AUSTRALIA PACIFIC AIRPORTS CORPORATION

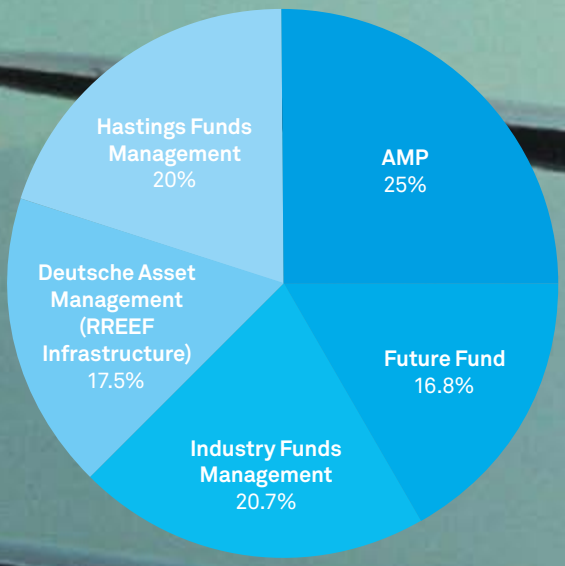
ANNUAL REPORT 2011

DELIVERING ON GROWTH

Ownership

APAC has demonstrated consistent growth since its inception in 1997. Strong management and diverse revenue streams continue to enable APAC to capitalise on opportunities and deliver aviation excellence.

APAC is a majority Australian owned company, representing the retirement savings of thousands of Australians. APAC's shareholders are:



About APAC

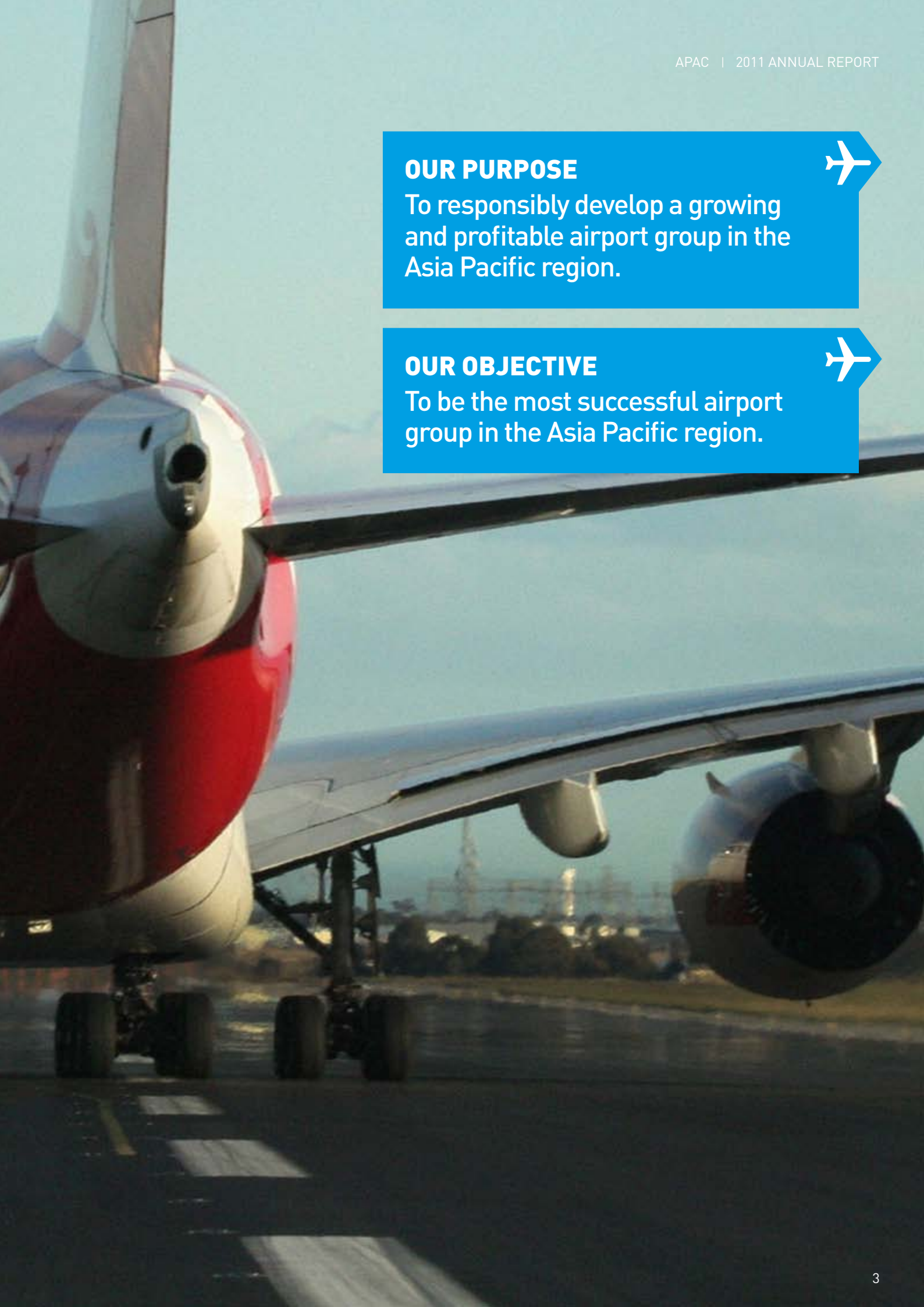
Australia Pacific Airports Corporate Limited (APAC) operates two key Australian aviation assets, Melbourne Airport and Launceston Airport.

APAC acquired Melbourne Airport in July 1997. Launceston Airport was acquired shortly after (May 1998) in partnership with the Launceston City Council. Both airports are operated under a 50 year long-term lease from the Federal Government, with an option for a further 49 years.

Australia Pacific Airports Corporation Ltd
ABN 89 069 775 266

MELBOURNE AIRPORT® LAUNCESTON AIRPORT Australia Pacific Airports

Photograph by Tony Moclair



OUR PURPOSE

To responsibly develop a growing and profitable airport group in the Asia Pacific region.

OUR OBJECTIVE

To be the most successful airport group in the Asia Pacific region.


Total passengers
↑2M
at Melbourne and
Launceston Airports

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2011 HIGHLIGHTS

8%
Total revenue

9%
Operating profit

26%
Net profit

14%
International passenger growth

28.19 million
No. of Melbourne Airport passengers

1.15 million
No. of Launceston Airport passengers

RESULTS AT A GLANCE

YEAR ENDED 30 JUNE	2011 ($ millions)	2010 ($ millions)	CHANGE (per cent)
Total revenue	561	518	**8%**
Operating expenses	138	131	**5%**
Operating profit	423	387	**9%**
Change in fair value of investment property	59	11	
Profit before borrowing costs, depreciation & amortisation	482	398	**21%**
Depreciation & amortisation	65	53	**23%**
Interest	126	115	**10%**
Profit before tax	291	230	**26%**
Income tax expense	88	69	**27%**
Net profit	203	161	**26%**

CHAIRMAN'S MESSAGE

"These are indeed challenging times for aviation, but they are also exciting times."

JACK RITCH

Throughout the 15 years that I have been an APAC board member the aviation industry has seen many changes, some exciting and some that have undoubtedly tested us. During the past year, we've had to manage the impacts of devastating floods, volcanic ash clouds from Chile; a strong Australian dollar and continuing global economic volatility.

