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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)

2011 INTERIM RESULTS ANNOUNCEMENT

FINANCIAL HIGHLIGHTS

- In the first half year of 2011, the aircraft movements reached 261,146, representing an increase of 3.8% as compared with the same period of the previous year. The passenger throughput reached 37,871,118, representing an increase of 7.9% as compared with the same period of the previous year. The cargo and mail throughput reached 770,705 tonnes, representing an increase of 5.3% as compared with the same period of the previous year.
- In the first half year of 2011, the total revenues of the Company were RMB3,109,356,000, representing an increase of 13.3% as compared with the same period of the previous year.
- In the first half year of 2011, the total aeronautical revenues of the Company were RMB1,825,032,000, representing an increase of 7.9% as compared with the same period of the previous year.
- In the first half year of 2011, the non-aeronautical revenues of the Company were RMB1,284,324,000, representing an increase of 21.9% as compared with the same period of the previous year.

- In the first half year of 2011, the operating expenses of the Company were RMB1,992,257,000, representing a decrease of 1.5% as compared with the same period of the previous year.
- The profit for the period of the Company was RMB514,206,000, the earnings per share was RMB0.119, representing an increase of 157.8% as compared with the same period of the previous year, respectively.
- The Board resolved to distribute the interim dividends of RMB0.01781 per share for the six months ended 30 June 2011, amounting to the total of RMB77,133,000.

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 2011 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 2010 as follows:

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2011

		Unaudited	
		For the six months ended 30 June	
		2011	2010
	<i>Note</i>	<i>Rmb’000</i>	<i>Rmb’000</i>
			(Restated)
Revenues			
Aeronautical	3	1,825,032	1,691,134
Non-aeronautical	3	1,284,324	1,053,853
		3,109,356	2,744,987

		Unaudited	
		For the six months ended 30 June	
		2011	2010
	<i>Note</i>	<i>Rmb'000</i>	<i>Rmb'000</i>
			(Restated)
Business tax and levies			
Aeronautical		(59,131)	(50,734)
Non-aeronautical		(75,968)	(62,154)
		<u>(135,099)</u>	<u>(112,888)</u>
Operating expenses			
Depreciation and amortisation		(750,901)	(759,436)
Utilities and power		(277,589)	(274,826)
Repairs and maintenance		(209,669)	(231,620)
Staff costs		(199,278)	(166,766)
Aviation safety and security guard costs		(176,963)	(178,668)
Contracted operating services		(92,539)	(110,325)
Greening and environmental maintenance		(88,400)	(93,428)
Real estate and other taxes		(74,998)	(74,183)
Rental expenses		(53,735)	(55,782)
Other costs		(68,185)	(78,149)
		<u>(1,992,257)</u>	<u>(2,023,183)</u>
Other income	4	<u>11,068</u>	<u>184</u>
Operating profit		993,068	609,100
Finance income	5	65,590	18,316
Finance costs	5	(374,510)	(361,390)
Share of post-tax profit of a joint controlled venture		<u>1,917</u>	<u>—</u>

		Unaudited	
		For the six months ended 30 June	
		2011	2010
	<i>Note</i>	<i>Rmb'000</i>	<i>Rmb'000</i>
			(Restated)
Profit before income tax		686,065	266,026
Income tax expense	6	<u>(171,859)</u>	<u>(66,532)</u>
Profit for the period		<u>514,206</u>	<u>199,494</u>
Total comprehensive income for the period		<u>514,206</u>	<u>199,494</u>
Earnings per share, basic and diluted (<i>Rmb</i>)	7	<u>0.119</u>	<u>0.046</u>
Dividends			
Interim dividend declared	8	<u>77,133</u>	<u>—</u>

CONDENSED INTERIM BALANCE SHEET

AS AT 30 JUNE 2011

		Unaudited As at 30 June 2011 Rmb'000	Audited As at 31 December 2010 Rmb'000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		31,330,859	31,910,864
Land use rights		719,839	727,954
Intangible assets		69,970	83,770
Investment in a jointly controlled entity		54,118	52,201
Non-current portion of trade and other receivables	9	61,856	126,457
		<u>32,236,642</u>	<u>32,901,246</u>
Current assets			
Inventories		122,581	103,547
Trade and other receivables	9	923,659	1,093,634
Cash and cash equivalents		780,395	882,185
		<u>1,826,635</u>	<u>2,079,366</u>
Total assets		<u><u>34,063,277</u></u>	<u><u>34,980,612</u></u>
EQUITY			
Capital and reserves			
Share capital		4,330,890	4,330,890
Share premium		5,055,425	5,055,425
Capital reserve		552,650	552,650
Statutory and discretionary reserves		2,210,131	2,092,121
Retained earnings		1,799,896	1,403,700
Total equity		<u>13,948,992</u>	<u>13,434,786</u>

