北京首都國際機場股份有限公司
Beijing Capital International Airport Co.,Ltd.
(a sino - foreign joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 00694)

2010 INTERIM RESULTS ANNOUNCEMENT

The board of directors (the "**Board**") of Beijing Capital International Airport Company Limited (the "**Company**") announces the unaudited financial position and operating results of the Company as at 30 June 2010 and for the six months ended on that date, which have been reviewed by the audit committee of the Company (the "**Audit Committee**"), together with the unaudited comparative figures for the corresponding period of 2009 as follows:

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2010

		Unaudited	
		For the six months ended 30 June	
		2010	2009
	Note	***RMB'000***	*RMB'000*
Revenues			
Aeronautical	4	**1,691,134**	1,511,274
Non-aeronautical	4	**1,053,853**	795,261
		2,744,987	2,306,535
Business tax and levies			
Aeronautical		**(50,734)**	(48,965)
Non-aeronautical		**(62,154)**	(50,766)
		(112,888)	(99,731)

		Unaudited For the six months ended 30 June	
		2010	2009
	Note	***RMB'000***	*RMB'000*
Operating expenses			
Depreciation and amortisation		**(757,432)**	(782,090)
Utilities and power		**(274,826)**	(267,580)
Repairs and maintenance		**(231,620)**	(206,106)
Aviation safety and security guard costs		**(178,668)**	(149,585)
Staff costs		**(166,766)**	(154,110)
Sub-contracting costs		**(110,325)**	(104,438)
Greening and environmental maintenance		**(93,428)**	(104,390)
Real estate and other taxes		**(74,183)**	(71,643)
Rental expenses		**(55,782)**	(31,701)
Other costs		**(78,149)**	(82,036)
		(2,021,179)	(1,953,679)
Other income	5	**14,673**	1,820
Operating profit	6	**625,593**	254,945
Finance income	7	**3,827**	2,043
Finance costs	7	**(361,390)**	(117,930)
		(357,563)	(115,887)
Profit before income tax		**268,030**	139,058
Income tax expense	8	**(67,033)**	(34,518)
Profit for the period		**200,997**	104,540
Total comprehensive income for the period		**200,997**	104,540
Earnings per share, basic and diluted *(RMB)*	9	**0.046**	0.024
Dividends			
Interim dividend declared	10	**—**	—

CONDENSED BALANCE SHEET

AS AT 30 JUNE 2010

	Note	**Unaudited** **As at** **30 June 2010** *RMB'000*	Audited As at 31 December 2009 *RMB'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**32,378,166**	33,095,556
Land use rights		**736,069**	744,184
Intangible assets		**94,974**	106,291
Deferred income tax assets		**113,460**	111,621
		33,322,669	34,057,652
Current assets			
Inventories		**76,615**	57,906
Trade and other receivables	11	**1,207,142**	1,808,599
Cash and cash equivalents		**259,817**	683,595
		1,543,574	2,550,100
Total assets		**34,866,243**	36,607,752
EQUITY			
Capital and reserves			
Share capital		**4,330,890**	4,330,890
Share premium		**4,602,735**	4,602,735
Capital reserve	12	**350,000**	300,000
Statutory and discretionary reserves		**2,033,116**	1,974,416
Retained earnings		**1,398,189**	1,255,892
Proposed final dividend		**—**	146,731
Total equity		**12,714,930**	12,610,664

	Note	**Unaudited** **As at** **30 June 2010** ***RMB'000***	Audited As at 31 December 2009 *RMB'000*
LIABILITIES			
Non-current liabilities			
Long-term bank borrowings	14	**7,500,000**	—
Bonds payable	15	**4,875,874**	—
Retirement benefit obligations		**70,815**	60,950
Deferred income		**7,160**	8,391
Loans from Parent Company	16	**6,601,704**	6,606,020
		19,055,553	6,675,361
Current liabilities			
Trade and other payables	13	**2,717,092**	2,271,830
Interest payable		**151,081**	89,348
Short-term bank borrowings	14	**—**	12,800,000
Current income tax liabilities		**87,916**	91,577
Current portion of retirement benefit obligations		**2,739**	2,151
Current portion of loans from Parent Company	16	**136,932**	2,066,821
		3,095,760	17,321,727
Total liabilities		**22,151,313**	23,997,088
Total equity and liabilities		**34,866,243**	36,607,752
Net current liabilities		**(1,552,186)**	(14,771,627)
Total assets less current liabilities		**31,770,483**	19,286,025

NOTES

1. GENERAL INFORMATION

Beijing Capital International Airport Company Limited (the "Company") was incorporated as a joint stock company with limited liability in the People's Republic of China (the "PRC") on 15 October 1999 and listed on The Stock Exchange of Hong Kong Limited since 1 February 2000. The Company is majority owned by Capital Airports Holding Company, a state-owned enterprise established in the PRC ("CAHC" or the "Parent Company") under the control of the Civil Aviation Administration of China ("CAAC").

The Company is principally engaged in the ownership and operation of the international airport in Beijing ("Beijing Capital Airport") and the provision of related services. The address of its registered office is Capital Airport, Beijing, the PRC.

This condensed interim financial information is presented in RMB unless otherwise stated. This condensed interim financial information was approved by the Board of Directors for issue on 17 August 2010.

