STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS > FOR THE YEAR ENDED 31 MARCH 2005

The report is presented in terms of Treasury Regulation 28.1.1 of the Public Finance Management Act, Act No 1 of 1999, as amended and is focused on the financial results and financial position of Airports Company South Africa Limited. The prescribed disclosure of emoluments in terms of Treasury Regulation 28.1.1 is reflected in note 28.3 of the annual financial statements.

The Directors are responsible for the preparation, integrity and fair presentation of the financial statements of Airports Company South Africa Limited and its subsidiaries. The financial statements presented on pages 60 to 81 have been prepared in accordance with Statements of Generally Accepted Accounting Practice in South Africa, and include amounts based on judgments and estimates made by management. The Directors also confirm the other information included in the Annual Report and are responsible for both its accuracy and its consistency with the financial statements.

In order for the Board to discharge its responsibilities, as well as those bestowed on them in terms of the Public Finance Management Act, management has developed and continues to maintain a system of internal control. The Board has ultimate responsibility for the system of internal control and reviews its operation, primarily through the audit committee and various other risk-monitoring committees.

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable, but not absolute, assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the Group's policies and procedures. These controls, implemented by trained and skilled personnel with an appropriate segregation of duties are monitored by management and include a comprehensive budgeting and reporting system operating within strict deadlines and an appropriate control framework.

As part of the system of internal control, the Group internal audit function conducts operational, financial and specific audits and co-ordinates audit coverage with the external auditors. The external auditors are responsible for reporting on the financial statements.

The going concern basis has been adopted in preparing the financial statements. The Directors have no reason to believe that the Group or any other material company within the Group will not be going concerns in the foreseeable future based on forecasts and available cash resources. These financial statements reflect the viability of the Company and the Group.

The financial statements have been audited by the independent auditing firms, KPMG Inc's and SAB&T Inc's, which were given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board of Directors and committees of the Board. The Directors believe that all representations made to the independent auditors during their audit are valid and appropriate. KPMG Inc and SAB&T Inc audit report is presented on page 59.

The financial statements were approved by the Board of Directors on 28 June 2005 and are signed on its behalf by:

T R A OLIPHANT
Chairman

M W HLAHLA
Managing Director

CERTIFICATE BY COMPANY SECRETARY > FOR THE YEAR ENDED 31 MARCH 2005

In my opinion as Company Secretary, I hereby confirm, in terms of the Companies Act, 1973, that for the year ended 31 March 2005, the Company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of this Act and that all such returns are true, correct and up to date.

M R WISWE
Company Secretary

INFORMATION PRESENTED IN TERMS OF SECTION 55(2) OF THE PUBLIC FINANCE MANAGEMENT ACT, No.1 OF 1999 > FOR THE YEAR ENDED 31 MARCH 2005

SECTION 55 (2) (A)

The annual financial statements for the year ended 31 March 2005 fairly present the state of affairs of Airports Company South Africa Limited (ACSA) and its subsidiaries, its business, its financial results and its financial position as at 31 March 2005, as confirmed by the reference to the following:

THE BUSINESS OF ACSA

The principal activities of the Company are the acquisition, development, provision, maintenance, management and operation of airports or parts of airports or any facilities or services that are normally performed at an airport. Other operations in the Group mainly comprise the installation and integration of computer systems and hotel operations.

The performance of ACSA against predetermined objectives:

Financial performance – the Company exceeded its budgeted profit for the year of R471,2 million.

Capital expenditure – the Company did not spend its entire capital expenditure budget during the year as a result of timing differences in the commencement of projects necessitated by the uncertainty regarding the regulatory framework that arose during the 2004 financial year.

Infrastructure – the following major developments took place:

Johannesburg International Airport:

- Completion of Echo Taxiway Rehabilitation in January 2005
- Completion of Charlie Gate Facility and access roads in October 2004
- Upgrade to services for the freight agents building
- New number plate recognition system and additional CCTV's
- Security gate upgrade

Cape Town International Airport:

- Completion of New Apron Development in January 2005
- Completion of the New Joint Operations Centre in September 2004
- Completion of Rationalisation of the Car Park in December 2004

Procurement – As part of its procurement policies, ACSA supports small, medium and micro enterprises and large black businesses by the procurement and supply of goods and services from black businesses, thereby contributing to BEE. An amount of R275 million was spent in this regard, against a target of R281 million, all amounts exclusive of value added tax (VAT), including parastatal spend.

- The Company procured 45% of its targeted 50% in supplies from BEE companies, including parastatal spend.
- 51% of consultancy services were procured from BEE companies, including parastal spend.

Employment Equity – By year-end 75% of the Company's directors were historically disadvantaged individuals against a target of 50%; 57% of executive management were historically disadvantaged individuals against a target of 70% and 68% of senior management were historically disadvantaged individuals against a target of 60%.

Service levels – Independent customer service assessments indicate that ACSA's service levels as assessed by passengers and airlines are good.

SECTION 55 (2)(B)

(i) Particulars of material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year:
There were no such instances.

(ii) Particulars of any criminal or disciplinary steps taken as a consequence of such losses or irregular expenditure or fruitless and wasteful expenditure:
There were no such instances.

(iii) Particulars of any losses recovered or written off:
No losses were recovered or written off other than in the ordinary course of business, none of which was material.

(iv) Particulars of any financial assistance received from the State and commitments made by the State on behalf of ACSA:
No such financial assistance was received nor commitments made.

SECTION 55 (2)(C)

The financial results and financial position of the subsidiaries have been included in the consolidated annual financial statements of ACSA as set out on pages 60 to 81.

REPORT OF THE INDEPENDENT AUDITORS TO THE MINISTER OF TRANSPORT AND OTHER SHAREHOLDERS OF AIRPORTS COMPANY SOUTH AFRICA LIMITED > FOR THE YEAR ENDED 31 MARCH 2005

We have audited the annual financial statements and Group annual financial statements of Airports Company South Africa Limited that are set out on pages 60 to 81 for the year ended 31 March 2005. These financial statements are the responsibility of the Directors of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards of Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company and the Group at 31 March 2005, and the results of their operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act in South Africa and other reporting requirements as set out in the Public Finance Management Act, 1999.

KPMG Inc.

KPMG INC
Chartered Accountants (SA)
Registered Accountants and Auditors
Parktown
28 June 2005

SAB+T Inc.

SAB&T INC
Chartered Accountants (SA)
Registered Accountants and Auditors
Centurion
28 June 2005

DIRECTORS' REPORT > FOR THE YEAR ENDED 31 MARCH 2005

The Directors present their 12th annual report, which forms part of the audited financial statements of the Company and the Group for the year ended 31 March 2005.

The Company was established in terms of the Airports Company Act of 1993 as amended and the Companies Act of 1973 as amended.

NATURE OF BUSINESS

The principal activities of the Company are the acquisition, development, provision, maintenance, management and operation of airports or parts of airports or any facilities or services that are normally performed at an airport. Other operations in the Group mainly comprise the installation and integration of computer systems and hotel operations.

REVIEW OF OPERATIONS

Revenue for the Group amounted to R1 963 million (2004: R1 865 million) including non-aeronautical revenue of R892,5 million (2004: R857,2 million).

Profit before taxation for the Group amounted to R875 million (2004: R715,5 million).

The net profit for the year for the Group was R593,2 million (2004: R471,6 million) after making provision for taxation of R282,7 million (2004: R242,9 million).

During the year, R492 million (2004: R473 million) was spent on capital expenditure for improvements, expansions and replacements.

DIVIDENDS

It is the Group's intention to maintain a sustainable growth in dividends and there is a need to be prudent in the management of funds based on capital expenditure requirements necessitating the retention of a portion of after tax profits. The Group strives to secure a sound long-term growth of shareholders investment.

The ordinary dividend proposed amounts to R295 million (2004: R228 million), which has not been raised as a liability at 31 March 2005 in accordance with South African statements of Generally Accepted Accounting Practice.

SHARE CAPITAL

There were no changes to the authorised and issued share capital of the Company during the financial year.

GOING CONCERN

The Directors have no reason to believe that the Group or any material company within the Group will not be going concerns in the foreseeable future based on forecasts and available cash resources.

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

The Directors are not aware of any matter or circumstance arising since the end of the financial year not otherwise dealt with in the financial statements which could significantly affect the financial position of the Company and the Group or the results of their operations.

SUBSIDIARIES AND JOINT VENTURES

The following information relates to the Company's financial interests in its subsidiaries and joint ventures. The nature of the subsidiaries businesses is information technology, airport management and hotel operations.

Details of the holding Company's interest in the subsidiaries are set out below:

	Issued share capital	% Holding		Cost of shares		Loans less provisions		After tax (loss)/profit	
		2005	2004	**2005**	2004	**2005**	2004	**2005**	2004
	R	**%**	%	**R'000**	R'000	**R'000**	R'000	**R'000**	R'000
OSI Airport Systems (Pty) Ltd	1 000	**51**	51	**–**	–	**2 500**	3 000	**(1 676)**	1 969
Pilanesberg International Airport (Pty) Ltd	1 000	**100**	100	**–**	–	**653**	936	**(3 217)**	(2 494)
Precinct 2A (Pty) Ltd *	1	**100**	100	**–**	–	**–**	–	**–**	–
JIA Piazza Park (Pty) Ltd	100	**100**	100	**–**	–	**6 125**	9 489	**3 342**	(3 352)
Guardrisk Life Ltd (cell captive) (2004: 20)	40	**100**	100	**225**	100	**–**	–	**3 956**	13 104
				225	100	**9 278**	13 425	**2 405**	9 227

* Dormant

The Group has a 50% interest in e.Airports Limited which is a joint venture between OSI Airport Systems (Pty) Ltd and SITA.

e.Airports Limited provides airport software and services to the airport industry worldwide.