		Unaudited As at 30 June 2011 <i>Rmb'000</i>	Audited As at 31 December 2010 <i>Rmb'000</i>
	<i>Note</i>		
LIABILITIES			
Non-current liabilities			
Long-term bank borrowings	11	7,500,000	7,500,000
Bonds payable	12	4,879,700	4,877,770
Deferred income tax liabilities		14,498	497
Retirement benefit obligations	13	101,474	86,200
Deferred income		2,722	2,885
Loans from Parent Company	14	5,011,999	6,136,868
		<u>17,510,393</u>	<u>18,604,220</u>
Current liabilities			
Trade and other payables	10	2,280,397	2,409,712
Interest payable		173,307	258,565
Current income tax liabilities		5,777	126,198
Current portion of retirement benefit obligations	13	4,855	4,598
Current portion of loans from Parent Company	14	139,556	142,533
		<u>2,603,892</u>	<u>2,941,606</u>
Total liabilities		<u>20,114,285</u>	<u>21,545,826</u>
Total equity and liabilities		<u><u>34,063,277</u></u>	<u><u>34,980,612</u></u>
Net current liabilities		<u><u>(777,257)</u></u>	<u><u>(862,240)</u></u>
Total assets less current liabilities		<u><u>31,459,385</u></u>	<u><u>32,039,006</u></u>

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 has been 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 was approved by the Board of Directors for issue on 19 August 2011.

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 2011 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 2010, which have been prepared in accordance with the International Financial Reporting Standards (“IFRS”).

As at 30 June 2011, the current liabilities of the Company exceeded the current assets by approximately RMB777,257,000 (as at 31 December 2010: RMB862,240,000). 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 RMB16 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 2011 has been prepared on a going concern basis.

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2010, 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 revised standards, amendments to standards and interpretation are mandatory for the first time for the financial year beginning 1 January 2011:

IAS 24 (Revised)	Related Party Disclosures
IAS 32 (Amendment)	Classification of Rights Issues
IFRS 1 (Amendment)	Limited exemption from comparative IFRS 7 disclosures for first-time adopters
IFRIC 14 (Amendment)	Prepayments of a Minimum Funding Requirement
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

In addition, the International Accounting Standards Board also published a number of amendments to existing standards/interpretation effective 1 January 2011 under its annual improvement projects:

IAS 1	Consolidated and separate financial statements
IAS 34	Interim financial reporting
IFRS 1	First time Adoption of International Financial Reporting Standards
IFRS 3	Business combinations
IFRS 7	Financial instruments: Disclosures
IFRIC 13	Customer loyalty programmes

The adoption of the above amended standards and interpretation does not have any significant impact on the condensed interim financial information for the six months ended 30 June 2011, except for IAS 24 (Revised) and IFRS 1 (Amendment) which the Company had early adopted since 2009 and 2010 respectively.

The Company decided to early adopt IFRS 1 (Amendment) in the second half year of 2010. With this amendment, a first-time adopter (“FTA”) may elect to use event-driven (such as initial public offering) fair values under previous accounting standards as its deemed costs under IFRS, provided that the revaluation took place at periods before or during the FTA’s first set of IFRS financial statements.

Details of the adjustments for early adoption of IFRS 1 (Amendment) on the Company's financial position as at 31 December 2010 are set out in the Company's annual financial statements for the year ended 31 December 2010, and the adjustments on the Company's results for the six months ended 30 June 2010 are summarised as follow:

	For the period ended 30 June 2010, as previously reported <i>RMB'000</i>	Early adoption of amendment to IFRS 1 (Amendment) <i>RMB'000</i>	For the period ended 30 June 2010, as restated <i>RMB'000</i>
Revenues	2,744,987	—	2,744,987
Depreciation and amortisation	(757,432)	(2,004)	(759,436)
Profit before income tax	268,030	(2,004)	266,026
Income tax expense	(67,033)	501	(66,532)
Profit for the period	<u>200,997</u>	<u>(1,503)</u>	<u>199,494</u>

There are certain new standards and amendments to standards which have been issued but are not yet effective for the year beginning 1 January 2011 and have not been early adopted by the Company in the unaudited condensed interim financial information. Management is currently assessing their related impact to the Company.

3. 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	
	2011	2010
	<i>Rmb'000</i>	<i>Rmb'000</i>
Aeronautical:		
Passenger charges	731,473	677,002
Aircraft movement fees and related charges	611,980	569,128
Airport Fee	481,579	445,004
	1,825,032	1,691,134
Non-aeronautical:		
Concessions	877,161	658,146
Rentals	372,341	369,434
Car parking fee	22,057	19,499
Management service fee	10,203	3,170
Others	2,562	3,604
	1,284,324	1,053,853
Total revenues	3,109,356	2,744,987

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.

