MAIN EVENTS OF THE YEAR

Passenger numbers at Dublin, Shannon and Cork airports increased by 4.3% to 19.3 million – a new record

Dublin Airport was one of the fastest growing major airports in Europe and now has over 15 million passengers

€96 million was invested by the Group in infrastructure

Over 80 airlines served 138 routes. 18 new routes were launched to North America, Continental Europe and the UK

Group profit after tax was €36.2 million compared to €11.6 million in 2001, generated on revenues of €421 million

Aer Rianta International recorded a profit after tax of €13.2 million

An Taoiseach, Bertie Ahern T.D., opened the new terminal extension at Dublin Airport in June

Customer service level agreements were developed with airlines and ground handlers at Dublin Airport and a Passenger Services Council was established at the Airport to enhance passenger service standards

A major internal re-structuring programme continued including the extensive application of new technologies

A €15 million restoration and refurbishment programme was completed at Killarney Great Southern Hotel

The 2002 annual report and information on Aer Rianta can be found on our official website

www.aerrianta.com

CONTENTS

Board of Directors 02
Group Structure & Management Team 03
Chairman's Statement 04
Chief Executive's Review 12
Review of the Year 16
Airport Management 17
Airport Retailing 22
Aer Rianta International 24
Great Southern Hotels 26
Human Resources 28
Ancillary Activities 30
Financial Review 32
Route Network 36
Directors' Report & Financial Statements 37
Five Year Business Summaries 70
General Business & Aeronautical Information 74

BOARD OF DIRECTORS

NOEL HANLON

Noel Hanlon was first appointed Chairman of the Board in October 1994 and was re-appointed for a second term in October 1999. Noel is also Chairman of subsidiary companies, Aer Rianta International cpt, Aer Rianta Finance plc, Aer Rianta Operations Ltd and Great Southern Hotels Ltd. He is Deputy Chairman of Birmingham Airport Holdings Ltd and Birmingham International Airport Ltd. He is Chairman of the Remuneration, Health & Safety and Security Committees.

CECIL BRETT

Cecil Brett was appointed to the Board on 1 January 2002 under the Worker Participation (State Enterprises) Acts, 1977 and 1988. Cecil is a Director of Aer Rianta International cpt and Chairman of the Irish Parking Association. He joined the company in 1974 and works as Project Director - Car Parks, Dublin Airport. Cecil is a member of the Health & Safety Committee.

JOHN BURKE

John Burke was appointed Chief Executive in March 1998 and as a member of the Board in September 1998. John is a Director of Aer Rianta International cpt, Great Southern Hotels Ltd and Chairman of Aer Rianta International (North America) Inc. John is a member of the Supervisory Board of Düsseldorf Airport and is a Vice President of Airports Council International (ACI) Europe and a member of the World Governing Board of ACI. He is also a member of the national executive council of IBEC. John is a member of the Health & Safety and Security Committees.

PETER DUNNE

Peter Dunne was first appointed to the Board in January 1994 under the Worker Participation (State Enterprises) Acts, 1977 and 1988 and was re-appointed in January 1998 and January 2002. Peter is a Director of Aer Rianta International cpt and Aer Rianta International (North America) Inc. Peter joined the company in 1971 and works in the Maintenance Department at Dublin Airport. Peter is a member of the Health & Safety Committee.

PAT FITZGERALD

Pat Fitzgerald was first appointed to the Board in January 1994 under the Worker Participation (State Enterprises) Acts, 1977 and 1988 and was re-appointed in January 1998 and January 2002. Pat is a Director of Aer Rianta International cpt. Pat joined the company in 1966 and works in the Catering Department at Shannon Airport. Pat is a member of the Board Audit and Health & Safety Committees.

FREDA HAYES

Freda Hayes was appointed to the Board in June 2001. Freda is Chief Executive of Blarney Woollen Mills Group. Freda is a Director of Aer Rianta International cpt and Lenrianta JSC. Freda is also a Director of IBEC and the Small Firms Association. She is a Life Fellow of the Irish Management Institute. Freda is a member of the Board Audit and Remuneration Committees.

LIAM J. MEADE

Liam Meade was appointed to the Board in April 2001. Liam is a Director of Aer Rianta International cpt and Aer Rianta International (Middle East) W.L.L. He is currently Vice President, Marketing with Shannon Engine Support Ltd, a Shannon-based aircraft engine leasing concern. Liam holds Board memberships in a number of Irish aviation-related companies and previously held the position of Executive Vice President with GPA Group plc and has a long and varied career in international aviation management, including 10 years in the United States. Liam is Chairman of the Board Audit Committee and is a member of the Remuneration Committee.

GROUP STRUCTURE

Aer Rianta

Dublin Airport
Shannon Airport
Cork Airport

Aer Rianta International

Airports

Birmingham

Düsseldorf

Hamburg

Airport Retailing

Europe
Cyprus / Greece

CIS
Moscow / St. Petersburg / Kiev

Middle East
Bahrain / Beirut / Kuwait / Oman / Qatar

North America
Montreal / Edmonton / Winnipeg / Ottawa / Halifax

Great Southern Hotels

Cork Airport

Corrib

Dublin Airport

Eyre Square

Killarney

Parknasilla

Rosslare

Shannon Airport

City Hotel, Derry

MANAGEMENT TEAM

JOHN BURKE
Chief Executive

MARGARET SWEENEY
Deputy Chief Executive

OLIVER CUSSEN
Director - Corporate Affairs & Company Secretary

EAMON FOLEY
Director General - Aer Rianta International

MARK FOLEY
Director - Capital Programmes

RAY GRAY
Director - Finance

TOM HAUGHEY
Director - Market Development & Strategy

DAVID HEPBURN
General Manager - Community Affairs & Environment

ROBERT HILLIARD
Director - Dublin Airport

DAMIAN LENAGH
Group Head - Human Resources

ALAN LEVEY
General Manager - Safety & Aviation Standards

EAMONN MCKEON
Chief Executive - Great Southern Hotels

EAMONN MORAN
General Manager - Aviation Security

MARTIN MORONEY
Director - Shannon Airport

MICHAEL MURPHY
General Manager - Group Property

FRANK O'CONNELL
Director - Retail

JOE O'CONNOR
Director - Cork Airport

JOHN O'MAHONEY
Group Chief Accountant

TONY SWEENEY
General Manager - Group Internal Audit

VINCENT WALL
Director - Communications

Noel Hanlon, Chairman

Chairman's Statement
Ráiteas an Chathaoirligh

Aer Rianta is recognised as one of Ireland's most important and progressive companies. It manages and operates Dublin, Cork and Shannon airports on behalf of the Government. It also has significant investments in Birmingham, Düsseldorf and Hamburg airports. Aer Rianta may be said, without exaggeration, to have realised the original vision of Sean Lemass i.e. a company in public ownership, operating on a strictly commercial basis, while delivering effectively a key component of the country's economic well-being, namely airport infrastructure.

We are regarded as one of the top five duty-free retailers in the world with operations in 14 different countries including Russia, Canada, the Middle East, the Ukraine and Cyprus. We are also involved in the hotel industry through our ownership of the Great Southern Hotel Group, which comprises nine hotels, one of which is a new hotel in Derry and in which we have a 25% shareholding and a management franchise. The remainder are 100% owned.

The Group has more than 3,400 employees and has been continuously restructuring, with reorganisation of work practices and extensive application of modern technology. This enables us to compete effectively in the rapidly changing business environment in which we operate. Our success has been achieved through strong partnerships with staff and trade unions.

The Board fully recognises and accepts the right of the Minister and Government to make policy decisions that affect the organisation. The Board currently has the statutory responsibility for formulating and implementing policy for the management and development of the airports. It also has a responsibility to its shareholder to ensure that there is no diminution of shareholder value. The Board is concerned that present proposals being formulated by the Department of Transport may result in a significant reduction in shareholder value and could dissipate what the Board considers to have been a successful national airport strategy. As Aer Rianta continues to have statutory responsibility for the three airports, it is appropriate that it should comment on any proposals, which may have these risks.

Aithnítear go bhfuil Aer Rianta ar cheann de na cuideachtaí is tábhachtaí agus is mó dul chun cinn in Éirinn. Riarann sé agus láimhseálann sé Aerfoirt Átha Cliath, Chorcaí agus na Sionainne ar son an Rialtais. Freisin, tá infheistíochtaí éifeachtacha aige in Aerfoirt Birmingham, Düsseldorf agus Hamburg. Is féidir a rá, gan bhréag gan áibhéil, gur eirigh le Aer Rianta radharc bunaidh Sheáin Lemass a bhaint amach, i. cuideachta in úinéireacht phoiblí ag oibriú go beacht ar bhonn tráchtála, agus ag an am céanna, ag cur ar fáil go héifeachtúil comhpháirt tábhachtach de leas eacnamaíoch na tíre, is é sin bonneagar aerfort.

Meastar go bhfuilimid ar cheann den cúig miondíoltóirí saor ó dhleacht is mó clú sa domhan, le gníomhaíochtaí i 14 tíortha éagsúla, an Rúis, Ceanada, an Meán-Oirthear, an Úcráin agus an Chipir san áireamh. Tá baint againn freisin le tionscal na n-óstlann trínár n-úinéireacht Ghrúpa Mór Óstlanna an Deiscirt; tá naoi n-óstáin sa Ghrúpa, ceann de is ea óstán nua i nDoire; tá 25% scairshealbhóireacht agus ceadúnas bainisteoireachta againne san óstán seo. Tá an chuid eile 100% inár n-úinéireacht.

Tá níos mó ná 3,400 fostaithe ag an Grúpa agus tá athchóiriú á dhéanamh aige i gcónaí, le atheagar i gcleachtaí oibre agus in úsáid teicneolaíochta nua-aoisigh. Cabhraíonn sé sin linn dul in iomaíocht go h-éifeachtúil i dtimpeallacht ghnó atá ag athrú go tapaidh agus ina bhfuilimid ag obair. D'eirigh linn san obair seo trí pháirtíochtaí láidre leis an bhfoireann agus na ceardchumainn araon.

Aithníonn an Bord é go hiomlán agus glacann sé go bhfuil sé de cheart ag an Aire agus an Rialtas breitheanna polasaí a dhéanamh a mbaineann leis an eagraíocht. I láthair na huaire tá an cúram reachtúil ar an mBord polasaí a dhéanamh agus a chur i bhfeidhm le haghaidh bainisteoireachta agus forbartha na n-aerfort. Tá sé freagrach freisin dá scairshealbhóir chun deimhin a dhéanamh de nach mbeidh laghdú i luach scairshealbhóireachta. Tá imní ar an mBord go mbeidh laghdú mór i luach scairshealbhóireachta de bharr tairiscintí atá á ullmhú faoi láthair ag an Roinn Iompair, agus go ndéanfar straitéis aerfort náisiúnta, a mheasann an Bord a bheith rathúil, a scaipeadh. Ós rud é go bhfuil cúram reachtúil leanúnach ag Aer Rianta i gcomhair na dtrí aerfort, is cuí go dtabharfadh sé a thuairimí ar aon tairiscintí ina mbeadh na priacail seo.

Following his appointment last June, the Minister for Transport, Séamus Brennan T.D., announced a number of initiatives that could impact on the structure and funding requirements of Aer Rianta. These relate principally to the provision of greater autonomy for Cork and Shannon airports and the possible construction of a terminal or terminals independent of Aer Rianta at Dublin Airport. Regardless of what decision is taken by the Government on the issue of the independent terminal at Dublin Airport, Aer Rianta under current legislation has a statutory obligation for the development and management of the Airport. There is an urgent need to move forward with the construction of Pier D for which planning permission has recently been obtained so that the chaos that reigned at Dublin Airport in the late nineties does not recur. This chaos was clearly the result of Aer Rianta not being allowed to proceed with the building programme in accordance with the Board's wishes. The Board is determined that as long as statutory responsibility rests with them that this will not recur. ***Mahatma Gandhi*** once said, "***the future depends on what we do in the present".*** Nowhere does this apply more than to Aer Rianta and so we must move forward with our development programme in a clear and constructive manner. The construction of Pier D will not in any way interfere with the construction of an independent terminal should the Government so decide.

In October 2002 the Minister announced the establishment of a three-man panel to advise him as to the level of private sector interest in the building of an independent terminal at Dublin Airport, and the viability of such a proposal. This report was delivered to the Minister in February 2003 and indicated that from both a technical and operational standpoint, the construction of an independent terminal was possible. The report also concluded that Aer Rianta's existing airport charges at Dublin Airport were extremely competitive and that airport charges, whether levied by Aer Rianta or a private operator, would likely increase following the building of a new terminal and other necessary infrastructure.

Tar éis a cheapacháin an Meitheamh seo caite, d'fhógair an t-Aire Iompair, Séamus Ó Braonáin, TD, roinnt tionscnamh a d'fhéadfadh tionchar a bheith acu ar structúr agus riachtanais maoinithe Aer Rianta. Baineann saidsean i gcoitinne le soláthar féinrialach níos mó do Aerfoirt Chorcaí agus na Sionnaine agus le tógáil críochfoirt nó críochfort ag Aerfort Átha Cliath, gan aon bhaint a bheith acu le Aer Rianta. Gan cuimhneamh ar socrú an Rialtais maidir le críochfort neamhspleách ag Aerfort Átha Cliath, tá oibleagáid reachtúil ar Aer Rianta, faoi reachtú atá ann, le haghaidh forbartha agus bainisteoireachta an aerfoirt.
Tá geárghá le tógáil Píara D a chur chun cinn, rud a fuarathas ceadú pleanála dó le déanaí, ionas nach dtárlóidh arís an t- anord a bhí ag Aerfort Átha Cliath sna nóchaidí deireanacha. Tá sé follasach gur eirigh an t-anord seo nuair nár cheadaiodh do Aer Rianta dul ar aghaidh leis an clár foirgníochta de réir tola an Bhoird. Tá sé ar intinn ag an Bord nach dtárlóidh seo arís fad is atá freagracht reachtúil fúthu. Dúirt ***Mahatma Gandhi*** tráth éigin ***'braitheann an tódhchaí ar cad a dheimimid sa láithreach'***. Ní bhaineann seo in aon áit eile chomh mór is a bhaineann sé le Aer Rianta , agus mar sin, caithfimid dul ar aghaidh lenár gclár forbartha i gcaoi atá soléir agus éifeachtach. Ni chuirfidh tógail Píara D isteach i sli ar bith le tógáil críochfoirt neamhspleách má is é seo breith an Rialtais.

I nDeireadh Fómhair 2002 d'fhógair an t-Aire bunú painéil triúr-fear chun comhairle a thabhairt dó maidir le leibhéal spéise san earnáil príobháideach i dtógáil críochfoirt neamhspleách ag Aerfort Átha Cliath agus inmharthanacht tairisceana mar seo. Seoladh an tuarascáil seo chuig an Aire i Feabhra 2003 agus do thaispeáin sé go raibh tógáil críochfoirt neamhspleách indéanta, de réir gné teicniúla agus oibríochta. Do chruthaigh an tuarascáil freisin go raibh na táillí aerfort faoi láthair ag Aerfort Átha Cliath fíor-iomaíoch agus de réir dealraimh go mbeadh méadú i dtáillí aerfort, cibé gearrtha ag Aer Rianta nó ag oibreoir príomháideach, tar éis tógála críochfoirt nua agus bonneagair riachtanaigh eile.

It is Aer Rianta's firm belief that the future development of Ireland's three principal airports is best secured by the strong operational, marketing and financial leverage, which the Group structure provides, while at the same time ensuring the broadest possible level of management autonomy at individual airport level. It is also the company's view that the growth and funding challenges faced by Dublin Airport in particular and the customer service requirements of its airline and passenger consumers, would be best served by a single airport operator.

However such decisions are solely a matter for our shareholder. For Aer Rianta's part, the company is participating fully in the consultation process initiated by Government to assess the views of all key stakeholders on the future of Dublin Airport. We are confident that the management and staff of the company, which have always responded positively to the competitive and fast-changing nature of the aviation industry in the past, will do so again whatever the future brings.

The year 2002 proved a very challenging period for Aer Rianta. The impact of the terrorist attacks in the United States the previous September and slower global economic activity, had a negative effect on the aviation industry generally. Nonetheless and despite the anticipated reduction in transatlantic traffic, a record 19.3 million passengers travelled through the Group's airports at Dublin, Shannon and Cork, an increase of 4% over 2001.

Dublin Airport was one of a small number of capital city airports throughout Europe to register any growth in passenger traffic last year, a very creditable performance in the circumstances. Overall numbers rose by 5% to a new high for the Airport of 15.1 million.

Is é tuairim cinnte Aer Rianta go mbeidh forbairt na dtrí bpríomhaerfort Éireannach as seo amach caomhnaithe sa slí is fearr, trí neart láidir oibríochta, margaíochta agus airgeadúil, rud a sholáthraíonn structúr an Ghrúpa, agus ag an am céanna ag déanamh deimhin de go bhfuil an leibhéal féinrialach bhainisteoireachta is leithne ag aerfoirt aonaracha. Is é dearcadh na cuideachta freisin go mbeidh oibreoir aonarach aerfoirt in ann an cuibheas is fearr a sholáthar maidir leis na dúshláin fáis agus maoinithe atá ag Aerfort Átha Cliath go háirithe agus le riachtanais a aerlínte agus a chustaiméirí.