Details of the assets, liabilities, revenues and expenses of the joint ventures that are included in the consolidated income statements and balance sheets are set out in note 6 of the annual financial statements.

The Company increased the shareholding in the Guardrisk Life Limited cell captive during March 2005 to ensure that the Company met the capital adequacy requirement due to the increase in the Company's commitments.

The Company has a 50% interest in Airport Logistics Property Holdings (Pty) Limited which is a joint venture between the Company and The Bidvest Group Limited.

ORDINARY SHAREHOLDING ANALYSIS

Listed below is an analysis of holdings extracted from the register of ordinary shareholders at 31 March 2005:

	Number of shares	**% of share capital**
SA Government – National Department of Transport	372 994 884	74,60
ADR International Airports SA (Pty) Ltd	100 000 000	20,00
Staff Share Incentive Schemes	5 962 452	1,19
Empowerment Investors:		
G10 Investments (Pty) Ltd	6 042 664	1,21
African Harvest Strategic Investments (Pty) Ltd	7 000 000	1,40
Pybus Thirty Four Investments	2 000 000	0,40
Telle Investments	4 000 000	0,80
Upfront Investments 64 (Pty) Ltd	2 000 000	0,40
	500 000 000	100,00

The Government has granted options (exercisable on the initial listing of ACSA) representing 7,8% of the share capital to management and employees at a 10% discount to the price per share paid by ADR International Airports SA (Pty) Ltd escalated by CPI.

DIRECTORS AND SECRETARY

Details of the Directors and secretary of the Company are given on page 87 of this annual report.

INTERESTS OF DIRECTORS AND OFFICERS

During the financial year, no contracts were entered into in which Directors and officers of the Company had an interest and which significantly affected the business of the Group. The Directors had no interest in any third party or Company responsible for managing any of the business activities of the Group. The emoluments of Directors are determined by the Human Resource, Transformation and Remuneration Committee. No long-term service contracts exist between Directors and the Company.

AUDITORS

SAB&T Inc and KPMG Inc will continue in office in accordance with Section 270 (2) of the Companies Act.

BALANCE SHEETS > AT 31 MARCH 2005

		GROUP		COMPANY	
	Note	**2005 R'000**	2004 R'000	**2005 R'000**	2004 R'000
ASSETS					
Non–current assets					
Vehicles and equipment	2	**700 880**	620 555	**687 027**	605 892
Land and buildings	3	**3 040 730**	2 847 414	**3 032 005**	2 841 572
Investment properties	4	**279 216**	292 071	**279 216**	292 071
Investment in subsidiaries	5	**–**	–	**9 503**	13 525
Investment in joint ventures	6	**2 054**	2 304	**–**	–
Investments	7	**17 270**	13 236	**–**	–
Intangible assets	8	**–**	1 828	**–**	–
Non-current receivables	9	**43 949**	43 949	**43 949**	43 949
Deferred taxation assets	10	**25 533**	5 077	**22 802**	4 979
		4 109 632	3 826 435	**4 074 502**	3 801 988
Current assets					
Inventories	11	**1 450**	1 381	**1 247**	1 224
Receivables and prepayments	12	**280 534**	238 182	**279 979**	228 611
Deferred expenditure	13	**–**	12 658	**–**	12 658
Cash and cash equivalents	14	**68 786**	2 668	**58 041**	–
		350 770	254 889	**339 267**	242 493
TOTAL ASSETS		**4 460 402**	4 081 324	**4 413 769**	4 044 481
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital and premium	15	**750 000**	750 000	**750 000**	750 000
Non-distributable reserves	16	**17 180**	12 720	**–**	–
Retained earnings		**2 641 808**	2 280 549	**2 639 972**	2 276 350
		3 408 988	3 043 269	**3 389 972**	3 026 350
Debentures	17	**6 000**	6 000	**–**	–
Minority interest		**2 897**	3 196	**–**	–
Total shareholders' interest		**3 417 885**	3 052 465	**3 389 972**	3 026 350
Non–current liabilities					
Long-term borrowings	18	**270 449**	99 152	**268 267**	96 966
Retirement benefit obligations	19	**31 122**	23 333	**31 122**	23 333
Deferred Revenue	20	**–**	3 813	**–**	3 813
		301 571	126 298	**299 389**	124 112
Current liabilities					
Trade and other payables	21	**679 985**	530 952	**663 374**	522 671
Bank overdraft	14	**–**	266 650	**–**	266 650
Current tax liabilities		**36 368**	4 669	**36 441**	4 408
Current portion of long term borrowings	18	**20 780**	98 076	**20 780**	98 076
Deferred revenue	20	**3 813**	2 214	**3 813**	2 214
		740 946	902 561	**724 408**	894 019
TOTAL LIABILITIES		**1 042 517**	1 028 859	**1 023 797**	1 018 131
TOTAL EQUITY AND LIABILITIES		**4 460 402**	4 081 324	**4 413 769**	4 044 481

INCOME STATEMENTS > FOR THE YEAR ENDED 31 MARCH 2005

		GROUP		COMPANY	
	Note	**2005 R'000**	2004 R'000	**2005 R'000**	2004 R'000
Revenue	22	**1 963 106**	1 864 883	**1 903 563**	1 797 489
Other operating income		**5 794**	8 680	**4 230**	6 105
Operating expenses		**(1 047 307)**	(971 228)	**(987 122)**	(922 161)
Operating profit	23	**921 593**	902 335	**920 671**	881 433
Exceptional items	24	**–**	(127 100)	**–**	(127 100)
Net finance costs	25	**(46 590)**	(59 686)	**(44 589)**	(56 967)
Profit before tax		**875 003**	715 549	**876 082**	697 366
Taxation	26	**(282 650)**	(242 954)	**(284 460)**	(241 698)
Profit after tax		**592 353**	472 595	**591 622**	455 668
Minority interest		**821**	(965)	**–**	–
Net profit for the year		**593 174**	471 630	**591 622**	455 668
Basic earnings per share and headline earnings per share (cents)	27	**118,63**	94,33		
Dividends per share (cents)		**45,60**	66,00		

STATEMENTS OF CHANGES IN EQUITY > FOR THE YEAR ENDED 31 MARCH 2005

		GROUP				
	Note	Share capital R'000	Share premium R'000	Retained earnings R'000	Non-distributable reserves R'000	Total R'000
Balance at 1 April 2003		500 000	250 000	2 152 007	213	2 902 220
Net profit		–	–	471 630	–	471 630
Transfer between reserves	16	–	–	(13 088)	13 088	–
Dividend paid		–	–	(330 000)	–	(330 000)
Translation reserve adjustment		–	–	–	(581)	(581)
Balance at 31 March 2004		**500 000**	**250 000**	**2 280 549**	**12 720**	**3 043 269**
Balance at 1 April 2004		500 000	250 000	2 280 549	12 720	3 043 269
Net profit		–	–	593 174	–	593 174
Transfer between reserves	16	–	–	(3 915)	3 915	–
Dividend paid		–	–	(228 000)	–	(228 000)
Translation reserve adjustment		–	–	–	545	545
Balance at 31 March 2005		**500 000**	**250 000**	**2 641 808**	**17 180**	**3 408 988**

	COMPANY				
	Share capital R'000	Share premium R'000	Retained earnings R'000	Non-distributable reserves R'000	Total R'000
Balance at 1 April 2003	500 000	250 000	2 150 682	–	2 900 682
Net profit	–	–	455 668	–	455 668
Dividend paid	–	–	(330 000)	–	(330 000)
Balance at 31 March 2004	**500 000**	**250 000**	**2 276 350**	**–**	**3 026 350**
Balance at 1 April 2004	500 000	250 000	2 276 350	–	3 026 350
Net profit	–	–	591 622	–	591 622
Dividend paid	–	–	(228 000)	–	(228 000)
Balance at 31 March 2005	**500 000**	**250 000**	**2 639 972**	**–**	**3 389 972**

CASH FLOW STATEMENTS > FOR THE YEAR ENDED 31 MARCH 2005

		GROUP		COMPANY	
	Note	**2005 R'000**	2004 R'000	**2005 R'000**	2004 R'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers		**2 399 923**	1 722 830	**2 359 229**	1 679 851
Cash paid to suppliers and employees		**(1 121 717)**	(623 081)	**(1 105 538)**	(595 979)
Cash generated from operations	29	**1 278 206**	1 099 749	**1 253 691**	1 083 872
Interest received		**13 090**	22 244	**12 843**	21 779
Interest paid less capitalised		**(84 639)**	(100 950)	**(82 391)**	(98 149)
Dividends received		**24 959**	19 020	**24 959**	19 403
Dividend paid		**(228 000)**	(330 000)	**(228 000)**	(330 000)
Dividend paid to minority shareholders		**–**	(368)	**–**	–
Taxation paid	29	**(271 407)**	(251 357)	**(270 250)**	(250 144)
Net cash inflow from operating activities		**732 209**	458 338	**710 852**	446 761
CASH FLOWS FROM INVESTING ACTIVITIES					
Increase in investments		**(4 034)**	(13 236)	**2 129**	(100)
Movement in Joint Venture		**(250)**	(518)	**–**	–
Proceeds on disposal of vehicles and equipment, land and buildings and investment properties		**2 625**	4 933	**3 190**	4 476
Proceeds on disposal of intangible assets		**–**	866	**–**	–
Decrease in non-current receivables		**–**	11 948	**–**	11 948
Receipts from subsidiaries		**–**	–	**–**	408
Additions to vehicles and equipment, land and buildings and investment properties		**(491 783)**	(473 462)	**(485 485)**	(471 064)
Net cash outflow from investing activities		**(493 442)**	(469 469)	**(480 166)**	(454 332)
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase/(decrease) of long-term borrowings		**94 001**	(88 718)	**94 005**	(88 543)
Net cash inflow/(outflow) from financing activities		**94 001**	(88 718)	**94 005**	(88 543)
Net increase/(decrease) in cash and cash equivalents		**332 768**	(99 849)	**324 691**	(96 114)
Cash and cash equivalents at beginning of year		**(263 982)**	(164 133)	**(266 650)**	(170 536)
Cash and cash equivalents at end of year	14	**68 786**	(263 982)	**58 041**	(266 650)

SUMMARY OF ACCOUNTING POLICIES > FOR THE YEAR ENDED 31 MARCH 2005

1. ACCOUNTING POLICIES AND DEFINITIONS

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below and are consistent with those of the previous year, except for the adoption of AC140 – Business Combinations. Refer note 34 below.

