

# ABRIDGED AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH

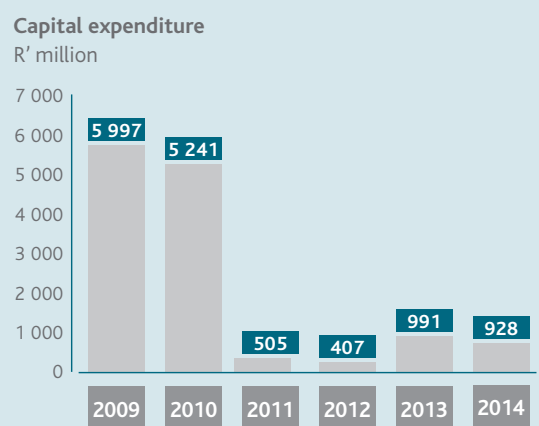
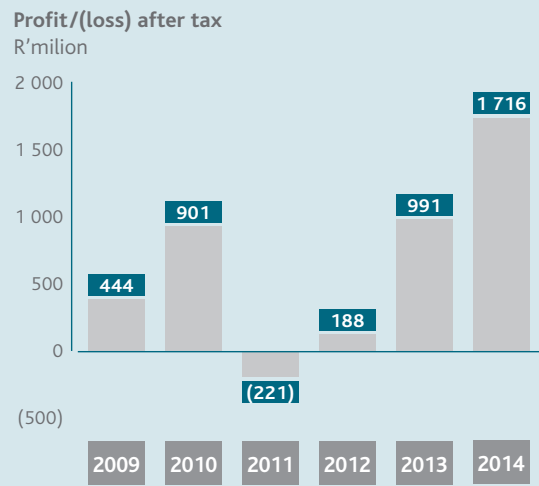
## 2014

Embracing forward thinking

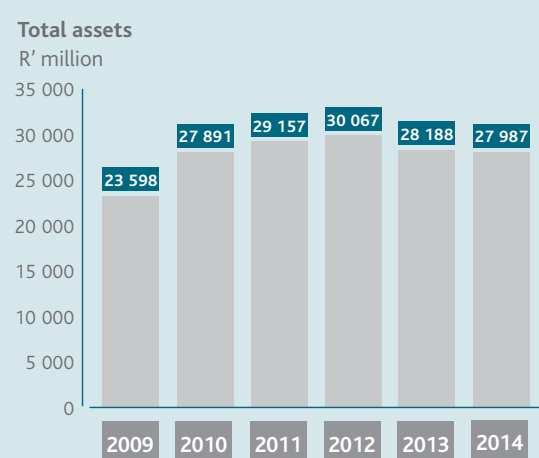
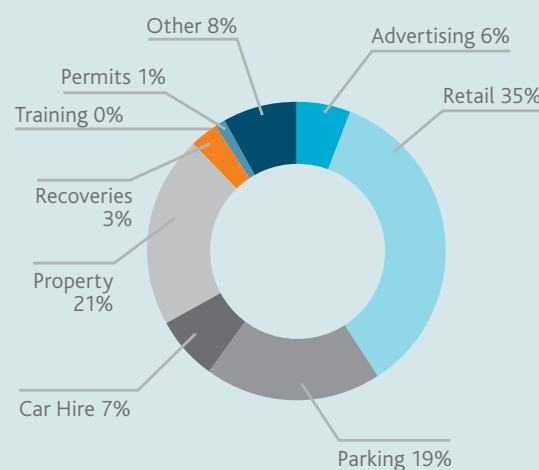


**AIRPORTS COMPANY  
SOUTH AFRICA**

**Total revenue increase 7.2% to R7.126 billion**  
**EBITDA increase 4.6% to R4.493 billion**  
**Net profit after tax R1.7 billion**



Composition of non-aeronautical revenue  
(for the year ended 31 March 2014)



## SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2014

Figures in Rand thousand	2014	2013	1 April 2012
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>24 954 264</b>	<b>24 690 018</b>	<b>24 519 622</b>
Property, plant and equipment	19 808 871	20 260 405	20 624 757
Investment property	3 275 949	2 991 127	2 696 172
Intangible assets	110 608	150 480	214 755
Investment in subsidiaries	-	-	-
Investment in joint ventures	107 383	85 078	43 752
Investments in associates	1 422 739	932 832	748 643
Other non-current assets	228 714	270 096	191 543
<b>Current assets</b>	<b>3 032 483</b>	<b>3 405 768</b>	<b>3 619 359</b>
Inventories	1 180	6 222	6 220
Tax receivable	461	614	-
Derivative financial instruments	-	11 215	-
Trade and other receivables	942 765	928 599	1 038 760
Investments	1 073 569	1 204 998	600 000
Cash and cash equivalents	1 014 508	1 254 120	1 974 379
<b>Non-current assets held for sale</b>	<b>-</b>	<b>-</b>	<b>1 850 000</b>
<b>Total assets</b>	<b>27 986 747</b>	<b>28 095 786</b>	<b>29 988 981</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	500 000	500 000	500 000
Share premium	250 000	250 000	250 000
Other reserves	(77 467)	(204 355)	719 458
Treasury share reserve	(44 024)	(44 024)	(44 024)
Retained earnings	12 055 313	10 437 027	8 264 557
<b>Total equity attributable to equity holders</b>	<b>12 683 822</b>	<b>10 938 648</b>	<b>9 689 991</b>
<b>Non-current liabilities</b>	<b>12 397 400</b>	<b>13 309 547</b>	<b>16 947 454</b>
Interest bearing borrowings	11 125 401	11 880 638	15 600 538
Retirement benefit obligations	34 858	186 484	142 545
Derivative financial instruments	48 081	226 551	129 426
Deferred income	69 614	72 249	74 060
Deferred tax liabilities	1 119 446	943 625	1 000 885
<b>Current liabilities</b>	<b>2 905 525</b>	<b>3 847 591</b>	<b>3 351 536</b>
Trade and other payables	816 040	833 876	928 046
Interest bearing borrowings	1 846 509	2 841 696	1 051 863
Provisions	120 000	103 500	87 026
Derivative financial instruments	51 601	45 383	65 349
Income tax liability	68 644	20 437	16 595
Deferred income	2 731	2 699	1 202 657
<b>Total liabilities</b>	<b>15 302 925</b>	<b>17 157 138</b>	<b>20 298 990</b>
<b>Total equity and liabilities</b>	<b>27 986 747</b>	<b>28 095 786</b>	<b>29 988 981</b>

## SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 March 2014

Figures in Rand thousand	2014	2013	Restated
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers	7 164 160	6 670 524	
Cash paid to suppliers and employees	(2 760 003)	(2 461 993)	
Cash generated from operations	4 404 157	4 208 531	
Income tax paid	(429 223)	(404 381)	
Interest received	64 702	126 259	
Net cash inflow from operating activities	4 039 636	3 930 409	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property plant and equipment	(863 322)	(944 934)	
Sale of property, plant and equipment	2 087	3 520	
Purchase of investment property	(16 106)	(7 763)	
Purchase of intangible assets	(48 573)	(37 930)	
Decrease/(increase) in short-term investments	131 429	(604 998)	
Proceeds on disposal of assets held for sale	-	650 000	
Investments in associates	(181 054)	(76 892)	
Net cash outflow from investing activities	(975 539)	(1 018 997)	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest bearing borrowings repaid	(1 889 951)	(2 094 838)	
Financial instruments held for trading	(76 761)	(72 743)	
Dividends paid	(97 528)	-	
Interest paid	(1 239 469)	(1 464 385)	
Net cash outflow from financing activities	(3 303 709)	(3 631 966)	
Net foreign currency translation adjustments	-	295	
<b>Increase in cash and cash equivalents</b>	<b>(239 612)</b>	<b>(720 259)</b>	
Cash and cash equivalents at beginning of period	1 254 120	1 974 379	
Effect of foreign exchange rate changes on cash held	-	-	
<b>Cash and cash equivalents at end of period</b>	<b>1 014 508</b>	<b>1 254 120</b>	

