

# INTEGRATED ANNUAL REPORT 2012



AIRPORTS COMPANY  
SOUTH AFRICA





# MISSION, VISION, STRATEGY AND VALUES

## MISSION

To develop and manage world-class airports for the benefit of all stakeholders

## VISION

To be a world-leading airport business

## STRATEGY

To build an efficient and customer-focused business

## VALUES

### PRIDE

Passion – Living our values and pursuing our goals

Results – Being customer and partner focused

Integrity – Enabling trust and respect in all our actions

Diversity – Promoting our African heritage in a global context

Excellence – Continuously improving and innovating our business

# CONTENTS

Airport statistics	3
Company profile	4
Airport locations	5
Operating structure	6
Group structure	7
Board of Directors	8
Executive Committee	10
Chairman's review	14
Managing Director's review	16
STRATEGY	20
Strategic positioning	21
Delivering on our objectives	22
Stakeholder engagement	25
Integrated risk management	28
Corporate governance and compliance	30
FINANCIAL AND OPERATIONAL REVIEW	36
Financial review	37
Airport operations	48
ENVIRONMENT	56
EMPLOYEES AND COMMUNITIES	64
Human resources	65
Social impact	70
FINANCIAL CONTENTS	74
Statement of responsibilities and approval	75
Certificate by Company Secretary	75
Report of the Board Audit and Risk Committee	76
Report of the independent auditors	77
Directors' report	79
Statement of financial position	84
Statement of comprehensive income	85
Statement of cash flows	86
Statement of changes in equity	87
Notes to the financial statements	88
Statistical review	142
Administration	IBC

**Note:** The convention used in this integrated annual report for annotating Rand billion values is as follows: amounts are decimalised, i.e. R1,234 billion is equivalent to R1 234 000 000.



# AIRPORT STATISTICS

	2011/12	2010/11
<b>1. O.R. Tambo International Airport</b>		
Passenger throughput	19 004 001	18 664 728
Total air traffic movements	212 580	212 448
International flight departures	30 903	31 005
Hourly runway capacity (air traffic movements)	62	62
Annual passenger handling capacity	28 000 000	28 000 000
Public parking bays	16 300	16 300
<b>2. Cape Town International Airport</b>		
Passenger throughput	8 576 709	8 225 422
Total air traffic movements	97 935	93 628
International flight departures	2 925	2 433
Hourly runway capacity (air traffic movements)	30	30
Annual passenger handling capacity	14 000 000	14 000 000
Public parking bays	6 080	6 080
<b>3. King Shaka International Airport</b>		
Passenger throughput	5 040 094	4 886 552
Total air traffic movements	55 194	54 476
International flight departures	702	731
Hourly runway capacity (air traffic movements)	24	24
Annual passenger handling capacity	7 500 000	7 500 000
Public parking bays	4 500	4 500
<b>4. Port Elizabeth International Airport</b>		
Passenger throughput	1 364 976	1 416 922
Total air traffic movements	68 893	73 068
Hourly runway capacity (air traffic movements)	32	32
Annual passenger handling capacity	2 000 000	2 000 000
Public parking bays	900	900
<b>5. East London Airport</b>		
Passenger throughput	681 529	778 184
Total air traffic movements	32 587	38 628
Hourly runway capacity (air traffic movements)	30	30
Annual passenger handling capacity	1 200 000	1 200 000
Public parking bays	550	550
<b>6. George Airport</b>		
Passenger throughput	575 799	545 206
Total air traffic movements	33 479	33 004
Hourly runway capacity (air traffic movements)	20	20
Annual passenger handling capacity	900 000	900 000
Public parking bays	415	415
<b>7. Bloemfontein International Airport</b>		
Passenger throughput	441 954	417 642
Total air traffic movements	20 088	18 846
Hourly runway capacity (air traffic movements)	24	24
Annual passenger handling capacity	600 000	600 000
Public parking bays	370	370
<b>8. Kimberley Airport</b>		
Passenger throughput	140 248	132 830
Total air traffic movements	12 347	12 456
Hourly runway capacity (air traffic movements)	12	12
Annual passenger handling capacity	200 000	200 000
Public parking bays	90	90
<b>9. Upington International Airport</b>		
Passenger throughput	52 224	48 498
Total air traffic movements	7 826	7 176
Hourly runway capacity (air traffic movements)	12	12
Annual passenger handling capacity	100 000	100 000
Public parking bays	100	100

# COMPANY PROFILE



Created in 1993 as a public company under the Companies Act of 2008, as amended, and the Airports Company Act of 1993, as amended, Airports Company South Africa SOC Ltd is legally and financially autonomous and operates under commercial law. The Company is majority owned by the South African Government and is accountable to the Department of Transport.

The nine principal airports in South Africa, including the three major international points of entry of O.R. Tambo, Cape Town and King Shaka International Airports, are owned and operated by Airports Company South Africa. Pilanesberg International Airport was added in 1998 under a thirty-year concession with the North West Province. However, Airports Company South Africa returned the operation of the airport to the province with effect from 1 October 2011.

Airports Company South Africa has two distinct revenue streams, which have generated similar income for the past few years. One source is defined as aeronautical income and is derived from regulated charges or tariffs. These consist of aircraft landing and parking charges, and passenger service charges. The non-aeronautical income is generated from commercial undertakings and flows from retail operations, car parking, car rental concessions, advertising, property leases and hotel operations.

Another component of non-aeronautical revenue is generated by international operations. Airports Company South Africa formed part of a consortium that took over the expansion and management of Chhatrapati Shivaji International Airport in Mumbai, India.

