3.9
— Brian Lynch	**–**	3.9
— Mary McCabe	**15.8**	16.3
— Barry Nevin	**15.8**	16.3
— Brian O'Connell	**–**	–
— Marie O'Connor	**15.8**	14.8
— Anthony Spollen	**–**	12.4
— Gerry Walsh	**–**	–
For services as director	**189.5**	187.1
Other emoluments (including pension contributions)	**840.1**	778.3
Compensation or other payments on retirement or loss of office – other than in respect of the office of director	**–**	255.4
	1,029.6	1,220.8

Remuneration of 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.

Neither Mr B O'Connell nor Mr G Walsh is entitled under their warrant of appointment to a separate fee in respect of their appointments to the Board of the Company. Both Mr O'Connell and Mr Walsh received fees of €21,600 (2009: €1,716) and €21,600 (2009: €19,329) respectively from Shannon Airport Authority plc ("SAA") and Cork Airport Authority plc ("CAA") in respect of their appointments as Chairmen of those entities. These fees, and other operating costs of SAA and CAA, are funded out of revenues received by those entities from the Company.

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 €5,346 (2009: €3,058). These amounts primarily related to travel, subsistence and telephone expenses.

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.

	2010	2009
	€000	€000
Director's fee	**15.8**	16.3
Salary (see overleaf)	**308.5**	320.4
Performance-related remuneration (see overleaf):		
Awards under annual incentive plans	**64.8**	21.9
Awards under longer-term incentive plans	**41.3**	29.0
Pension contributions and other taxable benefits	**182.1**	180.5
	612.5	568.1

6. Statutory and other information (continued)

Pursuant to his contract of employment, the salary of the Chief Executive is €350,556. In 2010, as part of the Company Cost Recovery Programme ("CRP"), the annual basic pay of the Chief Executive was voluntarily reduced by 12% to €308,489 effective from 1 January 2010. In 2009, prior to the agreement of the CRP, the Chief Executive had, in conjunction with the Board, previously agreed to a voluntary reduction of some 8% in annual basic pay effective from 1 January 2009.

Actual payments made to the Chief Executive under performance-related pay schemes were €21,925 in 2010. These payments were in respect of contractual entitlements from 2009.

Pursuant to his contract of employment with the Company, and in line with "Guidelines on Contracts, Remuneration and other Conditions of Chief Executives and Senior Management of Commercial State Bodies" issued by the Department of Finance (under which chief executives of commercial State bodies are eligible for performance-related pay up to a maximum of 35% of salary), the Chief Executive is entitled to performance-related remuneration subject to successfully meeting performance criteria set by the Remuneration Committee of the Board. The amounts disclosed above reflect the Company's estimate of the liabilities under that contract of employment. However, reflecting current government policy that, in light of the prevailing national economic circumstances, performance-related remuneration should not be paid at this time to chief executives of State bodies, the Remuneration Committee of the Board, with the agreement of the Chief Executive, has determined that amounts arising pursuant to 2010 performance incentive plans should be payable to him on the completion of his term of office under his contract.

Performance-related remuneration arises under a combination of annual and longer-term incentive arrangements. Awards under annual incentive plans are accounted for and disclosed in the financial statements of the year in which they were earned. Awards under longer-term incentive plans are accrued and amortised over the period to which they apply and disclosed in the financial statements accordingly.

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

	2010 €000	2009 €000
Current tax:		
Corporation tax – Ireland	**752**	(1,512)
Overseas corporation tax	**3,620**	4,230
Capital gains tax – Ireland	**–**	55
Adjustment in respect of prior periods	**(4,910)**	(964)
Tax attributable to Group	**(538)**	1,809
Share of overseas tax of associated undertakings	**4,751**	4,499
Share of Irish tax of associated undertakings	**–**	7
Tax attributable to associated undertakings	**4,751**	4,506
Current tax charge	**4,213**	6,315
Deferred tax:		
Origination/reversal of timing differences		
Attributable to Group (Note 19)	**6,498**	3,499
Adjustment in respect of prior years (Note 19)	**4,361**	(44)
Timing differences relating to FRS 17 pension liabilities	**36**	(311)
Deferred tax charge	**10,895**	3,144
Tax on profit/(loss) on ordinary activities	**15,108**	9,459

A further deferred tax charge of €0.04 million (2009: €0.19 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 the nature of activities. During 2010 and 2009, 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 lower than that based on the standard rate of tax in the Republic of Ireland. The differences are set out in the tax reconciliation below:

	2010 €000	2009 €000
Profit/(loss) on ordinary activities before taxation	**52,033**	(335)
Profit/(loss) on ordinary activities at standard corporation tax rate in Republic of Ireland of 12.5% (2009: 12.5%)	**6,504**	(42)
Effects of:		
Differences between capital allowances for period and depreciation	**(13,984)**	(3,412)
Expenses not deductible for tax purposes (timing differences)	**1,850**	1,673
Expenses not deductible for tax purposes (permanent differences)	**3,159**	2,439
Profits of foreign undertakings taxable at higher rates	**3,849**	5,952
Irish profits taxable at higher rates	**–**	705
Adjustment in respect of prior periods	**(4,910)**	(964)
Other	**(219)**	(36)
Unutilised losses carried forward	**7,964**	–
Current tax charge for the year	**4,213**	6,315