Ar aon chuma, baineann a leithéid de cheisteanna lenár scairshealbhóir amháin. Maidir le Aer Rianta, tá an chuideachta ag glacadh a lánpháirte sa phróiseas comhairleoireachta atá bunaithe ag an Rialtas chun tuairimí iad-san go léir go bhfuil baint acu leis, a mheasúnú maidir leis an rud atá i ndán do Aerfort Átha Cliath. Tá dearcadh dearfach ag bainisteoireacht agus foireann na cuideachta i gcónaí maidir le iomaíoch agus luathathrú an tionscail eitlíochta agus tá muinín againn go mbeidh sé sin acu arís, pé rud a thagann.

Tréimhse an-dúshlánach a ba an bhliain 2002 do Aer Rianta. Tháinig tionchar na sceimhlitheoireachta ins na Stáit Aontaithe an Meán Fómhair roimhe agus laghdú i ngníomhaíocht eacnamaíoch domhanda le chéile chun éifeacht diúltach a sholáthar don tionscal eitlíochta i gcoitinne. Mar sin féin, agus in ainneoin an laghdú a táthar ag súil leis i dtrácht trasatlantach, bhain 19.3 milliún paisinéir (figiúr nár sáraíodh cheana) úsáid as Aerfoirt an Ghrúpa ag Áth Cliath, Sionainn agus Corcaigh, méadú 4% ar 2001.

Bhí Aerfort Átha Cliath ar cheann de roinnt bheag de aerfoirt in ardchathracha ar fud na hEorpa go raibh aon mhéadú ann i líon na bpaisinéirí anuraidh, éacht an-mheasúil agus cúrsaí amhlaidh. Bhí méadú 5% i líon iomlán na bpaisinéirí, go buaic nua 15.1 milliún don aerfort.

As expected, Shannon suffered from reduced activity on the North Atlantic but still had a very resilient outturn with passenger numbers slipping by just 2% to 2.35 million. Cork enjoyed a 6% rise in throughput to a record level of 1.9 million passengers. The launch of new routes and services to North America, Continental Europe and the UK continued to expand the network of destinations served by the Group's three airports.

Infrastructural Development

In line with its statutory obligations under the Air Navigation and Transport (Amendment) Act, 1998, Aer Rianta continues to plan for and invest in the infrastructure needed to meet anticipated traffic growth at its three Irish airports.

On a broader time frame and based on current projections, passenger traffic through Dublin Airport is likely to exceed 20 million within the next six years and may reach over 30 million by 2020. With this in view, Aer Rianta and a team of international consultants have engaged in a detailed master-planning process to determine the optimum facilities and the capital expenditure requirements to meet this projected expansion. This programme, scheduled for completion shortly, has examined specific proposals for terminal, pier, cargo and runway facilities. It has also assessed the best internal transportation and terminus options for integration with the planned rail link from the city centre.

The additional passengers will generate significantly increased aircraft movements at Dublin Airport. To best cater for this traffic, Aer Rianta and its advisers have concluded that the construction of a proposed new parallel runway to the north of the existing main runway, 10/28, will be required within the next five to six years.

Mar a bhí súil leis, d'fhulaing Sionainn ó ghníomhaíochtaí laghdaithe ar an Atlantach Thuaidh, ach mar sin féin, bhí toradh an-mhaith ag an aerfort, le líon na bpaisinéirí ag caolú 2% díreach, go dtí 2.35 milliún. Bhí méadú 6% ag Corcaigh go leibhéal nár sáraíodh cheana, go dtí 1.9 milliún paisinéir. Le tosnú bealach agus seirbhísí nua go Meiriceá Thuaidh, Mór-Rionn na hEopra agus an Ríocht Aontaithe, tá gréasán na gceannscríbe atá ar sceideal trí aerfort an Ghrúpa, ag méadú i gcónaí.

Forbairt Bhoinneagair

De réir a oibleagáidí faoi Acht Aerloingseoireachta agus Aeriompar (Leasú) 1998, tá Aer Rianta ag leanúint leis an pleanáil agus infheistíocht atá gá le, chun an méadú sa trácht atáthar ag súil le ag a thrí aerfoirt Éireannacha, a shásamh.

Ar chlár-ama níos leithne agus de réir meastachán an lae inniu, tá súil go mbeidh trácht trí Aerfort Átha Cliath níos mó ná 20 milliún laistigh de sé bliana agus seans ann go sárófar 30 milliún faoi 2020. Agus an dearcadh seo ar an scéal, tá Aer Rianta agus foireann de chomhairleoirí idirnáisiúnta páirteach i mionphróiseas maidir le príomhphleananna chun socrú a dhéanamh ar na háiseanna is fearr agus an caiteachas caipitiúil is gá chun freastal ar an leathnú seo. Tá tairiscintí faoi leith i gcomhair fóntas críochfoirt, piara, lasta agus rúidbhealaigh iniúchta ag an clár seo, atá le críochnú go gairid. Tá na roghanna is fearr maidir le hiompar inmheánach agus ceann cúrsa don naisc treanach atá beartaithe ón chathair iniúchta aige freisin.

Beidh a thuilleadh gluaiseachtaí aerárthaigh ag Aerfort Átha Cliath de bharr na bpaisinéirí sa bhreis. Chun freastal ar an dóigh is fearr ar an trácht seo, tá sé socraithe ag Aer Rianta agus a chomhairleoirí go mbeidh gá le rúidbhealach comhtreomhar nua atá beartaithe ó thuaidh ón phríomhrúidbhealach 10/28, laistigh de cúig nó sé de bhlianta.

Major transport infrastructure projects of this kind normally involve a protracted planning process. To set the process in motion, Aer Rianta hosted a public exhibition last year in tandem with the framing of an Environmental Impact Statement (EIS) and has launched a comprehensive advisory programme with neighbouring communities and their representatives in North County Dublin. The company plans to submit a planning application for a new runway during 2003.

At Cork Airport, detailed plans for a new passenger terminal were finalised in the first months of 2003. This followed a tendering process, which encountered some unavoidable delays due to the scale and complexity of the contract involved. Work on the facility and its support infrastructure will begin shortly. The new terminal is scheduled to open in early 2005 and will provide a major boost to the economy of the city and surrounding counties.

Aviation Regulation

In December 2001, Aer Rianta received leave to apply to the High Court for judicial review of the Determination made by the Commission for Aviation Regulation, in respect of the maximum level of airport charges that may be levied by the company at Dublin, Shannon and Cork airports.

In April 2003, the High Court delivered its judgement on the substantive issue underlying this review. This centres on the company's statutory role vis-à-vis that of the Regulator in determining the scale and nature of capital development at the airports and the extent to which that expenditure can be recovered by means of airport charges. The company is carefully considering the judgement.

De ghnáth, tá próiseas pleanála fada ag dul le scéimeanna móra iompair bonneagair den tsaghas seo.
Dá bhrí sin agus chun an próiseas a thosnú, d'eagraigh Aer Rianta anuraidh taispeántas poiblí in éineacht le ceapadh Ráitis Tionchair Chomhshaoil (EIS), agus tá clár comhairleach cuimsitheach tosnaithe acu le pobail comharsan agus a n-ionadaithe i dtuaisceart Co. Átha Cliath. Tá sé ar intinn ag an cuideachta iarratas pleanála le hagaidh rúidbhealaigh nua a chur isteach i 2003.

Cuireadh críoch le mionphleananna i gcomhair críochfoirt paisinéirí nua ag Aerfort Chorcaí ins na chéad míonna de 2003. Tharla seo tar éis mionphróisis tairisceana; bhí roinnt moill dosheachanta ag baint leis an bpróiseas de bharr méide agus castachta an chonartha i gceist. Déanfar tosnú le gairid ar an fóntas agus an bonneagar a ghabhann leis. Tá sé beartaithe go n-osclófar an críochfort nua go luath i 2005, agus tabharfaidh seo spreagadh mór do eacnamaíocht na cathrach agus na gcontaetha márguaird.

Rialú Eitlíochta

I Mí na Nollag 2001 fuair Aer Rianta cead dul go dtí an Ardchúirt le haghaidh athbhreithnithe dlíthiúil ar an Chinneadh a bhí déanta ag an Coimisiún um Rialú Eitlíochta maidir leis an t-uasleibhéal de tháille aerfort gur féidir leis an chuideachta a ghearradh ag Aerfoirt Átha Cliath, na Sionainne agus Chorcaí.

In Aibreán 2003 d'fhógair an Ardchúirt a breith ar an cheist ábhartha faoin athbhreithniú seo. Baineann seo le páirt reachtúil na cuideachta i gcomparáid le páirt an rialóra maidir le cinneadh ar an méid agus an cineál forbartha caipitiúil atá ceadaithe ag na haerfoirt agus an méid den caiteachas sin gur féidir a fháil thar nais trí tháillí aerfort. Tá an bhreith á iniúchadh go géar ag an cuideachta.

Special Olympics
Aer Rianta is making special preparations to greet the athletes, coaches and families scheduled to attend the Special Olympics in Ireland in June 2003. The Group wishes the games every success and will ensure that the arrival at and departure from our airports of these treasured visitors will prove a pleasant and memorable experience. Aer Rianta was delighted to present a significant financial contribution to the Special Olympics Committee in 2002, while hundreds of the company's staff will lend their practical support to the event by serving as volunteers in June. A Special Olympics shop, the first in the country, commenced selling games-related merchandise on the Shopping Street at Dublin Airport in April.

Corporate Governance
The company continues to be committed to maintaining the highest standards of corporate governance. It makes every effort to deal with its customers, suppliers, staff, partners and local communities in an open and fair manner and respects the cultures and traditions of the countries in which it operates. Further details as to the application of corporate governance principles are contained in the report of the Board of Directors.

Proposed Final Dividend
On 30 April 2003, subsequent to the approval by the directors of the financial statements, the directors recommended the payment of a final dividend of €0.04938c per ordinary share to be approved by the shareholders at the annual general meeting of the company. This will result in a total final dividend payment of €7.245 million reducing profit and loss account reserves carried forward at 31 December 2002 by €7.245 million.

Na hOilimpeacha Speisialta
Tá ullmhúcháin speisialta á dhéanamh ag Aer Rianta chun fáilte a chur roimh lúthchleasaithe, traenálaithe agus clanna a bhéas ag freastal ar na hOilimpeacha Speisialta in Éirinn i Meitheamh 2003. Guíonn an Grúpa gach rath ar na cluichí agus déanfaidh sé deimhin de go mbeidh teacht agus imeacht na gcuairteoirí ionúin seo ina taithí suntasach. Bhí an-áthas ar Aer Rianta síntúis bunúsach airgeadais a bhronnadh ar Choiste na nOilimpeach Speisialta i 2002, agus cuideoidh na céadta de fhoireann na cuideachta ar an ócáid i Meitheamh. Tá earraí go bhfuil baint acu leis na cluichí á ndíol i siopa na nOilimpeach Speisialta, an chéad sa tír, ar an sráid siopadóireachta ag Aerfort Átha Cliath ó Mí an Aibreáin i leith.

Modh Rialaithe Corparáideach
Tá sé de chúram ag an cuideachta i gcónaí na caighdeáin modh rialaithe corparáideach is airde a chleachtú. Déanann sé gach iarracht le déileáil lena chustaiméirí, a sholáthraithe, a fhoireann, a pháirtnéirí agus le phobail áitiúla i slí atá oscailte agus cothrom, agus tugann sé aird ar chultúir agus traidisiúin na dtíortha ina bhfeidhmíonn sé. Tá a thuilleadh sonraí maidir le prionsabail modh rialaithe corparáideach le fáil i dtuarascáil an Bhoird Stiúrthóirí.

Díbhinn Chríochnaitheach Molta
Ar 30 Aibreán 2003, tar éis glactha na ráiteas airgeadais ag na stiúrthóirí, do mhol na stiúrthóirí díbhinn chríochnaitheach de €0.04938c in aghaidh na gnáthscaire, ach é a bheith ceadaithe ag na scairshealbhóirí ag cruinniú bliantúil ginearálta na cuideachta. 'Sé an turadh a bhéas ar seo ná go mbeidh díbhinn chríochnaitheach de €7.245 milliún san iomlán, laghdú €7.245 milliún ar chúlchiste sochair agus dochair tugtha ar aghaidh ag 31 Nollaig 2002.

Acknowledgements

I would like to thank the Minister for Transport, Séamus Brennan, T.D., and his predecessor, Senator Mary O'Rourke, for their professional support during the year. The advice and assistance of the Secretary General of the Department of Transport, Julie O'Neill, and her predecessor Brendan Tuohy, were much appreciated. The continuing support of Assistant Secretary, John Lumsden, and the staff of the Department of Transport, again proved invaluable. We would also like to express our thanks to Tom Considine, Secretary General of the Department of Finance, and his staff for their continuing support.

I would like to thank my fellow Board members for their personal support and for their contribution to the continued success of the Aer Rianta Group. I would like to offer special thanks to outgoing directors, Dermot O'Leary and Tadhg O'Donoghue, who left the Board at the end of the year having completed their terms in office. My sincere appreciation goes to Chief Executive John Burke, his management team and all the staff across the Group, for their commitment and hard work throughout what proved a difficult year in many different respects. Their unremitting professionalism and expertise will ensure that the country's three principal airports and Aer Rianta's overseas interests will continue to develop to their true potential, to the ultimate benefit of the Irish economy and its travelling public.

Noel Hanlon
Chairman

30 April 2003

Buíochas

Ba mhaith liom buíochas a ghabháil leis an Aire Iompair, Séamus Ó Braonáin, TD, agus a réamhtheachtaí, an Seanadóir, Máire Uí Ruairc, as a dtacaíocht gairmiúil i rith na bliana. Bhí meas mór againn ar an chomhairle agus an chabhair a fuarathas ó Ardrúnaí na Roinne Iompair, Julie O' Neill agus ó Brendan Touhy, Ardrúnaí na Roinne Fiontar Poiblí. Ba fhíorluachmhar arís an tacaíocht leanúnach a fuarathas ón Rúnaí Cúnta, John Lumsden, agus ó fhoireann na Roinne Iompair. Ba mhaith linn freisin ár mbuíochas a ghabháil le Tom Considine, hArdrúnaí na Roinne Airgeadais, agus lena fhoireann as ucht a dtacaíochta leanúnaigh.

Ba mhaith liom buíochas a ghabáil le chomhbhaill an Bhoird as ucht a dtacaíochta dom go pearsanta agus a bhfuil déanta acu ar mhaithe le rathúlacht leanúnach Ghrúpa Aer Rianta. Ba mhaith liom buíochas faoi leith a ghabháil le stiúrthóirí, Dermot O'Leary agus Tadhg O'Donoghue, a d'eirigh as oifig ag deireadh na bliana ar chríochnú a dtéarmaí. Gabhaim mo fhíorbhuíochas leis an bPríomhfheidhmeannach, John Burke, a fhoireann bainisteoireachta agus foireann an Ghrúpa go léir as ucht a ndíograise agus a ndianoibre i gcúrsaí deacra. Déanfaidh a ndúthracht agus a n-oilteacht, atá gan stad, deimhin de go leanfaidh trí príomhaerfoirt na tíre agus gníomhaíochta Aer Rianta thar lear ag forbairt chomh fada is a féidir leo ar deireadh thiar do thoradh eacnamaíochta na hÉireann agus an phobail taistil.

Nollaig Ó hAnluain
Cathaoirleach

30 Aibreán 2003

John Burke, Chief Executive

Chief Executive's Review

Accelerating change continued to be a key feature of the aviation industry in 2002, affecting both airports and airlines. In a broader context, continuing change was also a key feature of the Irish and international economy. Aer Rianta adapted effectively to these changes at both an operational and a strategic level. At the same time, the company engaged actively with the Government and other stakeholders in relation to the significant policy initiatives affecting Aer Rianta, specifically the question of giving greater autonomy to Cork and Shannon airports and the question of a second, independently operated, terminal at Dublin Airport. Important also during the year were the ongoing arrangements for the provision of additional fast turnaround facilities at Dublin Airport on a temporary basis initially and subsequently on a permanent basis.

Performance

Group profit after tax and exceptional items amounted to €36.2 million compared to €11.6 million in 2001. However, last year's result had an exceptional charge of €23.4 million for restructuring costs and a voluntary redundancy scheme. €96 million was invested in Group infrastructure during the year.

This profit after tax was achieved through cost containment despite increases in business volume and significant increased security, interest and insurance costs.

Once again, practically all profits were generated by airport retailing, commercial activities and overseas businesses, underlying the Group's success in these areas, but also reflecting the continued low level of return from regulated airport operations.

Airport Development and Funding

A crucial issue facing the company is that of ensuring the infrastructural capacity of the airports continues to be developed, in a timely way, to cater for expected growth in passenger and cargo numbers and to meet the country's economic needs. Securing the necessary funding to discharge this statutory responsibility effectively presents a major challenge for Aer Rianta.

The funding issue is integrally linked to the level of charges which the company is permitted to set for airport operations. Aer Rianta believes that the present level of airport charges permitted by the Regulator, and the way in which that level is determined, does not allow sufficient investment to cater for the forecast growth in the number of passengers and cargo that will use the airports. As the Group's current and future streams of non-aviation revenues have been taken fully into account by the Regulator when setting his maximum airport charges, this income does not constitute an additional untapped source of capital for investment in development of the airports. The company sought and was granted a judicial review of the Regulator's determination on airport charges.