This condensed interim financial information has not been audited.

2. BASIS OF PREPARATION

This condensed interim financial information for the six months ended 30 June 2010 has been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting". The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2009, which have been prepared in accordance with the International Financial Reporting Standards ("IFRS").

As at 30 June 2010, the current liabilities of the Company exceeded the current assets by approximately RMB1,552,186,000 (as at 31 December 2009: RMB14,771,627,000). Given the debt obligations and working capital requirements, management has thoroughly considered the Company's available sources of funds as follows:

— The Company's continuous net cash inflow from operating activities; and

— Unutilised long-term banking facilities of RMB18.5 billion.

Based on the above considerations, the Board of Directors is of the opinion that the Company has sufficient available financial resources to meet or refinance its working capital requirements as and when they fall due. As a result, the financial information of the Company for the six months ended 30 June 2010 has been prepared on a going concern basis.

3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2009, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The following new/revised standards, amendments to standards and interpretation are mandatory for the first time for the financial year beginning on 1 January 2010:

IFRS 1 (Revised)	First-time Adoption of IFRSs
IFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
IFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transaction
IFRS 3 (Revised)	Business Combinations
IAS 27 (Revised)	Consolidated and Separate Financial Statements
IAS 39 (Amendment)	Eligible Hedge Items
IFRIC 17	Distributions of Non-cash Assets to Owners

In addition, the International Accounting Standards Board also published a number of amendments to existing standards effective 1 January 2010 under its annual improvement projects.

The adoption of the above new/revised standards, amendments to standards and interpretation does not have any significant impact on the condensed interim financial information.

Since 2009, the Company has early adopted IAS 24 (Revised), 'Related Party Disclosures" which is effective for annual periods beginning on or after 1 January 2011. The amendment introduces an exemption from all of the disclosure requirements of IAS 24 for transactions among government-related entities and the government. Those disclosures are replaced with a requirement to disclose the name of the government and the nature of their relationship, the nature and amount of any individually-significant transactions, and the extent of any collectively-significant transactions qualitatively or quantitatively. It also clarifies and simplifies the definition of a related party.

There are certain other new/revised standards, amendments to standards and interpretations which are not yet effective for the year beginning on 1 January 2010 and have not been early adopted by the Company in the condensed interim financial information. These include IFRS 1 'First-time Adoption of IFRSs' which is effective for annual periods beginning on or after 1 January 2011 and allows treating revaluation basis as deemed cost. It clarifies that entities may employ the "deemed cost'' exemption not only when the "deemed cost'' is measured before the date of transition to IFRS, but also if the "deemed cost'' is measured during the first IFRS reporting period. There is also a special provision that existing IFRS prepares may also be able to retrospectively apply this. Management is currently assessing the related impacts to the Company.

4. REVENUE AND SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Strategy Committee which is appointed out of the executive directors by the Board of Directors . This committee reviews the Company's internal reporting in order to assess performance and allocate resources.

The Company has no identifiable operating segments and runs a single business of operating and managing an airport and provision of related services in the PRC. Financial information on revenues is available for the Strategy Committee to make operating decisions.

Analysis of revenue by category	**For the six months ended 30 June**	
	2010	2009
	RMB'000	*RMB'000*
Aeronautical:		
Passenger charges	**677,002**	594,898
Aircraft movement fees and related charges	**569,128**	525,348
Airport Fee *(note a)*	**445,004**	391,028
	1,691,134	1,511,274
Non-aeronautical:		
Concessions	**658,146**	486,919
Rentals	**369,434**	283,777
Car parking fee	**19,499**	14,960
Others	**6,774**	9,605
	1,053,853	795,261
Total revenues	**2,744,987**	2,306,535

(a) Pursuant to a notice issued by the Ministry of Finance on 19 December 2007, the period for the Airport Fee levied by the Company was extended up to 31 December 2010.

The charge rates of the Airport Fee are regulated by relevant authorities. The Company recognises the Airport Fee according to the authorised charge rates of the total amount collected from outbound passengers when departing the airport.

The Company is domiciled in the PRC from where all of its revenues from external customers are derived and in where all of its assets are located.

5. OTHER INCOME

	For the six months ended 30 June	
	2010	2009
	RMB'000	*RMB'000*
Foreign exchange gains	**14,489**	1,020
Amortisation of deferred income relating to government subsidies	**184**	800
	14,673	1,820

6. OPERATING PROFIT

The following items have been included in arriving at the operating profit:

	For the six months ended 30 June	
	2010	2009
	RMB'000	*RMB'000*
Depreciation on property, plant and equipment		
— owned assets	**723,038**	743,718
— owned assets leased out under operating leases	**11,863**	13,136
Loss on disposals of property, plant and equipment	**16**	595
Amortisation of land use rights	**8,115**	8,134
Amortisation of intangible assets	**16,397**	17,102
Operating lease rentals		
— office building	**26,147**	—
— land use rights on which the airfield and related areas of Phase III Assets* are situated	**14,000**	14,000
— information technology centre	**8,172**	8,172
— land use rights	**3,750**	3,382
— other rentals	**3,713**	6,147
Reversal of provision for impairment of trade receivables	**(96)**	—