1.1 Basis of preparation

The consolidated financial statements are prepared in accordance with and comply with Statements of Generally Accepted Accounting Practice and the requirements of the South African Companies Act and the requirements of the Public Finance Management Act. The consolidated financial statements are prepared under the historical cost convention, except for financial instruments which are carried at fair value.

1.2 Basis of consolidation

Subsidiaries

Subsidiary undertakings, which are those companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations, have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are not consolidated from the date of disposal. The Group financial statements incorporate the assets, liabilities and results of the operations of the Company and its subsidiaries. All inter-company transactions, balances and unrealised surpluses and deficits on transactions between Group companies have been eliminated. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group. Separate disclosure is made of minority interests.

A listing of the Company's subsidiaries is set out in the Directors Report.

Jointly controlled entities

Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement. The consolidated financial statements include the Group's proportionate share of the entities assets, liabilities, revenue and expenses with items of similar nature on a line by line basis, from the date the joint control commences until the date the joint control ceases.

1.3 Foreign currencies

Income statements of foreign entities are translated into the Group's reporting currency at average exchange rates for the year and the balance sheets are translated at the year-end exchange rates ruling on 31 March. Exchange differences arising from the translation of the net investment in foreign subsidiaries are taken to "Translation reserve" in shareholders' equity. On disposal of the foreign entity, such translation differences are recognised in the income statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Foreign currency transactions in Group companies are accounted for at the foreign exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Such balances are translated at year-end exchange rates.

1.4 Financial instruments

Financial instruments carried on the balance sheet include cash and bank balances, investments, receivables, trade creditors, leases and borrowings. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as follows:

Investments

Unlisted investments are shown at fair value, unless their fair value cannot be reliably determined, in which case they are shown at cost less accumulated depreciation.

Cash and cash equivalents

Cash and cash equivalents are measured at fair value, based on the relevant exchange rates at balance sheet date.

Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial instruments are included in net profit or loss in the period in which the change arises.

Offset

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when the Company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

> FOR THE YEAR ENDED 31 MARCH 2005

1. ACCOUNTING POLICIES AND DEFINITIONS (CONTINUED)

Derivative financial instruments

The Company is also party to financial instruments that reduce exposure to fluctuations in foreign currency exchange rates arising from operational, financing and investment activities. These instruments, which mainly comprise foreign currency forward contracts are recognised initially at cost. Subsequent to initial recognition they are stated at fair value. Gains / losses are recognised in the income statement. The purpose of these instruments is to reduce risk.

Disclosure about financial instruments to which the Group is a party are provided in note 30.

1.5 Inventories

Inventory is valued at the lower of cost and net realisable value. Cost is determined by using the first in first out method. Adequate provision is made for all slow moving and obsolete stock.

1.6 Investment properties

Investment properties are carried at depreciated cost. Depreciation is calculated on the straight-line method to write off the cost of each property to their residual values over their estimated useful lives of 50 years. Land is not depreciated as it is deemed to have an indefinite life.

1.7 Land and Buildings

Buildings are carried at depreciated cost. Depreciation is calculated on the straight-line method to write off the cost of each property to their residual values over their estimated useful lives of 50 years. Land is not depreciated as it is deemed to have an indefinite life.

1.8 Vehicles and equipment

All vehicles and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on the straight-line method to write off the cost of each asset to their residual values over its estimated useful life as follows:

- Equipment 3-12 years
- Motor vehicles 4 years

Capital work in progress is not depreciated until such time as the asset is brought into use.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

The carrying amounts of the Group’s assets are reviewed at each balance sheet date to determine whether there is an indication of impairment. If there is any indication that an asset may be impaired, its recoverable amount is estimated. The recoverable amount is the higher of its net selling price and its value in use. In assessing value in use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years.

Gains and losses on disposal of vehicles and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

Interest costs on borrowings to finance the construction of capital projects are capitalised during the period of time that is required to complete and prepare the property for its intended use, as part of the cost of the asset. The cost of capital projects include the cost of materials, direct labour and an appropriate portion of production overheads.

Subsequent expenditure relating to vehicles and equipment is capitalised to the extent that it improves the condition of the asset beyond its originally assessed standard of performance. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

1.9 Accounting for leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance charges is charged to the income statement over the lease period. Property and equipment acquired under finance leasing contracts are depreciated over the useful life of the assets.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged against income on a straight line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

> FOR THE YEAR ENDED 31 MARCH 2005

1. ACCOUNTING POLICIES AND DEFINITIONS (CONTINUED)

1.10 Intangible assets

Intangible assets acquired by the Group are stated at cost less accumulated amortisation and impairment losses.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other subsequent expenditure is expensed as incurred.

Amortisation is charged to the income statement on a straight line basis over the estimated useful lives of intangible assets.

The difference between the net disposal proceeds and the carrying amount of an intangible asset is the gain or loss on disposal of that asset. These gains and losses are recognised in income.

1.11 Trade receivables

Trade receivables are stated at their cost less impairment losses. An estimate is made for the impairment of receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off during the year in which they are identified.

1.12 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held on call with banks, and investments in money market instruments, net of bank overdrafts.

1.13 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

1.14 Pension and other post-employment obligations

The Group's contribution to the defined contribution pension plans and medical aid schemes are recognised as an expense in the income statement in the year to which they relate.

The expected costs of post-employment medical benefits are accrued over the period of employment. Any liability for post-employment medical benefits arising from past service is recognised with effect from 1 April 2000 over five years in terms of AC116 revised. Valuations of these obligations are carried out by independent qualified actuaries.

Actuarial gains and losses are recognised to the income statement immediately.

Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

The provisions for employee entitlements to wages, salaries, annual and sick leave represent the amount which the Group has a present obligation to pay as a result of employees' services provided to the balance sheet date. The provisions have been calculated at undiscounted amounts based on current wage and salary rates.

Retirement benefits

The Company and its subsidiaries contribute to defined contribution plans.

1.15 Tax

Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates enacted at the balance sheet date, and any adjustments of tax payable for previous years.

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

Deferred tax is charged to the income statement except to the extent that it relates to a transaction that is recognised directly in equity, or a business combination that is an acquisition. The effect on deferred tax due to changes in tax rates is recognised in the income statement, except to the extent that it relates to items previously charged or credited directly to equity.

Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

1.16 Revenue recognition

Revenue is recognised upon delivery of products and customer acceptance, if any, or performance of services, net of value added taxes and discounts, and after eliminating sales within the Group.

Other revenues earned by the Group are recognised on the following basis:
- Interest income: as it accrues unless collectability is in doubt
- Dividend income: when the shareholder's right to receive payment is established.

1.17 Comparative figures

Where necessary comparative figures have been reclassified.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

> FOR THE YEAR ENDED 31 MARCH 2005

	GROUP 2005 R'000	GROUP 2004 R'000	COMPANY 2005 R'000	COMPANY 2004 R'000
2 VEHICLES AND EQUIPMENT				
Cost				
Equipment	**644 719**	532 515	**612 938**	503 461
Owned	**568 814**	457 098	**537 808**	428 116
Leased	**75 905**	75 417	**75 130**	75 345
Vehicles	**57 763**	52 084	**57 561**	51 891
Capital work in progress	**367 353**	325 578	**367 353**	325 221
	1 069 835	910 177	**1 037 852**	880 573
Accumulated depreciation				
Equipment	**325 757**	250 257	**307 729**	235 379
Owned	**268 703**	203 169	**250 686**	188 294
Leased	**57 054**	47 088	**57 043**	47 085
Vehicles	**43 198**	39 365	**43 096**	39 302
	368 955	289 622	**350 825**	274 681
Book value				
Equipment	**318 962**	282 258	**305 209**	268 082
Owned	**300 111**	253 929	**287 122**	239 822
Leased	**18 851**	28 329	**18 087**	28 260
Vehicles	**14 565**	12 719	**14 465**	12 589
Capital work in progress	**367 353**	325 578	**367 353**	325 221
	700 880	620 555	**687 027**	605 892
Movement for the year				
Book value at beginning of year	**620 555**	544 612	**605 892**	518 878
Additions / reclassification	**172 020**	163 300	**168 894**	167 031
Equipment				
Owned	**122 703**	77 359	**120 289**	81 052
Leased	**703**	71	**–**	–
Vehicles	**6 482**	1 763	**6 473**	1 668
Capital work in progress	**42 132**	84 107	**42 132**	84 311
Disposals	**1 029**	1 430	**291**	965
Equipment				
Owned	**968**	1 108	**230**	643
Leased	**61**	322	**61**	322
Vehicles	**–**	–	**–**	–
Depreciation	**90 666**	85 927	**87 468**	79 052
Equipment				
Owned	**75 910**	70 511	**72 758**	63 678
Leased	**10 120**	11 839	**10 113**	11 835
Vehicles	**4 636**	3 577	**4 597**	3 539
Book value at end of year	**700 880**	620 555	**687 027**	605 892

Encumbrances

*Leased assets are secured per Nedcor Loan 2, as per note 18.