The low level of charges at Dublin Airport has been independently established. As reported last year, Professor Rigas Doganis independently verified to the Department of the Taoiseach that airport charges are among the lowest in Europe compared with similar-sized airports. The Assessment Panel established by the Minister for Transport to examine proposals for an independently operated terminal at Dublin Airport has concluded that the level of charges at Dublin Airport is low when compared with other European airports.

Indeed, the Panel reports that any new terminal may not be financially viable on the basis of the existing low level of charges and suggests that “increased, but realistic charges” would not affect the operational attractiveness of a new facility for airlines.

The Group’s year-end level of net debt is €376 million.

Airport Planning

Plans for the future development of Cork and Shannon airports have been completed. A new terminal has been constructed and is fully operational at Shannon. Following a comprehensive process, plans for a new terminal at Cork were drawn up. Tenders for the construction of the new terminal are now in the final stages of evaluation. Cork will have a new terminal by 2005.

A major master-planning process for Dublin Airport has been undertaken also. The results of this process will be an important input into the future development of the Airport. The public consultation process on the new proposed parallel runway at Dublin Airport began in November 2002.

The provision of additional infrastructure needs to be provided in a timely manner to cater smoothly over time for the anticipated growth in passenger numbers and cargo traffic. Delays in making necessary investments will cause difficulties in the form of congestion and poor service to customers.

Second only in importance perhaps, to the question of how major infrastructural developments at the Airport are funded, is the issue of appropriate surface access transport and the urgent need to reduce the current dependence on an already pressurised road system. Aer Rianta continues to work closely with the bodies charged with developing road and rail access to the Airport. The putting in place of a rail link in particular, which is linked to the city centre and to the wider national transport network, is very important for the future development of Dublin Airport.

Strategy and Change

Aer Rianta continues to pursue its strategic goal to be a premier Irish international airport owner and operator, meeting the needs and expectations of customers, using resources effectively, fully realising the capabilities and potential of staff and optimising long-term shareholder value.

Transformation and change within the company continues apace. In cooperation with staff, new technologies and more streamlined processes have been introduced, while a voluntary early retirement programme saw the departure of 215 staff during 2002.

As part of our ongoing efforts to meet the sometimes differing needs of our various customers; - airlines, service providers and the travelling public, Aer Rianta has been working to develop effective customer service agreements, which will enhance the experience of all those using our airports. Also during the year a Passenger Services Council was established for Dublin Airport.

It is a significant challenge to maintain quality customer service standards in the context of continuously increasing passenger numbers and a seriously constrained revenue generating capacity, because of the current low level of charges which are allowed to the company.

Overseas

Aer Rianta’s investments in Birmingham, Düsseldorf and Hamburg airports performed well, given the global downturn in the aviation industry. Aer Rianta International’s retailing operation was particularly strong in the CIS, Ukraine and Middle East. During the year, a new nine-year duty-free concession was secured at Seeb International Airport in Muscat, Oman. In Canada, a new duty-free concession began operating at Halifax Airport in March 2002.

Great Southern Hotels

Great Southern Hotels (GSH) experienced a second successive year of difficult trading conditions.
In line with national trends, hotel room capacity increased during the year, but growth in demand was slow.
The company continues to invest significantly in its prime hotel properties.

A €15 million restoration and refurbishment programme was completed in the Killarney Great Southern Hotel in mid 2002 while the €12 million extension to the hotel at Dublin Airport opened in May 2002. Eyre Square has been refurbished at a cost of €8 million and has reopened as Galway City's premier hotel. In November 2002 the Board of GSH decided to close the Torc Hotel in Killarney, as surplus to its business requirements, and to offer the site and premises for sale.

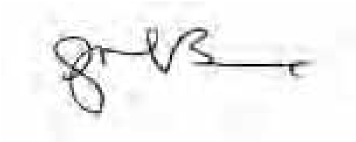
Outlook

Aer Rianta continues to evolve to meet the rapidly expanding demand for air travel, embracing business, leisure and tourist traffic. Traffic growth has been phenomenal at the three airports in the past decade and is forecast to grow strongly over the next decades. The company is engaged in, or has completed significant master-planning projects at Dublin, Shannon and Cork to ensure that our airports will be well placed to meet future traffic demand.

Our overseas subsidiary, Aer Rianta International, is contributing significantly to the Group's profitability. Great Southern Hotels continues to invest in its hotels.

The final outcome of the Minister's consideration of the question of a second terminal at Dublin Airport, operated independently of Aer Rianta, and the issue of greater autonomy for Cork and Shannon airports will clearly be very significant for the company. It will of course be equally important in determining how, and by whom, airport infrastructure is provided in the future. Aer Rianta is participating fully in the consultative process initiated by the Minister and will provide advice based on its expertise and experience. As continuing uncertainty for the company is most undesirable, it is welcome that the Minister has undertaken to deal with these issues as quickly as possible.

I would like to pay tribute to management and staff throughout the Group for their hard work and commitment during the year. They have delivered a strong performance in sometimes trying and uncertain circumstances. I wish to thank our Chairman, Noel Hanlon, and the members of the Board for their unstinting dedication, support and advice.
I am confident that, jointly, we can meet any challenges that come our way in the future.



John Burke
Chief Executive

30 April 2003

Airport Management

In 2002, Dublin, Shannon and Cork airports worked successfully to attract new airlines, deliver more destinations and increase capacity on many routes. The three airports catered for a total passenger throughput of 19.3 million passengers, up 4.3% on 2001. Over the period 1995–2002, traffic has grown from 10.6 million to 19.3 million – an increase of over 80%. Over 80 airlines serve over 130 routes to the UK, Europe and North America from the three airports.

On a typical busy day, Dublin Airport handles over 650 flights carrying up to 70,000 passengers – not far short of an All Ireland Day crowd at Croke Park! No other airport in the UK or Europe has this level of traffic and connections for a similar population size.

Reflecting the industry's heightened concern with security, Aer Rianta ensures that its airports comply with international security regulations and has put in place 100% hold baggage screening since 1 January 2003. This means that all baggage that goes into the holds of aircraft at Dublin, Shannon and Cork airports is checked by modern screening technology.

Dublin Airport

Traffic Performance

It was another record-breaking year for Dublin Airport, where passenger numbers climbed to 15.1 million in 2002. This represents a 5% increase on 2001. Airlines operating out of the airport served 74 scheduled and 46 charter routes.

Air Canada launched summer services to Toronto; Aer Lingus added seven services – some new for the Airport; and Ryanair started flights to Aberdeen.

The Dublin–UK market accounted for over half of the Airport's total traffic in 2002. Passenger numbers in this sector grew by 6% to 7.9 million. The second largest market – Europe – grew by 9% and surpassed the 5.6 million mark. The sector now comprises over one-third of Dublin's business. Growth was strong in both the scheduled and charter segments.

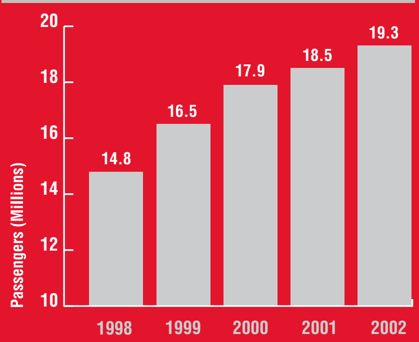
Transatlantic traffic was down 15% due to the adverse affects of 11 September 2001 and the slow-down in economic activity. The numbers travelling on domestic flights out of Dublin remained at approximately 650,000.

Physical Development

The main terminal extension project was completed and formally opened by An Taoiseach, Bertie Ahern T.D., in June 2002.

To facilitate the growing requirements of fast-turnaround airline operations at Dublin, planning approval was obtained from Fingal County Council for a temporary Pier D facility to be in place for Summer 2003 and a permanent Pier D to be in operation by the following summer. An airline and a residents' organisation appealed both projects to An Bord Pleanála. However, the permanent Pier D has now been approved.

Total Passenger Numbers



Passenger traffic through Dublin Airport is forecast to double to over 30 million by 2020. Aer Rianta, with the assistance of international consultants, is planning for the optimum facilities and the capital expenditure requirements to meet this projected expansion. This programme, scheduled for completion shortly, has examined specific options for terminal, pier, cargo and runway facilities. It has also assessed the best internal transportation and terminus options for integration with the planned rail link from the city centre.

The arrivals road was widened to substantially increase the space available for taxis and buses. A new coach park was completed to support the increasing volume of bus and coach services. A major extension to Air Traffic Control (ATC) facilities was completed for the Irish Aviation Authority.

Shannon Airport

Traffic Performance

The total number of passengers through Shannon in 2002 was 2.35 million – a drop of 2% on 2001. This was ahead of expectations, particularly given the reduction of capacity on transatlantic services.

European traffic showed an increase of 36% on 2001, with both scheduled and charter operations delivering growth. The new SkyNet service to Amsterdam and Ryanair flights to Paris both contributed to an upbeat performance in the European sector.

Traffic on UK routes fell by 2%, due to the loss of Belfast and London Gatwick services, as well as reduced frequency on the Manchester route. London continued to be Shannon's biggest market and recorded modest growth.

Transatlantic results were better than expected – despite the loss of Delta Air Lines' service to New York JFK and Aer Lingus services to Newark and Baltimore-Washington. Traffic fell by 9% compared with 2001, but the surviving US services delivered excellent load factors. The new Air Canada service to Toronto made a significant contribution to the sector.

Domestic traffic was down 26%, due mainly to the withdrawal of the Aer Lingus commuter service. Aer Arann Express started a twice-daily service to Dublin during the year, but lack of support resulted in its termination in December 2002.

Transit traffic fell by 15% – a direct result of reduced transatlantic services and the decision by Royal Jordanian to fly direct from New York to Amman.

Physical Development

The company opened its new shared services centre at Shannon during the year. The purpose-built centre consolidates all the in-house financial services for Dublin, Shannon and Cork airports and has led to major cost benefits and efficiencies.

Aer Rianta completed a new maintenance hangar for one of its bigger cargo customers at Shannon – United Parcels Service (UPS).

In an effort to improve customer service and streamline the information operation at Shannon, a new information desk and centre opened in the arrivals hall. Investment in 100% hold baggage screening was completed during the year. Airside pavement repairs were also undertaken and new floodlighting was installed on the east and south-east aprons.

Cork Airport

Traffic Performance

Cork Airport's growth momentum produced another traffic record. Passenger figures for the Airport grew to almost 1.9 million – an increase of 5.6% over 2001.

The strongest growth was on UK routes – passenger numbers travelling to London Stansted were up 29% on 2001. UK provincial traffic grew by 10%, spurred on by the launch of new services by Aer Arann to Southampton, Edinburgh, Birmingham and Bristol. Other new services were introduced by Loganair to Glasgow, BMI to Leeds Bradford and bmiBaby to East Midlands.

Cork extended its range of European scheduled and charter services, which proved a boon for business travellers and holidaymakers. A new scheduled Malaga service was launched by Aer Lingus. New European holiday destinations included Croatia, Cyprus and Morocco. As a result, European passenger numbers grew by 16%. Domestic numbers fell by 11%, largely due to reduced frequency by Aer Lingus on the Dublin route. Its replacement by Aer Arann, using smaller aircraft, resulted in reduced capacity.

The level of enquiries and new contacts remains strong at Cork, with convincing indications of new services to come. A new airline, Jet Magic, commenced services to Belfast and Brussels and Czech Airlines commenced a new service to Prague, in April 2003.

Physical Development

Cork Airport will be transformed with a brand new terminal and other facilities. During 2002 there was intense activity to put in place all the arrangements for the commencement of the construction of the terminal. Work on the facility and its support infrastructure will begin shortly and the terminal will be ready for 2005.

Cork's €8 million apron extension and new taxiway project was completed midway through 2002. This has provided more aircraft parking space and ensures that adequate capacity is available.

Improvements were carried out to the long-term overflow car park to provide greater comfort for users. In the terminal, additional space was provided to allow for peak-time passenger flow. The catering area has been refurbished and offers a new range of services to customers.

Projects in the pipeline include the construction of a new control tower for the Irish Aviation Authority on the western side of the airfield. A proposal to re-zone a 40-acre site on the Kinsale Road was submitted for inclusion in the five-year revision of the County Cork Development Plan.

Environment

Aer Rianta seeks to ensure that operations at its airports are carried out to high environmental standards.

Our environmental mission is: 'To develop and operate a sustainable business in compliance with regulatory requirements, best management practices, and with sensitivity to local community and public concerns.'

Aer Rianta's key environmental objectives are to:

- Maintain high and stable levels of economic growth and employment
- Achieve social progress that recognises everyone's needs
- Provide effective protection of the environment

For Aer Rianta, sustainability means balancing these three objectives. Like many other organisations, we cannot achieve sustainability in isolation from the economy and society we serve.

Each of our three airports is developing environmental management plans and systems specific to their needs. Monitoring the environmental impacts of our airport systems on air and water quality continues. In addition, the minimisation and management of waste is the subject of increasing emphasis. Processes are now in place which greatly increase the amount of material being recycled. Again, this is an on-going process and will remain one of our prime objectives.

Community Relations

In 2002, many public information meetings were held with representatives from the local communities around our airports. This is an important part of our commitment to keeping everybody well informed about proposed developments. It also allows our neighbours a forum for discussion on any elements of our operations which may cause them inconvenience or concern.

To secure the long-term development of Dublin Airport, it has long been recognised that a proposed parallel runway will be required on the northern side of the airfield. Aer Rianta hosted a three-week public consultation on the environmental impact assessment, which was attended by many representatives from local communities. This consultation is part of an on-going process to ensure that any development at Dublin Airport should cause the least possible environmental impact on local communities.

The year under review saw the introduction of some changes to the operating procedures for aircraft arriving into, and departing from, Dublin Airport. These changes were identified using the new 'Noise & Flight Track Monitoring System'. As a result, the number of aircraft now over-flying local communities has been significantly reduced. This is an on-going process where continuing benefits will be identified and introduced over the coming years.

At Shannon and Cork, consultations with local residents continued. Meetings were held on a regular basis with the local Chambers of Commerce, Cork Airport Consultative Committee, Shannon Airport Marketing Consultative Committee, local authorities and representative bodies.

Safety

Aer Rianta assesses and manages risks using best safety management systems. In order to maintain systems and practices at the highest levels, the company works closely with all regulatory bodies, including the Health & Safety Authority, the Irish Aviation Authority (IAA) and the local authorities. Performance is reviewed on a regular basis by a board sub-committee. The safety statement required under 'Health & Safety at Work' legislation has been re-issued and reiterates our commitment to safe work practices throughout the Group. The IAA, which regulates aviation standards at Dublin, Shannon and Cork, has confirmed our licences to operate for 2003. In addition, it has independently audited one of our airports in the year under review and has confirmed Aer Rianta's compliance with licensing requirements.

Customer Service

Aer Rianta has established a 'Passenger Services Council' at Dublin Airport to provide passengers with a forum on service standards. The prime objective of the Council is to promote continuous improvement in passenger service levels at Dublin. It provides an effective forum for discussing all matters relating to services at the Airport; how these impact on passengers and on the people accompanying or meeting them, as well as other visitors. Passengers now have a voice to articulate their views on service standards and how they can be improved.
A voluntary service level agreement has been put in place between Aer Rianta and the Airline Operators Committee. This agreement comprises inter-alia minimum standards in respect of check-in, baggage delivery, security search queuing, trolley availability and baggage equipment serviceability. This service level agreement is another important step in further improving service standards at Dublin Airport.

At Shannon, there is a renewed focus on delivering improved customer service and efficiency. In order to ensure a quality service to customers, Aer Rianta has taken over the responsibility for aircraft stand planning and allocation, baggage carousels and trolley collection.
This has led to a significant improvement in services.

Cork Airport was voted the 'Best Irish Airport' for 2002 by the Air Transport Users Committee of the Chambers of Commerce in Ireland. Feedback indicated that customer service was a major factor in this decision to recognise Cork Airport. Cork is implementing a range of improvements in the existing terminal - mainly aimed at creating more space in congested areas. Numerous meetings were held with the Airport Consultative Committee during the year.

Airport Retailing

Airport retailing is a core business for Aer Rianta's Irish airports. In addition to meeting the needs and expectations of customers, the sector contributes significantly to Group profits. In 2002, total retail sales activity at the three airports, including that of concessionaires, was ahead of 2001.

The company continues to follow a twin-track strategy for its airport retailing business. It offers duty and tax-free shopping for non-EU travellers, while for those travelling within Ireland and the EU it has developed 'Travel Value' outlets. These offer top quality national and international brands at special value for all passengers. In parallel, the strategy seeks to provide passengers with the widest possible choice of branded retail and food/beverage outlets.

In line with the desire to use its resources effectively, work continued during the year to exploit the full potential of the new SAP retail information system, with new modules being brought on-line in 2002.

The Aer Rianta Irish airport retail outlets were among the first shops in the country to introduce people to the euro on New Year's Day 2002 and over the following weeks the changeover to the new currency was successfully managed.

The 'Street' is Dublin Airport's premier shopping thoroughfare. It had a highly successful first full year of trading in 2002. The 'Street' offers a total of 24 different shops, including the Bailey Bar and the first airport-based Butler's Chocolate Café. Among the new outlets to open during the year were the Guinness store – the first of its kind at an airport – and SOAR, a new jewellery, watch and fashion accessory shop, selling leading international brands.

