



## Regulated Revenue Cap, Regulated Revenues and Terminal Passengers\_ 2013

### 1. Object

According to the applicable law, ANA, Airports of Portugal, SA, hereinafter referred to as ANA, presents this report in order to allow the monitoring of the regulated charges revenues and terminal passengers at the airports of ANA network in 2013, under the new economic regulation regime, established by Decree-Law 254/2012 of 28 November with the wording of Decree-law 108/2013 of 31 July, and by the Concession Contracts concluded between the Portuguese State and ANA and ANAM.

The publication of this information will take place in ANA's electronic web page, in order to allow the Regulatory Authority, Airlines and other stakeholders to exercise their right to monitor the fulfilment of the obligations established in Annex 12 of the Concession Contract.

This document is meant to present the financial and operational information regarding the year 2013, including the description of the revenue obtained with the application of regulated charges and the number of terminal passengers<sup>1</sup> registered in 2013 at the airports of ANA network.

This information has been audited by PricewaterhouseCoopers, under the terms and for the purposes of Annex 12 (10.1) of the Concession Contract, and the report is enclosed to this document.

### 2. Financial and operational information

The **Regulated Revenue** (RR) is equal to the quotient between the total revenue of the activities and services referred to in Appendix A of Annex 12 and the number of terminal passengers in each of the airports or group of airports identified in Annex 12 (2) of the Concession Contract (CC), i.e.:

- Lisbon Group (including Lisbon, Ponta Delgada, Santa Maria, Horta, Flores, Madeira and Porto Santo Airports and the Civil Terminal of Beja)
- Porto Airport
- Faro Airport

The revenues considered for the establishment of the RR of each Airport or group of airports arise from the regulated charges applied according to the applicable legislation (Article 42 (1 and 2) and Article 65 of Decree-Law 254) and to the Concession Contract (*Annex 12, Appendix A*):

- Traffic (*article 42 (1) of DL 254/2012*)
  - Landing and Take-off (*article 26 of DL 254/2012*)
  - Aircraft parking (including airbridges and GPS) (*article 27 of DL 254/2012*)
  - Hangar (*DL 254, article 28 of DL 254/2012*)
  - Passenger service (*article 29 of DL 254/2012*)
  - Aerodrome opening (*article 30, DL 254/2012*)
- Ground handling (*Appendix A of Annex 12 of the CC*):
  - Passenger handling (*article 32 (b) of DL 254/2012*)
  - Baggage handling (*article 32 (c) of DL 254/2012*)

<sup>1</sup> "Terminal Passengers" are all passengers embarked or disembarked, as the case may be, including destination passengers and transfer passengers, excluding direct transit passengers, according to the definition provided for in Clause 1 of the Concession Contract.



- Security Charge (*Chapter IV, Articles 48 to 56 of DL 254/2012*)
- Service charge to PRM (*Chapter V, Articles 57 to 64, DL 254/2012*)
- CUPPS, CUSS and BRS charge (does not include consumables) (*Appendix A of Annex 12 of the CC*)

The revenues arising from flights operated by pure freight flights are excluded from the revenues used for the calculation of the Regulated Revenue (RR), as established in Annex 12 (2.6) of the Concession Contract.

## 2.1. Terminal Passengers 2013

Terminal Passengers are calculated according to the listed traffic data. This data is registered in the traffic statistic reporting system "Business Intelligence" used in ANA, which presents historical data since the year 2000.

Traffic data gathered in ANA airports derives from mandatory traffic forms (national document of INAC) for each aircraft movement, filled in by the ground handling agents or Airlines in each of the national airports. This data is the basis for the invoicing and traffic information.

In 2013, Terminal Passengers in Lisbon Group totaled 19.621.179, according to the following distribution in the different airports:

### Lisbon Group

AIRPORT	Terminal Pax
Lisbon Airport	16.008.494
Ponta Delgada Airport	890.888
Santa Maria Airport	61.039
Horta Airport	168.212
Flores Airport	41.406
Beja Civil Terminal	2.332
Madeira Airport	2.359.240
Porto Santo Airport	89.568
<b>TOTAL</b>	<b>19.621.179</b>

In 2013, in Porto Airport, 6.323.727 Terminal Passengers were registered and in Faro Airport, served passengers were up to 5.936.772.

## 2.2. Financial Information – Revenue

The financial information presented in this document is based on the data registered in the Accounts System of the company, the SAP R3, as a result of the invoices and release notes issued by the invoicing system, regarding the activity in 2013.

In 2013, the revenue obtained through the regulated charges, in the airports of ANA network, totaled 277.915.091€.

The following table shows the revenue, per regulated charge in 2013, in the airports of Lisbon Group.