Capitalised leased assets for the Company as per note 2 and 3 are encumbered in respect of the capitalised lease liability. Assets with a book value of R60,7 million (2004: R89,4 million) are encumbered in terms of the lease agreement.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

> FOR THE YEAR ENDED 31 MARCH 2005

	Group 2005 R'000	Group 2004 R'000	Company 2005 R'000	Company 2004 R'000
3 LAND AND BUILDINGS				
Cost				
Property	**1 853 503**	1 741 893	**1 843 266**	1 741 893
Leasehold improvements	**825**	825	**825**	825
Equipment	**1 836 873**	1 632 398	**1 836 873**	1 625 333
Owned	**1 698 102**	1 493 236	**1 698 102**	1 486 171
Leasehold improvements	**13 333**	13 333	**13 333**	13 333
Leased	**125 438**	125 829	**125 438**	125 829
	3 691 201	3 375 117	**3 680 964**	3 368 051
Accumulated depreciation				
Property	**188 761**	150 722	**187 249**	150 722
Leasehold improvements	**99**	66	**99**	66
Equipment	**461 611**	376 914	**461 611**	375 691
Owned	**374 094**	308 328	**374 094**	307 105
Leasehold improvements	**4 722**	3 854	**4 722**	3 854
Leased	**82 795**	64 732	**82 795**	64 732
	650 471	527 703	**648 959**	526 479
Book value				
Property	**1 664 742**	1 591 171	**1 656 017**	1 591 171
Leasehold improvements	**726**	759	**726**	759
Equipment	**1 375 262**	1 255 484	**1 375 262**	1 249 642
Owned	**1 324 008**	1 184 908	**1 324 008**	1 179 066
Leasehold improvements	**8 611**	9 479	**8 611**	9 479
Leased	**42 643**	61 097	**42 643**	61 097
	3 040 730	2 847 414	**3 032 005**	2 841 572
Movement for the year				
Book value at beginning of year	**2 847 414**	2 661 773	**2 841 572**	2 661 773
Additions / reclassifications	**319 763**	310 162	**316 591**	304 033
Property	**103 785**	35 653	**100 613**	35 653
Equipment				
Owned	**215 978**	274 187	**215 978**	268 058
Leased	**–**	322	–	322
Disposals	**191**	892	**191**	892
Property	**3**	487	**3**	487
Equipment				
Owned	**77**	257	**77**	257
Leased	**111**	148	**111**	148
Depreciation	**126 256**	123 629	**125 967**	123 343
Property	**36 644**	33 740	**36 355**	33 740
Leasehold improvements	**33**	33	**33**	33
Equipment				
Owned	**70 369**	70 576	**70 369**	70 290
Leasehold improvements	**868**	868	**868**	868
Leased	**18 342**	18 412	**18 342**	18 412
Book value at end of year	**3 040 730**	2 847 414	**3 032 005**	2 841 572

Details of the fixed properties are recorded in a register which may be inspected by the members or their duly authorised agents at the Company's registered office.

The registration of ownership of assets has been substantially completed at year end. In accordance with section 6(6) of the Airports Company Act, the Company became the owner of these assets on vesting date irrespective of the date of registration of ownership.

The Company's land and buildings consist of land, buildings and equipment including runway systems, air corridors and other related equipment.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

> FOR THE YEAR ENDED 31 MARCH 2005

	GROUP 2005 R'000	GROUP 2004 R'000	COMPANY 2005 R'000	COMPANY 2004 R'000
4 INVESTMENT PROPERTIES				
Cost				
Property	**262 462**	263 151	**262 462**	263 151
Equipment				
Owned	**80 497**	80 497	**80 497**	80 497
	342 959	343 648	**342 959**	343 648
Accumulated depreciation				
Property	**28 321**	23 113	**28 321**	23 113
Equipment				
Owned	**35 422**	28 464	**35 422**	28 464
	63 743	51 577	**63 743**	51 577
Book value				
Property	**234 141**	240 038	**234 141**	240 038
Equipment				
Owned	**45 075**	52 033	**45 075**	52 033
	279 216	292 071	**279 216**	292 071
Movement for the year				
Book value at beginning of year	**292 071**	304 236	**292 071**	304 236
Additions / reclassifications	**–**	–	**–**	–
Property	**–**	–	**–**	–
Equipment				
Owned	**–**	–	**–**	–
Disposals	**690**	–	**690**	–
Property	**690**	–	**690**	–
Equipment				
Owned	**–**	–	**–**	–
Depreciation	**12 165**	12 165	**12 165**	12 165
Property	**5 208**	5 208	**5 208**	5 208
Equipment				
Owned	**6 957**	6 957	**6 957**	6 957
Book value at end of year	**279 216**	292 071	**279 216**	292 071

Details of the fixed properties are recorded in a register which may be inspected by the members or their duly authorised agents at the Company's registered office.

The fair value of the investment properties cannot be accurately determined due to their nature and as there is no active market for similar properties. The discounted cash flow method of determining fair value is also considered inappropriate as a significant portion of the investment properties relate to those used in airport management and this income stream cannot be determined reliably due to the tariffs being determined by the Regulating Committee.

The Company agreed to build premises for Pick 'n Pay on the basis of them agreeing to a 15-year rental agreement with the Company on land belonging to the Company. This development was paid for by the Company and the Company has entered into limited recourse loan agreements with Nedcor Investment Bank Limited ("Nedcor") and the lease has been ceded to Nedcor. The substance of the loan agreement is that Nedcor would only have recourse to the Company should the Company receive lease payments from Pick 'n Pay but do not pay those amounts to Nedcor. As the Company will only incur a legal obligation to Nedcor if the circumstances set out above arise and substantially all the economic benefits from the property will accrue to Nedcor until the loan has been fully paid, the asset and liability are not recognised in the financial statements. The fair value of the building which was previously constructed was R64 million (2004: R57 million) and the amount owing to Nedcor at 31 March 2005 was R26,5 million (2004: R31,1 million).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

> FOR THE YEAR ENDED 31 MARCH 2005

	Group 2005 R'000	Group 2004 R'000	Company 2005 R'000	Company 2004 R'000
5 INVESTMENT IN SUBSIDIARIES				
Shares at cost			**1 926**	1 801
Less write down in value of shares			**(1 701)**	(1 701)
Indebtedness:				
Owing by subsidiaries (interest bearing)*			**12 827**	17 515
Owing by subsidiaries (interest free)*			**14 721**	11 787
Owing by subsidiaries (interest free)**			**2 500**	3 000
Less provisions			**(20 770)**	(18 877)
			9 503	13 525
* The above loans are unsecured. The Company has subordinated loans to the extent of losses incurred until such time that the fair value of the assets exceed the fair value of the liabilities.				
Where indicated, the loan is subject to an interest charge of 9,78% per annum with half yearly terms of repayment.				
** The loan is unsecured, interest free and is repayable over 10 years in equal annual instalments of R500 000				
6 INVESTMENT IN JOINT VENTURES				
6.1 e.Airports Limited				
Indebtness	**804**	804		
Indebtness in respect of intellectual property	**1 250**	1 500		
	2 054	2 304		
The Group has a 50% interest in a joint venture, e.Airports Limited, held through the OSIAS subsidiary, which provides airports systems and services to the airport industry worldwide. The following amounts represent the Group's share of the assets, liabilities, revenue and expenses of the joint venture and are included in the consolidated balance sheet and income statement.				
Property, plant and equipment	**178**	167		
Intangible assets	**1 605**	1 828		
Deferred tax debit balances	**593**	19		
Current assets	**1 323**	3 005		
	3 699	5 019		
Non-interest-bearing borrowings	**682**	686		
Provisions for liabilities and charges	**2 979**	3 209		
	3 661	3 895		
Net assets	**38**	1 124		
(Loss)/Profit before tax	**(2 636)**	159		
Income taxes	**485**	(203)		
Loss after tax	**(2 151)**	(44)		
6.2 Airport Logistics Property Holdings (Pty) Limited				
The Group has a 50% interest in a joint venture, Airport Logistics Property Holdings (Pty) Limited, held through ACSA. The following amounts represent the Group's share of the assets, liabilities, revenue and expenses of the joint venture and are included in the consolidated balance sheet and cash flow.				
Property, plant and equipment	**1 500**	–		
	1 500	–		
Net assets	**1 500**	–		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

> FOR THE YEAR ENDED 31 MARCH 2005

	Group 2005 R'000	Group 2004 R'000	Company 2005 R'000	Company 2004 R'000
7 INVESTMENTS				
Old Mutual Asset Managers Absolute Return Fund	**17 270**	13 236		
The market value of the above fund at 31 March 2005 is R17,3 million (2004: R13,2 million)				
8 INTANGIBLE ASSETS				
Goodwill				
Opening carrying amount	**–**	1 095		
Amortisation charge	**–**	(1 095)		
Closing carrying amount	**–**	–		
Intellectual property				
Opening carrying amount	**1 828**	3 239		
Disposals	**–**	(866)		
Amortisation charge	**(1 605)**	(332)		
Translation difference to translation reserve	**(223)**	(213)		
	–	1 828		
Total	**–**	1 828		
Cost	**3 255**	3 255		
Accumulated depreciation	**(3 255)**	(1 427)		
Carrying amount	**–**	1 828		
9 NON-CURRENT RECEIVABLES				
Loans to finance employee share participation schemes				
– Airports Management Share Scheme Company (Pty) Ltd (interest free)	**30 098**	30 098	**30 098**	30 098
– Lexshell 342 Investment Holdings (Pty) Ltd (interest free)	**13 851**	13 851	**13 851**	13 851
Total Non-current receivables	**43 949**	43 949	**43 949**	43 949
The fair value of the loans is equal to the cost.				
10 DEFERRED TAXATION				
Balance at beginning of year	**(5 077)**	11 171	**(4 979)**	11 909
Movements during the year:				
Timing differences	**(20 456)**	(16 248)	**(17 823)**	(16 888)
Balance at end of year	**(25 533)**	(5 077)	**(22 802)**	(4 979)
Deferred taxation comprises:				
Deferred tax assets				
Provisions	**(77 718)**	(58 618)	**(77 511)**	(58 618)
Bad debts provision	**(1 356)**	(1 435)	**(1 356)**	(1 435)
Other	**(6 353)**	(686)	**(3 829)**	(686)
Deferred tax liabilities				
Capital allowances	**45 068**	38 862	**45 068**	38 960
Leased assets	**7 864**	7 263	**7 864**	7 263
Hotel allowances	**6 962**	5 740	**6 962**	5 740
Premium on foreign based loan	**–**	3 797	**–**	3 797
	(25 533)	(5 077)	**(22 802)**	(4 979)
11 INVENTORIES				
Inventories comprise:				
Consumables	**1 247**	1 224	**1 247**	1 224
Hotel food and beverages	**203**	157	**–**	–
	1 450	1 381	**1 247**	1 224