* *In 2008, the Company acquired the Airfield Assets, Terminal Three of the Beijing Capital International Airport ("T3"), T3 related assets, roads within airport area, the driverless electric train system, commercial areas and other relevant equipment, machinery and facilities and the land use rights of the land on which T3 and other related constructions are situated (collectively the "Phase III Assets").*

7. FINANCE INCOME/(COSTS)

	For the six months ended 30 June	
	2010	2009
	RMB'000	*RMB'000*
Finance income:		
Interest income on bank deposits	**3,827**	2,043
Finance costs:		
Interest for bank borrowings *(Note 14)*	**(156,847)**	—
Interest for loans from Parent Company *(Note 16)*	**(109,665)**	(115,252)
Interest for bonds *(Note 15)*	**(92,372)**	—
Interest for notes payable	**—**	(1,530)
Bank charges	**(2,506)**	(1,148)
	(361,390)	(117,930)
	(357,563)	(115,887)

8. INCOME TAX EXPENSE

The Company is subject to corporate income tax at a rate of 25% (2009: 25%) on its taxable income as determined in accordance with the relevant PRC income tax rules and regulations.

	For the six months ended 30 June	
	2010	2009
	RMB'000	*RMB'000*
Current tax	**68,872**	36,734
Deferred tax credit	**(1,839)**	(2,216)
	67,033	34,518

9. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of 4,330,890,000 ordinary shares in issue during the six-month periods.

Diluted earnings per share equals basic earnings per share as there were no potential dilutive ordinary shares outstanding during the six-month periods.

	For the six months ended 30 June	
	2010	2009
Profit attributable to equity holders of the Company *(RMB'000)*	**200,997**	104,540
Basic and diluted earnings per share *(RMB per share)*	**0.046**	0.024

10. DIVIDENDS

The Board of Directors does not recommend the payment of any interim dividend for the six months ended 30 June 2010(2009: nil).

11. TRADE AND OTHER RECEIVABLES

	As at 30 June 2010	As at 31 December 2009
	RMB'000	*RMB'000*
Trade receivables		
— CAHC, its fellow subsidiaries and related parties	**357,472**	416,900
— other parties	**794,855**	1,331,989
	1,152,327	1,748,889
Less: Provision for impairment	**(36,950)**	(37,046)
	1,115,377	1,711,843
Notes receivable		
— other parties	**14,121**	32,407
Prepayments and other receivables		
— CAHC, its fellow subsidiaries and related parties	**49,810**	49,810
— other parties	**27,834**	14,539
	77,644	64,349
	1,207,142	1,808,599

The ageing analysis of the trade receivables is as follows:

	As at 30 June 2010 *RMB'000*	As at 31 December 2009 *RMB'000*
Less than 3 months	**739,979**	898,799
4 - 6 months	**174,581**	288,355
7 - 12 months	**97,930**	325,303
1 - 2 years	**112,517**	214,581
2 - 3 years	**17,228**	15,532
Over 3 years	**10,092**	6,319
	1,152,327	1,748,889

The credit terms given to trade customers are determined on an individual basis with normal credit period mainly between 1 to 6 months.

12. CAPITAL RESERVE

Capital reserve represents equity contributions from CAHC in cash to which CAHC is fully entitled.

In accordance with the relevant laws and regulations of PRC, this amount is to be accounted for as capital reserve of the Company and it is not to be distributed as dividend. In future, when the Company increases its share capital, the capital reserve may be converted into shares of the Company to be held by CAHC, provided appropriate conditions are met. The conversion is however subject to obtaining prior approval from the relevant government authorities and shareholders.

13. TRADE AND OTHER PAYABLES

	As at 30 June 2010 *RMB'000*	As at 31 December 2009 *RMB'000*
Payable to Parent Company	**93,603**	59,335
Payables to CAHC's fellow subsidiaries and related parties	**798,878**	700,202
Construction payable	**338,872**	379,860
Tax payable *(note b)*	**312,578**	312,578
Advance from CAAC *(note c)*	**278,795**	—
Repairs and maintenance charges payable	**192,226**	143,805
Payroll and welfare payable	**166,305**	170,199
Receipts on behalf of North China Air Traffic Control Bureau *(note d)*	**71,509**	71,509
Sub-contracting charges payable	**67,596**	11,362
Dividends payable	**57,388**	—
Greening and environmental maintenance charges payable	**48,203**	31,990
Accounts payable for purchases	**26,183**	27,337
Business tax payable	**25,307**	19,284
Deposits received	**23,348**	74,370
Housing subsidy payable to employees *(note e)*	**13,256**	13,191
Notes payable	**—**	58,602
Other payables	**203,045**	198,206
	2,717,092	2,271,830

(a) The ageing analysis of trade and other payables is as follows:

	As at 30 June 2010 *RMB'000*	As at 31 December 2009 *RMB'000*
Less than 3 months	**843,879**	1,012,910
4 - 6 months	**559,558**	159,932
7 - 12 months	**316,775**	91,762
Over 12 months	**996,880**	1,007,226
	2,717,092	2,271,830

(b) The amount represents payable to tax bureau for deed taxes in respect of the acquisition of the Phase III Assets.

(c) The amount represents the Airport Fee received in advance from CAAC.