4. OTHER INCOME

For the six months ended 30 June

2011 2010

Rmb'000 *Rmb'000*

Government subsidies

11,068 **184**

5. FINANCE INCOME/(COSTS)

For the six months ended 30 June

2011 2010

Rmb'000 *Rmb'000*

Finance income:

Exchange gain **61,226** 14,489

Interest income on bank deposits **4,364** 3,827

65,590 18,316

Finance costs:

Interest for bank borrowings **(162,146)** (156,847)

Interest for bonds **(113,035)** (92,372)

Interest for loans from Parent Company **(98,097)** (109,665)

Bank charges **(1,232)** (2,506)

(374,510) (361,390)

(308,920) (343,074)

6. INCOME TAX EXPENSE

The Company is subject to corporate income tax at a rate of 25% (2010: 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	
	2011	2010
	<i>Rmb'000</i>	<i>Rmb'000</i>
		(Restated)
Current tax	157,858	68,872
Deferred income tax charge/(credit)	14,001	(2,340)
	171,859	66,532

7. 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	
	2011	2010
		(Restated)
Profit attributable to equity holders of the Company (<i>Rmb'000</i>)	514,206	199,494
Basic and diluted earnings per share (<i>Rmb per share</i>)	0.119	0.046

8. DIVIDENDS

For the six months ended 30 June
2011 2010

Dividend proposed

Interim dividend (*Rmb'000*)

77,133

—

Interim dividend per share (*Rmb*)

0.01781

—

The interim dividend for the six months ended 30 June 2011 was proposed at the Board of Directors meeting held on 19 August 2011. This proposed dividend is not reflected as a dividend payable in the interim financial information, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2011.

9. TRADE AND OTHER RECEIVABLES

	As at 30 June 2011 <i>Rmb'000</i>	As at 31 December 2010 <i>Rmb'000</i>
Trade receivables		
— CAHC, its fellow subsidiaries and related parties	405,547	403,330
— other parties	497,283	652,393
	902,830	1,055,723
Less: Provision for impairment	(17,763)	(25,638)
	885,067	1,030,085
Notes receivable		
— other parties	—	39,986
Prepayments and other receivables		
— CAHC, its fellow subsidiaries and related parties	63,518	121,066
— other parties	36,930	28,954
	100,448	150,020
Total trade and other receivables	985,515	1,220,091
Less: Non-current portion	(61,856)	(126,457)
	923,659	1,093,634

The ageing analysis of the trade receivables is as follows:

	As at 30 June 2011 <i>Rmb'000</i>	As at 31 December 2010 <i>Rmb'000</i>
Less than 3 months	615,817	611,319
4 - 6 months	55,687	111,141
7 - 12 months	75,098	200,309
1 - 2 years	125,545	108,705
2 - 3 years	24,522	18,994
Over 3 years	6,161	5,255
	<u>902,830</u>	<u>1,055,723</u>

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

10. TRADE AND OTHER PAYABLES

	As at 30 June 2011 <i>Rmb'000</i>	As at 31 December 2010 <i>Rmb'000</i>
Payable to Parent Company	137,962	159,291
Payables to CAHC's fellow subsidiaries and related parties	870,212	915,910
Construction payable	358,137	371,623
Tax payable (<i>note b</i>)	312,578	312,578
Repairs and maintenance charges payable	139,116	167,062
Payroll and welfare payable	123,448	130,649
Payable for purchase of interest in a jointly controlled entity	52,201	52,201
Deposits received	32,658	23,081
Greening and environmental maintenance charges payable	26,241	37,417
Sub-contracting charges payable	20,127	19,189
Business tax payable	19,639	41,832
Accounts payable for purchases	17,632	31,410
Housing subsidy payable to employees (<i>note c</i>)	12,804	13,414
Other payables	157,642	134,055
	2,280,397	2,409,712

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

	As at 30 June 2011 <i>Rmb'000</i>	As at 31 December 2010 <i>Rmb'000</i>
Less than 3 months	688,786	1,388,760
4 - 6 months	291,434	65,063
7 - 12 months	511,727	102,698
Over 12 months	788,450	853,191
	<u>2,280,397</u>	<u>2,409,712</u>

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

(c) 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.

* *In 2008, the Company acquired the Airfield Assets, Terminal Three of 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 are situated (collectively the "Phase III Assets"). Please refer to the circular of the Company dated 21 February 2008 for the relevant details.*

11. LONG-TERM BANK BORROWINGS

	As at 30 June 2011 <i>Rmb'000</i>	As at 31 December 2010 <i>Rmb'000</i>
Long-term bank borrowings	<u>7,500,000</u>	<u>7,500,000</u>

This represents bank borrowing which is unsecured, repayable in 2013, denominated in RMB and bears interests at 4.30% per annum.

