



gateway for  
**development**

Partnership

Passion

Innovation

Integrity

Success

# “Deliver sustainable growth in revenue and earnings

## Strategy

- Maintain competitive pricing and cost structures
- Build international air capacity
- Increase the numbers of departing international passengers
- Grow and diversify non-aeronautical revenue streams
- Effectively and efficiently develop and use our assets

### Achievements

- > 8.2% growth in total passenger numbers
- > 25% growth in international passenger numbers
- > 3% growth in domestic passenger numbers
- > 17% growth in aeronautical revenue
- > 7% growth in non-aeronautical revenue
- > Achievement of \$16.551m Net Profit After Tax

### New services with increased leisure options

- > Increased connectivity to two global hubs — Los Angeles (Air New Zealand) and Dubai (Emirates) — both offering significant passenger and airfreight capabilities
- > Korean Airlines returned for the summer season
- > Singapore Airlines committed to a daily all year round service — a 40% increase in capacity in the winter season
- > Rarotonga as a new destination (Pacific Blue and Air New Zealand)
- > For the first time Christchurch is an international hub with Pacific Blue and Air New Zealand using Christchurch as a hub for the Melbourne/Rarotonga service

# Case study



“As Christchurch grows, we'll still be in the position to service our ever-growing client base whether they are north, south, east or west. It's a win-win-win situation”  
Pete Mabin, branch manager Fliway Transport

## Multi-Million dollar development

Aviation is a turbulent industry and to plan for sustainable growth we need to develop our non-aeronautical revenue. That is why securing a multi million dollar freight forwarding development deal with Fliway Transport Limited is an important achievement. A New Zealand owned company, Fliway Transport, is a well-established professional logistics, transport and freight forwarding organisation with strong alliances to the major international express company UPS. For CIAL, this development demonstrates our position as a transport hub — the gateway for South Island business to access global markets.

The location is ideal for an organisation like ours. We're next door to the runway for our international freight forwarding unit, we have the space to grow our logistics business and our transport unit is in the perfect geographical spot. As Christchurch grows, we'll still be in the position to service our ever-growing client base whether they are north, south, east or west. It's a win-win-win situation” said Pete Mabin, branch manager at Fliway Transport.

Purpose built, the facility is based on Fliway's successful Auckland model — an excellent example of multi-modal design where the building can be extended with ease. The total site area to be developed covers 16,200 square metres and will include offices, warehouse, loading dock areas and container canopies. It's the largest specialist freight development undertaken by CIAL.

Work commenced on the project in April 2005 with the warehouse being scheduled for completion in late October 2005 and the office area due in December 2005. With the airport company's experience in purpose built facilities, we've been able to work through the project with comparative ease, making the process fluid and lucid” said Mabin.

And that is just the beginning. **If our levels of growth continue at the current rate — expansion of the facility is inevitable. Here, we've got the space to grow** added Mabin.

# Case study

“Air New Zealand’s commitment to this direct link ex-Christchurch is a signal of its confidence in the future of our community

Peter Townsend, Chief Executive of Canterbury Employers’ Chamber of Commerce

## Los Angeles Direct — Good News for Tourism and Exporters

On 2 November 2004, the first flight to Los Angeles took off from Christchurch — providing direct non-stop access into North America. Peter Townsend, Chief Executive of Canterbury Employers’ Chamber of Commerce has called the Christchurch — Los Angeles direct link a quantum leap forward. While the direct service eliminates the need for an Auckland transit which can add hours onto a trip, there are all sorts of inherent advantages other than just saving time. Air New Zealand’s commitment to this direct link ex-Christchurch is a signal of its confidence in the future of our community

The airport company has worked hard to bring new services and extra capacity into Christchurch and the South Island — initiating an aggressive marketing strategy with airline partners and increasing the level of promotion in the North American market. It’s part of our commitment to work in partnership and develop destination awareness.