Despite these challenges, we've continued to invest and grow successfully.

Our domestic and international passenger numbers increased, our airline customers added new capacity, and our retail, freight and property activities performed well. Over the period that I have been involved with APAC, the number of passengers through Melbourne Airport has more than doubled.

In 2010/11, 29.34 million passengers passed through Melbourne and Launceston Airports, an increase of two million passengers on 2009/10. And despite some challenges in the domestic market, this growth is forecast to continue.

A substantial capital works program is underway to grow our airports' capacity and support our forecast growth. We invested $137 million during the year with this figure set to increase next year, demonstrating the Board's and shareholders' confidence in the business.

Through the superannuation funds who are our shareholders, Melbourne and Launceston Airports help to support the retirement incomes for millions of Australians and we take this responsibility very seriously. As vital pieces of infrastructure in both Victoria and Tasmania, we also work with key stakeholders, including federal and state governments to serve and attract travellers and tourists.

Melbourne Airport's strength and potential was reaffirmed during the year with the completion of a US$600 million refinancing program through the US Private Placement market. The successful refinancing was supported by the Federal Government's extension of the existing Tripartite Deeds which provides confidence, certainty and clarity on rights for financiers who invest in airports.

The success of the privatisation of Australia's airports was also reaffirmed by the Productivity Commission's inquiry into the economic regulation of airport services draft report that was recently released. The 'light handed' regulatory regime has encouraged investment, innovation and growth in vital transport infrastructure. We'll be strongly encouraging the Federal Government to continue this approach when it considers its response to the Productivity Commission's final report which is due by the end of 2011.

During the year, we welcomed four new members to the APAC Board – Nadine Lennie from The Future Fund, Andrew Fellowes and John Harvey representing Hastings Fund Management and Paul Breen from AMP. Richard Hedley from Deutsche Bank was also re-appointed. Our new board members bring with them vast and varied experience and we are delighted that they've joined us.

Subsequently, we also saw three Board members resign and I'd like to acknowledge our departing directors for their valuable contributions. Thank you to John Dorrian from Deutsche Bank, Phil Garling from AMP and Steve Boulton from Hastings Fund Management for their dedication throughout their terms.

On behalf of the Board, I'd like to thank Chris Woodruff, the senior management team and all of APAC's staff for their efforts throughout the year.

These are indeed challenging times for aviation, but they are also exciting times. I am confident that APAC will continue to grow, successfully manage that growth and continue to deliver excellent results.

CHIEF EXECUTIVE OFFICER'S MESSAGE

"Managing the impacts of our growth will be core to APAC's continued success over the coming years."

CHRIS WOODRUFF

This year was another year of growth for APAC but as has been the case for the last few years, it also had its challenges.

The aviation industry is without a doubt dynamic, and it's also an industry that continually challenges all of us who work in it. This year alone, we faced economic volatility, volcanic ash from South America and a soaring Australian dollar. But as vital infrastructure in Victoria and Tasmania, our success is also fundamental for the growth of our home states.

Financially, we performed strongly with aeronautical revenue increasing by 9 per cent to $237 million, retail revenue increasing by 10 per cent to $239 million and revenue from our Property group increasing by 4 per cent to $83 million. These three revenues contributed to a total revenue of $561 million, an 8 per cent increase on 2009/10 and clearly aligned with our total passenger growth.

We tightly controlled our costs and again passed security savings to our airline customers, delivering some of the lowest aeronautical costs in Australia while simultaneously maintaining our high security levels.

Our operating profit, before borrowing costs and depreciation, also reflects total passenger growth, increasing by 9 per cent to $423 million.

In August 2010, we completed $1.25 billion worth of financing and in June 2011, we completed our current refinancing program, raising US$600 million in the US Private Placement market. The success of our refinancing reflects the confidence the markets have in APAC's stability as well as our ability to continue to grow successfully.

One of the core elements to our success this year was the eight per cent increase in APAC's total passenger growth taking total passengers at Launceston to 1.15 million passengers and to 28.19 million passengers at Melbourne. This was driven by 14 per cent international growth at Melbourne where Asia continued to be the key growth region, with Chinese passport holders increasing by an impressive 26 per cent compared to last year. Over the next two decades, Asia will continue to be the dominant growth region for Melbourne Airport and our focus on tailoring our customer's experience will only become more pertinent as our competitors apply a renewed vigour on reclaiming the growth that they believe is rightfully theirs.

It has been a particularly challenging year for domestic travel with severe floods in Queensland and volcanic ash taking their toll. Launceston Airport in particular has felt these impacts. Despite this, domestically, we achieved growth of 3 per cent at Launceston and 6 per cent at Melbourne.

Our freight capacity also continued to grow as well. Launceston announced a $1.5 million hangar redevelopment with Australian Air Express boosting Launceston's processing and freight handling facilities. Melbourne's share of the Australian air freight market rose to 31 per cent.

Managing the impacts of growth will be core to APAC's continued success over the coming years. Our growth at Melbourne in particular has at peak times, created additional pressure on our terminal facilities and our road network.

We have brought forward a number of infrastructure projects to manage these demands and deliver a great experience for our passengers and our airline customers as well as ensure that we can accommodate future growth.

Protecting Victoria's curfew free status and the benefits this delivers to all of Victoria will also be a priority for us going forward.

In 2010/11, we put in place strong foundations to manage our growth while also maintaining it and delivering great results for APAC as well as our airline customers, our suppliers and our communities as we strive to be the most successful airport group in Asia Pacific.

I would like to thank all of my team, our airline customers, our suppliers, tenants and contractors for delivering a successful year.

APAC BOARD OF DIRECTORS

JACK RITCH
Chairman

Appointed 1 November 1995
Mr Ritch was appointed a director of APAC in November 1995.

CHRIS WOODRUFF
Managing Director

Appointed 31 August 2007
Mr Woodruff is Chief Executive Officer and Managing Director of Melbourne Airport.

ANDREW FELLOWES
Director

Appointed 7 April 2011
Mr Fellowes is an Associate Director of Hastings Management Limited.

KYLE MANGINI
Director

Appointed 16 October 2009
Mr Mangini is head of Infrastructure and Specialised Funds at Industry Funds Management.

JOHN DORRIAN

Appointed April 2007
Resigned May 2011

PHIL GARLING

Appointed March 2004
Resigned July 2011

STEVE BOULTON

Appointed February 2008
Resigned April 2011

NADINE LENNIE
Director

Appointed 20 January 2011
Ms Lennie is a Director of Infrastructure and Timberland at The Future Fund.

JOHN HARVEY
Director

Appointed 2 May 2011
Mr Harvey is currently a Director and Audit Committee Chairman of Australian Infrastructure Fund Limited and David Jones Limited.

PAUL BREEN
Director

Appointed 6 July 2011
Mr Breen is the Investment Manager at AMP Capital Investors.

RICHARD HEDLEY
Director

Appointed 16 June 2008 – 30 August 2010
Re-appointed 2 May 2011
Mr Hedley is a Director of RREEF Alternative Investments.

COMPANY SECRETARIES

KIRBY CLARK
Chief Financial Officer and Deputy Chief Executive Officer

LISA EVANS
Legal Services Manager and Company Secretary

Melbourne's runway overlay project was critical to maintaining optimal safety conditions for airline customers and passengers.