The fair value of long-term borrowing at 30 June 2011 is RMB7,206,522,000 which is based on discounted cash flows with the applicable discount rate of 6.40% representing the prevailing market rate of interest available to the Company for financial instruments with substantially the same terms and characteristic as at the balance sheet date.

12. 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 amounts are repayable in 2015 and 2017.

13. RETIREMENT BENEFIT OBLIGATIONS

On 30 June 2011, the Company obtained approval from the relevant government authority on a retirement annuity plan (the “annuity plan”) which had been amended upon its existing retirement benefit plan related to pension subsidies for current employees effective from 1 January 2011. As a result of these amendments, an additional balance of RMB4,996,000 was included in retirement benefit obligations as at 30 June 2011.

The annuity plan will be funded through payments made by the Company to a trustee determined by a specified level of the basic salary of the participating employees. These payments will constitute plan assets being held in the trust as governed by relevant PRC legislation for the purpose of meeting the corresponding retirement benefit obligations.

As at 30 June 2011, the Company has not yet made any payment to fund any plan assets.

14. 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 2011			
Loans from Parent Company	2,651,555	2,500,000	5,151,555
Less: current portion	(139,556)	—	(139,556)
	<u>2,511,999</u>	<u>2,500,000</u>	<u>5,011,999</u>
As at 31 December 2010			
Loans from Parent Company	2,779,401	3,500,000	6,279,401
Less: current portion	(142,533)	—	(142,533)
	<u>2,636,868</u>	<u>3,500,000</u>	<u>6,136,868</u>

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

During the six months ended 31 June 2011, a principal amount of RMB1,000,000,000 was repaid in advance and the remaining principal of RMB2,500,000,000 will be repayable in full in 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE AERONAUTICAL BUSINESS

In the first half year of 2011, the air traffic volumes at Beijing Capital Airport maintained steady growth. The aircraft movements were 261,146, representing an increase of 3.8% as compared with the same period of the previous year. The passenger throughput reached 37,871,118, representing an increase of 7.9% as compared with the same period of the previous year. The cargo and mail throughput reached 770,705 tonnes, representing an increase of 5.3% as compared with the same period of the previous year. Detailed information is set out in the table below:

	For the six months ended 30 June		
	2011	2010	Change
Aircraft movements (<i>unit: movement</i>)	261,146	251,608	3.8%
including: Domestic	206,261	201,155	2.5%
International, Hong Kong, Macau & Taiwan	54,885	50,453	8.8%
Passenger throughput	37,871,118	35,091,937	7.9%
including: Domestic	29,140,742	26,992,762	8.0%
International, Hong Kong, Macau & Taiwan	8,730,376	8,099,175	7.8%
Cargo and mail throughput (<i>unit: tonnes</i>)	770,705	732,230	5.3%
including: Domestic	428,968	422,176	1.6%
International, Hong Kong, Macau & Taiwan	341,737	310,054	10.2%

In the first half year of 2011, the Company continued the marketing of its international route network, introduced several new airline companies, opened new international destinations and increased flight frequency of some existing international destinations. As a result, the growth rate of aircraft movements and cargo throughput for international routes as well as those for Hong Kong, Macau and Taiwan well outpaced that of domestic routes.

In the first half year of 2011, while ensuring the continuous safe operation of Beijing Capital Airport, the Company adopted a series of measures to improve the normal operation of flights, in particular, to improve the availability of flights in special weather conditions such as thunderstorms and ice and snow weather, and achieved satisfactory results in this respect.

In the first half year of 2011, the Company continued to promote the concept of “Chinese-style Services” and in the second quarter, the Airports Council International satisfaction index of passengers at the Beijing Capital Airport reached 4.81 on a scale of 5 being the highest.

AERONAUTICAL REVENUES

	Unaudited		
	For the six months		
	ended 30 June		
	2011	2010	Change
	<i>RMB'000</i>	<i>RMB'000</i>	
Passenger charges	731,473	677,002	8.0%
Aircraft movement fees and related charges	611,980	569,128	7.5%
Airport Fee	481,579	445,004	8.2%
Total aeronautical revenues	<u>1,825,032</u>	<u>1,691,134</u>	7.9%
less: Business tax and levies	<u>(59,131)</u>	<u>(50,734)</u>	16.6%
Aeronautical revenue, net of business tax and levies	<u><u>1,765,901</u></u>	<u><u>1,640,400</u></u>	7.7%

In the first half year of 2011, the total aeronautical revenues of the Company were RMB1,825,032,000, representing an increase of 7.9% as compared with the same period of the previous year.

In the first half year of 2011, revenues from passenger charges were RMB731,473,000, representing an increase of 8.0% as compared with the same period of the previous year, and the airport fee was RMB481,579,000, representing an increase of 8.2% as compared with the same period of the previous year, each of them corresponds to the growth rate of passenger throughput.