Reflecting the company's desire to be the 'Best in its Class', Aer Rianta's pursuit of excellence led to the prestigious 'Frontier' Highly Commended award for the Butler's Chocolate Café development on Dublin Airport's 'Street'. The award was made at the travel retail industry's trade awards in France to both Aer Rianta and the Irish Chocolate Company.

Shannon Duty Free and Travel Value shops enjoyed strong sales in 2002, despite the reduced number of American visitors. Book sales were particularly strong. The perfume and cosmetic store will be completely refurbished early in 2003. Landside, the Londis store and other retail outlets in the main terminal traded well and further units are planned. Sales of food and, in particular meat products, recovered strongly in the second half of the year, following the complete removal of restrictions on the importation of such products for US-bound travellers.

Trading was strong at the Travel Value store at Cork Airport, helped by very good book and music sales that came on stream during the year. Perfume and cosmetics sales performed well, as did the souvenir product ranges. Plans are in place to add new jewellery and watch offers during 2003. Detailed planning work has begun on the retail and catering facilities for Cork's new terminal.

Airport Catering

Meeting the food and beverage requirements of passengers represents a major business at Aer Rianta airports and is operated through concessions at Dublin and Cork, and directly by Aer Rianta at Shannon. Concessionaire food and beverage units traded strongly with overall sales running ahead of 2001.

At Dublin Airport, construction started on the next phase of development on the mezzanine floor. The first of the new catering facilities, Bewley's Express, opened early in 2003 to be followed by a new Food Court, which includes the first airport based 'Nude' gourmet fast food outlet. The development will be completed with the opening of a new full-service brasserie restaurant and a suite of fully-fitted meeting rooms in early summer 2003.

At Cork Airport, food and beverage facilities have been fully refurbished and a new Café Cuisine coffee outlet opened in 2002.

Aer Rianta International

Aer Rianta, through its wholly owned subsidiary, Aer Rianta International cpt (ARI) is a major global player in airport ownership and duty-free retailing. Headquartered in Shannon, it has regional offices in Bahrain and Canada. Its business covers 20 operations in 14 different countries. ARI consolidated its position in 2002 when it recorded a profit after tax of €13.2 million.

Overseas Airports

Birmingham International Airport handled 8 million passengers in 2002, an increase of 2.8% over 2001. The Airport is well positioned to achieve further growth. 2003 will see the opening of the rail link between the Airport and the main line train station and of the Multi Model Interchange. Surface access to the Airport will be improved significantly as a consequence.

Düsseldorf International Airport handled 14.7 million passengers in the year under review, down 4.3% on 2001, reflecting more difficult trading conditions. Growth in passenger numbers is expected to return in 2003, reflecting the improved market conditions of the latter part of 2002, though any international instability could limit the expected growth. The people mover link between the Airport and the main railway station was opened in July 2002 and Pier C, the final part of the terminal development project “Airport 2000 plus”, is due to open in May 2003.

Hamburg Airport handled 8.9 million passengers in 2002, down 5.7% on 2001. This position is expected to be reversed in 2003. Planning and design work for the new Terminal “T2” has commenced and it is expected to open in 2005 increasing capacity to a projected 20 million passengers per annum.

Overseas Retailing

ARI-associated companies in Moscow and St. Petersburg in Russia, together with Kiev in Ukraine, had another successful year. Each location enjoyed an increase in turnover, which enhanced the financial performance of the region.

In the Middle East, ARI, through its associate company Aer Rianta International (Middle East) W.L.L. (ARIME), secured a new nine-year duty-free concession at Seeb International Airport in Muscat, Oman. The operation opened for business on 1 February 2003. ARIME produced record results during the period, with the new departures shop at Bahrain Duty Free contributing to this success. The improved performance was achieved despite the downturn in aviation business resulting from 11 September 2001, which continued to have a negative impact on passenger numbers in the Middle East. The recent hostilities in Iraq also resulted in a decline in retail sales. However, there are encouraging signs of recovery.

Our subsidiary in Canada, Aer Rianta International (North America) Inc., experienced the immediate effects of the events of 11 September 2001. Passenger numbers fell significantly in the initial months and recovered gradually throughout 2002. The financial performance of the subsidiary has improved in line with the return to normal passenger levels. The new duty-free concession at Halifax Airport opened in March 2002 and has made an encouraging start. Aer Rianta International intends to pursue additional Canadian and North American opportunities that fit our investment profile.

Outlook

The travel retail industry continues to experience challenging times. Aer Rianta, however, sees opportunities for investment within existing operations and the market at large.

Our international subsidiary will continue to invest in attractive proposals that will add value to the existing profitable retail businesses.

Great Southern Hotels

Great Southern Hotels has been one of Ireland's premier hotel groups since 1845. During that time, it has established a unique tradition of service to its guests. The company owns eight hotels and has a 25% shareholding in the four-star City Hotel Derry, which it manages. Derry's premier hotel opened in August 2002.

A second successive year of difficult trading conditions for Irish tourism generally, and for the hotel sector in particular, saw Great Southern Hotels' operating profit before exceptional items, interest and taxation fall by 45% in 2002 to €1.8 million. Group profit after tax increased to €3.93 million, reflecting the net impact of exceptional items after tax.

Hotel room capacity increased during the year, but growth in demand failed to materialise. As a result, occupancy levels fell. In the absence of growth in key overseas markets, operators offered discounted rates to attract domestic business. This, in turn, affected revenue and yield. Yield was affected, also, by increased operating costs, especially in payroll and insurance. The closure of the Killarney and Galway hotels for refurbishment for a combined total of seven months during the year had a negative impact on sales and operating costs.

Great Southern Hotels continued its investment programme with a €15 million restoration and refurbishment programme in the Killarney Great Southern Hotel. It can now justifiably claim to be Killarney's leading conference, incentive and leisure hotel. The three-star Torc Great Southern Hotel in Killarney was closed following a review of the group's Kerry portfolio. Plans for the further development of the Great Southern Hotel at Parknasilla are well advanced.

The €12 million extension to the hotel at Dublin Airport was opened in May 2002. The Eyre Square property in Galway reopened in April 2003 after an €8 million refurbishment and restoration project.

It is anticipated that 2003 will be another difficult year for the hotel sector. The focus will be on controlling costs, maintaining market share and maximising the return on investment.

Human Resources

In pursuing the company's strategic objectives, Aer Rianta continues to encourage staff to fully realise their capabilities and potential. It supports this through a range of initiatives, policies and practices and a commitment to work in partnership with employees and their representatives. Our human resource strategy supports these aims through a framework of company-wide policies and practices aimed at assisting staff in developing their skills and protecting them in carrying out their daily work.

In a challenging year for the company, substantial progress was made on a number of fronts. Certain key businesses and functions were restructured, which facilitated major changes across the company. Part of this change process was a voluntary severance programme which formally opened in January 2002. Over 200 staff took up the offer to exit the company.

In its dedication to 'use resources effectively' and to 'meet the needs and expectations of customers', Aer Rianta made a major strategic investment in Oracle technology systems in 2002. A new Oracle HR system went 'live' in September which marks the beginning of a new technological era for Human Resources. The company remains strongly committed to working in partnership with its staff and to the continuing development of appropriate structures and processes for this purpose.

Our approach to 'Performance Management' was reviewed. A new process was developed in consultation with unions and their representatives. A series of training programmes was initiated for managers, with the objective of reinforcing the process in the context of the continuing restructuring of the company.

Training & Development

Investment in staff learning and development continues to be a priority for Aer Rianta, and helps in gaining vital competitive advantage. The main training priorities in 2002 were: information technology; airside safety; customer service and performance management. In addition, individual career coaching was used to maximise staff potential and as a result contributed significantly to improved performance during 2002.

A significant number of staff also receive valuable support in obtaining professional qualifications through our 'Career Support Scheme'. An equality review commenced in the last quarter of 2002. The review is supported and implemented by the Equality Authority on behalf of the Department of Justice, Equality & Law Reform. It will provide a comprehensive review of current policies, practices, procedures, and perceptions of equality and diversity in Aer Rianta and an agreed action plan to address any areas requiring attention.

Employee Assistance Programme

The company operates an employee assistance programme across the Group through which staff can avail of a confidential advisory, counselling and referral service. The Employee Assistance unit took many initiatives throughout the year aimed at improving staff well-being, including health screening and a programme to help smokers give up the habit.

Payroll

Group payroll costs for 2002 amounted to €142.6 million, an increase of 5.8% on 2001. This included employer contributions of €18.4 million for social welfare and superannuation. The final phases of PPF 2000 were paid throughout the year and are included in these figures.

Employment

In 2002, the Aer Rianta Group employed 3,431 staff (full-time equivalent) compared with 3,438 in 2001. Over 80 additional security staff were recruited in 2002 as a result of changes in worldwide aviation security. The figure also includes 117 staff from Kievrianta, which is now a wholly owned subsidiary of Aer Rianta. However, significant savings in cost were achieved through the departure of over 200 staff as part of the voluntary severance and restructuring that has occured across the company.

The breakdown of the average (FTE) staff numbers for 2002 was:

Airports	2,416
Hotels	708
International	307
Total	**3,431**

Ancillary Activities

Property

The performance of the two property joint ventures continued to record good progress in 2002, contributing profits and increased value to the Group. In line with Aer Rianta's core value of meeting the needs and expectations of customers and optimising long-term shareholder value, the company's 50/50 joint venture company with Dunloe Ewart plc. is developing the Horizon Business Park at Dublin Airport. Omnistone, in which Aer Rianta has a 25% shareholding, is continuing to develop the Cork Airport Business Park.

Shannon Aviation Fuels

Shannon Aviation Fuels (SAF), a division of Aer Rianta operates at Shannon Airport. For over 20 years SAF has been involved in the storage, handling and sale of aviation fuel.

Shannon College of Hotel Management

The Shannon College of Hotel Management is a recognised college of the National University of Ireland (NUI). It offers an NUI Degree in Hotel Management and qualifying students are eligible for free third-level fees and higher education grants.

Financial Review

Group Financial Highlights

	2002 €'m	2001 €'m
Passengers (millions)	*19.3*	*18.5*
Turnover	**420.9**	**438.3**
Group profit before exceptionals	**75.9**	**67.2**
Net exceptional items (after tax)	5.3	(19.2)
Group profit for the year	**36.2**	**11.6**
Balance Sheet		
Gross assets	1,045.2	927.3
Shareholders' funds	403.3	372.2
Cash balances	96.9	45.3
Net borrowings	375.8	320.6

Group Results

Passenger numbers at the three airports increased by 4.3% last year. Dublin Airport was one of the three highest growth airports in Europe and one of only seven of the top twenty European airports to report annualised growth in the year ending October 2002. Given that the period in question came in the immediate aftermath of the September 11th attacks in the US, this represented a very satisfactory achievement.

Group turnover in 2002 was €420.9 million, 4% lower than in the previous year reflecting a fall in turnover at Shannon Airport, in particular in fuel sales. Turnover increased in all of the other Group's main business entities despite less buoyant trading conditions.

Airport charges continue to be very low by comparison with international airports and comprise a disproportionately low percentage of turnover: equivalent to about one quarter of Group turnover.

Total turnover from airport charges increased by just over 2% equivalent to about one half of the level of passenger growth. Overall airport charges per passenger fell some 2% to €5.55, a real reduction of over 6.4%. At Dublin, airport charges per passenger reduced by some 10.7% in real terms; total turnover from airport charges also fell despite over 5% passenger growth. This reflected the impact of the regulatory cap introduced in 2001 by the Commission for Aviation Regulation.

Cost of goods for resale decreased by 16% while other operating costs increased by 5.4% over 2001 levels. The Group's share of operating profits from associates and joint ventures increased by almost 70% to €42.6 million. Group profit before exceptional items, interest and tax, was €75.9 million, an increase of 13% from €67.2 million the previous year.

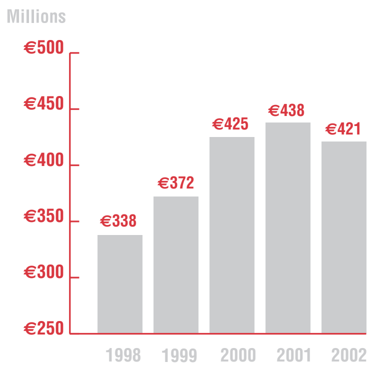
Exceptional profits of €5.3 million (after tax) arose in 2002 on sales of land. The 2001 results reflected a net exceptional charge (after tax) of €19.2 million (including €23.4 million for a major restructuring programme).

Group net interest charge (excluding associates/joint ventures) increased by €3.5 million to €21.4 million arising from funding of the Group's capital investment programme at the three airports. The Group's share of net interest cost of associates and joint ventures rose to €11.5 million.

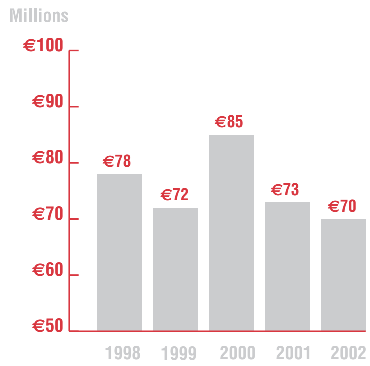
As a result of the profit growth, the taxation charge increased to €14.2 million, from €6.6 million in 2001. Taking into account the different corporation tax rates applicable across the Group and associates, both domestically and internationally, the effective tax rate in 2002 was 28% (2001: 36%).

Group profit for the year after tax and exceptional items was €36.2 million, up from €11.6 million in 2001.

Group Turnover



Group EBITDA



Subsidiary and Associated Undertakings

Subsidiary and associated undertakings continued to be an important contributor to Group profitability. These principally comprise Aer Rianta International (international airport retailing and airport investments), the Great Southern Hotels Group and property ventures.

Aer Rianta International reported profit after tax and exceptional items of €13.2 million, almost unchanged on 2001. Great Southern Hotels reported profit after tax and exceptional items in 2002 of €3.9 million – an increase of over 20% over the previous year. The Group's share of profits from property ventures increased by nearly 75% in 2002 to €3.1 million despite a slower property market.

Balance Sheet

Shareholders' funds increased by 8% to €403.3 million (2001: €372.2 million).

Gross assets passed the €1 billion mark, increasing by 13% to €1,045 million. Fixed assets have increased from €395 million to €892 million over the past five years, an increase of 125%.

Cashflow & Funding

Net cash inflow from operating activities was €63.3 million (2001: €82.9 million).

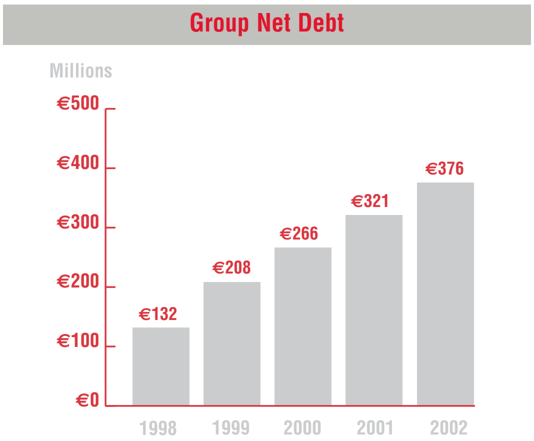
Cash outflows in respect of the Group's fundamental restructuring programme amounted to €18.7 million in 2002 (2001: €nil). Group cash investment in fixed asset infrastructure was some €95 million (2001: €115 million). Other capital items, including financial investments, acquisitions and disposals gave rise to cash inflows of €13.3 million (2001: cash outflows of €12.2 million).

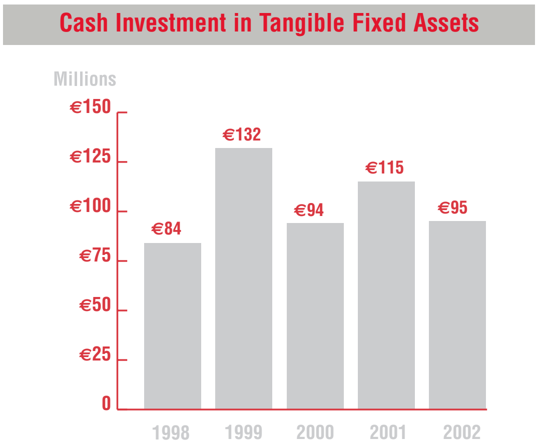
Group net debt increased to €376 million, up €55 million on 2001 levels. Cash balances were €96.9 million at year-end (2001: €45.3 million).

During the course of the year the Group drew down a long-term loan of €125 million from the European Investment Bank.

Gearing (measured by expressing net debt as a percentage of the aggregate of net debt and ordinary shareholders' funds) increased to 48% by year-end (2001: 46%). Group interest cover was 3.3 times (2001: 4.0 times) based on Group EBITDA divided by the Group net interest charge. Net debt rose to 5.4 times Group EBITDA (2001: 4.4 times). Details of debt maturity, un-drawn facilities and interest rate management are set out below.

The Group has a credit rating from Standard & Poor's (S&P) of A+/Negative/A-1 on a stand-alone credit quality basis. The senior unsecured €250 million bond issued by Aer Rianta Finance plc, and guaranteed by Aer Rianta cpt, has a rating of A+.





S&P altered their ratings outlook from positive to negative in October 2002 reflecting the expected financial profile following the Commission for Aviation Regulation's first Determination on airport charges.