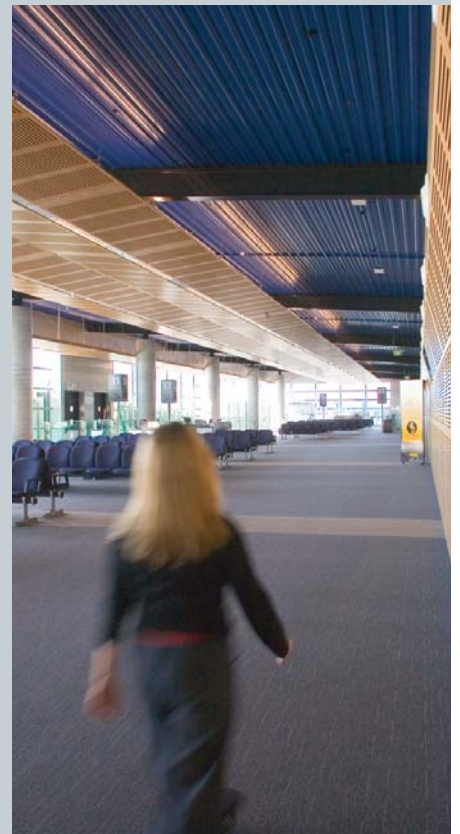
In the peak summer season, the direct service offers up to 1200 seats a week each way between Christchurch and the USA along with approximately 20 tonnes of freight per flight — giving exporters the opportunity to get their products to North America and Europe faster and more efficiently than ever before.

Most importantly, the non-stop flight is especially crucial for chilled and frozen cargo where any disruption to temperature can have a significant impact on quality. Nelson based NZ King Salmon and Christchurch based

Southern Rainbow are among the companies to enjoy the benefits of this non-stop service with a significant reduction in delivery time, handling and transferring of goods.

At the same time South Island tourism operators experience significant benefits through increased visitor nights, visitor dollar spend and direct, convenient access to their products and services. In fact, tourism operators will be able to tap into a tourism spend worth approximately \$800 million to New Zealand per year. Better still, there is huge potential for growth. During the summer season the three B747 services saw the number of North American passengers flying into Christchurch each week increase by 70% from 2003. We believe it can grow even further.

In order to cater for the growth in services, the 2004 International Terminal Expansion was critical. The project ensured that the airport has the facilities to cater for new services and also ensured optimal utilisation of the international terminal asset. Alongside demands on infrastructure, the new Los Angeles service opens the door to new compliance challenges. The airport must now meet with the Transportation Security Administration (US regulatory body) compliance requirements — a challenge that the company embraces wholeheartedly as we strive to maintain a safe, secure and reliable operating environment.