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

> FOR THE YEAR ENDED 31 MARCH 2005

	GROUP		COMPANY	
	2005 R'000	2004 R'000	**2005 R'000**	2004 R'000
12 RECEIVABLES AND PREPAYMENTS				
Trade receivables	**183 727**	218 065	**179 841**	210 805
Loan to joint venture	**–**	–	**3 000**	–
Provision for impairment of receivables	**(5 218)**	(6 429)	**(5 140)**	(6 376)
Prepayments	**70 390**	2 230	**70 241**	865
Lease debtor – current portion	**–**	11 948	**–**	11 948
Other receivables	**31 635**	12 368	**32 037**	11 369
	280 534	238 182	**279 979**	228 611
13 DEFERRED EXPENDITURE				
Premium paid on converting a foreign loan to a rand loan	**65 240**	65 240	**65 240**	65 240
Less: Amounts expensed	**(65 240)**	(52 582)	**(65 240)**	(52 582)
	–	12 658	**–**	12 658
Less: Current portion	**–**	(12 658)	**–**	(12 658)
	–	–	**–**	–
During 2001, the Group converted an existing US dollar loan to a Rand loan. The foreign loan was hedged against a US dollar lease agreement. The terms and conditions of the lease agreement were amended to enable the lessee to pay its obligations in Rands. The lessee undertook to pay a premium as additional rentals which will be received by 2006.				
14 CASH AND CASH EQUIVALENTS				
Cash and cash equivalents consists of:				
Cash on hand and balances with banks	**68 786**	2 668	**58 041**	–
Bank overdrafts	**–**	(266 650)	**–**	(266 650)
	68 786	(263 982)	**58 041**	(266 650)
15 SHARE CAPITAL AND PREMIUM				
Authorised:				
1 000 000 000 ordinary R1 par value shares	**1 000 000**	1 000 000	**1 000 000**	1 000 000
Issued:				
500 000 000 ordinary R1 par value shares	**500 000**	500 000	**500 000**	500 000
Share premium	**250 000**	250 000	**250 000**	250 000
	750 000	750 000	**750 000**	750 000
16 NON-DISTRIBUTABLE RESERVES				
Translation reserve	**177**	(368)		
Life Fund*	**17 003**	13 088		
Total	**17 180**	12 720		

* The transfer to non-distributable reserves represents amounts to fund future pension payments.

The company acquired 100% shareholding in a cell captive with Guardrisk Life Limited in September 2003 to fund its obligation arising from 2002 whereby the company agreed to increase the minimum pension payout to employees from R1 200 to R1 500.

Guardrisk performs a half yearly review per individual covered, to establish the present value of the Company's obligation on the prescribed valuation basis as approved by Guardrisk Life Statutory Actuaries, assessing the Company's commitment as per the assets and expressed liabilities, to ensure sufficient life funds are transferred to the non-distributable reserves.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

> FOR THE YEAR ENDED 31 MARCH 2005

	GROUP		COMPANY	
	2005 R'000	2004 R'000	**2005 R'000**	2004 R'000
17 DEBENTURES	**6 000**	6 000		
Debentures to the North West Government at zero coupon rate being in exchange for an allocation on 1 January 2009 of a 20% equity in Pilanesberg International Airport (Pty) Ltd and having simultaneously effected full payment of the sum of R6 000 000 to Pilanesberg International Airport.				
18 LONG-TERM BORROWINGS				
Unsecured:				
Southern Sun	**1 500**	1 500	**–**	–
Secured:				
Investec Bank Limited	**–**	11 271	**–**	11 271
Standard Corporate and Merchant Bank – Loan 1	**–**	50 101	**–**	50 101
Standard Corporate and Merchant Bank – Loan 2	**192 082**	–	**192 082**	–
Nedcor Investment Bank Limited – Loan 1	**34 145**	65 509	**34 145**	65 510
Nedcor Investment Bank Limited – Loan 2	**62 820**	68 160	**62 820**	68 160
Other	**682**	687	**–**	–
	289 729	195 728	**289 047**	195 042
Total secured and unsecured	**291 229**	197 228	**289 047**	195 042
Current portion	**20 780**	98 076	**20 780**	98 076
Non-current portion	**270 449**	99 152	**268 267**	96 966

Unsecured loans

The loan from Southern Sun bears interest at 2% above the R153 Government of South Africa Bond or equivalent bond rate and is repayable on the earlier of termination of the contract or 2012.

Investec Bank Limited

The liability to Investec Bank was for instalment sale agreements secured over equipment and was repayable in bi–annual instalments of R6 068 757 at a fixed interest rate of 15,015%. (Refer to note 2). Fully repaid by 31 December 2004

Standard Corporate and Merchant Bank – Loan 1

The Company entered into a medium term loan facility arrangement during March 2002 with Standard Corporate and Merchant Bank ("SCMB"), totaling R100 million. The loan was repayable over 60 months at a fixed interest rate of 12,63%. The loan is fully repaid.

Standard Corporate and Merchant Bank – Loan 2

The Company entered into a long-term banking facility with Standard Corporate and Merchant Bank ("SCMB"), limited to R500 million at a monthly interest rate of Jibar + 0,55%. There are no fixed terms of repayment.

Nedcor Investment Bank Limited – Loan 1

The liability to Nedcor Investment Bank Ltd is for capitalised leased assets that are held under finance sale and leaseback agreements that range from three to 10 years. The loan bears interest at the prime overdraft rate, maturing March 2010.

Nedcor Investment Bank Limited – Loan 2

The Company acquired a loan facility from Nedcor Investment Bank Limited during March 2002 totaling R75 000 000. The loan is repayable in bi–annual instalments of R4 361 030 on 1 September and 1 March over nine years at a fixed interest rate of 9,79% and matures March 2010.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

> FOR THE YEAR ENDED 31 MARCH 2005

	GROUP		COMPANY	
	2005 R'000	2004 R'000	**2005 R'000**	2004 R'000
18 LONG-TERM BORROWINGS (CONTINUED)				
Included in interest bearing borrowings above are finance sale and lease back liabilities in favour of Nedcor Investment Bank Limited detailed as followed:				
Future minimum lease payments				
Year 1	**65 703**	70 908	**65 703**	70 908
Year 2 to Year 5	**346 328**	308 830	**346 328**	308 830
Above year 5	**–**	103 201	**–**	103 201
	412 031	482 939	**412 031**	482 939
Future Interest				
Year 1	**52 161**	39 544	**52 161**	39 544
Year 2 to Year 5	**325 725**	279 835	**325 725**	279 835
Above year 5	**–**	98 050	**–**	98 050
	377 886	417 429	**377 886**	417 429
Present value of future minimum lease payments				
Year 1	**58 704**	63 354	**58 704**	63 354
Year 2 to Year 5	**309 434**	275 931	**309 434**	275 931
Above year 5	**–**	92 207	**–**	92 207
	368 138	431 492	**368 138**	431 492
19 RETIREMENT BENEFIT OBLIGATIONS				
Post retirement medical benefits				
Reconciliation of assets and liabilities recognised in the balance sheet				
Present value of unfunded obligations	**31 122**	30 042	**31 122**	30 042
Present value of obligations in excess of plan assets	**31 122**	30 042	**31 122**	30 042
Unrecognised transitional liability adjustment	**–**	(6 709)	**–**	(6 709)
Net liability in balance sheet	**31 122**	23 333	**31 122**	23 333
Reconciliation of net liability recognised in the balance sheet				
Opening balance	**23 333**	29 415	**23 333**	29 415
Current service cost	**2 715**	2 468	**2 715**	2 468
Interest cost	**2 984**	2 523	**2 984**	2 523
Actuarial gain	**(4 219)**	–	**(4 219)**	–
Transitional liability recognised/adjustment	**6 709**	(10 703)	**6 709**	(10 703)
Expense recognised	**31 522**	23 703	**31 522**	23 703
Expected employer benefit payment	**(400)**	(370)	**(400)**	(370)
Closing balance	**31 122**	23 333	**31 122**	23 333
Total	**31 122**	23 333	**31 122**	23 333
Discount rate	**8,5%**	10%	**8,5%**	10%
Health care cost inflation	**6,5%**	8%	**6,5%**	8%
Average retirement age	**60**	60	**60**	60

The assumptions used by actuaries are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

During the year under review, a comprehensive valuation was undertaken which resulted in an unexpected gain which arose out of a combination of factors. The most significant being a change in the Company's subsidy policy and an unexpected change in membership.