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 with a substantial portion of borrowings maturing in more than five years. Some 80% of the Group's borrowings at the end of 2002 were due to mature in more than five years. Un-drawn committed facilities were €79 million at the year-end.

Interest Rate Risk

The Group has a substantial portion of its debt denominated as long-term fixed interest debt, thus minimising exposure to interest rate fluctuations. This includes a €250 million Eurobond (2011) and a long-term €125 million loan from the European Investment Bank. At the end of 2002, 85% of the Group's borrowings were at fixed rates at an average rate of 5.9%.

Foreign Exchange Risk Management

The Group's Irish businesses are predominately euro denominated. The Group does not carry foreign currency exposures other than in the normal course of business. 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. The Group operates a US dollar based aviation fuel business at Shannon. This fuel business is conducted so as to minimise exposure to movements in the euro/US dollar exchange rate and fuel price movements, for example by denominating both fuel sales and purchases in US dollars. Currency exposures are disclosed in note 25.

The Group has a number of overseas subsidiary and associated undertakings, as set out in note 11 of the financial statements. The principal foreign exchange exposures arising from these investments are in sterling, US dollars and Canadian dollars. Exchange differences on translation of overseas investments are dealt with in the Statement of Total Recognised Gains and Losses. The Group's policy is to hedge identified transaction exposures arising from these undertakings (principally dividends and management charges denominated in foreign currencies).

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.

AerRianta

ROUTE NETWORK

DUBLIN AIRPORT
SHANNON AIRPORT
CORK AIRPORT

Directors' Report & Financial Statements

for the year ended 31 December 2002

Contents

	Page
Report of the directors	38
Statement of directors' responsibilities	41
Independent auditors' report	42
Statement of accounting policies	43
Group profit and loss account	45
Statement of total recognised gains and losses	46
Movement on reserves	46
Reconciliation of movement in shareholders' funds	46
Group balance sheet	47
Company balance sheet	48
Group cash flow statement	49
Notes on and forming part of the financial statements	50
Five year summaries	70
General business and aeronautical information	74

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 2002.

Principal Activities

The Group's principal activities are the development, operation and management of the three principal Irish airports – Dublin, Shannon and Cork, Irish and international airport retail management and international airport investment. The Group is also involved in the hotel industry in Ireland through its subsidiary, Great Southern Hotels Group.

Review of the Business and Future Developments

Detailed commentaries on performance for the year ended 31 December 2002, including information on recent events and likely future developments, are contained in the Chairman's statement and the Chief Executive's review.

Results for the Year

The financial results of the Group for the year show a profit after taxation and exceptional items for the financial year amounting to €36.2 million compared with €11.6 million for 2001. Exceptional items comprise profit on disposal of lands of €6.1 million (before attributable tax charge of €0.8 million). The profits in 2001 reflected an exceptional cost of €28.5 million (before attributable tax credit of €5.1 million) for a major restructuring programme and an exceptional gain of €5.3 million (before attributable tax charge of €1.1 million) on the disposal of a financial asset.

Corporate Governance

The directors continue to be committed to maintaining the highest standards of corporate governance. Set out below are details of how the relevant principles of good governance contained in "The Combined Code: Principles of Good Governance and Code of Best Practice" are applied in Aer Rianta cpt. The directors believe that the application of these principles also 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 Board and Committees

The Group is headed by an effective Board, which currently comprises six non-executive directors, including three employee directors, and one executive director (Chief Executive). The roles of the Chairman and Chief Executive are separate and all of the non-executive directors are independent of management. The Minister for Transport, with the consent of the Minister for Finance, appoints the Chairman and other non-executive directors to the Board. The employee directors are appointed for a term of up to four years following a nomination and election process under the Worker Participation (State Enterprises) Acts, 1977 and 1988. Other non-executive directors are appointed for terms not exceeding five years. The Chief Executive is an ex officio member of the Board appointed by the directors of the Company, and is the sole executive director. On the expiration of their terms, Mr. Tadhg O'Donoghue and Mr. Dermot O'Leary retired from the Board on 12 November 2002. Mr. Brian Hampson retired as Company Secretary on 31 December 2002 and Mr. Oliver Cussen was appointed in his place.

A scheduled meeting of the Board is usually held each month, except August. Additional meetings are convened as required. 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 operating management sufficient flexibility to run the business efficiently and effectively within a centralised reporting framework.

The Board has reserved certain items for its review including, inter alia, the approval of the annual financial statements, budgets, corporate plan, significant acquisitions and disposals, investments in joint ventures, significant contracts, property transactions, major investments, significant capital expenditure and senior management appointments. The Group has a comprehensive process for reporting management information to the Board. The Board is provided with monthly information, which includes key performance and risk indicators for all aspects of the business.

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, if necessary, at the Group's expense. On appointment, all directors are provided with briefing documents on the Group and its operations as well as relevant training.

	2002 € million	2001 € million
Group profit before exceptional items	75.9	67.2
Exceptional items (net)	6.1	(23.2)
Group profit before interest	82.0	44.0
Interest (net) – Group, associates and joint ventures	(31.6)	(25.8)
Group profit before taxation	50.4	18.2
Taxation – Group, associates and joint ventures	(14.2)	(6.6)
Profit for the financial year	36.2	11.6

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

Report of the directors (continued)

Ms. Freda Hayes is the Senior Independent Non-Executive Director.

Board Committees

The Board has activated an effective committee structure to assist in the discharge of its responsibilities. Details in relation to the various committees that operated during 2002 and their current board membership is set out below.

Audit Committee
Mr. Liam Meade, Chairman, Ms. Freda Hayes and Mr. Pat Fitzgerald. This committee normally meets at least four times a year and operates under formal terms of reference. The committee may review any matters relating to the financial affairs and internal control arrangements of the Group.

Health & Safety Committee
Mr. Noel Hanlon, Chairman, Mr. John Burke, Mr. Pat Fitzgerald, Mr. Peter Dunne and Mr. Cecil Brett. This committee monitors and reviews matters in relation to aviation safety, and health and safety at work at each of Dublin, Shannon and Cork airports.

Remuneration Committee
Mr. Noel Hanlon, Chairman, Ms. Freda Hayes and Mr. Liam Meade. This committee determines and approves remuneration and bonus arrangements for the senior management group. Details of directors' fees and emoluments are set out in note 6 to the financial statements in accordance with the requirements of the Companies Acts, 1963 to 2001.

Security Committee
Mr. Noel Hanlon, Chairman and Mr. John Burke. This committee monitors and reviews matters in relation to security at Dublin, Shannon and Cork airports.

Directors' and Secretary's Interests

The directors and secretary had no beneficial interest in the shares of the Company or in those of its subsidiaries at any time during the year or the preceding financial year.

The Board is satisfied that its non-executive directors are free from any business or other relationship that could materially interfere with the exercise of their independent judgement. There was no significant contract between any of the directors and Aer Rianta cpt or any of its subsidiaries during the year.

Directors' Remuneration

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

Audit Committee and Auditors

The Board maintains an objective and professional relationship with the Group's auditors. The Audit Committee, a formally constituted committee of the Board, is comprised of non-executive directors. Its written terms of reference deal clearly with its authority and its duties. The Audit Committee is responsible to the Board for the review of internal financial controls and the scope and performance of the Group Internal Audit function. It also reviews the scope and results of the external audit and the nature and extent of services provided by the external auditors. The Chairman of the Audit Committee reports to the Board on all significant issues considered by the committee and the minutes of its meetings are circulated to all directors.

Accountability and Audit

The directors acknowledge their overall responsibility for establishing and maintaining the system of internal control throughout the Group.

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

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

Management are responsible for the identification and evaluation of significant risks applicable to their areas of business together with design and operation of suitable internal controls. As part of this 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 have established a number of key procedures designed to provide an effective system of internal control, which includes an annual review of the effectiveness of the system of internal control. The key procedures, which are supported by detailed controls and processes, are as follows:

- active Board involvement in assessing key business risks faced by the Group and determining the appropriate course of action for managing these risks;
- the putting in place of a formalised risk reporting system;
- a schedule of items reserved to the Board for review as previously outlined;
- 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 formal code of business ethics;
- a comprehensive system of management and financial reporting, accounting, treasury management and project appraisal;
- clearly defined limits and procedures for financial expenditure including procurement and capital expenditure;

Report of the Directors (continued)

- annual budgets and long-term plans for the Group and business units;
- representation at Board level in the Group's principal associates and joint ventures;
- monitoring of performance against budgets for the Group and its principal associates and joint ventures and reporting thereon to the Board on a monthly basis;
- an Internal Audit department which reviews key systems and controls;
- an Audit Committee, which reviews audit plans and deals with significant control issues raised by the internal or external auditors and meets periodically with the internal auditors and the external auditors;
- full and unrestricted access to the Audit Committee for internal and external audit;
- a Group Aviation Safety and Standards function which monitors and reports on aviation safety and security standards and operational procedures at the airports;
- a Health & Safety Committee that monitors and reviews matters in relation to aviation safety, and health and safety at work at the airports;
- a Security Committee that monitors and reviews matters in relation to security at the airports.

The directors confirm that the Group's ongoing process for identifying, evaluating and managing the significant risks facing it is in accordance with the guidance in *Internal Control: Guidance for Directors on the Combined Code (Turnbull).* In particular, the Board has reviewed the process for identifying and evaluating the significant risks affecting the business and the policies and procedures by which these risks are managed. Associated companies are considered as part of the Group's on-going 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.

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:

- as directors are either appointed by the Minister for Transport with the consent of the Minister for Finance or by the Board, the provisions in relation to a Nomination Committee and director re-election do not apply;
- 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 2001 and the Department of Transport. However, these disclosures do not extend to those contained in the Combined Code.

The Group also complied with the ethical and other provisions implicit in the Code of Practice for the Governance of State Bodies issued by the Department of Finance.

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 wellbeing of the Group's employees is safeguarded through the strict adherence to health and safety standards. The Safety, Health and Welfare at Work Act, 1989 imposes certain requirements on employers and all relevant companies within the Group have taken the necessary action to ensure compliance with the Act, including the adoption of safety statements.

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

Aer Rianta cpt's policy is to comply with the requirements of the Prompt Payment of Accounts Act, 1997 as amended by the European Communities (Late Payment in Commercial Transactions) Regulation 2002 (SI 388).

The Company's standard terms of credit, unless otherwise specified in contractual arrangements, are in compliance with the Act. The Company has instituted procedures to implement and monitor compliance with the requirements and these procedures provide reasonable but not absolute assurance against material non-compliance. As in previous years, substantially all Company payments by number and value were made within the appropriate credit period as required. Interest of €20,000 was paid in the year.

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
Noel Hanlon *Chairman*
Liam Meade *Director*
26 March 2003

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which, in accordance with applicable Irish law and accounting standards, give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period. In preparing those 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2001 and all Regulations to be construed as one with those Acts. They have general responsibility 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.

On behalf of the Board
Noel Hanlon *Chairman*
Liam Meade *Director*
26 March 2003

Independent auditors' report to the members of Aer Rianta cpt

We have audited the financial statements on pages 43 to 69.

This report is made solely to the Company's members, 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 members those matters we are required to state to them 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 members, 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 are responsible for preparing the annual report. As described on page 41, this includes responsibility for preparing the financial statements in accordance with applicable Irish law and accounting standards. Our responsibilities, as independent auditors, are established in Ireland by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts. As also required by the Acts, we state whether we have obtained all the information and explanations we require for our audit, whether the Company's balance sheet is in agreement with the books of account and report to you our opinion as to whether

- the Company has kept proper books of account;
- the report of the directors is consistent with the financial statements;
- at the balance sheet date a financial situation existed that may require the Company to hold an extraordinary general meeting on the grounds that the net assets of the Company, as shown in the financial statements, are less than half of its share capital.

We also report to you if, in our opinion, information specified by law regarding directors' remuneration and transactions with the Group is not disclosed.

We review, at the request of the directors, whether the voluntary statement on page 40 reflects the Group's compliance with the seven provisions of the Combined Code that the Irish Stock Exchange specifies for review by auditors, and we report if it does not. We are not required to consider whether the Board's statements on internal controls 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, including the corporate governance statement and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 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 of the state of affairs of the Group and the Company as at 31 December 2002 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2001 and all Regulations to be construed as one with those Acts.

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

In our opinion, the information given in the report of the directors on pages 38 to 40 is consistent with the financial statements.

The net assets of the Company, as stated in the balance sheet on page 48, are more than half of the amount of its called up share capital and, in our opinion, on that basis there did not exist at 31 December 2002 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 Auditors
Dublin
26 March 2003

Statement of accounting policies

for the year ended 31 December 2002

The following accounting policies have been applied consistently, in dealing with items which are considered material in relation to the Group's financial statements.

Basis of Preparation

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

Basis of Consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings (subsidiaries) made up to 31 December 2002.

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 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.

Turnover

Turnover represents the value of goods and services, net of discounts, supplied to external customers excluding intra-Group sales and value added tax.

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.

Tangible Fixed Assets and Depreciation

Depreciation is calculated to write off the cost of tangible fixed assets other than land and freehold hotel properties 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 (excluding hotel buildings)	10 - 50 years

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.

The freehold hotel properties of the Company's subsidiary undertaking, Great Southern Hotels Group, are stated either at a valuation on an open market existing use basis at 31 December 1994 or at cost if acquired subsequently. That Group is availing of the transitional provision of Financial Reporting Standard 15 (FRS 15) "Tangible Fixed Assets" in continuing to carry such assets at their previous revalued amounts, which is not being updated for subsequent changes in value except as adjusted for subsequent additions, disposals and impairment, if any.

The directors of Great Southern Hotels Limited review the estimates of useful lives and residual values of its hotel buildings annually, and have determined that any charge to depreciation would be immaterial. On an annual basis, that Group also estimates the recoverable amount of its hotel buildings; to the extent that the recoverable amount is less than the carrying amount, an impairment loss is recognised in the financial statements.

Capitalisation of Interest

Interest incurred up to the time that separately identifiable major capital projects are ready for service is capitalised as part of the cost of the assets.

Intangible Assets

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 is amortised on a straight line basis over its estimated useful life, the period during which benefits are expected to accrue.

Purchased goodwill is being amortised over a twenty year period or where shorter 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.

Statement of accounting policies (continued)

for the year ended 31 December 2002

Intangible Assets (continued)

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 eight 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 and taking account of the availability of Shannon Relief, where appropriate. 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 revaluation gains in the case of Great Southern Hotels Group, 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. As permitted by FRS 19, deferred tax is not recognised on the gains arising from the revaluation of hotel properties. No deferred tax has been recognised on the unremitted earnings of overseas subsidiaries and associates as no tax is expected to be payable on them. 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.

Pension and Other Post-Retirement Obligations

The Group provides pensions to substantially all employees through contributions to a number of separately administered schemes, the majority of which are defined or target benefit pension schemes.

The expected cost of providing pensions and other retirement benefits to employees is charged to the profit and loss account as incurred over the period of employment of pensionable employees.

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 2002

	Note	2002 €000	2001 €000
Turnover: Group and share of joint ventures		427,036	441,980
Less: share of joint ventures' turnover		(6,162)	(3,660)
Group turnover - continuing operations	1	420,874	438,320
Operating costs			
Cost of goods for resale		(114,952)	(137,655)
Payroll and related costs	2	(142,636)	(134,855)
Materials and services		(93,482)	(93,257)
Depreciation and amortisation		(36,530)	(30,595)
		(387,600)	(396,362)
Group operating profit - continuing operations		33,274	41,958
Share of operating profits			
Joint venture undertakings		3,062	1,501
Associated undertakings	3	39,576	23,744
Group profit before exceptional items		75,912	67,203
Exceptional items – continuing operations			
Profit on disposal of fixed assets	4	6,056	-
Profit on disposal of financial assets	4	-	5,272
Costs of fundamental restructuring	4	-	(28,500)
Group profit before interest		81,968	43,975
Income from other financial assets		1,344	298
Interest receivable			
Group		1,880	3,721
Joint venture undertakings		**49**	-
Associated undertakings		188	609
Interest payable			
Group	5	(23,296)	(21,663)
Joint venture undertakings	5	(746)	(845)
Associated undertakings	5	(10,987)	(7,905)
Group profit on ordinary activities before taxation	6	50,400	18,190
Taxation on profit on ordinary activities	7	(14,172)	(6,627)
Group profit on ordinary activities after taxation		36,228	11,563
Minority interest - equity	28	(5)	4
Group profit for the financial year	8	36,223	11,567
Group profit and loss account at beginning of year		172,602	161,073
Transfer from profit and loss account reserve arising from renominalisation of share capital	19	-	(38)
Profit and loss account at end of year		208,825	172,602

There is no material difference between results as reported and those prepared on a historical cost basis.