GROWING THE BUSINESS

↑14%

Melbourne's international passengers

APAC's operations at Melbourne and Launceston airports continued to grow throughout the year however, 2010/11 was a challenging year as we continue our commitment to grow the business by understanding current and future needs of our passengers as well as capitalising on airport market opportunities.

Aeronautically, we continued to achieve genuine growth in an increasingly dynamic and challenging industry. Launceston Airport recorded a 2 per cent growth to reach 1.15 million passengers. Melbourne Airport achieved an 8 per cent increase in total passengers to reach 28.19 million passengers. This saw an overall increase of passengers for APAC of 8 per cent to reach 29.34 million passengers.

Melbourne's international growth of 14 per cent was the main driver of this continued growth while domestic passengers grew by 6 per cent to reach 21,902,747.

GROWING CAPACITY

Victoria's reputation as a premier tourist destination was strengthened as we welcomed new airlines to Melbourne, and additional services to both Melbourne and Launceston.

The addition of new services by Jetstar and QantasLink in Launceston to the key destinations of Melbourne, Brisbane and Sydney, saw Launceston record its highest number of passengers in a month of 118,000 in December 2010. Domestic capacity at Melbourne Airport was also increased, most notably by Jetstar with an additional 29 per cent seat capacity for the year.

Jetstar also increased international services at Melbourne, launching daily services to Singapore and Auckland as well as twice weekly services to Queenstown. Key growth markets were also further supported through China Southern, China Eastern and Vietnam Airlines all increasing to daily services. Virgin Australia increased international services to Los Angeles, Christchurch, Bali and Fiji. Qantas increased capacity on its London and Los Angeles services by introducing A380s and Emirates introduced B777s to increase capacity on its Dubai services. Melbourne Airport also welcomed Royal Brunei and Strategic Airlines who commenced international services during the year.

↑26% in Chinese passport holders through Melbourne Airport

The Asia Pacific region continued to be a key growth area for Melbourne. China, Singapore, Malaysia and Japan were the highest growth markets for the year with 26 per cent increase in Chinese passport holders, while Singapore and Malaysia increased by 16 per cent and Japan increased by 15 per cent. Our traditional markets remained key with New Zealand, the UK and the USA also experiencing solid growth of 12 per cent, 7 per cent and 5 per cent respectively.

250,000 tonnes of international air freight annually at Melbourne Airport = **31%** of Australia's total air freight market

Launceston Airport

Another area of growth was Melbourne's freight market. Following a 3 per cent increase in exports and an 8 per cent increase in imports, we increased to approximately 250,000 tonnes or 31 per cent of Australia's total air freight market. This growth, combined with the strong international passenger growth will see expansion of our existing freight facilities in the coming year.

We continue to invest in our airports to accommodate for current and future growth.

Launceston Airport completed a $4 million airfield lighting project. A $1.5 million hangar redevelopment project was also signed with Australian Air Express to improve freight facilities at Launceston Airport.

Launceston completed a $4 million redevelopment of its airfield lighting

At Melbourne, EYE advertising embarked on a $4 million redevelopment of advertising with Australia's first high definition external airport digital billboards, as well as 24 internal digital advertising signs within the terminal.

GROWING INFRASTRUCTURE

Melbourne's expanded international departures retail area

We invested $137 million during the year to grow capacity and support growth.

Melbourne's international terminal expansion

We continued the expansion of our international terminal at Melbourne with stage one of the retail developments opening on time in November 2010. Features of the new retail space include the first stand alone luxury watch store in Australia, the first WHSmith in Australia as well as the iconic Melbourne restaurant, Café Vue. The second stage is scheduled to open on time in December 2011.

The international departures expansion also includes 24 new check-in counters, a new state-of-the-art 'smart' outbound baggage sortation system, two new gates and continued upgrades to our aerobridges that improves the range of aircraft able to use the gates to now include A380s. The new outbound baggage system was successfully implemented over the busy 2010 Christmas holiday period with the new gates and upgraded aerobridges to be operational in December 2011.

At our busiest times, the growth at Melbourne Airport has put pressure on the facilities. During the year, we also embarked on a redevelopment program for the international arrivals area. The redevelopment includes additional baggage carousels and in conjunction with the border agencies, additional room to accommodate new processes to streamline the entire arrivals process.

APAC's outlook for growth at both Melbourne and Launceston airports looks strong and continued investment in long term infrastructure will ensure growth aspirations for the airports and our customers can be achieved, while also ensuring the current high service levels. These developments, aligned with the Melbourne Airport and Launceston Airport Master Plans, will continue to look at responsible and efficient ways to grow our operations while always providing to our airline customers, suppliers, staff and passengers, high levels of safety, security and service.

Melbourne's road network

In addition to this work, we also have a number of projects underway to improve the flow of traffic into the airport and around the terminal. One of the key road improvement projects is the construction of the APAC Drive on-ramp, an additional elevated two lane city bound entry to the Tullamarine Freeway. This will take approximately 15 per cent of traffic from the southern end of the airport precinct and reduce traffic around the terminal. Construction on this critical piece of infrastructure commenced in July 2011 and is scheduled for completion in July 2012.

Melbourne Airport's business park

Melbourne Airport's business park also had a strong year with construction commencing on a new facility for Primus Australia and underpinning our development strategy to ensure the long term sustainable growth of the business park. Hanrob's new state-of-the-art dog and cat boarding facility was completed on time and on budget, opening on 1 July 2011. Although this project initially met resistance from local residents, through consultation, a new and ultimately better location was selected and agreed on by all parties.

Essendon Football Club at Melbourne

Melbourne Airport was also pleased to welcome Essendon Football Club's decision to build their new sporting and community facilities on Melbourne Airport grounds. Consultation has commenced and will continue as part of the major development plan in the coming year.