(d) This represents the receipts received by the Company on behalf of North China Air Traffic Control Bureau on the service rendered for air traffic control, communication and weather, etc. The balance is payable on demand.

(e) Housing subsidy payable to employees includes one-off housing subsidy which was received from CAHC and is to be paid to certain employees of the Company on behalf of CAHC in accordance with the PRC housing reform regulations. The one-off housing subsidy was attributable to the period prior to the Company's restructuring in 1999 in preparation for the offering of the Company's shares.

14. BANK BORROWINGS

	As at 30 June 2010	As at 31 December 2009
	RMB'000	*RMB'000*
Long-term *(note a)*	**7,500,000**	—
Short-term *(note b)*	**—**	12,800,000
	7,500,000	12,800,000

(a) This represents bank borrowings which are unsecured, repayable in 2013, denominated in RMB and bear interests at 4.30% per annum.

(b) During the six months ended 30 June 2010, the Company repaid short-term bank borrowings of RMB12,800,000,000 in full.

15. BONDS PAYABLE

On 5 February 2010, the Company issued bonds with an aggregate principal amount of RMB4,900,000,000 with maturity periods of 5 and 7 years.

The bonds are unsecured, guaranteed by the Parent Company and interest-bearing at 4.45% to 4.65% per annum. The interest is payable annually and the principal amount is repayable in 2015 and 2017.

16. LOANS FROM PARENT COMPANY

As part of the acquisition of the Phase III Assets, the Company entered into agreements with the Parent Company to assume the following long-term borrowings which were previously obtained by the Parent Company with same terms. The borrowings were not reassigned into the name of the Company.

	Loans previously obtained by the Parent Company from		
	European Investment Bank *(note a)* *RMB'000*	**domestic financial institutions** *(note b)* *RMB'000*	**Total** *RMB'000*
As at 30 June 2010			
Loans from Parent Company	2,738,636	4,000,000	6,738,636
Less: current portion	(136,932)	—	(136,932)
	2,601,704	4,000,000	6,601,704
As at 31 December 2009			
Loans from Parent Company	2,672,841	6,000,000	8,672,841
Less: current portion	(66,821)	(2,000,000)	(2,066,821)
	2,606,020	4,000,000	6,606,020

(a) This loan is denominated in the US dollar, unsecured and interest bearing at LIBOR plus 0.4% per annum. The interest is payable semi-annually. The principal amount is repayable by instalments semi-annually commencing on 15 December 2010 with maturity through 15 June 2030.

(b) These loans are denominated in RMB and unsecured. The interest rate is referenced to published inter-bank repo rates issued by China Foreign Exchange Trading Centre & National Interbank Funding Centre and repriced every half yearly. The interest is payable semi-annually.

During the period ended 30 June 2010, a principal amount of RMB2,000,000,000 was repaid. The remaining principal of RMB4,000,000,000 will be repayable in full in 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE AERONAUTICAL BUSINESS

For the first half year of 2010, benefiting from the rapid growth of the domestic economy and the recovery of the global economy, the air traffic volumes at Beijing Capital Airport have kept steady growth. The aircraft movements at Beijing Capital Airport were 251,608, representing an increase of 5.75% as compared with the same period of the previous year. The passenger throughput reached 35,091,937, representing an increase of 13.22% as compared with the same period of the previous year. The cargo and mail throughput reached 732,230 tonnes, representing an increase of 11.04% as compared with the same period of the previous year.

Details of which are as follows:

	For the six months ended 30 June		
	2010	2009	Change
Aircraft movements *(unit: movement)*	**251,608**	237,933	5.75%
Domestic	**201,155**	191,514	5.03%
International, Hong Kong, Macau and Taiwan	**50,453**	46,419	8.69%
Passenger throughput *(unit: number of people)*	**35,091,937**	30,993,208	13.22%
Domestic	**26,992,762**	24,460,272	10.35%
International, Hong Kong, Macau and Taiwan	**8,099,175**	6,532,936	23.97%
Cargo and mail throughput *(unit: tonnes)*	**732,230**	659,451	11.04%
Domestic	**422,176**	371,540	13.63%
International, Hong Kong, Macau and Taiwan	**310,054**	287,911	7.69%

The aircraft movements increased at a relatively lower speed, which was mainly due to that the slots of Beijing Capital Airport was relatively saturated and the international aircraft movements and passenger throughput increased at a relatively higher speed, which was mainly due to that the comparable data in the same period of the previous year was relatively lower, and a recovery increase was shown in the related volumes during the reporting period.

AERONAUTICAL REVENUES

	Unaudited For the six months ended 30 June		
	2010	2009	Change
	RMB'000	*RMB'000*	
Passenger charges	**677,002**	594,898	13.80%
Aircraft movement fees and related charges	**569,128**	525,348	8.33%
Airport fee	**445,004**	391,028	13.80%
Total Aeronautical Revenues	**1,691,134**	1,511,274	11.90%

For the first half year of 2010, the total aeronautical revenues of the Company were RMB1,691,134,000, representing an increase of 11.90% as compared with the same period of the previous year.