In the first half year of 2011, revenues from aircraft movement fees and related charges were RMB611,980,000, representing an increase of 7.5% as compared with the same period of the previous year and well outpacing the growth rate of aircraft movements, which was mainly due to the rapid growth in international routes for which the aircraft movement fees and related charges were higher than those for domestic routes in accordance with the related charging standards for civil airports.

NON-AERONAUTICAL REVENUES

	Unaudited For the six months ended 30 June		
	2011	2010	Change
	<i>RMB'000</i>	<i>RMB'000</i>	
Concessions	877,161	658,146	33.3%
including: Retailing	339,840	260,819	30.3%
Advertising	322,412	322,253	0.0%
Ground handling	141,586	10,408	1,260.4%
Restaurants and food shops	49,698	42,977	15.6%
Others	23,625	21,689	8.9%
Rentals	372,341	369,434	0.8%
Car parking fee	22,057	19,499	13.1%
Management service fee	10,203	3,170	221.9%
Others	2,562	3,604	-28.9%
Total non-aeronautical revenues	<u>1,284,324</u>	<u>1,053,853</u>	21.9%
less: Business tax and levies	<u>(75,968)</u>	<u>(62,154)</u>	22.2%
Non-aeronautical revenues, net of business tax and levies	<u><u>1,208,356</u></u>	<u><u>991,699</u></u>	21.8%

In the first half year of 2011, the total non-aeronautical revenues of the Company were RMB1,284,324,000, representing an increase of 21.9% as compared with the same period of the previous year.

In the first half year of 2011, the concession revenues of the Company were RMB877,161,000, representing an increase of 33.3% as compared with the same period of the previous year, among which, the concession revenues from retailing were RMB339,840,000, representing an increase of 30.3% as compared with the same period of the previous year, which was mainly due to the increases in floor area of general commercial retail and duty-free shops, and a series of measures adopted by the Company to enhance the consumption experience of passengers which boosted the contribution of commercial retail resources to revenues. The concession revenues from advertising of the Company were RMB322,412,000, with slight growth as compared with the same period of the previous year. The concession revenues from ground handling service were RMB141,586,000, representing an increase of 1,260.4% as compared with the same period of the previous year, which was mainly because after the efforts made by the management of the Company and the negotiations conducted, the Company finally reached agreement with an airline company on the collection of concessions fees related to the ground handling service provided by this company at Beijing Capital Airport in the past two years, resulting in the recognition of this revenue. The concession revenues from restaurants were RMB49,698,000, representing an increase of 15.6% as compared with the same period of the previous year, which mainly resulted from the increase in passenger throughput and the growth in consumption of passengers thanks to our improved services. The other concession revenues were RMB23,625,000, representing an increase of 8.9% as compared with the same period of the previous year.

In the first half year of 2011, the rental income of the Company was RMB372,341,000, representing an increase of 0.8% as compared with the same period of the previous year.

In the first half year of 2011, the Company's car parking fee income was RMB22,057,000, representing an increase of 13.1% as compared with the same period of the previous year, mainly due to the increase in car parking volumes as a result of the growth in passenger throughput as well as the increase in long-term car parking volumes due to our adoption of multiple marketing measures.

In the first half year of 2011, the management service fee income of the Company was RMB10,203,000, mainly including the management fee from the management of the ground traffic centre and the information system by the Company as engaged by Capital Airport Holding Company (the “Parent Company” or “CAHC”).

In the first half year of 2011, the other revenues of the Company were RMB2,562,000, mainly including the revenues from provision of airport-pass service in the terminals.

OPERATING EXPENSES

	Unaudited For the six months ended 30 June		
	2011 <i>RMB'000</i>	2010 <i>RMB'000</i> (Restated)	Change
Depreciation and amortisation	750,901	759,436	-1.1%
Utilities and power	277,589	274,826	1.0%
Repairs and maintenance	209,669	231,620	-9.5%
Staff costs	199,278	166,766	19.5%
Aviation safety and security guard costs	176,963	178,668	-1.0%
Contracted operating services	92,539	110,325	-16.1%
Greening and environmental maintenance	88,400	93,428	-5.4%
Real estate and other taxes	74,998	74,183	1.1%
Rental expenses	53,735	55,782	-3.7%
Other costs	68,185	78,149	-12.8%
Total operating expenses	<u>1,992,257</u>	<u>2,023,183</u>	-1.5%

In the first half year of 2011, the Company continued to implement strict cost control, and achieved good results. In the first half of the year, the operating expenses of the Company were RMB1,992,257,000, representing a decrease of 1.5% as compared with the same period of the previous year.

In the first half year of 2011, the depreciation and amortisation expenses of the Company were RMB750,901,000, representing a decrease of 1.1% as compared with the same period of the previous year.

In the first half year of 2011, the utilities and power expenses of the Company were RMB277,589,000, representing an increase of 1.0% as compared with the same period of the previous year.