Artist's impression of the completed APAC Drive on-ramp

Cafe Vue

Melbourne's new check-in counters

96,000

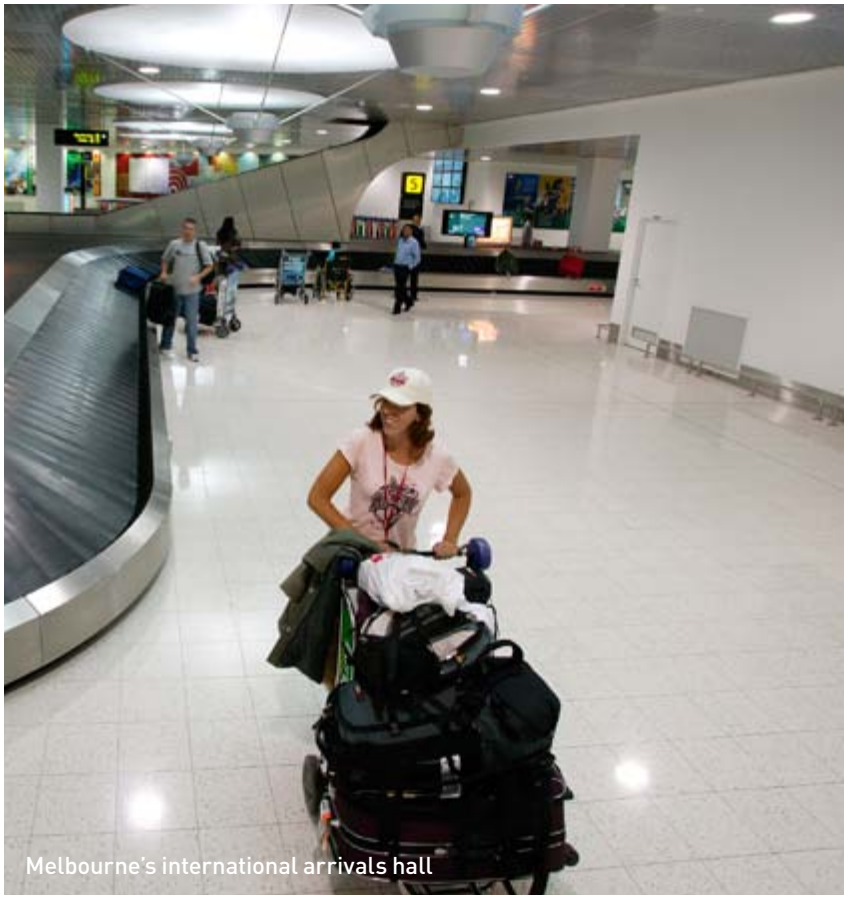
Melbourne's busiest day – 29 Oct 2010

↑8%

in Melbourne's total passengers to 28.1M

SERVICE

We consider great service to be a core element of APAC's operations and the strong growth experienced over the last year, particularly at Melbourne Airport, has presented many challenges. Operationally however, we maintained our high service standards through a period of immense growth. This is a significant achievement and demonstrates the commitment of our operations team and our operational readiness at both airports.



Melbourne's international arrivals hall

Melbourne Airport's Quality of Service Monitoring (QSM) scores show continuing high results in the top quartile of 3.8 to 4.5 range. From an overall experience, we have proudly averaged 4.2 for the last three quarters in T2. This is a particularly outstanding result noting that these high standards have been maintained with the addition of over 2 million more passengers and amid significant development works.

Our commitment to our customers is also showing results. Chinese passenger surveys at Melbourne Airport show high satisfaction levels, verifying our tailored approach to this area of the market. We will continue to refine our visitor programs and cultural training to ensure we continue to deliver the best possible passenger experience.

RUNWAY OVERLAY PROJECT

The $55 million runway overlay maintenance project included essential resurfacing of the runways to continue to provide optimum safety conditions for our airline customers and passengers. The unprecedented inclement weather and fog early in 2011, caused 80 night works to be rescheduled, however the project team was able to accelerate works resulting in project completion being only one month behind schedule. The project remains scheduled to be completed under budget and combined with the Cat IIIb system installed last year, sees Melbourne's runways as some of the safest in Australia.

A critical element in maintaining service standards for the year was Melbourne's runway overlay project.

250

successful and on time run way closures and openings

Melbourne's multi-level long term car park

Car Parks

Our high levels of service also extend outside our terminal, with car parks at Melbourne also receiving high satisfaction results of 4 to 4.2. These high levels were maintained from last year's high service level despite the growth in passengers. These results follow the successful opening of the new multi-level car park last year and the upgrading of the access management software to strengthen the protection of credit card data at all Melbourne car parks. This year, we also undertook extensive market research to improve our understanding of what people want when they park at Melbourne Airport which will continue to improve our service levels.

Security

Security is always a priority at APAC and Melbourne Airport again achieved best practice security audit results and provided some of the lowest security costs in Australia. We also continued to reduce security costs to our airline customers, with 9 per cent and 5 per cent reductions for international and domestic passengers respectively, with these savings then passed back to our airline customers as savings on their security requirements.

We further supported government aviation security initiatives and hosted an enhanced technology trial for liquids, aerosols and gels (LAGS) in November as part of the international aviation sector. The trial was successful with the results now being utilised by the Australian Government as well as US, European and Canadian government regulators to identify enhanced security procedures with the aim of creating consistent global security process.

GROUND TRANSPORT

Following the release of Melbourne Airport's Ground Transport Plan last year, we continued to work closely with key partners such as SkyBus and the Victorian Taxi Directorate to improve current ground transport options as well as look towards future ground transport options. We also welcomed the State Government's commitment to fund a feasibility study into a rail link to Melbourne Airport.

Melbourne's SkyBus service

OUR REPUTATION

In our commitment to be the most successful airport group in the Asia Pacific region, we know that we must earn the trust and support of our stakeholders by operating responsibly and communicating clearly. We must earn a good reputation and, in essence, earn our licence to operate by respecting and working together for the mutual benefit of APAC, our communities and the environment.

Our airports do not operate in isolation. They are part of a larger community. At Melbourne, there are approximately 12,500 people who work at the airport every day. Located within the City of Hume, our operations and activities also impact our neighbouring cities of Melton, Brimbank and Moonee Ponds. Our community includes residents, local businesses, travellers, airlines, business partners, governments at all levels, as well as everyone who works at Melbourne Airport.

Launceston Airport too is part of the greater Launceston community. Located in the Northern Midlands municipality, Launceston's operations neighbour the towns of Evandale and Perth, with the city of Launceston located to the north of the airport. There are approximately 150 staff who work at Launceston Airport every day. APAC is committed to being a good neighbour and working for the benefit of our communities.


12,500+
people work at Melbourne Airport every day

COMMUNITY

Celebrating Diwali at Melbourne

Throughout the year, Launceston Airport continued to support the local community through key partners, supporting the Glover Art Prize, the Blue Sky Ball and Launceston's international choir, Sing Elon. Launceston also proudly supports the protection of a Tasmanian icon, through the 'Save the Tasmanian Devil Program Appeal'.

Melbourne Airport also supports a number of community programs such as Western Chances and the Salvation Army's Jacana Centre. As a major partner in Victoria's tourism sector, we also support industry and cultural development programs such as the Victorian Tourism Awards and the Melbourne Museum. Melbourne Airport also continues to participate in Clean Up Australia Day, Earth Hour, World Environment Day and Tree Planting Days.

Melbourne Airport also supports a number of community programs such as Western Chances and the Salvation Army's Jacana Centre.

We were pleased this year to reintroduce the Melbourne Airport Chaplain to provide counselling and guidance for passengers, staff and the wider airport community.

Reflecting our multicultural heritage and global connections, Melbourne Airport also celebrates key dates in different cultures including Chinese New Year, Diwali, the Indian Festival of Light and Malaysia's Merdeka Day.

Clean Up Australia Day


Community Consultation Aviation Group

Planning Coordination Forum and the Community Consultation Aviation Group

APAC has long recognised that working with government, business and the local community is paramount to successful operations and last year we formalised the avenues for which these key groups engage with Melbourne and Launceston Airports with the establishment of the Planning Coordination Forum and the Community Consultation Aviation Group. In Melbourne, both groups were formed in March and will continue to improve our two way dialogue with key stakeholders and communities. The committees are also an avenue for local activities within the community, both on and off the airport, that may impact the ongoing development of the airport to be highlighted. We look forward to continuing to work with both of these groups along with the Noise Abatement Committee.

SAFETY & ENVIRONMENT

Safety

As a part of Melbourne and Launceston's critical infrastructure, we also work closely with key partners in both states on emergency preparedness by investing in new equipment and facilities as well as an emergency training exercise.