For the first half year of 2010, the passenger charges of the Company were RMB677,002,000, representing an increase of 13.80% as compared with the same period of the previous year. The aircraft movement fees and related charges were RMB569,128,000, representing an increase of 8.33% as compared with the same period of the previous year. The airport fee was RMB445,004,000, representing an increase of 13.80% as compared with the same period of the previous year. Among which, the growths in passenger charges and airport fee revenues were in line with the corresponding rise in passenger throughput, and the growth in aircraft movement fees and related charges was obviously higher than that of aircraft movements, which was mainly because commencing from 1 January 2010, the Company restarted to levy the surcharge of the aircraft movement fees to airline companies (no more than 10% of the aircraft movement fees payable by the airline clients).

NON-AERONAUTICAL REVENUES

	Unaudited For the six months ended 30 June		
	2010	2009	Change
	RMB'000	*RMB'000*	
Concession revenues	**658,146**	486,919	35.17%
Including: Advertising	**322,253**	251,808	27.98%
Retailing	**260,819**	170,368	53.09%
Restaurants	**42,977**	34,536	24.44%
Ground handling	**10,408**	8,864	17.42%
Other concession	**21,689**	21,343	1.62%
Rentals	**369,434**	283,777	30.18%
Car parking fee	**19,499**	14,960	30.34%
Others	**6,774**	9,605	-29.47%
Total non-aeronautical revenues	**1,053,853**	795,261	32.52%

For the first half year of 2010, the non-aeronautical revenues of the Company were RMB1,053,853,000, representing an increase of 32.52% as compared with the same period of the previous year.

For the first half year of 2010, the concession revenues of the Company were RMB658,146,000, representing an increase of 35.17% as compared with the same period of the previous year. Among which, the concession revenues from advertising of the Company were RMB322,253,000, representing an increase of 27.98% as compared with the same period of the previous year, mainly because for the first half year of 2010, the area utilised on advertisements represented a substantial increase under the influence of the growth in economy as compared with the same period of the previous year. The concession revenues from retailing were RMB260,819,000, representing an increase of 53.09% as compared with the same period of the previous year, mainly because during the same period of the previous year, the passengers' consumption desire was repressed due to the effect of the economic crisis and some clients had terminated their concession, therefore the relevant revenues were lower. But for the first half of this year, the passenger volume has obviously increased, and the consumption, especially that of international passengers, has been released. The concession revenues from restaurants were RMB42,977,000, representing an increase of 24.44% as compared with the same period of the previous year, which was mainly resulted from the increase in the passenger throughput. The concession revenues from ground handling service were RMB10,408,000, representing an increase of 17.42% as compared with the same period of the previous year, which was mainly because of the growth in the related business volume. The other concession revenues were RMB21,689,000, representing an increase of 1.62% as compared with the same period of the previous year.

For the first half year of 2010,the rental income of the Company was RMB369,434,000, representing an increase of 30.18% as compared with the same period of the previous year, which was mainly due to that during the reporting period, the Company enlarged areas used for operating leases, and reached agreements with some of its clients for the lease of related facilities in the terminals.

For the first half year of 2010, the revenues from car parking of the Company were RMB19,499,000, representing an increase of 30.34% as compared with the same period of the previous year, mainly because the rise in the passenger throughput has driven the volume of car parking to increase by approximately 21% and the number of long term parking cars has also increased.

For the first half year of 2010, the other revenues of the Company were RMB6,774,000, representing a decrease of 29.47% as compared with the same period of the previous year. The other revenues mainly include the revenues from the management fee of the ground traffic centre ("GTC") engaged by the Parent Company and the revenues from provision of airport-pass service in the terminals.

OPERATING EXPENSES

	Unaudited For the six months ended 30 June		
	2010	2009	Change
	RMB'000	*RMB'000*	
Depreciation and amortisation	**(757,432)**	(782,090)	-3.15%
Utilities and power	**(274,826)**	(267,580)	2.71%
Repairs and maintenance	**(231,620)**	(206,106)	12.38%
Aviation safety and security guard costs	**(178,668)**	(149,585)	19.44%
Staff costs	**(166,766)**	(154,110)	8.21%
Sub-contracting costs	**(110,325)**	(104,438)	5.64%
Greening and environmental maintenance	**(93,428)**	(104,390)	-10.50%
Real estate and other taxes	**(74,183)**	(71,643)	3.55%
Rental expenses	**(55,782)**	(31,701)	75.96%
Other costs	**(78,149)**	(82,036)	-4.74%
Total operating expenses	**(2,021,179)**	(1,953,679)	3.46%

For the first half year of 2010, the Company continued to take measures of implementing strict expenditure control, and achieved good results. The operating expenses of the Company were RMB2,021,179,000, representing an increase of 3.46% as compared with the same period of the previous year. The growth in operating expenses was obviously lower than the rise in air traffic volumes and various revenues for the reporting period.

For the first half year of 2010, the depreciation and amortisation expenses of the Company were RMB757,432,000, representing a decrease of 3.15% as compared with the same period of the previous year, mainly because the useful lives of part of its fixed assets have expired and depreciation will no longer be made for these assets.

For the first half year of 2010,the utilities and power expenses of the Company were RMB274,826,000, representing an increase of 2.71% as compared with the same period of the previous year.

For the first half year of 2010, the repairs and maintenance expenses of the Company were RMB231,620,000, representing an increase of 12.38% as compared with the same period of the previous year, which was mainly resulted from the increase in demand in the repairs and maintenance of luggage systems and security systems in the reporting period.