The success of the venture in India encouraged the Company's Commercial Services division to seek similar opportunities elsewhere. Such undertakings allow the leveraging of the pool of skills and experience that the Company has amassed over the years to grow the business and increase shareholder value.

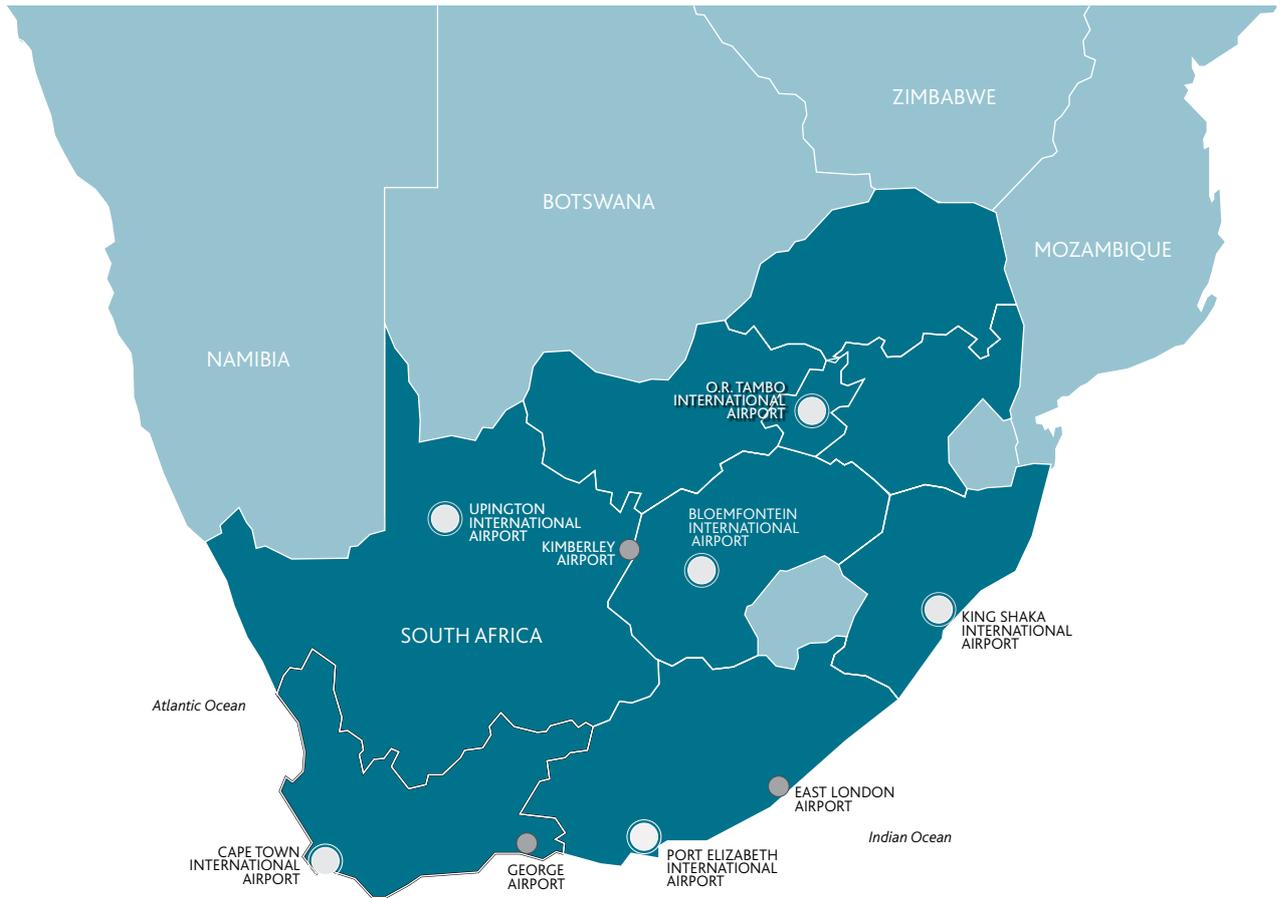
Airports Company South Africa, in partnership with the Brazilian company, Invepar, was successful in a bid to manage the development, maintenance and operations of Guarulhos International Airport in São Paulo, Brazil, the busiest international airport in Latin America. The consortium with Invepar will own 51 percent of the airport concession, with 49 percent being held by Infraero, the current airport operator. Airports Company South Africa owns ten percent of the consortium with Invepar.

The massive expansion and upgrade of infrastructure completed in mid-2010 has provided Airports Company South Africa with a network of airports that is the envy of the international airports community. To gain maximum benefit from these exceptional airports, continued focus has been directed at service quality, with considerable ongoing success. The nine airports are registered on the largest worldwide airport service quality (ASQ) programme, under the auspices of Airports Council International, which represents 98 percent of the world's airports. Four service quality awards were won by the Company's airports in the year under review.

The nine airports owned by the Company are major generators of direct and indirect employment and business opportunities, providing the core of development nodes. The concept of the 'aerotropolis', whereby a range of manufacturing, logistics and commercial facilities, complemented by hotels, retail outlets, entertainment complexes and offices are clustered around an airport is likely to further accelerate the core role of airports. This is particularly true for King Shaka International Airport and its associated Dube TradePort and the drive for an aerotropolis surrounding O.R. Tambo International, which is fully supported by Ekurhuleni Metropolitan Municipality.

Airports Company South Africa will continue to play its role as a key driver of South Africa's economy by demonstrating socio-economic and environmental responsibility through its activities and programmes.

# AIRPORT LOCATIONS



- International airport
- National airport
- ACSA concessioned airport