## COMMENTARY

### Basis of preparation

The annual financial statements, from which these summary consolidated annual financial statements are extracted, have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations issued by the International Accounting Standards Board (IASB), the preparation and disclosure requirements of IAS34 – interim financial statements and reporting in the manner required by the Companies Act No. 71 of 2008. Although the audited consolidated financial statements have been prepared in accordance with the Public Finance Management Act of 1999 (PFMA), the PFMA does not prescribe or prohibit the preparation of these summary consolidated financial statements.

### Traffic trends

The Group experienced zero growth year-on-year in total departing passengers for the period under review, remaining at 17.4 million. Aircraft movements increased by 4% to 261 291 (2013: 255 053). International passenger traffic and aircraft movements grew by 2% and 6% respectively from the prior year. Domestic passengers, who constitute approximately 67% of total passenger traffic, decreased by 2% and related aircraft landings decreased by 1% as compared to the previous period. Regional and other passengers increased by 7% while related aircraft movements (landings) show an increase of 5% year on year.

### Revenue

The Group revenue comprises both aeronautical and non-aeronautical revenue streams. The aeronautical revenues are derived from regulated income, which includes a passenger service charge, and aircraft landing and parking charges. Non-aeronautical revenue is derived from the Group's commercial activities and comprises mainly property rentals, retail, car rental, car parking and advertising. Total revenue for the year ended 31 March 2014 increased by 7.2% to R7.1 billion (2013: R6.6 billion). This represents a 7% increase in aeronautical revenue to R4.6 billion (2013:

## SUMMARY CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2014

Figures in Rand thousand	2014	2013	Restated
Revenue	7 126 961	6 646 602	
Other operating income	257 856	227 781	
Employee benefit expenses	(992 804)	(873 953)	
Depreciation and amortisation expense	(1 402 510)	(1 411 433)	
Other operating expenses	(1 744 984)	(1 558 653)	
<b>Operating profit</b>	<b>3 244 519</b>	<b>3 030 344</b>	
Share of profit of equity accounted investments	228 582	62 434	
<b>Net finance expense</b>	<b>(1 159 804)</b>	<b>(1 451 498)</b>	
Finance income	64 702	126 259	
Finance expenses	(1 380 960)	(1 603 702)	
Gains on remeasurement and disposal of trading financial instruments	156 454	25 945	
<b>Profit before tax</b>	<b>2 313 297</b>	<b>1 641 280</b>	
Income tax expense	(597 086)	(649 970)	
<b>Profit for the period</b>	<b>1 716 211</b>	<b>991 310</b>	
<b>Other comprehensive income for the year, net of tax</b>	<b>126 888</b>	<b>4 363</b>	
Actuarial gain/(loss)	43 987	(18 278)	
Gains and losses on property revaluation	20 710	67 303	
Exchange differences on translating foreign operations	86 380	28 166	
Effects of cashflow hedges	15 323	(71 680)	
Deferred tax	(39 512)	(1 148)	
<b>Total comprehensive income for the year</b>	<b>1 843 099</b>	<b>995 673</b>	
<b>Profit attributable to:</b>			
Owners of the parent	1 716 211	991 310	
	1 716 211	991 310	
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	1 843 099	995 673	
	1 843 099	995 673	
Basic earnings per share (cents)	347.41	200.67	
Diluted earnings per share (cents)	347.41	200.67	