On behalf of the Board
Noel Hanlon ***Chairman***
Liam Meade ***Director***
26 March 2003

Other consolidated financial statements

for the year ended 31 December 2002

Statement of total recognised gains and losses

	Note	2002 €000	2001 €000
Profit for the financial year		36,223	11,567
Exchange differences on translation			
of overseas investments (arising on net assets)			
subsidiary undertakings		(754)	(116)
associated undertakings		(4,378)	588
Gain arising on acquisition of shares in associated undertaking		-	2,277
Total recognised gains and losses for the year		31,091	14,316

Movement on reserves

	Note	2002 €000	2001 €000
At 1 January		185,901	171,623
Retained profit for the financial year	20	36,223	11,567
Currency translation adjustments	20	(5,132)	472
Gain arising on acquisition of shares in associated undertaking		-	2,277
Transfer from profit and loss account reserve arising from renominalisation of share capital	19	-	(38)
At 31 December	20	216,992	185,901
Included in the financial statements of:			
Parent company	20	65,358	49,153
Subsidiary undertakings	20	93,305	87,912
Joint venture undertakings	20	2,239	465
Associated undertakings	20	56,090	48,371
At 31 December	20	216,992	185,901

Reconciliation of movement in shareholders' funds

	2002 €000	2001 €000
At 1 January	372,238	357,922
Total recognised gains and losses for the year	31,091	14,316
At 31 December	403,329	372,238

Group balance sheet

at 31 December 2002

	Note	2002 €000	2001 €000
Fixed assets			
Tangible assets	9	698,394	638,943
Intangible assets	10	7,883	8,448
		706,277	647,391
Financial assets			
Investments in joint venture undertakings			
Share of gross assets		20,609	20,055
Share of gross liabilities		(25,028)	(26,248)
Loans to joint venture undertakings		4,882	4,882
		463	(1,311)
Investment in associated undertakings		155,478	152,085
Other financial assets		30,076	30,225
Total financial assets	11	186,017	180,999
		892,294	828,390
Current assets			
Stocks	12	18,922	20,217
Debtors	13	37,166	33,370
Cash at bank and in hand		96,855	45,328
		152,943	98,915
Creditors: amounts falling due within one year	14	(135,453)	(138,945)
Net current assets/(liabilities)		17,490	(40,030)
Total assets less current liabilities		909,784	788,360
Creditors: amounts falling due after more than one year	15	(463,444)	(354,078)
Capital grants	17	(30,437)	(32,150)
Provisions for liabilities and charges	18	(12,628)	(29,994)
Net assets		403,275	372,138
Capital and reserves			
Called up share capital	19	186,337	186,337
Profit and loss account	20	208,825	172,602
Other reserves	20	8,167	13,299
Shareholders' funds - equity		403,329	372,238
Minority interest - equity	28	(54)	(100)
		403,275	372,138

On behalf of the Board
Noel Hanlon *Chairman*
Liam Meade *Director*
26 March 2003

Company balance sheet

at 31 December 2002

	Note	2002 €000	2001 €000
Fixed assets			
Tangible assets	9	577,308	535,774
Financial assets	11	131,849	132,432
		709,157	668,206
Current assets			
Stocks	12	11,600	14,555
Debtors	13	65,679	42,587
Cash at bank and in hand		82,181	34,334
		159,460	91,476
Creditors: amounts falling due within one year	14	(121,321)	(120,664)
Net current assets/(liabilities)		38,139	(29,188)
Total assets less current assets/liabilities		747,296	639,018
Creditors: amounts falling due after more than one year	15	(456,232)	(345,523)
Capital grants	17	(29,331)	(31,045)
Provision for liabilities and charges	18	(10,038)	(26,960)
Net assets		251,695	235,490
Capital and reserves			
Called up share capital	19	186,337	186,337
Profit and loss account	20	65,358	49,153
Shareholders' funds - equity		251,695	235,490

On behalf of the Board
Noel Hanlon *Chairman*
Liam Meade *Director*
26 March 2003

Group cash flow statement

for the year ended 31 December 2002

	Note	2002 €000	2001 €000
Cash inflow from operating activities	21	63,296	82,897
Payments in respect of exceptional restructuring programme	18	(18,697)	-
Dividends received from associated undertakings		3,571	5,268
Returns on investments and servicing of finance	22	(18,352)	(5,212)
Corporation tax paid		(930)	(10,406)
		28,888	72,547
Capital expenditure and financial investment	22	(88,010)	(122,271)
Acquisitions and disposals	22	6,363	(4,500)
Cash outflow before management of liquid resources and financing		(52,759)	(54,224)
Management of liquid resources			
Net cash transferred to liquid resources	23	(48,697)	(25,395)
Financing	22	107,556	94,756
Increase in cash in year	23	6,100	15,137

Notes on and forming part of the financial statements

for the year ended 31 December 2002

1 Turnover - continuing operations

	Group	
	2002 €000	2001 €000
Activity		
Aeronautical revenue	107,165	104,709
Commercial activities	271,010	291,683
Hotels	42,699	41,928
Total turnover	420,874	438,320
Geographical		
Irish airports	331,492	353,076
Irish hotel activities	42,699	41,928
Overseas	46,683	43,316
Total turnover	420,874	438,320

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

2 Payroll and related costs

	2002	2001
Wages and salaries	124,019	118,261
Social welfare costs	12,165	12,293
Pension costs	6,186	4,352
Other staff costs	1,271	855
	143,641	135,761
Staff costs capitalised into fixed assets	(1,005)	(906)
Net staff costs	142,636	134,855

Employee figures (full time equivalents) for the Group were as follows:	2002	2001
Airports	2,416	2,511
Hotels	708	737
International activities	307	190
	3,431	3,438

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 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

Profit on disposal of fixed and financial assets:
A profit of €6.056 million (net of attributable costs) arose on the disposal of land in the parent and a subsidiary company. The capital gains tax arising is €0.777 million. In 2001 a profit of €5.272 million (net of attributable costs) arose on the disposal of an option to acquire an additional shareholding in an associated undertaking. The capital gains tax arising was €1.054 million.

Costs of fundamental restructuring:
In 2001 a number of fundamental change programmes including a voluntary severance scheme were initiated and agreed across Aer Rianta to significantly change structures, work practices, systems and processes. The cost of the restructuring programme resulted in a charge of €28.5 million in 2001 (which had the effect of reducing the tax charge in 2001 by €5.1 million). This programme continues into 2003. The total amount paid to 31 December 2002 was €18.7 million.

Notes (continued)

for the year ended 31 December 2002

5 Interest payable

	Group 2002 €000	Group 2001 €000
Group		
Interest payable on loans wholly repayable by instalments within five years	1,350	2,248
Interest payable on loans wholly repayable after five years	6,741	6,351
Interest on loan notes	15,375	13,395
Amortisation of issue costs	117	93
Other interest payable	20	34
	23,603	22,121
Interest capitalised	(307)	(458)
Total interest payable - Group	23,296	21,663
Joint venture undertakings		
Interest on loans repayable by instalments within five years	746	845
Associated undertakings		
Interest payable on loans repayable by instalments within five years	3,507	2,577
Interest payable on loans repayable by instalments after five years	9,261	7,478
Finance lease interest	5	-
Interest capitalised	(1,786)	(2,150)
Total interest payable – associated undertakings	10,987	7,905

Notes (continued)

for the year ended 31 December 2002

6 Statutory and other information

	Group 2002 €000	Group 2001 €000
Group profit on ordinary activities before tax is stated after charging/(crediting):		
Auditors' remuneration (including expenses):		
for audit services	329	285
for other services	499	584
	828	869
Operating lease rentals:		
equipment	1,634	1,651
buildings	7,664	8,174
Depreciation:		
normal	35,469	30,572
accelerated	202	36
	35,671	30,608
Amortisation of capital grants	(1,713)	(1,723)
Amortisation of intangible assets and goodwill	2,206	1,775
Directors' remuneration:		
fees	127	121
other emoluments (including pension contribution)	303	273
	430	394

The remuneration package of the Group Chief Executive reflected in the amounts shown above as directors' remuneration was as follows:

	2002 €000	2001 €000
Directors' fee	13	13
Basic salary	234	217
Performance related remuneration	35	28
Pension contributions and taxable benefits	33	28
	315	286

Notes (continued)

for the year ended 31 December 2002

7 Taxation on profit on ordinary activities

	Group 2002 €000	2001 €000
Current tax:		
Corporation tax - Ireland	51	325
Overseas tax of subsidiary undertakings	843	113
	894	438
Capital gains tax – Ireland (note 4)	777	1,054
Tax attributable to Group	1,671	1,492
Share of Irish tax of joint venture	591	191
Share of Irish tax of associated undertakings	256	308
Share of overseas tax of associated undertakings	8,146	4,888
Overprovision in respect of prior periods	(1,472)	-
Current tax charge	9,192	6,879
Deferred tax:		
Origination/reversal of timing differences		
attributable to Group (note 18)	1,331	(891)
share of associated undertakings	3,649	639
Deferred tax charge/(credit)	4,980	(252)
Taxation on profit on ordinary activities	14,172	6,627

Irish corporation tax has been reduced by the effect of Shannon Relief of €Nil (2001: €0.181 million).

The Group's Irish operations are subject to differing rates of corporation taxation, according to, inter alia, the nature of activities. During 2002 these rates varied from 10% to 25%. The standard rate of corporation taxation in the Republic of Ireland, which applies to certain of the Group's income, is reducing from 16% in 2002 (2001: 20%) to 12.5% in 2003.

No provision has been made for deferred tax on gains recognised on revaluing hotel properties to their market value in 1994, in accordance with Financial Reporting Standard 19 (FRS19) 'Deferred Tax'. Deferred tax would only be payable if the hotels were sold at their book values. The total amount unprovided for is €3.5 million. It is not envisaged that any such tax will be payable in the foreseeable future.

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

	2002 €000	2001 €000
Profit on ordinary activities	50,400	18,190
Profit on ordinary activities at standard corporation tax rate in Republic of Ireland of 16% (2001: 20%)	8,064	3,638
Effects of:		
Capital allowances for period in excess of depreciation	(951)	(1,523)
Expenses (deductible)/not deductible for tax purposes in the current year (timing differences)	(915)	2,386
Expenses not deductible for tax purposes (permanent differences)	783	932
Profits of foreign undertakings taxable at higher rates	3,622	1,735
Profits taxable at lower rates	-	(181)
Irish profits taxable at higher rates	357	97
Other	(296)	(205)
Overprovision in respect of prior periods	(1,472)	-
Current tax charge for the year	9,192	6,879

Notes (continued)

for the year ended 31 December 2002

8 Profit for the financial year

A separate company profit and loss account is not presented as provided for under the Companies (Amendment) Act 1986, Section 3(2). A profit of €16.2 million (2001: loss €5.1 million) has been dealt with in the financial statements of the Company.

9 Tangible fixed assets

Group	Terminal complexes	Lands & airfields	Plant & equipment	Hotel buildings	Other property	Assets in the course of construction	Total
	€000	€000	€000	€000	€000	€000	€000
Cost or valuation							
At 1 January 2002							
Cost	270,111	149,386	172,682	29,050	134,908	60,016	816,153
Valuation	-	-	-	41,647	-	-	41,647
Total	270,111	149,386	172,682	70,697	134,908	60,016	857,800
Additions	100	117	7,181	16,734	31	71,642	95,805
Transfer to completed assets	10,858	20,540	4,713	9,920	15,758	(61,789)	-
Acquisition of subsidiary undertaking	-	-	529	-	-	-	529
Disposals	-	(164)	(427)	(508)	-	-	(1,099)
Translation	-	-	(448)	-	-	-	(448)
Write-offs	(190)	-	(1,505)	-	(31)	-	(1,726)
At 31 December 2002							
Cost	280,879	169,879	182,725	55,196	150,666	69,869	909,214
Valuation	-	-	-	41,647	-	-	41,647
At 31 December 2002	280,879	169,879	182,725	96,843	150,666	69,869	950,861
Depreciation							
At 1 January 2002	44,264	38,934	90,060	-	45,599	-	218,857
Charge for the year	9,000	5,154	15,932	-	5,585	-	35,671
Disposals	-	-	(268)	-	-	-	(268)
Translation	-	-	(269)	-	-	-	(269)
Write-offs	(190)	-	(1,309)	-	(25)	-	(1,524)
At 31 December 2002	53,074	44,088	104,146	-	51,159	-	252,467
Net book value							
2002	227,805	125,791	78,579	96,843	99,507	69,869	698,394
2001	225,847	110,452	82,622	70,697	89,309	60,016	638,943

Notes (continued)

for the year ended 31 December 2002

9 Tangible fixed assets (continued)

Company	Terminal complexes	Lands & airfields	Plant & equipment	Other property	Assets in the course of construction	Total
	€000	€000	€000	€000	€000	€000
Cost						
At 1 January 2002	270,111	142,515	137,304	129,297	50,096	729,323
Additions	100	117	5,236	31	69,292	74,776
Transfer to completed assets	10,858	20,540	4,713	15,758	(51,869)	-
Disposals	-	(164)	(362)	-	-	(526)
Write-offs	(190)	-	(1,505)	(31)	-	(1,726)
At 31 December 2002	280,879	163,008	145,386	145,055	67,519	801,847
Depreciation						
At 1 January 2002	44,264	38,934	68,097	42,254	-	193,549
Charge for the year	9,000	5,154	13,032	5,533	-	32,719
Disposals	-	-	(205)	-	-	(205)
Write-offs	(190)	-	(1,309)	(25)	-	(1,524)
At 31 December 2002	53,074	44,088	79,615	47,762	-	224,539
Net book value						
2002	227,805	118,920	65,771	97,293	67,519	577,308
2001	225,847	103,581	69,207	87,043	50,096	535,774

Lands and airfields (Group and Company) includes airport land at a cost of €19.6 million (2001: €19.8 million).

Fixed asset additions (Group) include internal architectural and engineering costs of €1.0 million (2001: €0.9 million). Fixed asset additions (Company) include internal architectural and engineering costs of €0.9 million (2001: €0.9 million).

Fixed assets (Group and Company) include cumulative interest capitalised of €2.6 million (2001: €2.3 million). Interest of €0.3 million (2001: €0.5 million) (Group and Company) was capitalised at an average rate of 5.6% per annum.

Certain hotel buildings were revalued on an open market basis by Donal O'Buachalla & Co Limited, at 31 December 1994. The valuations were carried out in accordance with the Appraisal and Valuation Manuals published by the Society of Chartered Surveyors. The valuation has been retained under the transitional provisions of Financial Reporting Standard 15 (FRS15) "Tangible Fixed Assets".

Notes (continued)

for the year ended 31 December 2002

10 Intangible assets

Group	Concession rights €'000	Goodwill €'000	2002 Total €'000	2001 Total €'000
Cost				
At 1 January	14,870	-	14,870	15,020
Additions	2,024	526	2,550	-
Exchange movement	(1,192)	-	(1,192)	(150)
At 31 December	15,702	526	16,228	14,870
Amortisation				
At 1 January	6,422	-	6,422	4,705
Charge for the year	2,072	35	2,107	1,775
Exchange movement	(184)	-	(184)	(58)
At 31 December	8,310	35	8,345	6,422
Net book value	7,392	491	7,883	8,448

Goodwill

On April 18, 2002, the Group's partner in Kievrianta LLC redeemed its shares in the company. As a result the Group's shareholding in Kievrianta LLC increased to 99% and that company is now accounted for as a subsidiary undertaking having previously been accounted for as an associated undertaking. In accordance with Financial Reporting Standard 2: "Accounting for Subsidiary Undertakings" (FRS 2), and in order to give a true and fair view, purchased goodwill has been calculated as the sum of the goodwill arising on each purchase of shares in Kievrianta LLC, 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 the statutory method, under which goodwill is calculated as the difference between cost and fair value on the date that Kievrianta LLC became a subsidiary undertaking. The statutory method would not give a true and fair view because it would result in the Group's share of Kievrianta LLC's retained reserves, during the period that it was an associated undertaking, being recharacterised as goodwill. The effect of this departure is to increase retained profits by €1.318 million and to increase purchased goodwill by €1.318 million.

The consideration payable to the Group's partner for the shares redeemed was €2.099 million. The total net assets in Kievrianta LLC on the date it became a subsidiary, and the share of net assets on that date were as follows:

	Total net assets €000	Share of net assets acquired €000
Fixed assets	529	265
Stocks	1,494	747
Debtors	116	58
Creditors	(1,346)	(673)
Net assets at fair value excluding cash	793	397
Goodwill arising on acquisition		526
		923
Satisfied by:		
Deferred payment		2,099
Cash transferred on acquisition	2,352	
Less: existing share of cash	(1,176)	(1,176)
		923

Notes (continued)

for the year ended 31 December 2002

10 Intangible assets (continued)

The deferred consideration of €2.099 million in respect of the acquisition will be paid in April 2003, and is included in other creditors at 31 December 2002.

The fair value of the net assets acquired equalled the book value of net assets acquired except for a fair value adjustment of €65,000 in relation to creditors which relates to the write back of a provision. The directors are confident that a payment will not be made in respect of the provision.

The goodwill arising on the acquisition will be amortised over ten years which is the term of the concession agreement held by Kievrianta LLC.

11 Fixed assets – financial

	1 January 2002 €000	Movements during the year €000	31 December 2002 €000
Group			
Joint venture undertakings			
Share of gross assets	20,055	554	20,609
Share of gross liabilities	(26,248)	1,220	(25,028)
Loans to joint venture undertaking	4,882	-	4,882
	(1,311)	1,774 (a)	463
Associated undertakings			
Equity interest at cost	101,277	(4,313) (b)	96,964
Goodwill	1,953	(99)	1,854
Loans to associated undertakings	491	79	570
Share of post acquisition profits	59,721	15,675 (b)	75,396
Dividends paid	(23,309)	(3,571)	(26,880)
Translation reserve	11,952	(4,378)	7,574
	152,085	3,393	155,478
Other financial assets			
Other unlisted investments at cost	27,270	(149)	27,121
Listed investments at cost	2,955	-	2,955 (c)
	30,225	(149)	30,076
Total financial assets	180,999	5,018	186,017
Company			
Ordinary shares in subsidiary undertakings at cost	24,339	(583)	23,756
Subordinated loans to subsidiary undertakings	89,485	(84,407) (d)	5,078
Other loans to subsidiary undertakings	13,527	84,407	97,934
Investment in joint venture undertaking	5,081	-	5,081
	132,432	(583)	131,849

(a) The movement in investment in joint venture undertaking during the year relates to an increase in the share of retained profits.