Both Melbourne and Launceston Airports also continue to work with regulators including the Office of Transport Security and Civil Aviation Safety Authority (CASA) to deliver the highest standards of safety and security.

One of APAC's priorities is to make sure that passengers, APAC staff and the wider airport communities go home safe every day. To this end, our safety standard and practices are non-negotiable.

We are proud to again this year achieve our high standard of safety and continue our strong performance in this area.

This is a particularly good result for Melbourne Airport which, as a 24 hour operation is a complex operating environment, and one that has an increasing number of construction activities. Our focus on integrating safety as a priority into our everyday processes and practices is now even more critical.

Launceston Airport's pro-active and stringent risk management processes are reflected in the robust safety culture that continues to ensure a strong safety performance throughout the year.

This year, both Melbourne and Launceston Airports retained our SafetyMAP accreditation, an independently audited industry Safety Management System, which saw them continue to be the only two airports in Australia with this accreditation.

Environment

In 2010/11, we also strengthened our commitment to working responsibly and respecting our environment.

The year was a milestone for Launceston's environmental efforts with its Environment Strategy approved by The Federal Minister for Infrastructure and Transport, the Hon Anthony Albanese MP in September 2010. The Environment Strategy is Launceston Airport's environmental blueprint for the next five years and outlines the goals, targets and initiatives that it will focus on.

Melbourne Airport maintained its certification to the Australian Standard ISO14001:2004 and remains one of only two airports in Australia to be certified to this standard.

This year, Melbourne Airport participated in the State Government's Electric Vehicle trial to assess different technology. From December 2010 to March 2011, Melbourne Airport staff successfully trialled the electric vehicle to assess the viability of electricity as an alternative fuel source. A second trial will commence later this year.

Melbourne also upgraded its waste management systems with all bins within Melbourne's car parks now meeting the new Australian Standards through improved lid colour, signage and public awareness on recycling. This has resulted in a significant increase in the amount of waste diverted from landfill to recycling with a current level of 27 per cent waste diversion from landfill across Melbourne Airport. Melbourne also continued to focus on improving energy efficiencies including retrofitting T3 with LED lighting that reduced carbon emissions by approximately 35 per cent.

We also implemented Australia's first KYOTO air-cooling system in Melbourne Airport's new data centre to reduce IT power consumption and carbon emissions. KyotoCooling is a heat exchange cooling system designed specifically for heat and energy intensive data centres, and harnesses the temperature difference between indoor and outdoor air. It controls airflow and temperature whilst maintaining a contaminant free environment and is used throughout Europe.

We continued to work collaboratively with key environmental stakeholders including the Federal Government's Airport Environment Officer, business partners, local councils and the community.

OUR TEAM

Our success is driven by our people and with our overall focus on growing responsibly and providing high levels of service, it's critical that our team works together to continue to manage the safe and efficient flow of 29.34 million people through Melbourne and Launceston Airports.

This year, as an organisation and as a team, we focussed on 'how' we do business as we deliver high service levels to our airline customers, suppliers and stakeholders. By focussing on the people who deliver the results and 'how' we successfully deliver as well as 'what' we deliver, we continually seek to improve our processes, performance and conduct. By focussing on the people who deliver the results and how we deliver the results, we are also focussing on the long term future and success of our business.

This year, we again conducted a staff survey and increased our engagement levels as well as achieved 87 per cent participation. This participation level is particularly pleasing in a year of change and challenge. It also
clearly demonstrates that our people are passionate and committed to our business.

One of the key areas of feedback was for further definition around company values. As part of our focus on 'how' we achieve our results, throughout the year, our cultural steering group managed the development and implementation of our new company values. All of the team now strive to embody these values.

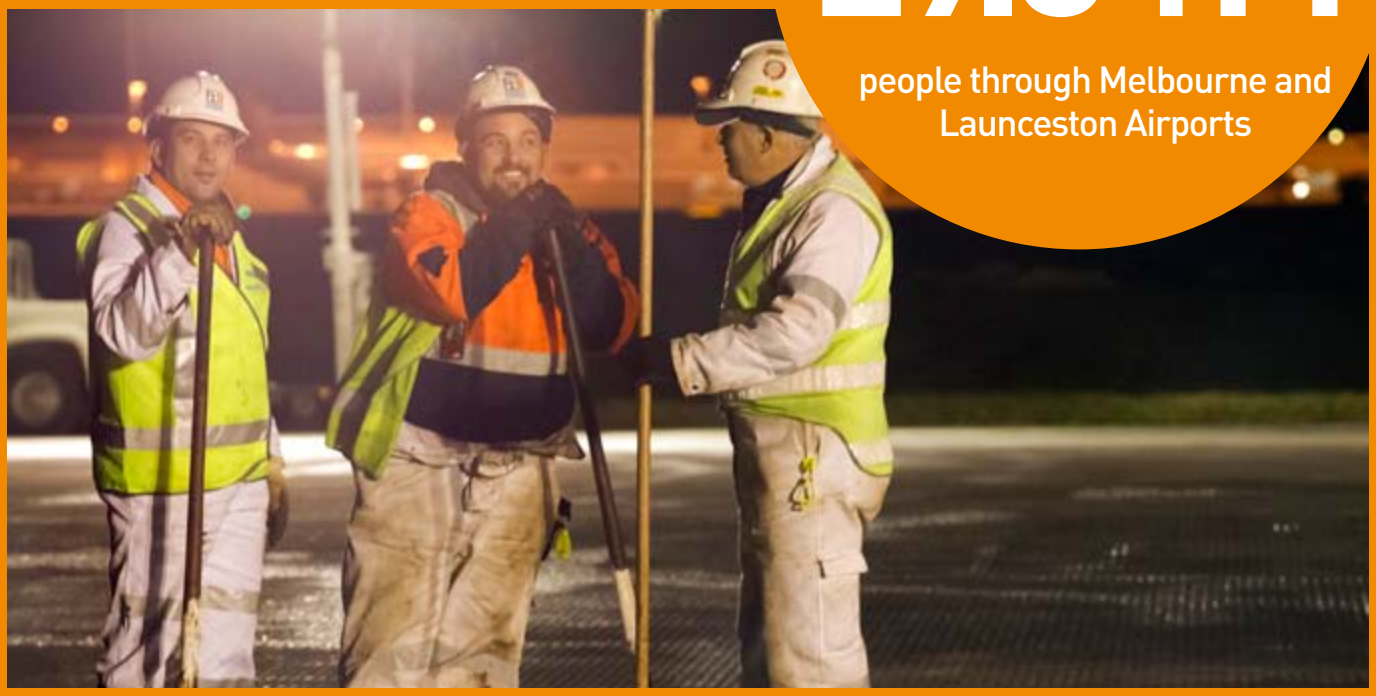
We also progressed well on our commitment to upgrade staff facilities at Melbourne Airport. Designed to encourage a collaborative and collective working environment, we have commenced the progressive move into the new accommodation which will continue throughout 2011/12.

Consistent with our positive passenger growth, and to assist in the efficient and effective management of our current and future growth, our team has also grown. To complement the team's focus of 'how' we do business, recruitment during the year concentrated on attracting the right people to join the team, those with passion and talent, and who demonstrate behaviour consistent with our values. Recruitment has also concentrated on expanding our capabilities in key areas to ensure we can deliver on current priorities as well our long term goal of growing successfully and responsibly.