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 profit for the financial year of €15.4 million (2009: €9.5 million loss) 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 2010	534,696	318,369	383,210	272,035	805,702	2,314,012
Additions	4	4,207	12,681	5,266	220,843	243,001
Transfer to completed assets	429,582	53,646	389,795	84,236	(957,259)	–
Disposals	–	–	(121)	–	–	(121)
Retirements	(1,700)	(332)	(19,458)	(3,692)	–	(25,182)
Translation reserves	–	–	851	–	–	851
At 31 December 2010	**962,582**	**375,890**	**766,958**	**357,845**	**69,286**	**2,532,561**
Depreciation						
At 1 January 2010	141,793	87,425	200,847	92,450	–	522,515
Charge for the year	16,021	11,477	36,698	10,119	–	74,315
Disposals	–	–	(121)	–	–	(121)
Retirements	(1,577)	(296)	(19,295)	(3,548)	–	(24,716)
Translation reserves	–	–	551	–	–	551
At 31 December 2010	**156,237**	**98,606**	**218,680**	**99,021**	**–**	**572,544**
Net book value						
At 31 December 2010	**806,345**	**277,284**	**548,278**	**258,824**	**69,286**	**1,960,017**
At 31 December 2009	392,903	230,944	182,363	179,585	805,702	1,791,497

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 2010	534,696	311,483	360,934	266,009	805,702	2,278,824
Additions	4	4,207	12,474	5,266	220,843	242,794
Transfer to completed assets	429,582	53,646	389,795	84,236	(957,259)	–
Disposals	–	–	(121)	–	–	(121)
Retirements	(1,700)	(332)	(8,386)	(3,692)	–	(14,110)
At 31 December 2010	**962,582**	**369,004**	**754,696**	**351,819**	**69,286**	**2,507,387**
Depreciation						
At 1 January 2010	141,793	87,425	182,602	88,271	–	500,091
Charge for the year	16,021	11,477	35,186	10,067	–	72,751
Disposals	–	–	(121)	–	–	(121)
Retirements	(1,577)	(296)	(8,177)	(3,548)	–	(13,598)
At 31 December 2010	**156,237**	**98,606**	**209,490**	**94,790**	**–**	**559,123**
Net book value						
At 31 December 2010	**806,345**	**270,398**	**545,206**	**257,029**	**69,286**	**1,948,264**
At 31 December 2009	392,903	224,058	178,332	177,738	805,702	1,778,733

Group and Company

The accounting policies used by the Group and Company for tangible fixed assets, including depreciation, cost capitalisation and impairment reviews, are set out on pages 50 and 51.

Lands and airfields include airport land at a cost of €22.1 million (2009: €20.0 million). Fixed asset additions include internal architectural and engineering costs of €4.3 million (2009: €4.8 million). Cost of fixed assets include cumulative interest capitalised of €67.2 million (2009: €40.1 million). Interest of €27.1 million (2009: €20.7 million) was capitalised during the year at an average rate of 5.9% (2009: 5.9%) per annum.

10. Intangible assets

Group	Goodwill	Concession rights	Total
	€000	€000	€000
Cost			
At 1 January 2010	10,373	16,388	**26,761**
Exchange movement	–	1,355	**1,355**
At 31 December 2010	**10,373**	**17,743**	**28,116**
Amortisation			
At 1 January 2010	1,802	14,432	**16,234**
Charge for the year	1,037	265	**1,302**
Exchange movement	–	1,109	**1,109**
At 31 December 2010	**2,839**	**15,806**	**18,645**
Net book value			
At 31 December 2010	**7,534**	**1,937**	**9,471**
At 31 December 2009	8,571	1,956	10,527

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

11. Fixed assets – financial

Group	1 January 2010 €000	Additions / other increases during the year €000	Disposals / other movements during the year €000	31 December 2010 €000
Joint venture undertakings				
Share of gross assets	23,805	–	(6,737)[a]	**17,068**
Share of gross liabilities	(40,015)	–	(425)[a]	**(40,440)**
Loan to joint venture undertaking	4,882	–	–	**4,882**
	(11,328)	**–**	**(7,162)**	**(18,490)**
Associated undertakings				
Equity interest at cost	71,221	3,839	(3,591)	**71,469**
Goodwill	261	–	(261)	**–**
Negative goodwill	(1,829)	–	579	**(1,250)**
Loan to associated undertaking	563	–	–	**563**
Share of post acquisition profits	115,481	10,582	(309)	**125,754**
Dividends paid	(98,646)	–	(17,097)	**(115,743)**
Translation reserve	4,158	–	1,234	**5,392**
	91,209	**14,421**	**(19,445)**	**86,185**
Other financial assets				
Listed investments at cost	3,697	778	238[b]	**4,713**
Other unlisted investments	–	6,627[c]	(25)	**6,602**
	3,697	**7,405**	**213**	**11,315**
Total financial assets	**83,578**	**21,826**	**(26,394)**	**79,010**

Company	1 January 2010 €000	Additions / other increases during the year €000	Disposals / other movements during the year €000	31 December 2010 €000
Ordinary shares in subsidiary undertakings at cost	22,614	–	–	**22,614**
Capital contributions to subsidiary undertakings	5,124	–	(1,051)[d]	**4,073**
Loan to subsidiary undertaking	550	–	–	**550**
Loan to associated undertaking	563	–	–	**563**
Loan to joint venture undertaking	4,882	–	–	**4,882**
	33,733	**–**	**(1,051)**	**32,682**

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 €7.2 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. The market value of these listed investments at 31 December 2010 was €5.0 million.

c. During the year a subsidiary undertaking subscribed for loan stock of €6.6 million in an investment. The loan stock accrues interest at a rate of 6%.

d. An amortisation charge of €1.1 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
ASC Airport Services Consolidated Limited	Dublin, Ireland	Provision of services to DAA	100
Aer Rianta International Duty Free LLC	Moscow, Russia	Duty-free shopping and related activities	100
DAA Airport Services Limited	Dublin, Ireland	Secondment of employees to DAA	100
DAA Finance plc	Dublin, Ireland	Financing company	100
Derryquin Hotels Limited	Dublin, Ireland	Former hotel operator	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. Transactions between the Group and its associated and joint venture undertakings are detailed in Note 29.