# gateway for adventure

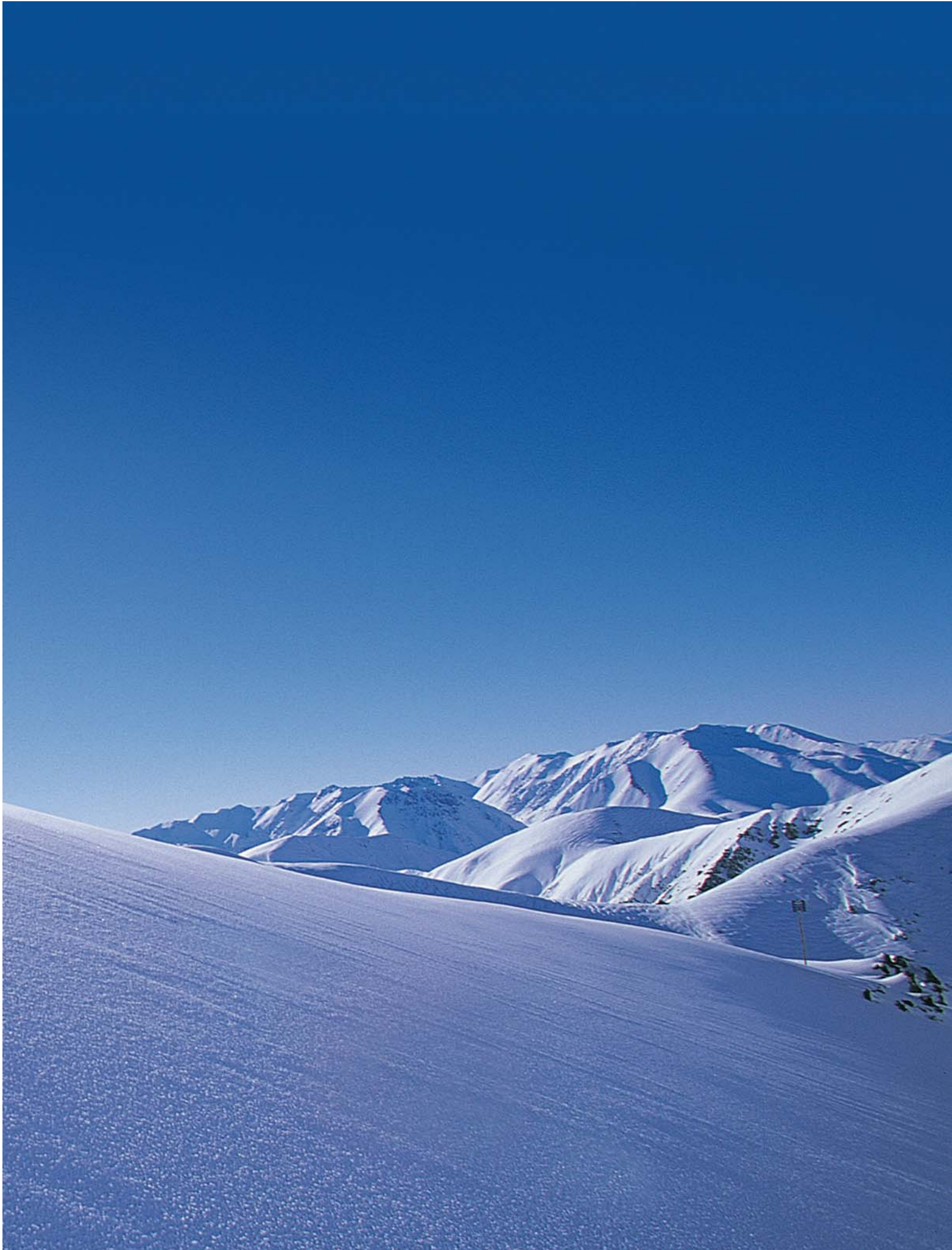
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# “Become a leading airport in holiday travel in New Zealand

## Strategy

Develop Christchurch route attractiveness

Consolidate our position as the hub and gateway for  
the South Island

Promote our key tourism destinations of the  
South Island and Australia

### Achievements

- > 28% market share of inbound holiday travel
- > Joint venture marketing initiatives with a wide range of partners promoting Christchurch and the South Island to an estimated value of \$6.5 million.  
Promotions included:
  - ¥ Gold Coast Airport
  - ¥ Outbound Travellers Magazine
  - ¥ Air NZ Los Angeles integrated online and print campaign
  - ¥ Emirates/Christchurch campaign
  - ¥ Korean Air campaign
  - ¥ Singapore Airlines
  - ¥ Qantas
  - ¥ Pacific Blue Ski campaign
  - ¥ Freedom Air/House of Travel campaign
- > Increased direct connectivity to 11 international ports: Sydney, Melbourne, Brisbane, Coolangatta, Singapore, Seoul, Tokyo, Osaka, Nadi, Rarotonga, Los Angeles
- > Participation in tourism events (Consumer travel shows in Australia, TRENZ in Christchurch)
- > Established customer focused websites that provide easy access for our customers and position Christchurch as the gateway for the best of the South Island
  - ¥ [www.travelinfo.co.nz](http://www.travelinfo.co.nz)
  - ¥ [www.skidealsnz.com](http://www.skidealsnz.com)
  - ¥ [www.flychristchurch.com](http://www.flychristchurch.com)
- > Planning continued for the development of new leisure-focused terminal facilities
- > Leadership and coordinating role with Regional Tourism Organisations in the promotion of South Island wide and/or specific location marketing activities including Mount Hutt Marketing Group, Mackenzie Winter Marketing Group and the Wanaka Winter Marketing Group

# Case study

“We are lucky to have a good working relationship and we are committed to developing more partnership initiatives in the future” Mark Frood, General Manager — Marketing, Destination Queenstown

## Marketing New Zealand Ski Tourism

An important element of our commitment to regional development is to ensure travellers have the best access to the South Island holiday product. To achieve this, we need to be pro-active — find innovative ways to promote the South Island as a destination and of course, air services to Christchurch. Take our role in ski marketing for example. Approximately 50,000 Australians alone currently ski in New Zealand each year. It is an important market that offers potential growth outside the peak summer season.