Our team manages the safe and efficient flow of

29.34 M

people through Melbourne and Launceston Airports



RESULTS SUMMARY

for the financial year ended 30 June 2011 ($ millions)

YEAR	2001	2002	2003	2004	2005
FINANCIAL RESULTS – APAC					
Aeronautical including security	64	66	101	126	144
Retail	77	80	92	106	123
Property & rental	52	53	48	52	54
Other	2	2	2	2	2
TOTAL REVENUE	**195**	**201**	**243**	**286**	**323**
Operating expenses	55	65	74	83	93
Operating profit	**140**	**136**	**169**	**203**	**230**
Investment property gains	0	0	0	0	0
Profit before borrowing costs, depreciation and amortisation	**140**	**136**	**169**	**203**	**230**
Depreciation and amortisation	35	36	40	45	38
Interest	137	97	97	90	80
Profit / (loss) before tax	**(32)**	**3**	**32**	**68**	**112**
Tax expense / (benefit)	(22)	5	13	27	33
Net profit / (loss)	**(10)**	**(2)**	**19**	**41**	**79**
CAPITAL EXPENDITURE – PROPERTY, PLANT, EQUIPMENT AND INVESTMENT PROPERTY					
Melbourne	28	45	42	38	108
Launceston	2	0	0	0	1
TOTAL	**30**	**45**	**42**	**39**	**108**
PASSENGER VOLUMES					
MELBOURNE AIRPORT					
International	3	3	3	4	4
Domestic	14	13	13	15	16
TOTAL (EXCLUDING TRANSIT PASSENGERS)	**17**	**16**	**17**	**19**	**21**
Transit passengers	0	0	0	0	0
TOTAL (INCLUDING TRANSIT PASSENGERS)	**17**	**16**	**17**	**19**	**21**
LAUNCESTON AIRPORT					
Domestic	0.52	0.53	0.58	0.67	0.82
AIRCRAFT MOVEMENTS (THOUSANDS)					
MELBOURNE AIRPORT					
International	23	23	21	24	28
Domestic	162	133	135	140	151
General aviation	2	2	2	1	1
TOTAL	**187**	**158**	**158**	**165**	**181**
LAUNCESTON AIRPORT					
Domestic	13	9	8	8	9
General aviation	13	12	7	7	6
TOTAL	**26**	**22**	**15**	**15**	**15**

2006	2007	2008	2009	2010	2011	CHANGE (per cent)
149	162	192	202	218	237	9%
138	158	187	196	218	239	10%
59	62	69	77	80	83	4%
2	2	1	1	2	2	0%
348	**384**	**449**	**476**	**518**	**561**	**8%**
102	114	115	124	131	138	5%
246	**270**	**334**	**352**	**387**	**423**	**9%**
91	77	22	(33)	11	59	10%
337	**347**	**356**	**319**	**398**	**482**	**21%**
34	37	39	46	53	65	23%
80	84	90	96	115	126	10%
223	**226**	**227**	**177**	**230**	**291**	**26%**
67	68	68	53	69	88	27%
156	**158**	**159**	**124**	**161**	**203**	**26%**
77	105	130	212	157	147	
1	1	4	16	5	4	
78	**107**	**134**	**228**	**162**	**151**	
4	5	5	5	6	6	14%
17	18	19	20	21	22	6%
21	**22**	**24**	**25**	**26**	**28**	**8%**
0	0	0	0	0	0	17%
21	**23**	**24**	**25**	**26**	**28**	**8%**
0.92	0.99	1.10	1.11	1.12	1.15	2.70%
25	24	25	27	30	33	8%
153	155	167	166	165	172	5%
1	1	2	1	1	1	4%
179	**180**	**194**	**194**	**196**	**206**	**5%**
10	10	11	11	11	11	2%
6	5	6	6	7	7	4%
15	**15**	**17**	**17**	**17**	**18**	**3%**

PROFIT & LOSS

for the financial year ended 30 June 2011

	CONSOLIDATED INFLOWS (OUTFLOWS)	
	2011 $'000	2010 $'000
OPERATING REVENUE		
Aeronautical revenues	237,085	217,917
Retail revenues	239,537	218,399
Property revenues	82,613	79,717
Interest and other revenues	1,846	1,798
TOTAL OPERATING REVENUE	**561,081**	**517,831**
Non-operating revenue	57	23
REVENUE FROM ORDINARY ACTIVITIES	**561,138**	**517,854**
Less: operating costs		
Staff costs	28,991	28,046
Service and utilities	76,051	70,325
Maintenance costs	15,280	13,688
Administration, marketing and other	18,200	18,342
OPERATING PROFIT	**422,616**	**387,453**
Add :		
Change in fair value of investment property	59,448	11,236
PROFIT BEFORE BORROWING COSTS, DEPRECIATION AND AMORTISATION	**482,064**	**398,689**
Less:		
Depreciation and amortisation	64,501	53,843
Borrowing costs	126,475	115,052
PROFIT BEFORE INCOME TAX EXPENSE	**291,088**	**229,794**
Less:		
Income tax expense	87,554	68,909
PROFIT FOR THE YEAR	**203,534**	**160,885**

BALANCE SHEET

as at 30 June 2011

	CONSOLIDATED	
	2011 $'000	2010 $'000
CURRENT ASSETS		
Inventories	352	317
Receivables	36,891	31,253
Other financial assets	265	766
TOTAL CURRENT ASSETS	**37,508**	**32,336**
NON-CURRENT ASSETS		
Property, plant and equipment	1,279,872	1,191,812
Investment property	959,390	885,300
Goodwill	671,866	671,866
TOTAL NON-CURRENT ASSETS	**2,911,128**	**2,748,978**
TOTAL ASSETS	**2,948,636**	**2,781,314**
CURRENT LIABILITIES		
Bank overdraft	8,901	8,456
Payables	60,094	39,789
Borrowings	–	1,181,203
Current tax liabilities	5,620	13,421
Provisions	4,783	4,563
Other financial liabilities	6,116	137
TOTAL CURRENT LIABILITIES	**85,514**	**1,247,569**
NON-CURRENT LIABILITIES		
Borrowings	1,785,480	546,563
Payables	1,191	1,132
Deferred tax liabilities	339,547	313,907
Provisions	930	710
Other liabilities	50,852	52,037
TOTAL NON-CURRENT LIABILITIES	**2,178,000**	**914,349**
TOTAL LIABILITIES	**2,263,514**	**2,161,918**
NET ASSETS	**685,122**	**619,396**
EQUITY		
Issued capital	118,100	118,100
Reserves	(36,103)	(32,929)
Retained earnings	603,125	534,225
TOTAL EQUITY	**685,122**	**619,396**

CASH FLOW STATEMENT

as at 30 June 2011

	CONSOLIDATED INFLOWS (OUTFLOWS)	
	2011 $'000	2010 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	611,952	567,856
Payments to suppliers and employees	(189,550)	(181,846)
Income tax (paid) received	(68,356)	(70,373)
Interest received	353	263
Interest and other costs of finance paid	(121,107)	(116,936)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**233,292**	**198,964**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(137,027)	(160,631)
Proceeds from sale of property, plant and equipment	81	20
Payment for investment property	(14,642)	(1,253)
NET CASH USED IN INVESTING ACTIVITIES	**(151,588)**	**(161,864)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,555,368	261,000
Repayment of borrowings	(1,496,280)	(182,000)
Payment for debt issue costs	(6,603)	(3,511)
Dividend paid	(134,634)	(134,634)
NET CASH PROVIDED BY / (USED IN) FINANCING ACTIVITIES	**(82,149)**	**(59,145)**
NET INCREASE / (DECREASE) IN CASH HELD	**(445)**	**(22,045)**
CASH ASSETS AT THE BEGINNING OF THE FINANCIAL YEAR	**(8,456)**	**13,589**
CASH ASSETS AT THE END OF THE FINANCIAL YEAR	**(8,901)**	**(8,456)**

SUMMARY OF KEY NOTES TO FINANCIAL INFORMATION

for the financial year ended 30 June 2011

1. SUMMARY OF KEY ACCOUNTING POLICIES

Statement of compliance

The financial report is extracted from a general purpose financial report which has been prepared in accordance with the Corporations Act, Accounting Standards and Urgent Issues Group Interpretations and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS').