In the first half year of 2011, the repairs and maintenance expenses of the Company were RMB209,669,000, representing a decrease of 9.5% as compared with the same period of the previous year.

In the first half year of 2011, the staff costs of the Company were RMB199,278,000, representing an increase of 19.5% as compared with the same period of the previous year, such increase was mainly because the Company raised the salary and benefit level of its staff according to the changes in market remuneration level and the operation results of the Company.

In the first half year of 2011, the aviation safety and security guard costs of the Company were RMB176,963,000, representing a decrease of 1.0% as compared with the same period of the previous year.

In the first half year of 2011, the contracted operating services costs of the Company were RMB92,539,000, representing a decrease of 16.1% as compared with the same period of the previous year. The contracted operating services costs mainly represent the costs incurred by the Company in respect of the services procured for the operation of its boarding corridor system, luggage system, security system, driverless electric train system, power facilities and vehicles.

In the first half year of 2011, the greening and environmental maintenance expenses of the Company were RMB88,400,000, representing a decrease of 5.4% as compared with the same period of the previous year.

In the first half year of 2011, the real estate and other taxes of the Company were RMB74,998,000, representing an increase of 1.1% as compared with the same period of the previous year.

In the first half year of 2011, the rental expenses of the Company were RMB53,735,000, representing a decrease of 3.7% as compared with the same period of the previous year.

In the first half year of 2011, the other costs of the Company were RMB68,185,000, representing a decrease of 12.8% as compared with the same period of the previous year.

OTHER ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011, other income of the Company was RMB11,068,000, mainly representing the government subsidies received during the reporting period.

For the six months ended 30 June 2011, the net finance costs of the Company net of finance income were RMB308,920,000, representing a decrease of 10.0% as compared with the same period of the previous year, which was mainly due to the significant increase in foreign exchange gains from European Investment Bank loans assumed from the Parent Company which is denominated in the US dollar in the first half year of 2011 as a result of the accelerated appreciation of the RMB against the US dollars when comparing with the first half year of 2010.

For the six months ended 30 June 2011, the income tax expense of the Company was RMB171,859,000.

PROSPECT FOR THE SECOND HALF YEAR OF 2011

In general, driven by such factors as overall continued growth of the macro-economy in China, travel demands, the on-going replenishment of operation resources at Beijing Capital Airport as well as the Company's continuous efforts to actively develop the aviation market, the air traffic volume of Beijing Capital Airport is expected to keep growing in the second half year of 2011.

On 30 June 2011, the Beijing-Shanghai high-speed railway was put into operation. Up to now, the Beijing-Shanghai high-speed railway has had only limited impact on the number of flights and passengers travelling between Beijing and cities such as Shanghai and Nanjing. Meanwhile, the Company has put ten measures in place to enhance the operation efficiency and service quality of the existing Beijing-Shanghai express line so as to consolidate the market of Beijing-Shanghai route.

In order to cater for the continuous growth of market demand, the Company has proactively carried out the capacity assessment work in respect of flight slots at Beijing Capital Airport so as to facilitate the capacity expansion in winter and solve the flight slot issue. In the second half year of 2011, the Company will advance the reconstruction of Terminal Two and preparation for the launch of T3-D (Note) as scheduled, so as to further enhance the facility capacity at Beijing Capital Airport. At the same time, the Company shall also proactively carry out communication with the relevant state authorities in respect of the adjustment to the charging standard of domestic airlines for international routes.

Note: T3-D is located between the domestic terminal (T3-C) and the international terminal (T3-E) of Terminal Three, which is owned by the Parent Company.

In the second half year of 2011, the Company will continue its proper planning for commercial resources at the terminals to enhance the consumption satisfaction index of passengers, so as to boost retail revenues; In addition, some of the Company's re-directed and newly-added advertising resources will be put into use, which is expected to generate positive impact on relevant non-aeronautical revenues. Meanwhile, the Company will continue to expand the concession on air-catering business, and push forward concessions on aircraft maintenance engineering and ground handling of business jets so as to maintain the growth of non-aeronautical business.

In the second half year of 2011, the Company will strictly control various costs and expenses. Energy consumption is to be controlled through long-term measures such as long-term planning and effective technical improvement. At the same time, incentive measures will be adopted to control costs and encourage the involvement of all the staff in cost management.

In 2011, according to the long-ranging plan of the National Development and Reform Commission and the Civil Aviation Administration of China, as well as the outline of the "12th Five-Year Plan" of the Beijing Municipality, in the future there will be the Second Capital Airport (the "New Airport") constructed by stage in the southern part of Daxing District, Beijing. The Parent Company is leading a pre-feasibility study over the construction of the New Airport. The Company has participated in and will continue to follow up the relevant argumentation work in respect of the early-stage design, construction and operation. The Company will inform all the shareholders immediately after obtaining confirmed information about its participation in the construction of the New Airport.