12. Stocks

	Group		Company	
	2010	2009	**2010**	2009
	€000	€000	**€000**	€000
Goods for resale	**20,842**	19,287	**7,023**	6,272
Maintenance	**2,353**	2,480	**2,352**	2,480
	23,195	21,767	**9,375**	8,752

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

13. Debtors

	Group		Company	
	2010	2009	**2010**	2009
	€000	€000	**€000**	€000
Trade debtors	**38,126**	32,528	**25,737**	22,082
Prepayments and accrued income	**1,180**	1,981	**366**	1,218
Due from subsidiary undertakings	**–**	–	**11,875**	8,985
Due from associated undertakings	**8,788**	8,498	**–**	–
Corporation tax	**360**	3,097	**360**	3,097
Other debtors	**14,557**	20,119	**13,645**	20,110
	63,011	66,223	**51,983**	55,492

Debtors of €6.7 million (2009: €7.2 million) in the Group and debtors of €15.6 million (2009: €12.6 million) in the Company, fall due after more than one year.

14. Deferred tax liability

	Group		Company	
	2010	2009	**2010**	2009
	€000	€000	**€000**	€000
Liability/(asset) at 1 January	**3,216**	(239)	**2,299**	(922)
Charge for the year	**6,498**	3,499	**5,745**	3,265
Adjustment in respect of prior years	**4,361**	(44)	**4,361**	(44)
Liability at 31 December	**14,075**	3,216	**12,405**	2,299
Deferred tax				
Comprising:				
Timing differences on capital allowances	**24,416**	9,835	**22,746**	8,918
Amounts not deductible for corporation tax in the current year	**(2,377)**	(6,619)	**(2,377)**	(6,619)
Unutilised losses carried forward	**(7,964)**	–	**(7,964)**	–
Deferred tax liability	**14,075**	3,216	**12,405**	2,299

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	
	2010	2009	**2010**	2009
	€000	€000	**€000**	€000
Loan notes (Note 17)	**249,976**	–	**–**	–
Bank loans (Note 17)	**13,916**	13,377	**6,565**	6,389
Trade creditors	**26,115**	25,314	**11,314**	5,978
Due to subsidiary undertakings	**–**	–	**387,251**	105,878
Due to associated undertakings	**1,291**	499	**–**	–
Other creditors	**8,824**	10,462	**7,953**	9,858
Accruals and deferred income	**116,339**	110,833	**88,469**	82,699
Capital accruals	**76,444**	82,436	**76,444**	78,548
	492,905	242,921	**577,996**	289,350

Tax included in other creditors:				
Corporation tax	**2,422**	2,904	**2,216**	2,216
Capital gains tax	**–**	55	**–**	55
PAYE	**1,695**	2,064	**1,555**	1,868
PRSI	**1,556**	1,740	**1,556**	1,740
VAT	**500**	891	**899**	1,204
Other taxes	**665**	553	**665**	550

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

	Group		Company	
	2010	2009	**2010**	2009
	€000	€000	**€000**	€000
Bank loans (Note 17)	**381,282**	395,197	**295,308**	301,873
Loan notes (Note 17)	**596,224**	845,635	**–**	–
Other creditors	**12,906**	13,866	**12,906**	13,866
Due to subsidiary undertakings	**–**	–	**685,974**	949,313
Capital accruals	**–**	6,000	**–**	6,000
	990,412	1,260,698	**994,188**	1,271,052

Other creditors of €8.2 million (2009: €9.1 million), Group and Company, fall due after more than five years.

17. Financial liabilities

	Group		Company	
	2010	2009	**2010**	2009
	€000	€000	**€000**	€000
Repayable by instalments:				
Repayable within one year	**13,916**	13,377	**6,565**	6,389
Repayable within one to two years	**14,487**	13,915	**6,749**	6,565
Repayable within two to five years	**72,165**	61,566	**46,452**	37,129
Repayable after more than five years	**294,630**	319,716	**242,107**	258,179
	395,198	408,574	**301,873**	308,262
Repayable other than by instalments:				
Repayable within one year	**249,976**	–	**–**	–
Repayable within one to two years	**–**	249,789	**–**	–
Repayable after more than five years	**596,224**	595,846	**–**	–
	1,241,398	1,254,209	**301,873**	308,262
Split as follows:				
Bank loans	**395,198**	408,574	**301,873**	308,262
Loan notes	**846,200**	845,635	**–**	–
	1,241,398	1,254,209	**301,873**	308,262
Included in creditors falling due within one year	**263,892**	13,377	**6,565**	6,389
Included in creditors falling due after more than one year	**977,506**	1,240,832	**295,308**	301,873

The loan notes comprise €600 million of loan notes repayable 2018 and €250 million of loan notes repayable 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. The loan notes are guaranteed by the Company. 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 €93.3 million (2009: €100.3 million) which is guaranteed by the Company.

The Company's bank loans at 31 December 2010 of €301.9 million (2009: €308.3 million) are unsecured and are repayable by instalments.

Borrowing facilities

The Group has various undrawn committed borrowing facilities. At 31 December 2010, the Group had €560 million undrawn committed facilities available in respect of which all conditions precedent had been met, €260 million of which expire in one year or less and €300 million of which expire in more than one year but not more than two years.

Subsequent to the year end, the Group repaid the €250 million 2011 loan notes and drew down €260 million from a committed facility in place at 31 December 2010. The Group also repurchased and cancelled €50,350,000 of the €600 million loan notes due 2018, following which the amount of principal outstanding on the loan notes due 2018 is €549,650,000.

18. Capital grants

	Group		Company	
	2010	2009	**2010**	2009
	€000	€000	**€000**	€000
At 1 January	**15,863**	16,909	**15,863**	16,909
Amortised to profit and loss account	**(1,019)**	(1,046)	**(1,019)**	(1,046)
At 31 December	**14,844**	15,863	**14,844**	15,863

19. Provisions for liabilities

	Pension costs (Note 21)	Deferred tax (Note 14)	Cost recovery programme/ restructuring (Note 4)	Total
	€000	€000	€000	€000
Group				
At 1 January	35,640	3,216	47,096	85,952
Charge for the year	–	6,498	2,815	9,313
Adjustment in respect of prior years	–	4,361	–	4,361
Utilised during the year	(214)	–	(30,165)	(30,379)
At 31 December	**35,426**	**14,075**	**19,746**	**69,247**
Company				
At 1 January	35,640	2,299	45,204	83,143
Charge for the year	–	5,745	2,815	8,560
Adjustment in respect of prior years	–	4,361	–	4,361
Utilised during the year	(214)	–	(29,297)	(29,511)
At 31 December	**35,426**	**12,405**	**18,722**	**66,553**

20. Called up share capital

	Group and Company	
	2010	2009
	€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 twenty 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.