In line with research from Tourism New Zealand on the savvy and aware interactive traveller market, we have developed an online solution that gives potential winter holiday travellers, skiers and snowboarders the best possible way to travel to the South Island while also providing them with the best deals. Online, potential travellers will find quality information and value offers with a customer focused call to action of Fly Christchurch .

At the same time the company is working in partnership with Zujj, the largest internet travel agency in Asia Pacific, to provide a simple booking option for customers. It means customers can find information, view the conditions, look at the deals, book and travel — a one-stop shop with all the travel tools the customer needs.

In conjunction with this partnership, the company is actively involved in the Ski Tourism Marketing Network (Ski TMN) — a collaboration of regional tourism operators, travel wholesalers and associate parties who are focused on promoting the New Zealand ski experience.

We work closely with CIAL on the Ski TMN. The network provides good exposure in Australia. It operates well and is results driven, said Mark Frood, General Manager — Marketing, Destination Queenstown.

Our relationship with CIAL is strategically very important to us added Frood. The South Island as a destination is incredibly important to us. Despite direct flights into Queenstown, the majority of our volume comes through Christchurch and the fly/drive market is huge. We are lucky to have a good working relationship and we are committed to developing more partnership initiatives in the future .

CIAL also plays an active role in South Island winter marketing groups including Mt Hutt Marketing Group, McKenzie Winter Marketing Group and the Wanaka Winter Marketing Group.

Coronet Peak, New Zealand







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# “Utilise land resources for development opportunities

## Strategy

Grow and diversify revenue streams from property development  
Effectively and efficiently develop and use our land resources

### Achievements

- > 11.5% growth in retail revenue
- > 10% growth in property revenue
- > 100% leased occupancy
- > Completion of market research on airport campus market
- > Progress towards alignment of city plan with airport property investment opportunities
- > Completion of updated airport land-use master plan
- > **Major Property Development projects completed**
  - ¥ Aviation House Stage 2 — completed 30 June 2005
  - ¥ Customs Examination Base — completed 14 December 2004
  - ¥ SB International Extensions — completed 30 June 2005
  - ¥ Avis/Budget Yard Extension — completed 25 April 2005
- > **Commencement of 2 projects due for completion in 2005/2006**
  - ¥ Fliway International Ltd — due for completion December 2005
  - ¥ Aviation Security Extension — due for completion March 2006

# Case study

“Clearly New Zealand as a whole is an attractive destination. Looking ahead we anticipate continued strong growth and hope to take advantage of the additional capacity coming into Christchurch, particularly ex Australia, to further develop our market share. Steve Matheson, General Manager Thrifty Car Rental New Zealand

## Growth for rental car operators

With the popularity of the fly-drive holiday option, growing passenger numbers have had a significant impact on rental car operators at the airport, not to mention an impact on the development of airport land. This is but one example of the many property developments pursued this year.

Operations at Avis and Budget have grown substantially and as a consequence created the need to extend rental car yard capacity. The total size of the Avis yard increased by 42% while the size of the Budget yard increased by 37% — with the project being completed within a tight timeframe, just three months from signing the agreement to completion.

We increased the size of our fleet and then needed to extend our yard capacity said Carole Pepperell, South Island Manager of Avis and Budget. Our business continues to grow and we are looking forward to another busy summer .

Another organisation experiencing benefit from passenger growth is Thrifty Car Rental. In December Thrifty moved their service centre from Wairakei Road on to airport land. We had outgrown our previous site and needed to find a solution that satisfied our growing customer demand. Not only was the airport company open to our suggestions, they understood our needs and sought an overall solution acceptable to everyone. Best of all, the move was completed in a timely manner said Steve Matheson, General Manager Thrifty Car Rental New Zealand.

Clearly New Zealand as a whole is an attractive destination. Looking ahead we anticipate continued strong growth and hope to take advantage of the additional capacity coming into Christchurch, particularly ex Australia, to further develop our market share.