All full-time employees of the Company are members of the pension fund, a defined contribution fund, subject to the Pension Funds Act 1956. On 28 February 2004 an actuarial valuation was performed by independent consulting actuaries, who found the fund to be in a sound financial position. No events have had a significant effect on the fund's position since this valuation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

> FOR THE YEAR ENDED 31 MARCH 2005

	GROUP 2005 R'000	GROUP 2004 R'000	COMPANY 2005 R'000	COMPANY 2004 R'000
20 DEFERRED REVENUE				
Profit on sale and leaseback transaction	**6 027**	8 619	**6 027**	8 619
Less: Amounts recognised to date	**(2 214)**	(2 592)	**(2 214)**	(2 592)
	3 813	6 027	**3 813**	6 027
Less: Current portion	**(3 813)**	(2 214)	**(3 813)**	(2 214)
	–	3 813	**–**	3 813
During 2001, the Company entered into a sale and financial leaseback transaction with Nedcor Investment Bank Ltd. The profit on the sale of the equipment is to be recognised over the lease term of the equipment leased back which is between three to ten years. Refer to notes 2 and 18.				
21 TRADE AND OTHER PAYABLES				
Trade and other payables comprise:				
Trade payables	**426 387**	324 455	**409 776**	316 174
Accrued expenses	**71 002**	78 317	**71 002**	78 317
Clawback relating to 2002 and 2003	**139 493**	127 100	**139 493**	127 100
CPI correction factor relating to 2005	**42 080**	–	**42 080**	–
Other payables	**1 023**	1 080	**1 023**	1 080
	679 985	530 952	**663 374**	522 671
As indicated in the Managing Director's report the clawback refers to the promulgation by the Regulating Committee of ACSA.				
22 REVENUE				
Revenue comprises:				
Aeronautical	**1 070 555**	1 007 716	**1 069 520**	1 006 529
Retail	**620 616**	560 081	**620 524**	560 017
Property	**159 725**	138 471	**159 707**	138 445
Integration of computer installation systems	**13 431**	14 574	**–**	–
Hotel operations	**42 097**	37 798	**–**	–
Premiums received	**2 860**	13 700	**–**	–
Other	**53 822**	92 543	**53 812**	92 498
	1 963 106	1 864 883	**1 903 563**	1 797 489
23 OPERATING PROFIT				
Operating profit is stated after charging:				
Staff costs	**336 665**	297 713	**317 106**	277 271
Amortisation of intangible assets	**(1 605)**	1 427	**–**	–
Auditors' remuneration	**2 501**	2 057	**2 243**	1 845
– Fee for audits	**1 708**	1 162	**1 450**	950
– Other services	**410**	794	**410**	794
– Prior year adjustment	**383**	15	**383**	15
– Expenses	**–**	86	**–**	86
Operating lease expense	**17 614**	8 045	**9 257**	7 916
Profit on sale of vehicles, equipment, land and buildings	**(715)**	(2 611)	**(2 018)**	(2 619)
Profit on sale and leaseback recognised	**(2 214)**	(2 592)	**(2 214)**	(2 592)
Masterplanning and technical consulting fees	**28 681**	15 961	**26 389**	15 961
Depreciation	**229 088**	221 720	**225 600**	214 560
Owned assets – vehicles and equipment	**80 546**	81 044	**77 354**	74 174
– land and buildings	**107 914**	110 425	**107 625**	110 139
– investment properties	**12 165**	–	**12 165**	–
Leased assets – vehicles and equipment	**10 120**	11 839	**10 113**	11 835
– land and buildings	**18 342**	18 412	**18 342**	18 412
Provision for impairment of loans to subsidiaries	**–**	–	**1 893**	5 846

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

> FOR THE YEAR ENDED 31 MARCH 2005

	GROUP 2005 R'000	GROUP 2004 R'000	COMPANY 2005 R'000	COMPANY 2004 R'000
24 EXCEPTIONAL ITEMS				
Provision for correction factor relating to 2002 and 2003	**–**	(127 100)	**–**	(127 100
	–	(127 100)	**–**	(127 100)
25 NET FINANCE COSTS				
Net finance costs comprise:				
Dividend received from subsidiary	**–**	–	**–**	383
Interest received	**13 090**	22 244	**12 843**	21 779
Preference dividend	**24 959**	19 020	**24 959**	19 020
Bank borrowings	**(40 101)**	(72 408)	**(37 878)**	(69 609)
Finance lease charges	**(39 381)**	(39 381)	**(39 381)**	(39 381)
Other borrowings	**(1 484)**	(270)	**(1 459)**	(268)
Foreign exchange contracts	**(2 850)**	–	**(2 850)**	–
Interest on clawback (refer note 21)	**(12 392)**	–	**(12 392)**	–
Less: Capitalised to building under construction	**11 569**	11 109	**11 569**	11 109
	(46 590)	(59 686)	**(44 589)**	(56 967)
26 TAXATION				
South African normal taxation:				
Current taxation				
Current year	**275 547**	237 839	**274 814**	237 421
Prior year	**1 318**	(18 495)	**1 248**	(18 599)
Deferred				
Current year	**(19 321)**	(31 797)	**(16 708)**	(32 437)
Prior year	**(1 115)**	15 549	**(1 115)**	15 549
Secondary tax on companies	**26 122**	39 851	**26 122**	39 757
Capital Gains taxation				
Prior year	**99**	7	**99**	7
	282 650	242 954	**284 460**	241 698
Normal tax rate reconciliation:				
Standard tax rate	**30,00%**	30,00%	**30,00%**	30,00%
Permanent differences	**(0,72%)**	(1,20%)	**(0,54%)**	(0,60%)
Rate change	**(0,02%)**	0,00%	**(0,02%)**	0,00%
Prior year adjustments	**0,06%**	(0.40%)	**0,05%**	(0,40%)
Secondary tax on companies	**2,99%**	5,60%	**2,98%**	5,70%
Effective tax rate	**32,30%**	34,00%	**32,47%**	34,70%

27 EARNINGS AND HEADLINE EARNINGS PER SHARE

The calculation of basic earnings per ordinary share and headline earnings per share are based on the net profit attributable to ordinary shareholders of R593,1 million (2004: R471,6 million) and 500 000 000 (2004: 500 000 000) ordinary shares in issue during the year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

> FOR THE YEAR ENDED 31 MARCH 2005

	GROUP		COMPANY	
	2005 R'000	2004 R'000	**2005 R'000**	2004 R'000
28 RELATED PARTY TRANSACTIONS				
28.1 Purchases of goods and services:				
Technical consulting fees paid to ADR	**1 365**	2 183	**1 365**	2 183
Remuneration				
Executive directors and staff	**3 516**	4 124	**3 516**	4 124
Non executive directors	**209**	240	**209**	240
	5 090	6 547	**5 090**	6 547
28.2 Balance owing to/by related parties				
Amounts owing by ADR	**293**	1 086	**293**	1 086
Amounts owing to ADR	**(2 740)**	(6 502)	**(2 740)**	(6 502)
Net due to ADR	**(2 447)**	(5 416)	**(2 447)**	(5 416)
ADR International Airports SA (Pty) Ltd owns 20% of the Company's issued share capital. The technical consulting fees are calculated on an arm's length basis.				
28.3 Directors remuneration:				
Executive directors	**5 614**	4 999	**3 020**	3 434
Non–Executive directors	**905**	862	**905**	814
Executive management	**8 391**	6 893	**8 391**	6 893
	14 910	12 754	**12 316**	11 141

All executive directors are eligible for an annual performance bonus payment linked to appropriate targets to a maximum of 45% of the salary package. During the current year, a liability of R1,735 million was raised in terms of the performance management system. The structure of the individual bonus plans and awards is decided by the Remuneration Committee.

The amount of salaries, performance bonuses and fees paid to individual directors and senior management is as follows:

	Salary 2005 R'000	**Bonus 2004 R'000**	**Fees 2005 R'000**	**Total R'000**
Executive directors				
M W Hlahla	1 474	540	–	2 014
M S G Mareletse	247	368	–	615
T B T Mparutsa	380	–	–	380
C Bassetti (Italian) *	1 309	472	813	2 594
	3 410	1 380	813	5 603
* Paid to ADR excluding fees portion				
Non–executive directors				
T R A Oliphant	–	–	250	250
ADR	–	–	209	209
N N Gwagwa	–	–	110	110
S Sithole	–	–	101	101
F A Sonn	–	–	97	97
B M Stocks	–	–	138	138
	–	–	905	905
Executive management				
P M du Plessis	839	245	–	1 084
M R Wiswe	663	–	–	663
S Hlalele	624	197	–	821
T R Mackey	1 084	288	–	1 372
C Lodewyk	683	172	–	855
B Maseko	944	270	–	1 214
D Cloete	756	244	–	1 000
G Uriesi	706	185	–	891
M Kalawe	231	260	–	491
	6 530	1 861	–	8 391