The Trustee of the IAS Scheme has advised the participating employers and membership of the IAS that, following a significant fall in asset values, there existed a material deficiency at 31 March 2009 and 2010, 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 outlining how the deficiency is to be eliminated. The deadline for the submission of the funding proposals has been deferred pending revisions to the statutory minimum funding standard. The likely content of a funding proposal is unclear.

In 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 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, changes to the proposed other 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 the 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 Note 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. The Group has recognised a pension liability in respect of the Early Retirement Obligation at 31 December 2010 of €17.6 million (2009: €18.5 million), of which €2.0 million (2009: €2.0 million) was included in the profit and loss account, representing current service costs and net finance costs. A credit of €2.6 million (2009: nil) was also recognised as an exceptional item in the profit and loss account, representing a curtailment gain (as part of total exceptional curtailment gains of €2.8 million (see Note 4)). A credit of €0.3 million (2009: €0.5 million credit) 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 ("the ARINA Scheme").

FRS 17 "Retirement Benefits" disclosures

The pension cost to the Group charged against operating profit under FRS 17 for the financial year amounted to €8.0 million (2009: €8.4 million).

	2010	2009
	€000	€000
Defined benefit arrangements – pre-exceptional	**1,884**	1,724
Defined contribution schemes	**6,126**	6,699
	8,010	8,423

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

	Group	**Company**	Group	Company
	2010	**2010**	2009	2009
	€000	**€000**	€000	€000
Net pensions liability	**19,794**	**19,274**	19,820	19,820

The AR Supplemental Scheme and the ARINA Scheme are 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 2010, the net pensions liability in the Group was €19.794 million (2009: €19.820 million) being assets of €9.469 million (2009: €6.038 million) and present value of accrued scheme liabilities of €32.020 million (2009: €28.692 million) net of a related deferred tax asset of €2.757 million (2009: €2.834 million).

At 31 December 2010, the net pensions liability in the Company was €19.274 million (2009: €19.820 million) being assets of €7.419 million (2009: €6.038 million) and present value of accrued scheme liabilities of €29.450 million (2009: €28.692 million) net of a related deferred tax asset of €2.757 million (2009: €2.834 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 31/12/2010	As at 31/12/2009
Valuation method	**Projected Unit**	Projected Unit
Rate of increase in salaries	**3.0% – 3.25%**	3.0% – 3.25%
Rate of increase in pension payment	**0.0%**	0.0%
Discount rate	**5.0% – 5.1%**	5.5%
Inflation assumption	**2.0% – 2.5%**	2.0%
Life expectancy		
Male member age 61 – 65 (current life expectancy)	**22.7 – 23.0**	24.4
Male member age 40 (life expectancy at age 61 – 65)	**22.7 – 26.1**	25.1
Female member age 59 – 65 (current life expectancy)	**24.5 – 27.0**	29.4
Female member age 40 (life expectancy at age 59 – 65)	**27.0 – 27.2**	30.3

The discount rates of 5.0%-5.1% are 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:

		Group 2010		**Company 2010**		Group and Company 2009
	Percentage of plan assets	**Expected return**	**Percentage of plan assets**	**Expected return**	Percentage of plan assets	Expected return
Equities	**70.4%**	**6.4%**	**72.7%**	**6.5%**	69.9%	6.95%
Bonds	**21.4%**	**3.1%**	**18.4%**	**3.6%**	19.6%	3.65%
Property	**2.2%**	**6.5%**	**2.7%**	**6.5%**	3.8%	6.5%
Other	**6.0%**	**1.9%**	**6.2%**	**2.0%**	6.7%	2.0%
	100.0%		**100.0%**		100.0%	

To develop the expected long-term rate of return on assets assumption, the Group and Company considered the current level of expected returns on risk free investments, 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 5.40% (2009: 5.95%).

	Group 2010 €000	**Company 2010 €000**	Group 2009 €000	Company 2009 €000
Amounts recognised in the balance sheet				
Present value of funded obligations	**(14,420)**	**(11,850)**	(10,192)	(10,192)
Fair value of plan assets	**9,469**	**7,419**	6,038	6,038
Deficit for funded plans	**(4,951)**	**(4,431)**	(4,154)	(4,154)
Present value of unfunded obligations	**(17,600)**	**(17,600)**	(18,500)	(18,500)
Gross liability	**(22,551)**	**(22,031)**	(22,654)	(22,654)
Related deferred tax asset	**2,757**	**2,757**	2,834	2,834
Net liability	**(19,794)**	**(19,274)**	(19,820)	(19,820)
Change in benefit obligation				
Benefit obligation at beginning of year	**(28,692)**	**(28,692)**	(25,822)	(25,822)
Service cost	**(1,884)**	**(1,743)**	(1,724)	(1,724)
Interest cost	**(1,738)**	**(1,612)**	(1,562)	(1,562)
Plan members' contributions	**(354)**	**(303)**	(359)	(359)
Actuarial (loss)/ gain	**(2,314)**	**(4)**	691	691
Benefits paid	**147**	**89**	84	84
Curtailments	**2,815**	**2,815**	–	–
Benefit obligation (funded and unfunded) at end of year	**(32,020)**	**(29,450)**	(28,692)	(28,692)