For the first half year of 2010, the aviation safety and security guard costs of the Company were RMB178,668,000, representing an increase of 19.44% as compared with the same period of the previous year, which was mainly because of the growth in the staff costs of the aviation safety and security guards.

For the first half year of 2010, the staff costs of the Company were RMB166,766,000, representing an increase of 8.21% as compared with the same period of the previous year.

For the first half year of 2010, the sub-contracting costs of the Company were RMB110,325,000, representing an increase of 5.64% as compared with the same period of the previous year, mainly because the increase in air traffic volumes has driven the related demands to increase.

For the first half year of 2010, the greening and environmental maintenance expenses of the Company were RMB93,428,000, representing a decrease of 10.50% as compared with the same period of the previous year, mainly because during the reporting period,the Company took effective measures of expenditure control and reduced related costs.

For the first half year of 2010, the real estate and other taxes of the Company were RMB74,183,000, representing an increase of 3.55% as compared with the same period of the previous year.

For the first half year of 2010, the rental expenses of the Company were RMB55,782,000, representing an increase of 75.96% as compared with the same period of the previous year,mainly because the Company rented an office building from a subsidiary of the Parent Company during the reporting period.

Benefiting from the measures of expenditures control, for the first half year of 2010,the other costs of the Company were RMB78,149,000, representing a decrease of 4.74% as compared with the same period of the previous year.

PROSPECT FOR THE SECOND HALF YEAR OF 2010

For the first half year of 2010, the passenger throughput at Beijing Capital Airport reached 35,091,937, ranking the second according to the statistics of Airports Council International ("ACI"); the satisfaction index of passengers at Beijing Capital Airport was 4.64, ranking the fifth globally; the Company had made achievements in its service, operation and operating results.

In the second half year of 2010, the air traffic growth in the first half year is expected to be maintained at Beijing Capital Airport, while the international passenger throughput will outperform the domestic passenger throughput in terms of growth.

In the second half year of 2010, the Company will actively seek policy support and strengthen the cooperation with other airlines to simplify the transit process, improve flight bank and attract transit passengers. In addition, the Company is to proactively launch the regular flights of large aircrafts such as Airbus A380 to ease the contradiction between the air traffic growth and the inadequate slots at Beijing Capital Airport.

In the second half year of 2010, the Company will still endeavour to ensure the continuous and safe operation and improve service quality through enhancing its service quality management in accordance with the international standards ISO10002, thus establishing and promoting the service brand of "Chinese-style services".

In the second half year of 2010, the Company will continue its business strategy of increasing revenues and reducing expenditure. In particular, it aims to control the operating costs and the investment scale in fixed assets leveraging on strict budget management. More efforts will be put on marketing to enhance resource utilisation and unit value. Meanwhile, it will actively explore new model for resources utilisation, so as to optimise service, reduce costs and increase revenues.

The policy of charging the civil airport construction and management fee (the “Airport Fee”) will expire on 31 December 2010. As the revenue of the Airport Fee represents a large portion of the Company’s operating revenues and net profit, the change in this policy will have a direct impact on the future operating results and the financial position of the Company. The Company has communicated with the relevant authorities (including the Ministry of Finance and the Civil Aviation Administration of China (“CAAC”)) in respect of the Airport Fee policy, fully explaining the substantial importance of the Airport Fee revenue in maintaining the Company’s healthy operation and development and expressing the Company’s request to continue the current policy under which the Airport Fee is recognised as revenue. So far, there is no further definite information about the Airport Fee policy. In the second half year, the Company will keep active communication with the relevant authorities and carry out assessments on the possible effects of the change in Airport Fee policy based on various assumptions. The Company will inform shareholders any updated information in a timely manner.

According to the long-term planning of the National Development and Reform Commission, CAAC and the Beijing Municipal Government on the construction of airport, the construction and planning of a new airport in Beijing will soon be initiated in the second half year of 2010. The Company will proactively take part in the feasibility study on the project and strive for participation in the construction of the new airport, so as to ensure the construction proposal in line with the operating requirements in the future, as well as gearing up for special study on the operation of the new airport. In respect of the construction of the new airport, the Company will update shareholders upon obtaining detailed information.

OTHER INCOME

For the six months ended 30 June 2010, the other income of the Company was RMB14,673,000, representing an increase of 706.21% as compared with the same period of the previous year, which mainly resulted from the foreign exchange gains from loans from the Parent Company which is denominated in the US dollar.

INTERIM DIVIDENDS

The Board does not recommend to distribute any interim dividend for the six months ended 30 June 2010.

WORKING CAPITAL AND FINANCIAL RESOURCES

As at 30 June 2010, the Company had total cash and cash equivalents amounting to RMB259,817,000, and those for the year ended 31 December 2009 were RMB683,595,000.

As at 30 June 2010, the Company's long-term bank borrowings were RMB7,500,000,000, and loans from the Parent Company were RMB6,738,636,000.

The Company completed the issue of the corporate bonds of 5-year (annual rate of 4.45%) and 7-year (annual rate of 4.65%) in the public market of Shanghai Stock Exchange on 5 February 2010, which raised funds of the total sum of RMB4.9 billion. The corporate bonds were listed and traded on Shanghai Stock Exchange on 10 March 2010.