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

> FOR THE YEAR ENDED 31 MARCH 2005

	GROUP 2005 R'000	GROUP 2004 R'000	COMPANY 2005 R'000	COMPANY 2004 R'000
29 CASH GENERATED FROM OPERATIONS				
Operating profit	**921 593**	902 335	**920 671**	881 433
Adjustments:				
Amortisation of intangible assets	**1 605**	1 427	**–**	–
Depreciation	**229 088**	221 720	**225 600**	214 560
Profit on sale of vehicles, equipment, land and buildings	**(715)**	(2 611)	**(2 018)**	(2 619)
Profit on sale and leaseback recognised in current year	**(2 214)**	(2 592)	**(2 214)**	(2 592)
Post-retirement liabilities	**7 789**	(19 782)	**7 789**	(19 782)
Provision for impairment on loans to subsidiaries	**–**	–	**1 893**	5 845
Write off of investment in subsidiary	**–**	–	**–**	1 700
Exchange differences – joint venture	**1 790**	48	**–**	–
Current year portion of deferred expenditure written off	**12 658**	15 703	**12 658**	15 703
	1 171 594	1 116 248	**1 164 379**	1 094 248
Working capital changes:				
Increase in trade receivables	**(42 352)**	(25 881)	**(51 368)**	(21 676)
Increase in inventories	**(69)**	(614)	**(23)**	(618)
Increase in trade payables	**149 033**	9 996	**140 703**	11 918
	1 278 206	1 099 749	**1 253 691**	1 083 872
Taxation paid:				
Balance at beginning of year	**408**	(7 995)	**571**	(7 875)
Income statement charge	**(282 650)**	(242 954)	**(284 460)**	(241 698)
Balance outstanding at end of year	**10 835**	(408)	**13 639**	(571)
	(271 407)	(251 357)	**(270 250)**	(250 144)
30 FINANCIAL INSTRUMENTS				
Currency risk				
Objectives and significant terms and conditions				
In order to manage risks arising from fluctuations in currency exchange rates, the Group makes use of forward exchange contracts to manage exposure to fluctuations in foreign currency rates on importation of equipment. As at 31 March 2005 and 2004, the settlement dates on open forward contracts ranged between one month and eighteen months. The local currency amounts to be paid and contractual exchange rates of the Group's outstanding contracts were :				
Euro (buy) – at rates averaging R1 = E 0.12	**(26 492)**	–	**(26 492)**	–
Euro (sell) – at rates averaging R1 = E 0.12 (2004: E 0.13)	**35 311**	34 469	**35 311**	34 469
	8 819	34 469	**8 819**	34 469

All forward exchange contracts entered into relate to specific balance sheet items

Credit risk

The Company and Group have no significant concentrations of credit risk. Cash is placed with substantial financial institutions.

Interest rate risk

The Group adopts a policy of ensuring that its exposure to changes in interest rates is on a combination of floating and fixed rate basis.

Fair values

The carrying amounts of cash, investments, trade receivables and payables, borrowings and dividends payable approximate to their fair value.

31 INSURANCE

Certain risks are insured with recourse to the Company in that should claims arise in excess of the premiums paid by the Company the aggregate liability of the insurance Company is limited to 20% of the premium paid. At 31 March 2005 the aggregate unutilised premiums available for future claims amounted to R37,8 million (2004: R41,7 million) and US $2,76 million (2004: US $2,8 million).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

> FOR THE YEAR ENDED 31 MARCH 2005

	GROUP		COMPANY	
	2005 R'000	2004 R'000	**2005 R'000**	2004 R'000
32 COMMITMENTS				
Capital commitments				
– Contracted	**35 442**	31 745	**35 442**	31 745
– Authorised by the directors but not yet contracted for	**80 000**	51 823	**80 000**	51 823
Operating lease commitments				
– In respect of rental of property	**4 454**	5 193	**4 454**	4 530
– In respect of rentals other than property	**13 174**	9 102	**13 174**	14 295
	133 070	97 863	**133 070**	102 393

The capital expenditure is to be financed from borrowing facilities of R1 799 million which are already in place.

33 CONTINGENCIES

Contingent liabilities based on the review of the financial results for the 2004 financial year against the Permission Application, the Regulating Committee of ACSA has indicated that the Company may be liable to a clawback amounting to R127,3 million. This clawback will be refunded through future tariffs. In determining the clawback, the directors and management of ACSA believe that the principles of a single–till price cap regulatory framework have not been appropriately applied in line with International Best Practice. The proposed clawback has not been promulgated by the Regulatory Committee and consequently, no provision has been made. Furthermore, the Company has engaged the Regulating Committee on the principles, implementation and methodology of a single–till price cap regulatory framework.

Should the Regulating Committee apply similar principles for the 2005 financial year, the Company may be liable for a clawback of R98 million. This will be in addition to the R42 million provision the Company had already made in 2005. This provision relates to the difference between forecasted CPI and actual CPI.

For more information regarding the regulatory environment, please refer to the Managing Director's Report.

34 CHANGE IN ACCOUNTING POLICY

During the year, the Group changed the following accounting policy in response to changes to Statements of Generally Accepted Accounting Practice in South Africa, to comply with AC140 Business Combinations. The effect of the adjustments is considered immaterial.

STATISTICAL REVIEW

	2005 R'000	2004 R'000	2003 R'000	2002 R'000	2001 R'000
Operations					
Revenues	**1 963 106**	1 864 883	1 588 866	1 335 053	1 152 871
EBITDA	**1 150 680**	1 124 055	916 507	735 259	662 667
Operating profit	**921 593**	902 335	759 585	595 276	543 810
Profit before tax	**875 003**	715 549	879 508	593 026	537 160
Net profit	**593 174**	471 630	660 720	410 953	357 950
Depreciation	**229 088**	221 720	156 922	139 983	118 857
Dividends declared	**228 000**	330 000	160 000	105 000	68 000
Financial position					
Capital and reserves	**3 408 988**	3 043 269	2 902 220	2 401 287	2 096 507
Non-current liabilities	**301 571**	126 298	249 136	333 944	353 271
Deferred taxation	**–**	–	11 171	24 953	38 966
Debentures	**6 000**	6 000	6 000	–	–
Minority interest	**2 897**	3 196	2 952	2 303	3 604
	3 719 456	3 178 763	3 171 479	2 762 487	2 492 348
Land and buildings vehicles and equipment investment properties	**4 020 826**	3 760 041	3 510 621	2 827 757	2 418 052
Investment in joint ventures	**2 054**	2 304	2 555	–	–
Investments	**17 270**	13 236	–	–	–
Goodwill	**–**	1 828	4 334	1 173	1 251
Non-current receivables	**43 949**	43 949	65 886	43 949	103 949
Deferred taxation	**25 533**	5 077	–	–	–
Deferred expenditure	**–**	–	28 361	44 899	56 030
Current assets	**350 770**	254 888	213 518	239 262	361 450
Total assets	**4 460 402**	4 081 324	3 825 275	3 157 040	2 940 732
Current liabilities	**(740 946)**	(902 561)	(653 796)	(394 553)	(448 384)
	3 719 456	3 178 764	3 171 479	2 762 487	2 492 348
Cash flow					
Cash available from operating activities	**732 209**	458 338	613 769	433 896	385 291
Cash utilised in investing activities	**(493 442)**	(469 469)	(735 316)	(492 291)	(593 850)
Cash from financing activities	**94 001**	(88 718)	83 355	(16 104)	340 332
Net cash inflow/(outflow)	**332 768**	(99 849)	(38 192)	(74 499)	131 773
Profitability					
Return on investment	**18,3%**	18,8%	18,4%	15,9%	16,7%
Earnings per share (cents)	**118,6**	94,3	132,1	81,9	71,5
Dividends per share (cents)	**45,6**	66,0	32,0	21,0	13,6

Return on investment is calculated with reference to the formula applied by the Regulating Committee

Earnings and dividend per share information for the five accounting years ended 31 March 2005 have been calculated on the basis of 500 million ordinary shares in issue for the entire period.

STATISTICAL REVIEW (CONTINUED)

	2005	2004	2003	2002	2001
Productivity					
Number of employees	**1 766**	1 795	1 806	1 792	1 723
Revenue per employee (R')	**1 111 612**	1 038 932	884 177	750 873	677 760
Operating income per employee (R')	**521 853**	502 694	422 696	334 801	319 700
Departing passengers per employee	**7 554**	6 630	6 165	5 725	5 951
Cost to income	**53%**	52%	52%	55%	53%
Other key statistics (in numbers)					
Aircraft landings					
International	**24 054**	23 683	22 266	20 553	19 852
Domestic	**123 949**	122 105	119 330	119 613	112 385
Regional	**12 231**	11 060	11 299	10 486	10 614
Non-scheduled	**58 369**	56 087	64 932	60 586	54 143
	218 603	212 935	217 827	211 238	196 994
Departing passengers					
International	**3 691 257**	3 430 664	3 223 325	2 923 258	2 877 185
Domestic	**9 222 232**	8 074 116	7 477 651	6 942 513	6 903 680
Regional	**360 856**	343 168	314 223	279 101	266 569
Non-scheduled	**66 631**	52 071	62 925	50 664	75 597
	13 340 976	11 900 019	11 078 124	10 195 536	10 123 031
Number of airlines					
International	**48**	39	41	41	46
Domestic	**8**	7	7	6	6
	56	46	48	47	52
Aeronautical tariffs					
Passenger service charges					
Domestic	**R35,09**	R30,70	R29,82	R26,32	R21,50
Regional	**R74,56**	R64,04	R63,16	R55,26	R41,23
International	**R101,75**	R89,47	R87,72	R75,44	R60,53
Landing fees (based on an aircraft with a maximum take-off weight of 60 000kg)					
Domestic	**R1 278,72**	R1 269,56	R1 148,83	R1 083,73	R1 048,02
Regional	**R1 865,05**	R1 851,71	R1 675,83	R1 580,93	R1 528,85
International	**R2 451,39**	R2 433,88	R2 202,60	R2 077,90	R2 009,69

STATISTICAL REVIEW (CONTINUED)