21. Pensions (continued)

	Group 2010 €000	Company 2010 €000	Group 2009 €000	Company 2009 €000
Change in plan assets				
Fair value of plan assets at beginning of year	**6,038**	**6,038**	4,106	4,106
Expected return on plan assets	**497**	**368**	311	311
Actuarial gain	**1,576**	**321**	833	833
Employer contributions	**1,151**	**478**	513	513
Member contributions	**354**	**303**	359	359
Benefits paid from plan	**(147)**	**(89)**	(84)	(84)
Fair value of plan assets at end of year	**9,469**	**7,419**	6,038	6,038
Components of pension expense				
Amounts recorded in profit and loss				
Current service cost	**1,884**	**1,743**	1,724	1,724
Interest cost	**1,738**	**1,612**	1,562	1,562
Expected return on plan assets	**(497)**	**(368)**	(311)	(311)
Gain due to curtailments	**(2,815)**	**(2,815)**	–	–
Total pension expense recognised in the profit and loss account	**310**	**172**	2,975	2,975
Actuarial loss/(gain) immediately recognised	**738**	**(317)**	(1,524)	(1,524)
Total pension loss/(gain) recognised in the statement of total recognised gains and losses ("STRGL")	**738**	**(317)**	(1,524)	(1,524)
Cumulative amount of actuarial loss immediately recognised	**16,405**	**15,350**	15,667	15,667

Contributions of €3.2 million are expected to be paid by the Group in the forthcoming accounting period for defined benefit arrangements.

	Group	Company				Year ended 31 December Group and Company
History of experience adjustments	**2010 €000**	**2010 €000**	2009 €000	2008 €000	2007 €000	2006 €000
Difference between expected and actual return on assets	**1,576**	**321**	833	(2,490)	(679)	138
Expressed as a percentage of scheme assets	**16.6%**	**4.3%**	13.8%	60.6%	12.5%	3.4%
Experience gains and (losses) on scheme liabilities	**1,380**	**1,807**	(770)	(490)	(987)	(172)
Expressed as a percentage of scheme liabilities	**4.3%**	**6.1%**	2.7%	1.9%	12.3%	2.6%
Total actuarial gains and (losses)	**(738)**	**317**	1,524	(18,070)	(89)	157
Expressed as a percentage of scheme liabilities	**2.3%**	**1.1%**	5.3%	70.0%	1.1%	2.3%
History of scheme deficits						
Fair value of scheme assets	**9,469**	**7,419**	6,038	4,106	5,428	4,315
Present value of scheme liabilities	**(32,020)**	**(29,450)**	(28,692)	(25,822)	(8,034)	(6,979)
Deficit in schemes	**(22,551)**	**(22,031)**	(22,654)	(21,716)	(2,606)	(2,664)

	Group and Company	
	2010 €000	2009 €000
Deferred tax asset – pension related		
At beginning of year	**2,834**	2,714
(Charge)/credit to profit	**(36)**	311
Charge to STRGL	**(41)**	(191)
At end of year	**2,757**	2,834

22. Reserves

	2010				2009
	Profit and loss account €000	Translation reserve €000	Other reserves €000	Total reserves €000	Total reserves €000
Group					
At 1 January	**792,208**	**(2,074)**	**246**	**790,380**	822,786
Profit/(loss) for the financial year	**33,110**	–	–	**33,110**	(13,267)
Currency translation adjustments	–	**3,075**	–	**3,075**	(1,072)
Actuarial (loss)/gain in pension schemes	**(738)**	–	–	**(738)**	1,524
Deferred tax charge thereon	**(41)**	–	–	**(41)**	(191)
Dividends paid	–	–	–	–	(19,400)
At 31 December	**824,539**	**1,001**	**246**	**825,786**	790,380
Reserves are held as follows:					
Dublin Airport Authority plc	**645,703**	–	–	**645,703**	629,983
Subsidiary undertakings	**189,786**	**(1,078)**	–	**188,708**	161,051
Joint venture undertakings	**(20,041)**	–	–	**(20,041)**	(12,879)
Associated undertakings	**9,091**	**2,079**	**246**	**11,416**	16,697
Consolidation adjustment	–	–	–	–	(4,472)
	824,539	**1,001**	**246**	**825,786**	790,380

	2010 €000	2009 €000
Company		
Profit and loss account		
At 1 January	**629,983**	657,525
Profit/(loss) for the financial year	**15,444**	(9,475)
Actuarial gain in pension schemes	**317**	1,524
Deferred tax charge thereon	**(41)**	(191)
Dividends paid	–	(19,400)
At 31 December	**645,703**	629,983

No dividend was paid in 2010. In 2009, a dividend of €0.10411 per share, totalling €19.4 million, was paid to the Minister for Finance.

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

	Group	
	2010	2009
	€000	€000
Operating profit	**72,494**	51,392
Depreciation charge	**74,315**	62,937
Amortisation of intangible assets	**265**	253
Amortisation of goodwill/negative goodwill	**720**	531
(Reversal of impairment)/impairment of investments	**(1,027)**	1,033
Impairment and write-off of tangible fixed assets	**466**	11,879
Amortisation of capital grants	**(1,019)**	(1,046)
(Profit)/loss on disposal of tangible fixed assets	**(28)**	20
(Increase)/decrease in stocks	**(1,428)**	7,422
(Increase)/decrease in debtors	**(6,378)**	71
Increase/(decrease) in creditors	**8,171**	(4,335)
Increase in pension liability	**733**	1,211
Cash inflow from operating activities	**147,284**	131,368

