

AIRPORTS COMPANY SOUTH AFRICA STATEMENT ON THE BLACK BUSINESS COUNCIL

BEDFORDVIEW, 3 December 2017 – Airports Company South Africa notes with concern recent events at the Black Business Council as disclosed in media reports.

The company agreed to support the economic transformation lobbying programme of the BBC as this is an important and strategic initiative aligned to Airports Company South Africa's transformation objectives.

Already a significant portion of our procurement spend is from BEE companies. In the 2016/17 financial year the company grew the black business share of commercial revenue by 50%, exceeding the target of 45%. Analysis of our preferential procurement spend can be found on page 89 of the 2016/17 integrated report.

In the past year, we have re-structured our transformation strategy to enable us to better support emerging black companies across seven sectors in which the bulk of our procurement spend is found. These sectors are at different stages in their transformation journeys and it is our view that we can accelerate progress by acknowledging that different industries need different kinds of support to move ahead. Details may be found on pages 50 to 55 of the company's integrated report for the 2016/17 financial year.

A formal written request was sent by the BBC president to the CEO of Airports Company dated 29 March 2017. The fourth paragraph of the letter stated: "The BBC's President's Office has appointed Merit Energy to help facilitate the implementation of the Campaign. Merit Energy will bill ACSA as discussed".

This letter has been made available for inspection by the investigators appointed by the BBC.

An examination of the relevant remittance advice documents shows that Airports Company paid a total of R5-million into the Merit Energy bank account in two tranches on 25 April 2017 and on 31 May 2017 respectively. These deposits were handled in the proper way through the company's systems and duly recorded.

Further, Airports Company confirms that it has asked the SAPS to investigate the trail of the funds after they were transferred on the basis of the payment information provided by the BBC. The company will lay criminal charges if any wrongdoing is uncovered.

ENDS

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Notes to editors about Airports Company South Africa

Airports Company South Africa is the largest airport operator in Africa. Our mission is to develop and manage world-class airport infrastructure for the benefit of all stakeholders

We manage South Africa's nine principal airports.* In fulfilling this task, Airports Company South Africa enables more than 80 percent of South Africa's commercial air travel. Our airports process 40 million arriving and departing passengers a year.

In the 2016/17 financial year, Airports Company South Africa reported total revenue of R8.6 billion. Currently 63% of Airports Company South Africa revenue is derived from regulated tariffs for aircraft landing and parking fees and a passenger service charge. The remaining 37% is non-aeronautical revenue generated by airport retail, parking, property and other services.

Airports Company South Africa's global footprint extends to technical advisory services and support, airport management, and operating concessions in India, Brazil, Ghana, and has a Sister Airport Agreement with Munich Airport.

We also frequently feature among the winners of independently-judged global airport awards. In the 2017 Airports Service Quality awards presented by Airports Council International no less than four of our airports were honoured:

- King Shaka International Airport achieved first place in Best Airport by Region;
- Cape Town International Airport achieved third place in Best Airport by Region;
- Cape Town International Airport was named Best Airport in Africa (over 20 000 air traffic movements) in the Safety Awards;
- Bram Fischer International Airport achieved first place in Best Airport by Region in the under 2 million passengers category as well as Most Improved Airport; and
- Upington International Airport joined the 2016 Director's Roll of Excellence for being ranked in the top five airports for its category, size and region from 2006 to 2015.

For more information please visit www.airports.co.za.

**South African airports we operate are: O. R. Tambo International Airport, Cape Town International Airport, King Shaka International Airport, George Airport, Bram Fischer International Airport, Upington Airport, Kimberley Airport, Port Elizabeth Airport and East London Airport.*