As at 30 June 2010, the Company had unutilised banking facilities totalling RMB18.5 billion(as at 31 December 2009: RMB19,941,398,000).

As at 30 June 2010, the current ratio of the Company was 49.86%, and that as at 31 December 2009 was 14.72%, such ratios were computed by dividing the total current assets by total current liabilities as at those respective dates.

As at 30 June 2010, the liability-to-asset ratio of the Company was 63.53%, and that as at 31 December 2009 was 65.55%. Such ratios were computed by dividing the total liabilities by the total assets as at those respective dates.

	As at 30 June 2010	As at 31 December 2009
Current Ratio	**49.86%**	14.72%
Liability-to-asset Ratio	**63.53%**	65.55%

As at 30 June 2010, the Company had repaid the short-term borrowings amounting to RMB12.8 billion which were taken over from the Parent Company by using long-term bank borrowings and the proceeds from the issuance of corporate bonds, so the current liabilities decreased, and the current ratio was higher than the last year.

For the six months ended 30 June 2010, the details of the cash flow of the Company, as compared with the same period of the previous year, are as follows:

	Unaudited For the six months ended 30 June	
	2010	2009
	RMB'000	*RMB'000*
Net cash from operating activities	**2,455,042**	469,750
Net cash used in investing activities	**(196,311)**	(661,562)
Net cash (used in)/from financing activities	**(2,682,467)**	57,074
Net decrease in cash and cash equivalents	**(423,736)**	(134,738)
Cash and cash equivalents at the beginning of the reporting period	**683,595**	576,458
Effect of exchange rate changes	**(42)**	(6)
Cash and cash equivalents at the end of the reporting period	**259,817**	441,714

For the six months ended 30 June 2010, net cash from operating activities of the Company was RMB2,455,042,000, representing a significant increase of 422.63%, which mainly because of the recovery of the receivables of the Company.

For the six months ended 30 June 2010, net cash used in investing activities of the Company was RMB196,311,000, representing a decrease of 70.33%, which mainly because the Company paid part of the consideration, RMB500 million, for the acquisition of the Phase III Assets *(Note)* in the same period of the previous year.

For the six months ended 30 June 2010, net cash used in financing activities of the Company was RMB2,682,467,000, mainly including the proceeds from long-term bank borrowing amounting to RMB7.5 billion with fixed interest rate and the proceeds from the issuance of corporate bonds with a net sum of RMB4,874,350,000, and the repayment of short-term bank borrowings amounting to RMB12.8 billion and the repayment of loans from the Parent Company amounting to RMB2 billion.

Note: In 2008, the Company acquired the Airfield Assets, Terminal Three of the Beijing Capital Airport ("T3"), T3 related assets, roads within airport area, the driverless electric train system, commercial areas and other relevant equipment, machinery and facilities and the land use rights of the land on which T3 and other related constructions is situated (collectively the "Phase III Assets"). Please refer to the circular of the Company dated 21 February 2008 for the relevant details.

CHARGE ON ASSETS

As at 30 June 2010, there was no material charge on the assets of the Company.

ACQUISITION AND DISPOSAL

During the six months ended 30 June 2010, there was no material acquisition or disposals in relation to any of the Company's subsidiaries and associates.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company had not redeemed, purchased or sold any of its shares during the six months ended 30 June 2010.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

The Company's businesses are principally denominated in RMB, except for part of non-aeronautical revenues, purchases of certain equipment, goods and materials and payment of consulting fees which are received or paid in United States dollars ("US dollars" or "USD") or Hong Kong dollars ("HK dollars" or "HKD"). Dividends payable to the shareholders of the Company holding H shares are declared in RMB and paid in HK dollars.

According to the overall plan of the acquisition of the Phase III Assets, as at 30 June 2010, the Company assumed the US dollar-denominated loans of USD403,280,000 from the European Investment Bank related to the Phase III Assets and the interest thereof, accordingly, the fluctuation of RMB exchange rate against the US dollar will therefore affect the financial results of the Company.

During the reporting period, the Company had not carried out any foreign currency hedging.

As at 30 June 2010, the assets and liabilities of the Company denominated in foreign currencies (mainly in USD and HKD) included cash and cash equivalents of approximately RMB7,364,000 (as at 31 December 2009: RMB7,689,000), trade and other receivables of approximately RMB54,670,000 (as at 31 December 2009: RMB43,121,000), trade and other payables of approximately RMB136,000 (as at 31 December 2009: RMB136,000), loans from the Parent Company of approximately RMB2,738,636,000 (as at 31 December 2009: RMB2,672,841,000).

During the reporting period, the Company recorded an exchange gain of RMB14,489,000.

EXPOSURE TO FLUCTUATIONS IN INTEREST RATES

The total amount of the long-term loans from the Parent Company and the current portion of the long-term loans from the Parent Company of the Company is RMB6,738,636,000, which includes the loans from the European Investment Bank at an interest rates of six-month LIBOR plus 0.4% and the corporate bonds from the Parent Company at an interest rate with reference to the published inter-bank repo rate issued by China Foreign Exchange Trading Centre & National Interbank Funding Centre. As such, any change in LIBOR and rates of People's Bank of China will affect the interest expenses and the financial results of the Company.