24. Analysis of headings grouped in cash flow statement

	Group	
	2010	2009
	€000	€000
Returns on investments and servicing of finance		
Interest received	**25,621**	37,679
Interest paid	**(73,989)**	(65,172)
Income from other financial assets	**278**	255
	(48,090)	(27,238)
Capital expenditure		
Purchase of tangible fixed assets	**(227,898)**	(522,810)
Sale of tangible fixed assets	**28**	39
	(227,870)	(522,771)
Acquisitions and disposals		
Increase in other investments	**(6,602)**	–
Investment in associate undertakings	**(11)**	–
Disposal of subsidiary undertaking	**–**	(562)
	(6,613)	(562)
Dividends paid		
By subsidiary undertakings to minority interests	**(1,631)**	(4,710)
By parent company	**–**	(19,400)
	(1,631)	(24,110)
Financing		
Repayments of bank loans	**(13,377)**	(11,319)
New bank loans	**–**	200,000
	(13,377)	188,681

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

	Group	
	2010	2009
	€000	€000
(Decrease)/increase in cash in the year	**(13,784)**	22,708
Decrease in liquid resources	**(147,739)**	(263,219)
Decrease/(increase) in debt	**13,377**	(188,681)
Change in net debt resulting from cash flows	**(148,146)**	(429,192)
Disposal of subsidiary undertaking	**–**	1,575
Amortisation of issue costs	**(566)**	(530)
Foreign exchange movement	**161**	201
Movement in net debt in the year	**(148,551)**	(427,946)
Net debt at 1 January	**(615,986)**	(188,040)
Net debt at 31 December	**(764,537)**	(615,986)

26. Analysis of net debt

	At 1 January 2010 €000	**Cash flow €000**	**Non-cash movement €000**	**Foreign exchange movement €000**	**At 31 December 2010 €000**
Cash	39,153	(13,784)	–	161	25,530
Liquid resources	599,070	(147,739)	–	–	451,331
	638,223	(161,523)	–	161	476,861
Debt due within one year	(13,377)	13,377	(263,892)	–	(263,892)
Debt due after one year	(1,240,832)	–	263,326	–	(977,506)
	(1,254,209)	13,377	(566)	–	(1,241,398)
Total	**(615,986)**	**(148,146)**	**(566)**	**161**	**(764,537)**

27. Financial Instruments

Narrative disclosures concerning the Group's treasury policy and management are set out in the 2010 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 2010 was:

			2010			2009
	Total	**Floating rate**	**Fixed rate**	Total	Floating rate	Fixed rate
	€000	**€000**	**€000**	€000	€000	€000
Financial liabilities						
Euro	**1,241,398**	**–**	**1,241,398**	1,254,209	–	1,254,209
	1,241,398	**–**	**1,241,398**	1,254,209	–	1,254,209
Financial assets						
Euro	**469,173**	**469,173**	**–**	631,047	396,047	235,000
Sterling	**325**	**325**	**–**	1,831	1,831	–
US dollar	**5,304**	**5,304**	**–**	3,923	3,923	–
Canadian dollar	**1,396**	**1,396**	**–**	997	997	–
Ukraine hryvnia	**544**	**544**	**–**	246	246	–
Russian rouble	**90**	**90**	**–**	101	101	–
Swiss franc	**18**	**18**	**–**	74	74	–
Other currencies	**11**	**11**	**–**	4	4	–
	476,861	**476,861**	**–**	638,223	403,223	235,000

The weighted average interest rate for fixed rate Euro currency financial liabilities was 5.9% (2009: 6.0%) and the weighted average period for which the rate is fixed was 8.4 years (2009: 9.4 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 (2009: €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	Swedish Krona
As at 31 December 2010								
Functional currency of Group operations								
Euro	–	459	4,883	180	544	90	6	11
Canadian dollar	–	–	25	–	–	–	–	–
US dollar	1,407	99	–	–	–	–	12	–
	1,407	**558**	**4,908**	**180**	**544**	**90**	**18**	**11**
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**	**–**

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 2010.

	2010		2009	
	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)	**263,892**	**260,669**	13,377	14,476
Long-term borrowings (Note 17)	**977,506**	**892,707**	1,240,832	1,257,444
	1,241,398	**1,153,376**	1,254,209	1,271,920
Derivative financial instruments held to manage interest rate and currency profile	**–**	**–**	–	4,170
Derivative financial instruments held or issued to hedge the currency exposure on expected future sales:				
Forward foreign exchange contracts	**–**	**82**	–	19

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 2010 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 2010	**4,189**	**–**	**4,189**
Gains and losses arising in previous years recognised in 2010	(4,189)	–	(4,189)
Gains and losses arising before 1 January 2010 not recognised in 2010	–	–	–
Gains and losses arising in 2010 not recognised in 2010	82	–	82
Unrecognised gains and losses on hedges at 31 December 2010	**82**	**–**	**82**
Of which:			
Gains and losses expected to be recognised in 2011	82	–	82

28. Commitments and related matters

	Group		Company	
	2010	2009	**2010**	2009
	€000	€000	**€000**	€000
i. Capital commitments				
Contracted	**14,722**	70,257	**14,722**	70,257
Authorised by the directors but not contracted for	**23,781**	56,438	**23,781**	54,646
	38,503	126,695	**38,503**	124,903

ii. International concession agreements

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

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

	Group		Company	
	2010	2009	**2010**	2009
	€000	€000	**€000**	€000
Payable on concession agreements which expire within:				
One year	**–**	252	**–**	–
Two to five years	**4,409**	3,889	**–**	–
Greater than five years	**5,861**	32,553	**–**	–
	10,270	36,694	**–**	–

At 31 December 2010, €4.7 million (2009: €16.3 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.

28. Commitments and related matters (continued)

iii. Operating leases

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

	Group		Company	
	2010	2009	**2010**	2009
	€000	€000	**€000**	€000
Buildings				
Payable on leases which expire within:				
One year	**–**	89	**–**	–
Two to five years	**256**	440	**–**	–
Greater than five years	**354**	344	**–**	–
	610	873	**–**	–
Plant and equipment				
Payable on leases which expire within:				
One year	**1,162**	–	**1,162**	–
Two to five years	**484**	1,162	**484**	1,162
	1,646	1,162	**1,646**	1,162

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 2010, the purchase commitments amounted to €7.7 million (2009: €8.3 million).

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.