Compliance with the A-IFRS ensures that the consolidated financial statements and notes of the entity comply with International Financial Reporting Standards ('IFRS').

The financial statements were authorised for issue by the directors on 30 August 2010 and can be obtained from the website listed in Note 25.

Basis of preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. Unless otherwise indicated all amounts are presented in Australian dollars.

Rounding off of amounts

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order, amounts in the Directors' Report and the Financial Report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the Company (the parent entity) and its subsidiaries as defined in Accounting Standard AASB 127 Consolidated and Separate Financial Statements'. A list of subsidiaries appears in Note 23 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each controlled entity from the date on which the Company obtains control and until such time as the Company ceases to control such entity.

In preparing the consolidated financial statements, all inter-company balances and transactions and unrealised profits arising within the consolidated entity are eliminated in full.

(b) Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment.

Assets acquired are recorded at the cost of acquisition being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

Depreciation is provided on property, including buildings, plant and equipment, roads, runways and other infrastructure but excluding land. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life. The following estimated useful lives are used in the calculation of depreciation:

- Buildings 10–40 years
- Roads, runways and other infrastructure 13–80 years
- Plant and equipment 3–15 years

Land leased as part of the airport acquisition has been valued at acquisition at fair value. The leased land is amortised on a straight line basis over the period of the leases, which are 99 years.

SUMMARY OF KEY NOTES TO FINANCIAL INFORMATION

for the financial year ended 30 June 2011

1. SUMMARY OF KEY ACCOUNTING POLICIES (CONT'D)

(c) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle that carrying amount of its assets and liabilities.

Deferred tax assets and liability are offset when they relate to income taxes leased by the same taxation authority, and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in that income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken to account in the determination of goodwill or excess.

Tax consolidation

The Company and all its wholly-owned Australian resident entities are part of a tax consolidated group under Australian taxation law. Australia Pacific Airports Corporation Limited ("APAC") is the head entity in the tax-consolidated group. Tax expense/recovery, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the 'group allocation' approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax-consolidated group are recognised by APAC (as head entity in the tax-consolidated group).

SUMMARY OF KEY NOTES TO FINANCIAL INFORMATION

for the financial year ended 30 June 2011

1. SUMMARY OF KEY ACCOUNTING POLICIES (CONT'D)

(d) Impairment of assets

At each reporting date, the consolidated entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value in which case the reversal of the impairment loss is treated as a revaluation increase.

(e) Investment Property

Property held to earn rentals and/or for capital appreciation, is separately presented in the balance sheet as investment property. Investment property is initially recorded at cost, including transaction costs. Subsequent to initial recognition, investment property is recorded at fair value. Gains or losses arising from a change in the fair value of this investment property are recognised in the profit or loss for the period in which they arise.

SUMMARY OF KEY NOTES TO FINANCIAL INFORMATION

for the financial year ended 30 June 2011

	CONSOLIDATED	
	2011 $'000	2010 $'000

2. INCOME TAX RECOGNISED IN PROFIT

The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense in the financial statements as follows:

PROFIT FROM OPERATIONS	**291,088**	**229,794**
Income tax expense calculated at 30%	87,326	68,939
Permanent differences:		
Non deductible expenses	188	117
Non-deductible depreciation	25	62
Under/(over) provision of income tax in previous year	15	(4)
Investment allowance	–	(205)
INCOME TAX EXPENSE	**87,554**	**68,909**

3. CURRENT RECEIVABLES

Trade receivables	36,891	31,253

SUMMARY OF KEY NOTES TO FINANCIAL INFORMATION

for the financial year ended 30 June 2011

CONSOLIDATED

	Leasehold Land $'000	Buildings $'000	Roads, runways, and other infrastructure $'000	Plant and equipment $'000	Assets under construction $'000	Total $'000
4. PROPERTY, PLANT AND EQUIPMENT						
Gross carrying amount – at cost						
Balance at 30 June 2010	67,449	452,361	689,816	261,005	115,121	1,585,752
Additions	–	–	–	–	152,605	152,605
Disposals	–	–	(2,129)	(546)	–	(2,675)
Transfers to / (from) assets under construction	–	38,946	16,489	49,331	(104,766)	–
Balance at 30 June 2011	**67,449**	**491,307**	**704,176**	**309,790**	**162,960**	**1,735,682**
ACCUMULATED DEPRECIATION/ AMORTISATION						
Balance at 30 June 2010	7,773	114,458	145,485	126,223	–	393,940
Depreciation and amortisation expense	717	20,142	21,278	22,364	–	64,501
Disposals	–	–	(2,129)	(500)	–	(2,629)
Balance at 30 June 2011	**8,490**	**134,600**	**164,634**	**148,087**	**–**	**455,810**
NET BOOK VALUE AS AT 30 JUNE 2011	**58,959**	**356,707**	**539,542**	**161,704**	**162,960**	**1,279,872**

An independent valuation of certain assets was completed at 30 June 2009. Leasehold land, buildings, road and runways and other infrastructure were valued by Mr Gary Longden FAPI of the firm Jones Lang LaSalle. The valuation was based on depreciated replacement value. The Directors have adopted cost approach in the accounts. If the valuation had been booked the carrying values would have been $148,348,000 for leasehold land, $383,500,000 for buildings and $640,400,000 for roads, runways and infrastructure as at 30 June 2009. The valuation did not include any allowance for capital gains tax that may arise on disposal.

CONSOLIDATED

	2011 $'000	2010 $'000
Aggregate depreciation and amortisation allocated, whether recognised as an expense or capitalised as part of the carrying amount of other assets during the year.		
• Leasehold land	717	696
• Buildings	20,142	16,341
• Roads, runways and other infrastructure	21,278	20,430
• Plant and equipment	22,364	16,376
	64,501	**53,843**

SUMMARY OF KEY NOTES TO FINANCIAL INFORMATION

for the financial year ended 30 June 2011

	CONSOLIDATED	
	2011 $'000	2010 $'000
5. INVESTMENT PROPERTIES		
Balance at beginning of financial year	885,300	872,811
Additions for the year	14,642	1,253
Net gain from fair value adjustments	59,448	11,236
BALANCE AT END OF FINANCIAL YEAR	**959,390**	**885,300**

Investment property was valued by Mr. Gary Longden FAPI of the firm Jones Lang LaSalle. Mr. Longden is an independent valuer and has extensive experience of valuing property for the consolidated entity.