**Lisbon Group**

Unit: Euros

REGULATED CHARGES	Lisbon	Azores	Madeira	Beja	TOTAL
Aerodrome opening	0	265.655	0	0	265.655
Landing and Take-off	30.072.177	1.576.288	7.684.398	0	39.332.863
Parking	4.110.658	187.204	170.159	32.138	4.500.159
Airbridges and GPS	9.691.575	207.501	0	0	9.899.076
Passengers	72.143.980	3.487.988	18.224.448	1.340	93.857.756
Passenger handling	1.335.279	121.528	708.318	0	2.165.125
Baggage handling	2.205.151	182.207	0	0	2.387.359
CUPPS, CUSS and BRS	1.977.784	76.165	0	0	2.053.948
Security charge – A	9.547.200	574.860	1.310.861	188	11.433.109
Security Charge – HBS	13.009.318	875.217	1.989.546	297	15.874.378
PRM handling	3.599.121	241.722	740.037	57	4.580.937
<b>SUB TOTAL</b>	<b>147.692.243</b>	<b>7.796.334</b>	<b>30.827.768</b>	<b>34.020</b>	<b>186.350.365</b>
<b>Cargo (-)</b>	<b>-902.740</b>	<b>-31.179</b>	<b>-56.404</b>	<b>0</b>	<b>-990.323</b>
Landing and Take-off	-614.921	-21.295	-56.088	0	-692.304
Parking	-157.772	-9.128	-316	0	-167.216
GPS	-130.047	-756	0	0	-130.803
<b>TOTAL</b>	<b>146.789.503</b>	<b>7.765.155</b>	<b>30.771.364</b>	<b>34.020</b>	<b>185.360.042</b>
<b>Terminal Passengers</b>	<b>16.008.494</b>	<b>1.161.545</b>	<b>2.448.808</b>	<b>2.332</b>	<b>19.621.179</b>
<b>Revenue/Terminal Passenger</b>	<b>9,17</b>	<b>6,69</b>	<b>12,57</b>	<b>14,59</b>	<b>9,45</b>

In 2013, the revenue obtained through the regulated charges in Lisbon Group were up to 185.360.042€, whereas terminal passengers totaled 19.621.179, which means a regulated revenue per terminal passenger of 9, 45€.

Revenue obtained through regulated charges in Porto Airport, in 2013, summed 46.990.269€. 6.323.727 terminal passengers were registered, which results in a regulated charge revenue of 7, 43€ per terminal passenger, as presented in the following table:

**Porto Airport**

Unit: Euros

REGULATED CHARGES	AMOUNT
Aerodrome opening	0
Landing and Take-off	9.922.641
Parking	669.525
Airbridges and GPS	1.468.748
Passengers	25.021.256
Passenger handling	430.063
Baggage handling	560.617
CUPPS, CUSS and BRS	0
Security charge – A	3.375.557
Security charge – HBS	5.156.637
PRM assistance	1.426.272



<b>SUB TOTAL</b>	<b>48.031.317</b>
<b>Cargo (-)</b>	<b>-1.041.048</b>
Landing and Take-off	-965.893
Parking	-75.155
GPS	0
<b>TOTAL</b>	<b>46.990.269</b>
<b>Terminal Passengers</b>	<b>6.323.727</b>
<b>Revenue/ Terminal passenger</b>	<b>7,43</b>

The following table shows the revenue, per regulated charge in 2013, in Faro Airport.

<b>Faro Airport</b>		Unit: Euros
<b>REGULATED CHARGES</b>	<b>AMOUNT</b>	
Aerodrome opening	75.302	
Landing and Take-off	7.528.614	
Parking	437.116	
Airbridges and GPS	815.073	
Passengers	25.425.946	
Passenger handling	440.077	
Baggage handling	690.546	
CUPPS, CUSS and BRS	526.860	
Security charge - A	3.502.408	
Security charge - HBS	4.801.438	
PRM charge	1.321.887	
<b>SUB TOTAL</b>	<b>45.565.266</b>	
<b>Cargo (-)</b>	<b>-486</b>	
Landing and Take-off	-450	
Parking	-36	
GPS	0	
<b>TOTAL</b>	<b>45.564.780</b>	
<b>Terminal Passenger</b>	<b>5.936.772</b>	
<b>Revenue/Terminal Passenger</b>	<b>7,68</b>	

The revenue obtained through regulated charges in Faro Airport, in 2013, was up to 45.564.780€, whereas the terminal passengers totalled 5.936.772, which means a regulated charge per terminal passenger of 7, 68€.

### 3. Calculation of the “Forecast Errors” adjustments

According to Annex 12 (5) of the Concession Contract, there are two types of adjustments arising from forecast errors: the forecast error related to the annual passenger traffic volume with impact on the calculation of the Airside Retail Contribution (CRLA) per terminal passenger (PT) and the forecast error related to the traffic mix and /or the composition of the available services and activities.