MATERIAL INVESTMENT, MATERIAL INVESTMENT PLAN AND MATERIAL FINANCING PLAN

During the reporting period, there was no material investment, material investment plan and material financing plan.

CONTINGENT LIABILITIES

Save as disclosed below, the Company had no other significant contingent liabilities as at 30 June 2010.

The directors of the Company understand that certain residents living in the vicinity of Beijing Capital Airport have made complaints to the Beijing Municipal Government about the aircraft engine noise created by the approaching and departing aircrafts, and requested for relocation and/or compensation. The directors of the Company also understand that the relevant government authorities have been involved in resolving these complaints.

As at the period end, the outcome of the complaints was still pending. The possible potential financial impact to the Company, if any, will depend on the final resolution of these complaints with the parties involved. The Company does not possess any further information to ascertain any liability on its part and the extent of compensation payable (if any) and therefore no provision has been made in the condensed interim financial information.

EMPLOYEES AND EMPLOYEES' WELFARE

As at 30 June 2010, the number of employees of the Company was as follows, together with the comparative figures in the previous year:

	As at 30 June 2010	As at 30 June 2009
Total number of employees	**1,861**	1,992

The remuneration policy of employees is determined by the management of the Company based on market competitive practice and mainly consists of two parts, i.e. basic salaries and salaries based on performance.

MATERIAL LITIGATION OR ARBITRATION

The Company was not involved in any material litigation or arbitration during the reporting period.

ENTRUSTED DEPOSITS AND OVERDUE FIXED DEPOSITS

As at 30 June 2010, the Company did not have any entrusted deposits or uncollected fixed deposit upon maturity placed in any financial institutions or any other entities.

CAPITAL STRUCTURE

As at 30 June 2010, the total number of issued share capital of the Company was 4,330,890,000, including:

	Number of shares	**Percentage to total issued share capital**
Domestic shares	2,451,526,000	56.61%
H shares	1,879,364,000	43.39%

INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES AND THEIR SECURITIES TRANSACTIONS

As at 30 June 2010, none of the directors or the supervisors or the chief executives of the Company had any interests or short positions in any shares, any underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of SFO) as recorded in the register of the Company required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited ("HKEx") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules"). None of the directors, the supervisors and the chief executives of the Company, or their associates had been granted or had exercised any such rights during the six months ended 30 June 2010.

AUDIT COMMITTEE

The Audit Committee of the Company consists of the four independent non-executive directors of the Company, and Mr. Kwong Che Keung, Gordon is the Chairman. Mr. Kwong Che Keung, Gordon, Mr. Dong Ansheng, Mr. Wang Xiaolong and Mr. Japhet Sebastian Law have experience in financial, legal and securities matters, and Mr. Kwong Che Keung, Gordon is a Certified Public Accountant. External auditors are invited to attend the Audit Committee meetings regularly and they can communicate with the Audit Committee individually, as they deem necessary.

The Audit Committee fulfills its supervisory responsibility as delegated by the Board through examining any matter relating to financial reporting, internal control systems, and considering auditing issues. The Audit Committee shall meet at least twice a year to review auditors' reports, the status of the Company's audits, internal auditing reports, and the interim and annual accounts of the Company prior to making recommendation to the Board for approval.

The Audit Committee is responsible for the evaluation of the Company's system of internal control and risk management.

The Audit Committee has reviewed the Company's condensed interim financial information for the six months ended 30 June 2010. It has also reviewed the accounting principles and methods adopted by the Company. The Audit Committee considers that the disclosure of the financial information in the condensed interim financial information and in the interim report complies with the applicable accounting standards and the requirements of the Listing Rules and the laws of Hong Kong.

CORPORATE GOVERNANCE AND COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to establishing and maintaining high standards of corporate governance practices. The Company has complied with all requirements set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules throughout the six months ended on 30 June 2010.

COMPLIANCE WITH THE MODEL CODE

The Company has formulated "the Model Code for Securities Transactions by Directors and Staff" as its code of conduct for securities transactions by directors and staff at terms no less than the required standard of the Model Code. For the six months ended 30 June 2010, the Company strictly complied with the Model Code for Securities Transactions by Directors and Staff.

Having made specific enquiries to the directors, supervisors and senior management of the Company, the Company has confirmed that each of them has complied with the Model Code during the six months ended 30 June 2010.

By the order of the Board
Shu Yong
Company Secretary

Beijing, the PRC, 17 August 2010

As at the date of this announcement, the directors of the Company are:

Executive Directors:	*Mr. Dong Zhiyi and Mr. Zhang Guanghui*
Non-executive Directors:	*Mr. Chen Guoxing, Mr. Gao Shiqing, Ms. Zhao Jinglu and Mr. Yam Kum Weng*
Independent Non-executive Directors:	*Mr. Kwong Che Keung, Gordon, Mr. Dong Ansheng, Mr. Japhet Sebastian Law and Mr. Wang Xiaolong*

An announcement containing details of the matter is available for viewing on the website of Hong Kong Exchanges and Clearing Limited website at http://www.hkex.com.hk under "Latest Listed Companies Information", at the website of the Company at http://www.bcia.com.cn/ and the website of Irasia.com at http://www.irasia.com/listco/hk/bcia.