## ABRIDGED SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2014

Figures in Rand thousand	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT					Total equity
	Share capital	Share premium	Retained earnings	Treasury shares	Other reserves	
<b>GROUP</b>						
Balance at 1 April 2012	500 000	250 000	8 264 557	(44 024)	719 458	9 689 991
<b>Comprehensive income</b>						
Profit for the year	-	-	991 310	-	-	991 310
<b>Other comprehensive income</b>						
Actuarial losses on defined benefit	-	-	1 181 160	-	(923 813)	257 347
PRMAL net of tax	-	-	-	-	(13 441)	(13 441)
Cash flow hedge	-	-	-	-	(51 610)	(51 610)
Foreign currency translation differences, net of tax	-	-	-	-	20 956	20 956
Gain on revaluation of investment property, net of tax	-	-	-	-	48 458	48 458
Transfer between reserves	-	-	928 176	-	(928 176)	-
Deferred tax on transfer between reserves	-	-	252 984	-	-	252 984
Balance at 1 April 2013	500 000	250 000	10 437 027	(44 024)	(204 355)	10 938 648
<b>Comprehensive income</b>						
Profit for the year	-	-	1 716 211	-	-	1 716 211
<b>Other comprehensive income</b>						
Actuarial losses on defined benefit	-	-	-	-	126 888	126 888
PRMAL net of tax	-	-	-	-	31 675	31 675
Cash flow hedge	-	-	-	-	11 033	11 033
Foreign currency translation differences, net of tax	-	-	-	-	69 269	69 269
Gain on revaluation of investment property, net of tax	-	-	-	-	14 911	14 911
Dividends declared	-	-	(97 925)	-	-	(97 925)
<b>Balance at 31 March 2014</b>	<b>500 000</b>	<b>250 000</b>	<b>12 055 313</b>	<b>(44 024)</b>	<b>(77 467)</b>	<b>12 683 822</b>

R4.2 billion) and an 8% increase in non-aeronautical revenues to R2.6 billion (2013: R2.4 billion). Revenue composition remained consistent with 2013 at 36% for non-aeronautical and 64% for aeronautical in 2014. The contribution of non-aeronautical income is critical to our growth as it allows us to earn income from sources that are not regulated. The net income return achievable on commercial assets is set at hurdle rates higher than the net income return achieved on the regulatory asset base.

### Dividends

The Board reviewed the dividend policy, taking into account the future operating requirements for the year ending March 2015, expected earnings over the current permission and the requirements to maintain an optimal capital structure. Following from this review, a dividend of R300 million is proposed for the financial year ended 31 March 2014.

### Outlook

The Eurozone economy contracted by marginally in 2013 and is expected to expand slightly in 2014. Other advanced economies are expected to recover gradually in 2014 while growth in emerging markets is projected to remain under pressure.

Continued pressure on traffic volume numbers is expected in the 2015 financial year due to tentative domestic economic recovery. The current consumer price inflation is expected to remain at around 6.3% in 2014, putting strain on operational costs. Borrowing costs are expected to increase as result of the South African Reserve Bank tightening the monetary policy.

While there is no immediate need for infrastructure delivery, the Group will monitor the demand and need for capacity to ensure a responsible and timely delivery of infrastructure in line with future growth expectations.

**BOARD OF DIRECTORS:** B Mabuza\* (Chairman), R Morar\* (Deputy Chairman), S Macozoma\*, E Masilela\* (resigned July 2013), T Ramano\*, M Matsaba\* (resigned July 2013), J Lamola\* B Luthuli\*, P Mabelane\*, C Mabude\*, K Moroka\*, B Maseko, M Manyama-Matome, D Botha (appointed August 2013) \*Non-executive / Alternate director

**EXECUTIVE COMMITTEE:** A Vermeulen, P du Plessis, G Vracar, H Jeena, J Neville, T Mekgoe, D Cloete, T Delomoney, Y Schoeman, B Mbomvu (appointed September 2013)

**COMPANY SECRETARY:** N Kekana

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**REGISTRATION NUMBER:** 1993/004149/30

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