Taking into account the number of terminal passengers and the actual revenues that result from the application of the regulated charges, subsequent adjustments, due to forecast errors, were calculated for Lisbon Group, Porto Airport and Faro Airport, according to the following calculation formulas:

**a) Adjustment due to forecast error related to traffic volume**

The difference between the actual number of terminal passengers registered in 2013 and the number of terminal passengers forecasted in the charges proposal determines a variation of the CRLA per terminal passenger and, therefore, of the Regulated Revenue Cap authorized for 2013 (RRMM<sub>2013</sub>). The adjustment amount results from the variation of the RRMM<sub>2013</sub> multiplied by the actual number of terminal passengers served during 2013:

$$[(CRLA_{2013} / PT_{proposal\ 2013}) - (CRLA_{2013} / actual\ PT_{2013})] = \Delta\ \text{authorized RRMM}_{2013}$$

$$\text{Adjustment due to traffic volume} = \Delta\ \text{Authorized RRMM}_{2013} * \text{actual PT}_{2013}$$

**Lisbon Group Airports:**

CRLA<sub>2013</sub> : 34.862.031€

PT proposal<sub>2013</sub>: 18.931.970

Actual PT<sub>2013</sub>: 19.621.179

$\Delta$  Authorized RRMM<sub>2013</sub> : (34.862.031€/18.931.970)-(34.862.031€/19.621.179)=0,06€

Adjustment: 0,06€\* 19.621.179=1.177.271€

**Porto Airport:**

CRLA<sub>2013</sub> : 6.123.473€

PT proposal<sub>2013</sub>: 6.145.110

Actual PT<sub>2013</sub>: 6.323.727

Var authorized RRMM<sub>2013</sub> : (6.123.473€ /6.145.110)-(6.123.473€ /: 6.323.727)=0,03€

Adjustment: 0,03€\* 6.323.727=189.712€

**Faro Airport:**

CRLA<sub>2013</sub> : 8.967.499€

PT proposal<sub>2013</sub>: 5.651.750

Actual PT<sub>2013</sub>: 5.936.772

Var authorized RRMM<sub>2013</sub> : (8.967.499€ /5.651.750)-( 8.967.499€ /: 5.936.772)=0,08€

Adjustment: 0,08€\* 5.936.772=474.942€

**b) Adjustment due to forecast error related to the traffic mix and /or the composition of the available services and activities**

The variations registered in the mix of traffic and the demand profile change the composition of the services and promote a variation of the regulated revenue per terminal passenger, leading to a variation of the actual Regulated Revenue (RR) regarding the authorized RRMM.

$$\text{Adjustment} = (\text{Authorized RRMM}_{2013} - \text{Actual RR}_{2013}) * \text{Actual PT}_n$$

**Lisbon Group Airports:**

Authorized RRMM<sub>2013</sub>: 9, 57€

Actual RR<sub>2013</sub>: 9, 45€

Actual PT real<sub>2013</sub>: 19.621.179



Authorized RRMM<sub>2013</sub> – actual RR<sub>2013</sub> = 9,57€ – 9,45€ = 0,12€  
 Adjustment: 0,12€ \* 19.621.179 = 2.354.541€

**Porto Airport:**

Authorized RRMM<sub>2013</sub>: 7,49€€  
 Actual RR<sub>2013</sub>: 7,43€€  
 Actual PT<sub>2013</sub>: 6.323.727  
 Authorized RRMM<sub>2013</sub> – Actual RR<sub>2013</sub> = 7,49€€ – 7,43€€ = 0,06€€  
 Adjustment: 0,06€€ \* 6.323.727 = 379.424€€

**Faro Airport:**

Authorized RRMM<sub>2013</sub>: 7,70€  
 Actual RR<sub>2013</sub>: 7,68€  
 Actual PT<sub>2013</sub>: 5.936.772  
 Authorized RRMM<sub>2013</sub> – Actual RR<sub>2013</sub> = 7,70€ – 7,68€ = 0,02€  
 Adjustment: 0,02€ \* 5.936.772 = 118.735€

In total, the adjustments due to forecast errors regarding the year 2013 are the following:

**Lisbon Group Airports: 3.531.812€**  
**Porto Airport: 569.135€**  
**Faro Airport: 593.677€**

As far as all identified deviations are positive, i.e., that translate charged revenue deficits, it is possible to proceed to its recovery two years later, in 2015, as established in paragraph 5.1 (b) of Annex 12 of the Concession Contract, through the corresponding adjustment of the Price Cap (RMM<sub>2015</sub>). This adjustment, where applicable, shall include compensatory interest rates to add to the base rate of the European Central Bank (ECB) on the 1st September 2013, plus 2% per year.

The identified adjustments may not be applied, in 2015, in the airports of Lisbon Group if the Price Cap of that year (RMM<sub>2015</sub>) remains stable as a result of the application of the comparison test (benchmark) conducted in 2014 or as a result of the share of the traffic risk, according to paragraphs 6.2.1 (i) and 6.2.2 (d) of Annex 12 of the Concession Contract. If such situation occurs, the recovery of the registered deficits can only take place after the effects of these additional constraints have ceased.

ANA, April 2014

**CEO AND MANAGEMENT DIRECTOR**

**Jorge Ponce de Leão**