(b) During the year the Group received a refund of €4.09 million in respect of the investment in an associated undertaking in accordance with the provisions of the purchase agreement for that investment. Also during the year the Group's subsidiary, Aer Rianta International cpt, increased its holding of shares in Kievrianta LLC (see note 10). The initial investment of €0.222 million in Kievrianta LLC has been transferred from investments in associated undertakings, and share of profits in associated undertakings has been reduced by €1.045 million, as Kievrianta is now accounted for as a subsidiary undertaking.

Notes (continued)

for the year ended 31 December 2002

11 Fixed assets - financial (continued)

(c) The market value of listed investments at 31 December 2002 was €1.4 million. The Group through its subsidiary, Aer Rianta International cpt, is entitled, subject to completion of that company's obligations under a management agreement, to resell these shares at cost. The Group expects that these obligations will be met.

(d) During 2002 subordinated loans to subsidiary undertakings of €84.4 million became unsubordinated.

In the opinion of the directors, the realisable value of the investments is not less than the book amounts shown above.

The principal operating subsidiary, associated and joint venture undertakings of the Group, all of which are included in the Group financial statements, are as set out below:

Undertaking	Registered office	Nature of business	% holding of ordinary shares
Subsidiary undertakings			
Aer Rianta Finance plc	Dublin, Ireland	Financing company	100
Aer Rianta International cpt	Shannon, Ireland	International management services and airport investor	100
Great Southern Hotels Limited	Dublin, Ireland	Hotel operator	100
Aer Rianta International (North America) Inc.	Montreal, Canada	Duty-free shopping and related activities	100
Kievrianta LLC	Kiev, Ukraine	Duty-free shopping and related activities	99
Associated undertakings			
Birmingham International Airport Limited	Birmingham, England	Airport	24.125
Airport Partners GmbH [1]	Düsseldorf, Germany	Airport investor	40
Aer Rianta International (Middle East) W.L.L.	Manama, Bahrain	Duty-free shopping and related activities	49
Lenrianta JSC	St. Petersburg, Russia	Duty-free shopping and related activities	48.3
Aerofirst JSC	Moscow, Russia	Duty-free shopping and related activities	33.3
Global Travel Management S.A.	Athens, Greece	Consultancy	45
Omnistone Limited	Cork, Ireland	Cork Airport Business Park development	25
Hamburg Airport Partners GmbH	Hamburg, Germany	Airport investor	20
Joint venture undertakings			
Turckton Developments Limited	Dublin, Ireland	Business park development	50

[1] The Group has a beneficial interest of 20% in the share capital of Flüghafen Düsseldorf GmbH (Düsseldorf Airport) through its investment in Airport Partners GmbH.

All financial statements of subsidiary, associated and joint venture undertakings are co-terminous with the year-end of the Group other than in respect of Birmingham International Airport Limited and Aer Rianta Finance plc whose financial statements are prepared to 31 March and 28 February year-ends respectively. Management accounts of these entities have been prepared to 31 December 2002 for the purposes of including the results of these companies in the Group financial statements. Transactions between the Group and its associated and joint venture undertakings are detailed in note 27.

12 Stocks

	Group		Company	
	2002 €000	2001 €000	2002 €000	2001 €000
Goods for resale	17,516	18,416	10,227	13,157
Maintenance	1,406	1,801	1,373	1,398
	18,922	20,217	11,600	14,555

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

Notes (continued)

for the year ended 31 December 2002

13 Debtors

	Group		Company	
	2002	2001	2002	2001
	€000	€000	€000	€000
Trade debtors	25,024	19,454	22,834	16,618
Due from subsidiary undertakings	-	-	33,220	16,709
Due from associated undertakings	776	3,277	-	-
VAT	1,423	2,745	1,089	2,477
Other debtors	9,943	7,894	8,536	6,783
	37,166	33,370	65,679	42,587

Debtors of €5.1 million (2001: €4.5 million), in the Group and debtors of €37.6 million (2001: €19.3 million) in the Company, fall due after more than one year.

14 Creditors: amounts falling due within one year

Bank loans (note 16)	17,386	17,452	15,925	15,801
Bank overdraft	-	923	-	-
Trade creditors	15,077	30,981	5,038	26,841
Due to subsidiary undertakings	-	-	22,126	11,947
Other creditors	27,949	24,766	10,489	8,988
Accruals and deferred income	75,041	64,823	67,743	57,087
	135,453	138,945	121,321	120,664

Tax included in other creditors:				
Corporation tax	3,089	2,995	2,607	2,607
Capital gains tax	777	1,623	36	-
PAYE	2,827	2,873	2,571	2,700
PRSI	1,720	1,959	1,578	1,795
Withholding tax	85	35	-	-

15 Creditors: amounts falling due after more than one year

Bank loans (note 16)	206,506	98,884	74,046	89,965
Other creditors	8,186	6,559	8,186	6,558
Loan notes (note 16)	248,752	248,635	-	-
Due to subsidiary undertakings	-	-	374,000	249,000
	463,444	354,078	456,232	345,523

Other creditors of €5.91 million (2001: €4.5 million), Group and Company, fall due after more than five years.

Notes (continued)

for the year ended 31 December 2002

16 Financial liabilities

	Group		Company	
	2002	2001	2002	2001
	€000	€000	€000	€000
Repayable by instalments:				
Repayable within one year	17,386	17,452	15,925	15,801
Repayable within one to two years	17,336	17,386	16,066	15,925
Repayable within two to five years	62,012	52,450	46,488	48,641
Repayable after five years	127,158	29,048	11,492	25,399
	223,892	116,336	89,971	105,766
Repayable by other than instalments:				
Repayable within one year	-	923	-	-
Repayable after five years	248,752	248,635	-	-
	248,752	249,558	-	-
	472,644	365,894	89,971	105,766
Included in creditors falling due within one year	17,386	18,375	15,925	15,801
Included in creditors falling due after more than one year	455,258	347,519	74,046	89,965

Included above are amounts of €10.3 million (2001: €11.6 million), Group and Company, which are guaranteed by the Irish State.

The Group through its subsidiary Aer Rianta Finance plc has in issue €250 million of loan notes repayable in 2011 at a fixed rate of 6.15% payable annually, which is included in financial liabilities repayable other than by instalments above. All amounts payable to noteholders are guaranteed by Aer Rianta cpt.

Borrowing Facilities

The Group has various undrawn committed borrowing facilities. At 31 December 2002 the undrawn committed facilities available in respect of which all conditions precedent had been met were as follows:

	2002
	€000
Expiring in one year or less	34,791
Expiring in more than one year but not more than two years	5,047
Expiring in more than two years but not more than five years	21,142
Expiring in more than five years	18,000
Total	**78,980**

17 Capital grants

	Group		Company	
	2002	2001	**2002**	2001
	€000	€000	**€000**	€000
At 1 January	32,150	33,873	31,045	32,769
Amortised to profit and loss account	(1,713)	(1,723)	(1,714)	(1,724)
At 31 December	30,437	32,150	29,331	31,045

A liability could arise to repay in whole, or in part, grants received, totalling €0.079 million (2001: €0.079 million), Group and Company, if certain circumstances set out in the grant agreements occur within ten years of the date of acceptance of these grants.

Notes (continued)

for the year ended 31 December 2002

18 Provisions for liabilities and charges

	Deferred tax	Restructuring (note 4)	Total
Group	**€000**	**€000**	**€000**
At 1 January 2002	1,494	28,500	29,994
Charge for the year (note 7)	1,331	-	1,331
Utilised in year	-	(18,697)	(18,697)
At 31 December 2002	2,825	9,803	12,628
Company			
At 1 January 2002	(1,540)	28,500	26,960
Charge for the year (note 7)	1,775	-	1,775
Utilised in year	-	(18,697)	(18,697)
At 31 December 2002	235	9,803	10,038

The deferred tax provision at 31 December 2002 in the Group of €2.8 million was made up of €5.1 million in respect of timing differences on capital allowances, less €1.1 million in relation to tax losses carried forward and less €1.2 million reflecting amounts not deductible for corporation tax in the current year.

In the Company the deferred tax provision at 31 December 2002 of €0.2 million was made up of €1.6 million in respect of timing differences on capital allowances, less €1.4 million reflecting amounts not deductible for corporation tax in the current year.

19 Called up share capital - equity

	Group and Company	
	2002 €000	2001 €000
Authorised:		
250,000,000 ordinary shares of €1.27 each	317,500	317,500
Allotted, called up and fully paid:		
At 1 January - 146,721,889 ordinary shares of €1.27 each (IR£1.00 each)	186,337	186,299
Renominalisation of share capital	-	38
At 31 December – 146,721,889 of ordinary shares of €1.27 each	186,337	186,337

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

Notes (continued)

for the year ended 31 December 2002

20 Reserves

	Profit & loss account €000	Translation reserve €000	Other reserves €000	Total reserves €000
Group				
At 1 January 2002	172,602	10,776	2,523	185,901
Retained profit for the year	36,223	-	-	36,223
Currency translation adjustment	-	(5,132)	-	(5,132)
At 31 December 2002	208,825	5,644	2,523	216,992
As follows:				
Aer Rianta cpt	65,358	-	-	65,358
Subsidiary undertakings	92,958	(1,930)	2,277	93,305
Joint venture undertakings	2,239	-	-	2,239
Associated undertakings	48,270	7,574	246	56,090
	208,825	5,644	2,523	216,992

21 Reconciliation of operating profit to cash inflow from operating activities

	Group	
	2002 €000	2001 €000
Operating profit	33,274	41,958
Depreciation charge	35,671	30,608
Amortisation of intangible assets	2,107	1,775
Amortisation of financial assets	99	-
Tangible fixed asset write-offs	202	63
Amortisation of capital grants	(1,713)	(1,723)
Profit on sale of tangible fixed assets	(66)	(165)
Decrease in stocks	2,789	472
(Increase)/decrease in debtors	(2,658)	3,700
(Decrease)/increase in creditors	(6,409)	6,209
	63,296	82,897

Notes (continued)

for the year ended 31 December 2002

22 Analysis of headings grouped in cash flow statement

	Group	
	2002 €000	2001 €000
Returns on investments and servicing of finance		
Interest received	1,397	3,676
Interest paid	(21,093)	(9,186)
Investment income	1,344	298
	(18,352)	(5,212)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(94,963)	(114,590)
Sale of tangible fixed assets	6,953	311
Investment in financial assets	-	(13,264)
Sale of financial assets	-	5,272
	(88,010)	(122,271)
Acquisitions and disposals		
Adjustment to consideration for associated undertakings	4,090	-
Net cash acquired with subsidiary	2,352	-
Investment in associated undertakings	-	(397)
Loan to associated undertaking	(79)	(491)
Loan to joint venture undertaking	-	(3,612)
	6,363	(4,500)
Financing		
Net proceeds from issue of loan notes	-	248,542
New bank loans	125,000	5,079
Repayments of amounts borrowed	(17,444)	(158,865)
	107,556	94,756

23 Reconciliation of net cash flow to movement in net debt

	Group 2002 €000
Increase in cash in the year	6,100
Increase in liquid resources	48,697
Increase in debt	(107,556)
Change in net debt resulting from cash flows	(52,759)
Non-cash movements	(117)
Foreign exchange movements	(2,347)
Movement in net debt in the year	(55,223)
Net debt at 1 January 2002	(320,566)
Net debt at 31 December 2002	(375,789)

Notes (continued)

for the year ended 31 December 2002

24 Analysis of net debt

	At 1 January 2002 €000	Cash flow €000	Non-cash movement €000	Foreign exchange movement €000	At 31 December 2002 €000
Cash	19,933	5,177	-	(2,347)	22,763
Bank overdraft	(923)	923	-	-	-
Liquid resources	25,395	48,697	-	-	74,092
	44,405	54,797	-	(2,347)	96,855
Debt due within one year	(17,452)	17,444	(17,378)	-	(17,386)
Debt due after one year	(347,519)	(125,000)	17,261	-	(455,258)
	(364,971)	(107,556)	(117)	-	(472,644)
Total	**(320,566)**	**(52,759)**	**(117)**	**(2,347)**	(375,789)

25 Financial instruments

Narrative disclosures concerning the Group's treasury policy and management are set out in the Financial Review. The required disclosures in respect of relevant financial assets and liabilities (as defined) in accordance with Financial Reporting Standard 13 (FRS 13) "Derivatives and Other Financial Instruments" are provided below. Relevant financial assets/liabilities exclude short-term debtors and creditors and investments in shares 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 2002 was:

	Total €000	Floating rate €000	Fixed rate €000
Financial liabilities			
Euro	472,644	69,324	403,320
Financial assets			
Euro	86,589	86,589	-
Sterling	1,638	1,638	-
US dollar	6,017	6,017	-
Canadian dollar	2,607	2,607	-
Hong Kong dollar	4	4	-
	96,855	96,855	-

The weighted average interest rate for fixed rate euro currency financial liabilities was 5.9% (2001: 6.3%) and the weighted average period for which the rate is fixed was 10.9 years (2001: 8.8 years). There were no financial liabilities on which no interest is paid. The floating rate financial liabilities were comprised of bank borrowings that bore interest at rates on up to twelve-month EURIBOR. 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 associates and joint venture undertakings or on listed or unlisted investments.

Notes (continued)

for the year ended 31 December 2002

25 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		
As at 31 December 2002	**Sterling**	**US dollar**	**Canadian dollar**
Functional currency of Group operations			
Euro	439	7,430	221
Canadian dollar	-	29	-
	439	7,459	221

	Net foreign currency monetary assets €000		
As at 31 December 2001	**Sterling**	**US dollar**	**Canadian dollar**
Functional currency of Group operations			
Euro	1,432	14,179	214
Canadian dollar	-	22	-
	1,432	14,201	214

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 2002.

	Book Value €000	**Fair Value €000**
Primary financial instruments held or issued to finance the Group's operations		
Short-term financial liabilities and current position of long-term borrowings (note 16)	17,386	18,209
Long-term borrowings (note 16)	455,258	474,887
	472,644	493,096
Derivative financial instruments held to manage the interest rate and currency profile:		
Interest rate swaps	-	(526)
Derivative financial instruments held or issued to hedge the currency exposure on expected future sales:		
Forward foreign exchange contracts	-	141

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 other than as indicated in note 11 in respect of listed investments.

Notes (continued)

for the year ended 31 December 2002

25 Financial instruments (continued)

(iv) Hedges

As set out in the Financial Review, the Group enters into forward foreign currency contracts to eliminate the currency exposure that arises on cash flows denominated in foreign currencies. It also uses 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	Losses	Total net gains/(losses)
	€000	€000	€000
Unrecognised gains and losses on hedges on 1 January 2002	23	(310)	(287)
Gains and losses arising in previous years recognised in 2002	23	(55)	(32)
Gains and losses arising before 1 January 2002 not recognised in 2002	-	(255)	(255)
Gains and losses arising in 2002 not recognised in 2002	141	(271)	(130)
Unrecognised gains and losses on hedges at 31 December 2002	141	(526)	(385)
Of which:			
Gains and losses expected to be recognised in 2003	141	(77)	64
Gains and losses expected to be recognised in 2004 or later	-	(449)	(449)
	141	(526)	(385)

26 Commitments

	Group		Company	
	2002	2001	2002	2001
	€000	€000	€000	€000
(i) Capital commitments				
Contracted	20,187	38,896	14,468	22,221
Authorised by the directors but not contracted for	63,224	84,526	63,224	82,621
At 31 December	83,411	123,422	77,692	104,842

(ii) Operating leases

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

Plant and equipment

	Group 2002 €000	Group 2001 €000	Company 2002 €000	Company 2001 €000
Payable on leases which expire within:				
One year	55	51	-	-
Two to five years	1,554	1,733	1,525	1,689
	1,609	1,784	1,525	1,689

Notes (continued)

for the year ended 31 December 2002

26 Commitments (continued)

	Group		Company	
	2002	2001	2002	2001
	€000	€000	€000	€000
Buildings				
Payable on leases which expire within:				
Two to five years	6,774	8,476	-	-

(iii) Other commitments

In the normal course of business the Group's fuel aviation supply business enters into commitments for the future supply of aviation fuel for resale to customers at one of its airports. At 31 December 2002, the value of such fuel purchase commitments for periods up to March 2004 pursuant to fuel supply agreements was €39.3 million (2001: €48 million).

27 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.

	2002	2001
	€000	€000
Management charges to associated undertakings	6,270	6,247
Charges to associated undertakings in respect of services provided by the Group	1,363	2,100
Sales at cost to associated undertakings	1,535	1,329
Payments made by the Group on behalf of associated undertakings	618	4,378
Due from associated undertakings at year end	1,346	3,768
Dividends received from associated undertakings	4,456	5,268
Due from joint venture undertakings at year-end	4,882	4,882

In common with many other government and state bodies, the Group deals in the normal course of business with other government and state bodies, such as Aer Lingus, ESB, An Post, Irish Aviation Authority and the Department for Transport.