	2005	2004	2003	2002	2001
Operational volume (in numbers)					
Aircraft landings					
Johannesburg International (JIA)	**93 718**	89 112	87 517	85 825	80 343
Cape Town International (CIA)	**46 274**	46 222	49 076	46 125	41 969
Durban International (DIA)	**21 878**	22 418	21 362	21 676	20 608
Port Elizabeth (PE)	**16 422**	16 950	18 592	16 237	14 053
East London (EL)	**10 221**	6 226	9 362	9 592	8 809
George (GG)	**11 307**	11 085	9 933	9 791	9 636
Bloemfontein (BFN)	**7 165**	10 804	11 008	10 987	10 807
Kimberley (KIM)	**5 464**	4 600	4 830	4 979	4 596
Upington (UP)	**2 948**	2 489	2 970	3 001	3 062
Pilanesberg International (PIA)	**3 206**	3 029	3 177	3 025	3 111
Total	**218 603**	212 935	217 827	211 238	196 994
Departing passengers ('000s)					
Johannesburg International (JIA)	**7 364**	6 637	6 203	5 688	5 615
Cape Town International (CIA)	**3 121**	2 748	2 584	2 382	2 328
Durban International (DIA)	**1 631**	1 440	1 320	1 233	1 256
Port Elizabeth (PE)	**554**	488	442	410	423
East London (EL)	**229**	201	186	172	174
George (GG)	**246**	199	154	133	137
Bloemfontein (BFN)	**116**	109	109	102	109
Kimberley (KIM)	**49**	46	46	45	43
Upington (UP)	**17**	16	16	15	16
Pilanesberg International (PIA)	**14**	15	18	15	22
Total	**13 341**	11 900	11 078	10 195	10 123
Staff					
Johannesburg International (JIA)	**837**	860	847	803	766
Cape Town International (CIA)	**313**	329	335	358	344
Durban International (DIA)	**218**	213	221	209	212
Port Elizabeth (PE)	**81**	81	79	89	89
East London (EL)	**50**	46	52	50	48
George (GG)	**54**	49	51	52	49
Bloemfontein (BFN)	**57**	55	57	62	60
Kimberley (KIM)	**34**	33	37	36	36
Upington (UP)	**10**	10	10	12	10
Corporate Office	**96**	84	85	90	79
Regional Office	**–**	18	14	14	13
Pilanesberg International (PIA)	**16**	17	18	17	17
Total	**1 766**	1 795	1 806	1 792	1 723

SEGMENTAL INFORMATION > FOR THE YEAR ENDED 31 MARCH 2005

	REVENUE, OPERATING PROFIT AND CAPEX SENT			
	Revenue R'000	Expenses R'000	Operating profit/(loss) R'000	Capex spent R'000
Johannesburg International	1 242 172	476 588	765 584	277 267
Cape Town International	375 945	186 831	189 114	113 942
Durban International	146 432	107 364	39 068	40 803
Port Elizabeth	52 560	33 083	19 477	14 330
East London	20 870	15 358	5 512	14 189
Bloemfontein	11 260	13 375	(2 115)	9 865
George	19 927	15 680	4 247	3 957
Kimberley	5 178	7 840	(2 662)	702
Upington	2 611	5 324	(2 713)	2 043
Pilanesberg International (subsidiary)	1 155	4 687	(3 532)	1 058
Corporate Office	30 836	125 362	(94 526)	7 696
	1 908 946	991 492	917 454	485 852

	REVENUE				
	Aeronautical R'000	Commercial R'000	Non-aeronautical R'000	Other R'000	Total R'000
Johannesburg International	696 191	518 039	26 031	1 911	1 242 172
Cape Town International	214 157	153 180	8 508	100	375 945
Durban International	74 857	66 658	4 917	–	146 432
Port Elizabeth	29 972	20 613	1 975	–	52 560
East London	12 248	7 497	1 119	6	20 870
Bloemfontein	6 436	4 389	435	–	11 260
George	12 211	6 759	957	–	19 927
Kimberley	2 644	2 266	268	–	5 178
Upington	1 364	829	389	29	2 611
Pilanesberg International	1 035	110	10	–	1 155
Corporate Office	19 440	–	9 212	2 184	30 836
	1 070 555	780 340	53 821	4 230	1 908 946

	AIRPORT SERVICES				
	Aeronautical revenue R'000	Non-aeronautical revenue R'000	Expenses R'000	Operating profit/(loss) R'000	Capex spent R'000
Johannesburg International	696 191	26 031	467 571	254 651	229 395
Cape Town International	214 157	8 508	150 291	72 374	25 159
Durban International	74 857	4 917	89 857	(10 083)	39 906
Port Elizabeth	29 972	1 975	30 763	1 184	9 472
East London	12 248	1 119	15 358	(1 991)	14 189
Bloemfontein	6 436	435	13 375	(6 504)	9 865
George	12 211	957	15 347	(2 179)	3 957
Kimberley	2 644	268	7 840	(4 928)	702
Upington	1 364	389	5 324	(3 571)	2 043
Pilanesberg International	1 035	10	4 687	(3 642)	1 058
Corporate Office	19 440	9 212	113 956	(85 304)	7 696
	1 070 555	53 821	914 369	210 007	343 442

SEGMENTAL INFORMATION (CONTINUED) > FOR THE YEAR ENDED 31 MARCH 2005

	COMMERCIAL				
	Property income R'000	Retail income R'000	Expenses R'000	Operating profit/(loss) R'000	Capex spent R'000
Johannesburg International	98 816	419 223	9 017	509 022	47 872
Cape Town International	34 351	118 829	36 540	116 640	88 783
Durban International	15 512	51 146	17 507	49 151	897
Port Elizabeth	6 853	13 760	2 320	18 293	4 858
East London	1 614	5 883	–	7 497	–
Bloemfontein	835	3 554	–	4 389	–
George	1 116	5 643	333	6 426	–
Kimberley	428	1 838	–	2 266	–
Upington	183	646	–	829	–
Pilanesberg International	18	92	–	110	–
Corporate Office	–	–	11 406	(11 406)	–
	159 726	620 614	77 123	703 217	142 410

	RETAIL INCOME				
	Advertising R'000	Parking R'000	Retail R'000	Duty-free R'000	Car hire R'000
Johannesburg International	46 580	101 530	122 783	115 740	32 590
Cape Town International	17 911	31 569	25 159	19 322	24 868
Durban International	9 864	23 390	6 723	332	10 837
Port Elizabeth	3 202	3 361	1 393	–	5 804
East London	1 165	1 333	342	–	3 043
Bloemfontein	998	935	133	–	1 488
George	1 027	1 166	769	–	2 681
Kimberley	735	1	38	–	1 064
Upington	189	26	4	–	427
Pilanesberg International	45	2	6	–	39
	81 716	163 313	157 350	135 394	82 841

	STATISTICAL REVIEW		
	Aircraft landings	Departing passengers x 1 000	Staff numbers
Operational volume			
Johannesburg International	93 718	7 364	837
Cape Town International	46 274	3 121	313
Durban International	21 878	1 631	218
Port Elizabeth	16 422	554	81
East London	10 221	229	50
George	11 307	246	54
Bloemfontein	7 165	116	57
Kimberley	5 464	49	34
Upington	2 948	17	10
Pilanesberg International (subsidiary)	3 206	14	16
Corporate Office	–	–	96
Total	218 603	13 341	1 766

ADMINISTRATION > FOR THE YEAR ENDED 31 MARCH 2005

AIRPORTS COMPANY SOUTH AFRICA
Reg No 1993/004149/06

REGISTERED OFFICE
24 Johnson Road
Riverwoods
Bedfordview
2008

POSTAL ADDRESS
PO Box 75480
Gardenview
2047

BOARD OF DIRECTORS

T Oliphant	(Chairman)
C Bassetti * #	
A Belardini #	
F di Giovanni #	Appointed 29 June 2004
N N Gwagwa	
M W Hlahla *	
T B T Mparutsa *	Appointed 1 January 2005
S Sithole	
F Sonn	
B M Stocks	

ALTERNATE DIRECTORS	**Alternate to**
F Capozio #	Appointed 31 August 2004 F di Giovanni #
R Tommasetti #	Appointed 31 August 2004 A Belardini #

COMPANY SECRETARY
The secretary of the Company is Mrs M R Wiswe

DIRECTORS / OFFICERS RESIGNED

M S G Mareletse *	31 May 2004
M Kalawe	31 August 2004

SUB-COMMITTEES

Audit Committee

B M Stocks	(Chairperson)
R Tommasetti #	
F A Sonn	
M Janse van Rensburg (co-opted)	

Human Resources Transformation and Remuneration Committee

S Sithole	(Chairperson)
A Belardini #	
N N Gwagwa	
T R A Oliphant	
F Sonn	

Risk Management Sub-Committee

N N Gwagwa	(Chairperson)
B M Stocks	
F Capozio #	

Commercial Board Sub-Committee

B M Stocks	(Chairperson)
A Belardini #	
S Sithole	

* Executive Director
# Italian

COMPANY DIRECTORY

CORPORATE OFFICE

PO Box 75480
Gardenview
2047
Tel: (011) 723-1400
Fax: (011) 453-9354
www.acsa.co.za

Monhla Hlahla	– Managing Director
Brooks Mparutsa	– Executive Director (Finance)
Carmine Bassetti	– Executive Director (Aviation Services)
Bongani Maseko	– Director (Operations)
Rory Mackey	– Group Executive (Commercial Services)
Pieter du Plessis	– Group Executive (Human Resources)
Sello Hlalele	– Group Executive (Internal Audit)
Charmaine Lodewyk	– Group Executive (Communications and Brand Management
Tinka Wiswe	– Company Secretary

The Maples
Riverwoods
24 Johnson Road
Bedfordview
2008

Company registration number: 1993/004149/06

INTERNATIONAL AIRPORTS

Johannesburg
Private Bag X1
Johannesburg International Airport
1627
Tel: (011) 921-6911
Fax: (011) 390-1736
E-mail: chrish@acsa.co.za
Chris Hlekane – General Manager

Cape Town
Private Bag X9002
Cape Town International Airport
7625
Tel: (021) 937-1200
Fax: (021) 934-0932
E-mail: george3@acsa.co.za
George Uriesi – General Manager

DOMESTIC AIRPORTS

P O Box 1
Durban International Airport
4029
Tel: (031) 451-6666
Fax: (031) 451-6672
E-mail: deon@acsa.co.za
Deon Cloete – General Manager

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