	2010	2009
	€000	€000
Management charges to associated undertakings	**12,431**	15,187
Sales at cost to associated undertakings	**8,503**	6,786
Dividends received from associated undertakings	**17,097**	19,025
Loan to associated undertaking	**563**	563
Due from associated undertakings at year-end	**8,788**	8,498
Due to associated undertakings at year-end	**1,291**	499
Loan to joint venture undertaking at year-end	**4,882**	4,882

In common with many other entities, the Group deals in the normal course of business with Government and state bodies and other entities that are owned, controlled or related to Government. Such dealings are with a wide range of entities that include central government, local authorities, commercial and non-commercial semi-state companies and financial institutions. 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 professional services provided to the Group in the normal course of business by PwC in Ireland during the year ended 31 December 2010 were €1,214,903 (2009: €329,629). 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 2010 were €17,612 (2009: €4,014). Mr Brian O'Connell, a director of the Company, is also a director of Westpark Shannon Limited which is a property development company. During 2010, Westpark provided office space at no charge to the Shannon College of Hotel Management, a business run by the Company. The market value of this has been estimated at €3,600.

30. Minority interest

	2010 €000
At beginning of year	**9,844**
Share of profit for the year	**3,815**
Exchange differences	**212**
Dividend to minority shareholders	**(1,631)**
At end of year	**12,240**

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:

	2010 €000	2009 €000
Turnover	**257,401**	194,811
Fixed assets	**301,007**	294.073
Current assets	**95,146**	62,738
Liabilities due within one year	**(62,473)**	(23,497)
Liabilities due after one year or more	**(247,495)**	(241,099)

The Group's share of capital commitments of all associated undertakings amounted to €61.9 million (2009: €43.2 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:

	2010 €000	2009 €000
Turnover	**80,892**	78,664
Profit before tax	**13,775**	7,782
Taxation	**(4,218)**	(2,692)
Profit after tax	**9,557**	5,090
Fixed assets	**275,401**	279,729
Current assets	**28,879**	23,442
Liabilities due within one year	**(6,717)**	(4,836)
Liabilities due after one year or more	**(220,420)**	(223,129)

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 13 May 2011.

Five-year summary of financial results

	2010	2009	2008	2007	2006
	€000	€000	€000	€000	€000
Operating results					
Turnover	**558,153**	546,716	630,940	623,364	590,586
Group EBITDA	**146,756**	125,512	154,657	169,917	145,228
Group operating profit (pre-exceptional)	**72,494**	62,692	87,657	111,608	85,003
Share of profits of associates and joint ventures	**18,907**	14,007	30,272	38,471	31,350
Net interest payable – Group, joint ventures and associates	**(39,803)**	(20,118)	(17,117)	(17,105)	(28,156)
Group exceptional items	**435**	(56,916)	(35,194)	239,320	115,638
Profit/(loss) before taxation	**52,033**	(335)	65,618	372,294	203,835
Taxation	**(15,108)**	(9,459)	(16,572)	(24,735)	(37,978)
Minority interest	**(3,815)**	(3,473)	(1,972)	(33)	105
Profit/(loss) for the financial year	**33,110**	(13,267)	47,074	347,526	165,962
Profit excluding exceptional items (after tax)	**32,771**	37,947	77,899	108,500	69,523
Capital employed					
Tangible fixed assets	**1,960,017**	1,791,497	1,344,260	1,006,126	793,447
Intangible fixed assets	**9,471**	10,527	11,509	3,327	4,100
Financial fixed assets	**79,010**	83,578	103,981	94,175	151,567
Net current assets	**70,162**	483,292	699,982	386,220	238,945
Total assets less current liabilities	**2,118,660**	2,368,894	2,159,732	1,489,848	1,188,059
Creditors due after more than one year	**(990,412)**	(1,260,698)	(1,067,138)	(479,710)	(498,731)
Capital grants	**(14,844)**	(15,863)	(16,909)	(18,024)	(19,380)
Provisions for liabilities	**(69,247)**	(85,952)	(38,156)	(13,916)	(37,677)
Net pension liability	**(19,794)**	(19,820)	(19,002)	(2,280)	(2,331)
Net assets	**1,024,363**	986,561	1,018,527	975,918	629,940
Summary Cash Flow					
Cash flow from operating activities	**147,284**	131,368	161,624	170,001	148,183
Payments in respect of exceptional restructuring and pension programmes	**(30,379)**	(1,918)	(9,028)	(27,017)	–
Dividends from associated undertakings	**17,097**	19,025	13,567	9,628	8,648
	134,002	148,475	166,163	152,612	156,831
Net interest paid	**(48,090)**	(27,238)	(13,750)	(12,875)	(22,514)
Taxation refund/(paid)	**2,056**	(2,986)	(15,342)	(23,520)	(21,505)
	87,968	118,251	137,071	116,217	112,812
Investment in tangible fixed assets	**(227,898)**	(522,810)	(349,232)	(248,875)	(134,406)
Investment in/loans to associated and joint venture undertakings and financial assets	**(11)**	–	(1,245)	–	(83)
Other investments	**(6,602)**	–	–	–	–
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	**28**	39	80	390	30,456
	(234,483)	(523,333)	(358,740)	55,192	130,873
	(146,515)	(405,082)	(221,669)	171,409	243,685
Dividends paid					
to Minister for Finance	**–**	(19,400)	–	–	–
to minority undertakings of subsidiaries	**(1,631)**	(4,710)	–	–	–
Cash (outflow)/inflow before management of liquid resources and financing	**(148,146)**	(429,192)	(221,669)	171,409	243,685
Net debt					
Group net debt/(funds) at year end	**764,537**	615,986	188,040	(34,804)	135,577