The value of investment property is measured on a fair value basis being the amounts for which the property could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar property in the same location and subject to similar leases.

In assessing the value of the investment property, the independent valuer has considered two basis of valuation being:
1. discounted cash flow; and
2. capitalisation approach

6. GOODWILL		
Goodwill at cost:	**671,866**	**671,866**

Goodwill has been allocated for impairment testing to two cash generating units, being the operations of Melbourne and Launceston Airports. The recoverable amount of cash generating units is determined based on a value in use calculation which use cashflow projections based on financial budgets approved by management covering a ten year period, and a discount rate of 11.6% per annum, (2010: 11.6%).

7. CURRENT PAYABLES		
Trade payables	43,220	29,042
Goods and services tax payable	1,794	2,499
Non-trade payables to:		
– Other	1,108	540
	46,122	**32,081**
Interest Payable to:		
– Secured debt – other entities [(i)]	13,694	7,601
– Other	278	107
	13,972	**7,708**
	60,094	**39,789**

(i) Secured by a fixed and floating charge over the consolidated entity's assets. Security given is all the assets of all operating companies. There have been no defaults on loans payable during the current or prior years.

SUMMARY OF KEY NOTES TO FINANCIAL INFORMATION

for the financial year ended 30 June 2011

	CONSOLIDATED	
	2011 $'000	2010 $'000
8. CURRENT BORROWINGS		
Secured:		
– Senior – bank debt [i]	–	700,000
Domestic Bonds [i]		
– Variable rate notes (11 June 2011)	–	250,000
– US Private Placement [i] ($232m fixed 6.65% due 13 May 2011)	–	232,280
	–	**1,182,280**
Deferred borrowing costs	–	(1,077)
	–	**1,181,203**

(i) Secured by a fixed and floating charge over the consolidated entity's assets. Security given is all the assets of the operating companies. There have been no defaults on loans payable during the current or prior years.

9. CURRENT TAX LIABILITIES		
Income tax payable	5,620	13,421
10. CURRENT PROVISIONS		
Employee entitlements	4,783	4,563
11. OTHER CURRENT FINANCIAL LIABILITIES		
Interest rate swaps	6,116	137
12. NON-CURRENT BORROWINGS		
Non-trade payables to:		
– Senior – bank debt [i]	1,145,000	251,000
– Domestic bonds [i]		
• Fixed rate notes (6.5% 26 August 2014)	100,000	–
• Fixed rate notes (6.0% 15 December 2015) [ii]	100,000	100,000
• Variable rate notes (15 December 2015) [ii]	200,000	200,000
• Fixed rate notes (7.0% 26 August 2016)	250,000	–
TOTAL BORROWINGS	**1,795,000**	**551,000**
Deferred borrowing costs	(9,520)	(4,437)
	1,785,480	**546,563**
Aggregate amortisation allocated, whether recognised as an expense or capitalised as part of the carrying amount of other assets during the year:		
• Deferred borrowing costs	5,229	5,456

SUMMARY OF KEY NOTES TO FINANCIAL INFORMATION

for the financial year ended 30 June 2011

	CONSOLIDATED	
	2011 $'000	2010 $'000
13. NON-CURRENT PAYABLES		
Non trade payables	1,191	1,132
14. DEFERRED TAX LIABILITIES		
Temporary differences	339,547	313,907
15. NON-CURRENT PROVISIONS		
Employee benefits	930	710
16. NON-CURRENT OTHER LIABILITIES		
Unearned revenue	5,388	5,040
Interest rate swaps	45,464	46,997
	50,852	**52,037**
17. CAPITALISED BORROWING COSTS		
– Property, Plant and Equipment	5,994	7,801
– Investment Property	131	–
	6,125	**7,801**
Weighted average capitalisation rate on funds borrowed generally 7.0% (2010: 7.0%)		
18. ISSUED CAPITAL		
118,100,000 Ordinary shares – fully paid (2009: 118,100,000)	**118,100**	**118,100**
Fully paid ordinary shares carry one vote per share and carry the right to dividends.		
19. HEDGING RESERVE		
Balance at beginning of financial year	(32,929)	(26,712)
Gained recognised:		
– interest rate swaps	(4,535)	(8,881)
Deferred tax arising on hedges	1,361	2,664
	(3,174)	**(6,217)**
BALANCE AT END OF FINANCIAL YEAR	**(36,103)**	**(32,929)**

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts the profit or loss.

SUMMARY OF KEY NOTES TO FINANCIAL INFORMATION

for the financial year ended 30 June 2011

	CONSOLIDATED	
	2011 $'000	2010 $'000
20. RETAINED EARNINGS		
Balance at beginning of financial year	**534,225**	**507,974**
Profit for the year	203,534	160,885
Dividends paid	(134,634)	(134,634)
Balance at end of financial year	**603,125**	**534,225**
21. COMMITMENTS FOR EXPENDITURE		
Capital expenditure commitments		
Property, plant and equipment		
Not longer than 1 year	138,286	43,848
Longer than 1 year but not longer than 5 years	–	–
	138,286	**43,848**

22. SUBSEQUENT EVENTS

On 22 June 2011, APAC announced that it had reached agreement on a new US$600 million debt issue, which will settle on 15 September 2011. The new issue comprises three tranches each of US$200 million which mature 10, 12 and 15 years after settlement.

The interest rate exposure on each tranche has been swapped into fixed A$ payments such that the tranches are effectively three fixed rate A$ loans totalling $573 million. The loans will initially be used to repay drawn bank debt.

SUMMARY OF KEY NOTES TO FINANCIAL INFORMATION

for the financial year ended 30 June 2011

NAME OF ENTITY		COUNTRY OF INCORPORATION	OWNERSHIP INTEREST 2011 (per cent)	OWNERSHIP INTEREST 2010 (per cent)
23. CONTROLLED ENTITIES				
Parent entity				
Australia Pacific Airports Corporation Limited		Australia		
Controlled entities				
APAC (Holdings No. 2) Pty Limited	(i)	Australia	100%	100%
– Australia Pacific Airports (Melbourne) Pty. Limited		Australia	100%	100%
Australia Pacific Airports (Property) Pty. Limited	(i) (ii)	Australia	100%	100%
APAC (Holdings) Pty. Limited	(i)	Australia	100%	100%
– Australia Pacific Airports (Launceston) Pty. Limited	(i)	Australia	100%	100%

(i) These subsidiaries are classified as small proprietary companies and in accordance with the Corporations Act 2001 are relieved from the requirement to prepare, audit and lodge financial statements.
(ii) This subsidiary was dormant during the financial year.

	CONSOLIDATED 2011 $'000	CONSOLIDATED 2010 $'000
24. DIVIDENDS		
A fully franked interim dividend was paid during the financial year	134,634	134,634
Franking account	51,437	41,083

25. ADDITIONAL COMPANY INFORMATION

Australia Pacific Airports Corporation Limited ACN 069 775 266 is a non-listed public company incorporated and operating in Australia.

Principal Registered Office and Principal Place of Business
Level 2, Terminal 2
Melbourne Airport
+61 3 9297 1600

Website: www.melbourneairport.com.au
Email: reception@melair.com.au

Information is extracted from the Audit Financial Statements which are available on the above website.

Australia Pacific Airports Corporation

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