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

28 Minority interest

Duty Free Opportunities (Asia) Limited is the minority partner (35%) in Aer Rianta International (East Asia) Limited, and a minority party (1%) in Kievrianta LLC.

Notes (continued)

for the year ended 31 December 2002

29 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:

	2002 €000	2001 €000
Turnover	152,564	151,145
Fixed assets	319,723	301,631
Current assets	52,935	51,450
Liabilities due within one year	(49,023)	(37,916)
Liabilities due after one year or more	(227,688)	(184,469)

The capital development programme of all associated undertakings amounts to some €496 million over the next five years.

The Group's share of the results, assets and liabilities of Airport Partners GmbH (an associated undertaking which exceeds certain size criteria set down in FRS 9) is as follows:

Turnover	62,820	63,563
Profit before tax	11,738	2,893
Taxation	(6,969)	(1,374)
Profit after tax	4,769	1,519
Fixed assets	218,345	215,687
Current assets	9,399	13,944
Liabilities due within one year	(27,144)	(12,899)
Liabilities due after one year or more	(166,416)	(155,215)

Profit before tax in 2002 included an exceptional gain and exceptional operating costs, the Group's share of which amounted to €14.0 million and €2.0 million respectively.

Consistent accounting policies are adopted by the Group except as follows:

Airport Partners GmbH - accounting for pensions in Flüghafen Düsseldorf GmbH (FDG), which is a member of the Supplementary Pension Fund of the state capital of Düsseldorf (Zusatzvers orgungsuasse, ZVK). As a member of ZVK, Flüghafen Düsseldorf GmbH is obliged to register all qualifying employees with ZVK. The qualifying employees have a direct claim against ZVK for payment of old age and surviving dependants' benefits. It is not practical to amend this accounting policy to accord with the Group's treatment of same nor is it possible to quantify the effect of the differences in accounting treatment in the Group financial statements at this time.

Birmingham International Airport Limited has adopted a policy of revaluing assets whereas the Group does not have such a policy. The share of profits and share of net assets included in the Group's financial statements have been calculated in accordance with the Group's accounting policies and adjusted to eliminate the impact of revaluation of assets in Birmingham International Airport Limited.

30 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. The pension scheme assets are held in separate, Revenue approved, trustee administered funds.

The Group continues to account for pensions in accordance with Statement of Standard Accounting Practice No. 24 (SSAP 24): 'Accounting for Pension Costs'. The pension cost to the Group for the financial year amounted to €6.186 million (2001: €4.352 million).

The actuarial valuations of the Irish Airlines (General Employees) Superannuation Scheme and the Great Southern Hotels Scheme are available for inspection by members of the schemes and their dependants but not by the general public.

Aer Rianta cpt
The majority of the Group's employees are those of the parent company, Aer Rianta cpt, whose permanent employees over the age of twenty are members of the Irish Airlines (General Employees) Superannuation Scheme. This scheme is operated in conjunction with a number of other employers. The Company's current and past employees comprise a minority of the membership of this multi-employer scheme.

Notes (continued)

for the year ended 31 December 2002

30 Pensions (continued)

The Company and employees contribute a fixed percentage of salaries each year to this scheme which does not vary according to the funded level of the scheme. Accordingly, no additional disclosures in the context of reporting under Financial Reporting Standard 17 (FRS 17), “Retirement Benefits” are required. The pension cost to the Group for the financial year in relation to this scheme amounted to €5.571 million (2001: €3.790 million). It is the intention of the Company, subject to Ministerial approvals, to set up its own defined benefit pension scheme for eligible Aer Rianta cpt employees.

Aer Rianta International cpt

Aer Rianta International cpt operates a defined contribution pension scheme for all its full time permanent employees who have attained the age of 24 years. The pension cost in relation to this scheme for the financial year amounted to €0.272 million (2001: €0.225 million).

Great Southern Hotels Group

(a) SSAP 24 " Accounting for pension costs" disclosures

Great Southern Hotels Group operates a revenue approved defined benefit pension scheme covering that Group's permanent employees over the age of twenty. The contributions payable to the scheme by the Group and the members are laid down in the scheme rules and are made in accordance with the advice of an independent qualified actuary and an actuarial valuation of the assets and liabilities of the scheme is carried out at intervals of three years.

The latest actuarial valuation of the scheme was carried out on 1 May 2000 using the Aggregate Funding Method. For the purposes of the valuation it was assumed that the long-term rate of investment return would exceed the general level of salary inflation by 2% per annum and that the age of retirement would be 65 for all members. The actuarial valuation disclosed that the scheme is adequately funded on a discontinuance basis. The actuarial valuation also disclosed that the mid-market value of the scheme's assets amounted to €8.4 million and that the level of funding was in excess of 100%.

The cost in relation to this scheme for the financial year amounted to €0.343 million (2001: €0.337 million).

(b) FRS 17 "Retirement Benefits" disclosures

An independent actuarial review as at 31 December 2002 disclosed a net deficit of the present value of accrued scheme liabilities of €3.3 million (2001: €Nil) over the total fair value of assets.

Had FRS 17 been reflected in the primary financial statements of the Great Southern Hotels Group, the following are the amounts that would have been included in the Profit and Loss Account and the Statement of Total Recognised Gains and Losses:

	2002 **€000**
Net charge to operating profit	391
Net decrease in finance costs	90
Net movement included in statement of total recognised gains and losses	(3,372)

The full disclosures required under FRS 17 are set out in the consolidated financial statements of Great Southern Hotels Limited.

31 Comparative figures

The comparative figures have been regrouped where necessary on the same basis as those for the current year.

32 Approval of financial statements

The financial statements were approved by the Board on 26 March 2003.

Five year summary of financial results

	2002 €000	2001 €000	2000 €000	1999 €000	1998 €000
Operating results					
Turnover	420,874	438,320	424,992	371,949	338,216
Group EBITDA	69,804	72,553	84,749	72,366	77,520
Group operating profit	33,274	41,958	57,627	49,336	60,925
Share of profits of associates, joint ventures and investment income	43,982	25,543	25,443	15,990	15,511
Net interest payable – Group joint ventures and associates	(32,912)	(26,083)	(17,721)	(11,704)	(11,650)
Exceptional items	6,056	(23,228)	-	-	1,648
Profit before taxation	50,400	18,190	65,349	53,622	66,434
Taxation	(14,172)	(6,627)	(19,739)	(14,231)	(5,675)
Minority interest	(5)	4	6	24	183
Profit for the financial year	36,223	11,567	45,616	39,415	60,942
Capital employed					
Tangible fixed assets	698,394	638,943	545,836	491,690	370,818
Intangible assets	7,883	8,448	10,315	11,495	11,047
Financial assets	186,017	180,999	153,788	108,052	97,513
Net current assets/(liabilities)	17,490	(40,030)	(52,312)	(67,389)	(33,596)
Total assets less current liabilities	909,784	788,360	657,627	543,848	445,782
Creditors over one year	(463,444)	(354,078)	(263,529)	(202,152)	(145,280)
Capital grants	(30,437)	(32,150)	(33,873)	(35,621)	(37,409)
Provisions for liabilities and charges	(12,628)	(29,994)	(2,385)	(429)	(542)
Net assets	403,275	372,138	357,840	305,646	262,551

Five year summary of financial results (continued)

	2002 €000	2001 €000	2000 €000	1999 €000	1998 €000
Summary Cash Flow					
Cash flow from operating activities	63,296	82,897	78,771	62,602	86,992
Payments in respect of exceptional restructuring programme	(18,697)	-	-	-	-
Dividends from associated undertakings	3,571	5,268	2,931	664	757
	48,170	88,165	81,702	63,266	87,749
Net interest paid/investment income	(18,352)	(5,212)	(11,655)	(7,367)	(7,503)
Corporation tax paid	(930)	(10,406)	(9,537)	(629)	(1,318)
	28,888	72,547	60,510	55,270	78,928
Investment in tangible fixed assets	(94,963)	(114,590)	(94,316)	(132,085)	(84,269)
Capital grants received	-	-	-	25	4,741
Investment in/loans to associated and joint venture undertakings and financial assets	4,011	(17,764)	(23,669)	2,220	-
Purchase of subsidiary undertakings including the related financial assets	2,352	-	-	-	(13,472)
Sale of tangible and other assets and subsidiary undertakings	6,953	5,583	-	88	8,547
	(81,647)	(126,771)	(117,985)	(129,752)	(84,453)
	(52,759)	(54,224)	(57,475)	(74,482)	(5,525)
Dividends/surrender to shareholder	-	-	-	-	(18,919)
Cash out flow before management of liquid resources and financing	(52,759)	(54,224)	(57,475)	(74,482)	(24,444)
Net debt					
Group net debt at year end	375,789	320,566	266,253	208,262	131,765

Five year summary of passenger statistics

Passengers	2002	2001	2000	1999	1998
Overall					
Transatlantic	1,417,268	1,616,680	1,649,446	1,462,686	1,223,028
Great Britain	9,615,579	9,127,224	9,122,192	8,725,929	8,276,664
Europe	6,677,365	6,012,375	5,362,380	4,541,645	3,821,266
Domestic	1,042,135	1,121,304	1,135,880	1,054,252	931,247
Transit	560,297	636,447	662,042	707,647	544,127
Total	19,312,644	18,514,030	17,931,940	16,492,159	14,796,332
Percentage growth year-on-year	+4.3%	+3.2%	+8.7%	+11.5%	+10.8%
Dublin					
Transatlantic	798,902	939,329	966,451	829,759	674,328
Great Britain	7,884,031	7,438,259	7,419,183	7,226,495	6,919,221
Europe	5,627,552	5,169,717	4,644,792	3,989,831	3,384,545
Domestic	650,965	656,834	661,062	610,962	539,444
Transit	123,217	129,416	152,040	144,984	123,562
Total	15,084,667	14,333,555	13,843,528	12,802,031	11,641,100
Percentage growth year-on-year	+5.2%	+3.5%	+8.1%	+9.9%	+12.7%
Shannon					
Transatlantic	617,877	677,068	682,715	632,780	548,559
Great Britain	702,313	714,285	751,176	609,587	557,117
Europe	495,324	363,251	317,264	221,089	170,475
Domestic	117,871	158,362	164,665	182,070	158,425
Transit	420,145	491,692	492,432	542,628	405,432
Total	2,353,530	2,404,658	2,408,252	2,188,154	1,840,008
Percentage growth year-on-year	-2.1%	-0.1%	+10.1%	+18.9%	+1.0%
Cork					
Transatlantic	489	283	280	147	141
Great Britain	1,029,235	974,680	951,833	889,847	800,326
Europe	554,489	479,407	400,324	330,725	266,246
Domestic	273,299	306,108	310,153	261,220	233,378
Transit	16,935	15,339	17,570	20,035	15,133
Total	1,874,447	1,775,817	1,680,160	1,501,974	1,315,224
Percentage growth year-on-year	+5.6%	+5.7%	+11.9%	+14.2%	+9.9%
Terminal freight including mail (metric tonnes)					
Dublin	116,739	140,126	150,023	145,391	134,650
Shannon	48,094	50,181	53,398	45,974	44,037
Cork	12,852	11,743	10,894	11,047	12,818
Total	177,685	202,050	214,315	202,412	191,505
Percentage growth year-on-year	-12.0%	-5.7%	+5.9%	+5.7%	+12.5%

Five year summary of aircraft movements

	2002	2001	2000	1999	1998
Aircraft movements					
Overall					
Commercial					
- Scheduled	187,993	193,329	188,912	172,686	162,266
- Non Scheduled	27,961	27,235	25,573	24,937	22,573
- Training	24,489	35,401	42,325	38,775	32,663
Others	23,211	28,302	27,646	28,549	28,102
Total	263,654	284,267	284,456	264,947	245,604
Percentage growth year-on-year	-7.2%	-0.1%	+7.4%	+7.9%	+6.6%
Dublin					
Commercial					
- Scheduled	151,069	154,910	145,976	140,154	132,558
- Non-Scheduled	15,604	15,152	16,221	12,944	12,259
- Training	1,937	1,390	1,328	1,522	1,092
Others	13,265	14,250	16,720	15,801	16,177
Total	181,875	185,702	180,245	170,421	162,086
Percentage growth year-on-year	-2.0%	+3.0%	+5.8%	+5.1%	+7.8%
Shannon					
Commercial					
- Scheduled	17,528	18,915	19,657	16,308	14,218
- Non Scheduled	8,693	7,996	7,925	8,946	7,528
- Training	5,646	13,402	18,745	18,825	16,663
Others	4,996	7,671	7,540	7,335	7,367
Total	36,863	47,984	53,867	51,414	45,776
Percentage growth year-on-year	-23.2%	-10.9%	+4.7%	+12.3%	+13.9%
Cork					
Commercial					
- Scheduled	19,396	19,504	23,279	16,224	15,490
- Non Scheduled	3,664	4,087	1,427	3,047	2,786
- Training	16,906	20,609	22,252	18,428	14,908
Others	4,950	6,381	3,386	5,413	4,558
Total	44,916	50,581	50,344	43,112	37,742
Percentage growth year-on-year	-11.2%	+0.5%	+16.8%	+14.2%	-5.4%

General Business and Aeronautical Information

Dublin Airport

Location	Lat.532517N, Long.061612W (midpoint runway 10/28)
Elevation	242 ft. AMSL
Runway Data	10/28 Length 2637 metres Width 45 metres plus 7.5 m shoulders each side Surface concrete, Category 3 (runway 28) Category 2 (runway10) 16/34 Length 2072 metres Width 61 metres Surface asphalt, Category 1 (runway 16) Non inst (runway 34) 11/29 Length 1357 metres Width 61 metres Surface asphalt – concrete N. Inst
Refueling	Full refueling facilities available – AVGAS 100 LL, JET A1
Operational Hrs	24 hrs
Postal Address	Dublin Airport, Co. Dublin, Ireland
Fax Number	(01) 814 1034 (09:00 – 17: 00) (01) 814 4643 (24hrs)
Telephone Number	National (01) 814 1111 Intl 353-1 – 814 1111
Web	www.dublinairport.com
Sita	DUBRB7X (Airport Administration) DUBYREI (Operations)

Cork Airport

Location	Lat.515029N, Long. 082928W
Elevation	502 ft . AMSL
Runway Data	17/35 Length 2133 metres Width 45 metres plus 7.5 m shoulders each side Surface asphalt, Category 2 07/25 Length 1310 metres Width 45 metres Surface concrete N. Inst.
Refueling	Full refueling facilities available
Operational Hrs	24 hrs
Postal Address	Cork Airport, Co. Cork, Ireland
Fax Number	(021) 431 3442
Telephone Number	National (021) 431 3131 Intl 353 – 21- 431 3131
Web	www.corkairport.com
Sita	ORKKFEI

Shannon Airport

Location	Lat. 524207N, Long. 085529W
Elevation	46ft. AMSL
Runway Data	06/24 Length 3199 metres Width 45 metres plus 8m shoulders each side Surface asphalt, Category 2 13/31 Length 1720 metres Width 45 metres Surface asphalt - concrete N.Inst
Refueling	Full refueling facilities available
Operational Hrs	24 hrs
Postal Address	Shannon Airport, Co.Clare, Ireland
Fax Number	(061) 712282 (Airport Operations Dept) (061) 471719 (Shannon Aviation Fuels)
Telephone Number	National (061) 712000 (24 hr) Intl 353-61-712000 (24 hr)
Web	www.shannonairport.com
Sita	SNN RRCR

General Business and Aeronautical Information (continued)

Aer Rianta	Head Office, Old Central Terminal Building Dublin Airport, Co.Dublin, Ireland Tel: (01) 814 1111 Intl 353 1 814 1111 Fax: (01) 814 4120 Intl 353 1 814 4120 Web: www.aerrianta.com
Registered Office	Dublin Airport, Co.Dublin, Ireland
Aer Rianta International	Head Office, Shannon Airport, Co. Clare, Ireland. Tel: (061) 712 777 Intl 353 61 712 777 Fax: (061) 474 595 Intl 353 61 474 595 Web: www.ari.ie
Aer Rianta International Middle East	4th Floor, Falcon Tower Building, Diplomatic Area, P.O. Box 5334, Manama, Bahrain. Tel: 00 973 537979 Fax: 00 973 533741
Aer Rianta Finance	Old Central Terminal Building, Dublin Airport, Co.Dublin, Ireland Tel: (01) 814 1111 Intl 353 1 814 1111
Great Southern Hotels	Head Office, 6, Charlemont Terrace, Dun Laoghaire, Co. Dublin, Ireland Tel: (01) 214 4800 Intl 353 1 214 4800 Fax: (01) 214 4805 Intl 353 1 214 4805 Web: www.greatsouthernhotels.com
Auditors	KPMG 1, Stokes Place, St. Stephens Green, Dublin 2
Principal Bankers	Bank of Ireland Allied Irish Banks

Aer Rianta's strategy is to be a premier Irish international airport owner and operator, meeting the needs and expectations of customers, using resources effectively, fully realising the capabilities and potential of staff and optimising long-term shareholder value.

The Group's core business is the development, operation and management of the three principal Irish airports, Irish and international airport retail management and international airport investment.

design by www.reddog.ie