INTERIM DIVIDENDS

The Board of the Company resolved to distribute the interim dividends of RMB0.01781 per share for the six months ended 30 June 2011 (the interim dividends in 2010: Nil), amounting to the total of RMB77,133,000.

Pursuant to the Company's article of association, dividends payable to holders of domestic shares will be paid in RMB, while dividends payable to holders of H shares will be paid in Hong Kong dollar. The dividends payable in Hong Kong dollar will be calculated basing on the average exchange rate of RMB to Hong Kong dollar published by the People's Bank of China over a period of one calendar week prior to the declaration of the dividends. During such period, the average exchange rate of RMB to Hong Kong dollar was HK\$1.00 = RMB0.82075. Accordingly, the amount of the interim dividends for each H share of the Company for the six months ended 30 June 2011 is HK\$0.02170.

The register of members of the Company will be temporarily closed from Wednesday, 14 September 2011 to Monday, 19 September 2011 (both days inclusive). The interim dividends are expected to be paid on or before Monday, 31 October 2011, to the shareholders whose names appear on the register of shareholders on Monday, 19 September 2011.

In order to be qualified for the payment of the interim dividends, holders of H shares whose transfers have not been registered are requested to deposit the transfer documents together with the relevant share certificates to the Company's H Share Registrar: Hong Kong Registrars Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 12 September 2011.

The Company is communicating with the related taxation authorities on the matter of withholding and payment of individual income tax for natural person holders of H shares and will inform all the shareholders after the details being confirmed.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2011, the Company had total cash and cash equivalents amounting to RMB780,395,000, while the cash and cash equivalents of the Company amounted to RMB882,185,000 as at 31 December 2010.

As at 30 June 2011, the Company's long-term bank borrowings were RMB7,500,000,000, and loans from the Parent Company were RMB5,151,555,000.

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

As at 30 June 2011, the Company had unutilised loan facilities totalling RMB16 billion (as at 31 December 2010: RMB16 billion).

As at 30 June 2011, the current ratio of the Company was 70.1%, and that as at 31 December 2010 was 70.6%. Such ratios were computed by dividing the total current assets by total current liabilities as at those respective dates.

As at 30 June 2011, the liability-to-asset ratio of the Company was 59.0%, and that as at 31 December 2010 was 61.5%. Such ratios were computed by dividing the total amount of liabilities by the total assets as at those respective dates.

	As at 30 June 2011	As at 31 December 2010
Current Ratio	70.1%	70.6%
Liability-to-asset Ratio	<u>59.0%</u>	<u>61.5%</u>

For the six months ended 30 June 2011, 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 2011 <i>Rmb'000</i>	2010 <i>Rmb'000</i>
Net cash from operating activities	1,529,430	2,455,042
Net cash used in investing activities	(105,494)	(196,311)
Net cash used in financing activities	<u>(1,523,540)</u>	<u>(2,682,467)</u>
Net decrease in cash and cash equivalents	(99,604)	(423,736)
Cash and cash equivalents at the beginning of the reporting period	882,185	683,595
Effect of exchange rate changes	<u>(2,186)</u>	<u>(42)</u>
Cash and cash equivalents at the end of the reporting period	<u>780,395</u>	<u>259,817</u>

In the first half year of 2011, the Company's net cash generated from operating activities amounted to RMB1,529,430,000, representing a decrease of 37.7% as compared with the same period of the previous year, mainly because the Company slowed down the payments to its suppliers due to the repayment of certain loans during the same period of the previous year.

In the first half year of 2011, net cash used in investing activities amounted to RMB105,494,000, representing a decrease of 46.3% as compared with the same period of the previous year.

In the first half year of 2011, the Company's net cash used in financing activities amounted to RMB1,523,540,000, representing a decrease of 43.2% as compared with the same period of the previous year, and mainly including the Company's repayment of borrowings from the parent company of approximately RMB1,070,649,000 and interest expenses of approximately RMB458,612,000.

CHARGE ON ASSETS

As at 30 June 2011, there was no material charge on the assets of the Company.

ACQUISITION AND DISPOSAL

During the six months ended 30 June 2011, there was no material acquisition or disposal in relation to any of the Company's subsidiaries and associates or joint ventures.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

The Company has not purchased, sold or redeemed any of its shares during the six months ended 30 June 2011.

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, and purchases of certain equipment, goods and materials which are received or paid in US dollars. Dividends to the shareholders of the Company holding H Shares are declared in RMB and payable in HK dollars.