Five-year summary of passenger statistics

Passengers	**2010**	2009	2008	2007	2006
Overall					
Transatlantic	**1,838,703**	2,056,649	2,323,454	2,279,592	2,138,117
Britain	**8,703,096**	9,954,850	11,295,164	11,349,040	11,449,517
Continental Europe	**10,922,184**	12,409,145	14,221,820	14,213,849	11,939,090
Other International	**272,534**	248,992	261,793	240,796	213,371
Domestic	**565,142**	1,024,814	1,384,682	1,470,508	1,326,945
Transit	**310,421**	372,838	407,966	534,535	778,963
	22,612,080	26,067,288	29,894,879	30,088,320	27,846,003
Percentage change year-on-year	**-13.3%**	-12.8%	-0.6%	+8.1%	+13.7%
Dublin					
Transatlantic	**1,489,081**	1,614,375	1,748,299	1,532,799	1,356,974
Britain	**6,726,793**	7,575,288	8,559,677	8,670,935	8,626,342
Continental Europe	**9,570,020**	10,416,954	11,997,198	11,901,747	10,092,559
Other International	**266,418**	242,670	252,252	232,960	198,434
Domestic	**369,010**	634,973	844,594	885,233	813,177
Transit	**9,742**	19,417	64,691	63,764	108,896
	18,431,064	20,503,677	23,466,711	23,287,438	21,196,382
Percentage change year-on-year	**-10.1%**	-12.6%	+0.8%	+9.9%	+14.9%
Shannon					
Transatlantic	**349,381**	442,147	574,843	746,551	780,917
Britain	**761,789**	1,062,915	1,139,970	1,253,570	1,286,317
Continental Europe	**323,358**	888,946	1,020,437	1,066,630	816,676
Other International	**1,063**	869	2,820	507	320
Domestic	**25,064**	52,448	96,836	89,034	100,484
Transit	**295,230**	347,238	334,623	464,331	654,332
	1,755,885	2,794,563	3,169,529	3,620,623	3,639,046
Percentage change year-on-year	**-37.2%**	-11.8%	-12.5%	-0.5%	+10.2%
Cork					
Transatlantic	**241**	127	312	242	226
Britain	**1,214,514**	1,316,647	1,595,517	1,424,535	1,536,858
Continental Europe	**1,028,806**	1,104,245	1,204,185	1,245,472	1,029,855
Other International	**5,053**	5,453	6,721	7,329	14,617
Domestic	**171,068**	336,393	443,252	496,241	413,284
Transit	**5,449**	6,183	8,652	6,440	15,735
	2,425,131	2,769,048	3,258,639	3,180,259	3,010,575
Percentage change year-on-year	**-12.4%**	-15.0%	+2.5%	+5.6%	+10.3%

Five-year summary of aircraft movements

	2010	2009	2008	2007	2006
Overall					
Commercial					
Scheduled	**175,334**	197,797	231,139	228,681	211,894
Non Scheduled	**17,124**	19,859	26,803	30,197	29,645
Cargo	**5,983**	6,719	9,396	9,913	10,278
Commercial Air Transport Movements	**198,441**	224,375	267,338	268,791	251,817
Percentage change year-on-year	**-11.6%**	-16.1%	-0.5%	+6.7%	+3.9%
Others	**37,627**	40,120	48,787	62,088	56,521
Total Aircraft Movements	**236,068**	264,495	316,125	330,879	308,338
Dublin					
Commercial					
Scheduled	**143,282**	156,290	181,850	176,564	161,375
Non Scheduled	**6,150**	8,656	13,158	14,218	14,110
Cargo	**3,670**	4,132	5,103	5,271	5,720
Commercial Air Transport Movements	**153,102**	169,078	200,111	196,053	181,205
Percentage change year-on-year	**-9.4%**	-15.5%	+2.1%	+8.2%	+4.7%
Others	**7,218**	7,733	11,779	15,751	15,436
Total Aircraft Movements	**160,320**	176,811	211,890	211,804	196,641
Shannon					
Commercial					
Scheduled	**10,702**	18,357	21,172	22,230	22,525
Non Scheduled	**9,504**	9,255	8,513	10,297	9,997
Cargo	**1,507**	1,711	2,985	3,101	3,067
Commercial Air Transport Movements	**21,713**	29,323	32,670	35,628	35,589
Percentage change year-on-year	**-26.0%**	-10.2%	-8.3%	+0.1%	+3.9%
Others	**5,669**	5,643	9,689	12,486	11,126
Total Aircraft Movements	**27,382**	34,966	42,359	48,114	46,715
Cork					
Commercial					
Scheduled	**21,350**	23,150	28,117	29,887	27,994
Non Scheduled	**1,470**	1,948	5,132	5,682	5,538
Cargo	**806**	876	1,308	1,541	1,491
Commercial Air Transport Movements	**23,626**	25,974	34,557	37,110	35,023
Percentage change year-on-year	**-9.0%**	-24.8%	-6.9%	+6.0%	0.0%
Others	**24,740**	26,744	27,319	33,851	29,959
Total Aircraft Movements	**48,366**	52,718	61,876	70,961	64,982

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, Cyprus, Egypt, Lebanon, Oman, Qatar
- **North America / Caribbean**
  Barbados, Halifax, Montreal, Ottawa, Winnipeg

DAA Management Team

Declan Collier
Chief Executive

Mary Considine
Director, Shannon Airport

Oliver Cussen
Deputy Chief Executive & Company Secretary

Eamon Foley
Director General, Aer Rianta International

Ray Gray
Chief Financial Officer

Vincent Harrison
Director Strategy, Regulation & B2B

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

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 10) / Category III A (Runway 28) **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. (currently unavailable for operations)
Refuelling	Hydrant and mobile refuelling available – Jet A1 (24 hrs)
Operational	24 hrs
Postal Address	Shannon Airport, Co. Clare, Ireland
Fax Number	(061) 712282 (Airport Operations Dept) (061) 712075 (Shannon Aviation Fuels)
Telephone Number	National (061) 712000 (24 hr) International 353 61 712000 (24 hr)
Web	www.shannonairport.com

General Business Information

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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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