According to the overall plan of the acquisition of the Phase III Assets, as at 30 June 2011, the Company assumed the US dollar-denominated borrowings (409,722,000 US dollars) from the European Investment Bank related to the Phase III Assets and the interest thereof. Accordingly, the fluctuation of the RMB exchange rate against the US dollar will 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 2011, the assets and liabilities of the Company denominated in foreign currencies (mainly in US dollars) included cash and cash equivalents of approximately RMB60,633,000 (as at 31 December 2010: RMB33,747,000), trade and other receivables of approximately RMB18,441,000 (as at 31 December 2010: RMB31,859,000), trade and other payables of approximately RMB662,000 (as at 31 December 2010: RMB132,000), and loans from the Parent Company of approximately RMB2,651,555,000 (as at 31 December 2010: RMB2,779,401,000).

During the reporting period, the Company recorded an exchange gain of RMB61,226,000.

EXPOSURE TO FLUCTUATIONS IN INTEREST RATES

The total amount of the non-current portion and current portion of the Company's loans from the Parent Company is RMB5,151,555,000, which includes the loans from the European Investment Bank which was assumed from the Parent Company at an interest rate of six-month LIBOR plus 0.4% and the corporate bonds from the Parent Company at an interest rate with reference to published interbank repo rate issued by China Foreign Exchange Trading Centre & National Interbank Funding Centre. As such, any change in LIBOR or rates of People's Bank of China will affect the interest expenses and 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 2011.

The Directors of the Company understand that certain residents living in the vicinity of the Beijing Capital Airport have made complaints to the Beijing Municipal Government about the aircraft engine noise created by approaching and departing aircrafts, and requested 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 end of the reporting period, the outcome was still pending. Any potential financial impact on the Company, if any, will depend on the final resolution of these complaints with the relevant parties involved. The Company has no 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 2011, the number of employees of the Company was as follows, together with the comparative figures for the same date in the previous year:

	As at 30 June 2011	As at 30 June 2010
Number of employees	<u>1,573</u>	<u>1,861</u>

The notable decrease in the number of employees was mainly because the Company outsourced relevant services provided at the car parking structure in the western part of the Beijing Capital Airport since 16 April 2011 in order to effectively control the cost and enhance the relevant service quality thereof, and terminated the labour contracts with the employees who were previously employed for such duties.

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.

On 30 June 2011, the Company obtained approval from the relevant government authority on a retirement annuity plan (the “annuity plan”) which had been amended upon its existing retirement benefit plan related to pension subsidies for current employees effective from 1 January 2011. The details are set out in Note 13 to the condensed interim financial information.

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 2011, the Company did not have any entrusted deposits or uncollected fixed deposits upon maturity placed with any financial institutions or any other entities.

CAPITAL STRUCTURE

As at 30 June 2011, 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	<u>1,879,364,000</u>	<u>43.39%</u>

SHORT POSITION IN SHARES

According to the register required to be kept by the Company under Section 336 of the SFO, as at 30 June 2011, there were no other people or substantial shareholders holding any short positions in the shares and underlying shares of the Company.

Save as disclosed above, the register required to be kept under section 336 of the SFO showed that the Company had not been notified of any other interests or short positions in the shares and underlying shares of the Company as at 30 June 2011.

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

As at 30 June 2011, 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 (“Hong Kong Stock Exchange”) 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 2011.

AUDIT COMMITTEE

The Audit Committee of the Company was established on 10 January 2000. On 15 June 2011, the fifth session of the Board of the Company appointed the new members of the Audit Committee. At present, the Audit Committee of the Company is composed of four members which was Mr. Liu Guibin, Mr. Japhet Sebastian Law, Mr. Wang Xiaolong and Mr. Jiang Ruiming. All of them are independent non-executive directors, with Mr. Liu Guibin acting as the Chairman. They have rich experience in financial, legal and securities matters. 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 matters relating to financial reporting, internal control procedures, 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 review and evaluation of the Company’s internal control system and risk management level.

The Audit Committee has reviewed the Company's condensed interim financial information for the six months ended 30 June 2011, as well as the accounting principles and methods adopted by the Company. The Audit Committee considers that the disclosure of the financial information in the unaudited condensed interim financial information and in the interim report complies with the applicable accounting standards and the relevant 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. The Company has complied with all the provisions 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 2011.

COMPLIANCE WITH THE MODEL CODE

The Company has formulated "the Code for Securities Transactions by Directors and Staff" at terms no less exacting than the required standard of the Model Code. For the six months ended 30 June 2011, the Company strictly implemented the Code for Securities Transactions by Directors and Staff.

Having made specific enquiries to the directors, supervisors and chief executives of the Company, the Company has confirmed that each of them has complied with the Model Code during the six months ended 30 June 2011.

By the order of the Board

Shu Yong

Secretary of the Board

Beijing, PRC, 19 August 2011

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, Mr. Yao Yabo, Mr. Zhang Musheng, Mr. Lau Eng Boon and Mr. Yam Kum Weng*

Independent Non-executive Directors: *Mr. Japhet Sebastian Law and Mr. Wang Xiaolong, Mr. Jiang Ruiming, Mr. Liu Guibin*

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>.