



| Regulated Revenue Cap

Regulated Revenues and Terminal Passengers 2018

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 2018, 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.

The publication of this information will take place in ANA's electronic web page, ensuring that the Regulatory Authority, Airlines and other stakeholders can 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 2018, including the description of the revenue obtained with the application of regulated charges and the number of terminal passengers¹ registered in 2018 at the airports of ANA network.

The information presented was the subject of an examination² by Deloitte & Associados, SROC S.A., under the terms of, and in compliance with, the provisions of point 10.1 of Annex 12 of the Concession Contract, and their report is attached.

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)

¹ "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.

² In accordance with the Technical Standards and Guidelines issued by the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas") applicable to compliance examinations.

- 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)
- 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.

1. TERMINAL PASSENGERS 2018

Terminal Passengers are calculated according to the listed traffic data recorded. This data is registered in the traffic statistic reporting system “Business Intelligence”, which is used at ANA and has historical data available since the year 2000.

Traffic data gathered in ANA airports derives from mandatory traffic forms (national document of ANAC) 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 invoice procedures and traffic information.

In 2018, Terminal Passengers in Lisbon Group totalled 34,659,389 according to the following distribution in the different airports:

LISBON GROUP

Airport	TERMINAL PAX
Lisbon Airport	29,035,816
Ponta Delgada Airport	1,892,473
Santa Maria Airport	92,085
Horta Airport	230,261
Flores Airport	69,040
Beja Civil Terminal	5,817
Madeira Airport	3,178,382
Porto Santo Airport	155,515
TOTAL	34,659,389

In 2018, at Porto Airport, 11,838,665 Terminal Passengers were registered, while at Faro Airport, up to 8,625,914 Terminal Passengers were recorded.

2. FINANCIAL INFORMATION - REVENUE

The financial information presented in this document is based on the data registered in the Accounting Software of the company, the SAP R3, as a result of the invoices and release notes issued by the invoicing system, regarding the activity in 2018.

In 2018, the revenue obtained through the regulated charges, at ANA airports, totalled 553,640,368€.

The following table presents the revenue, per regulated charge in 2018, for the airports included in the Lisbon Group.

LISBON GROUP

Unit: Euros

REGULATED CHARGES	LISBON	AZORES	MADEIRA	BEJA	TOTAL
Aerodrome opening	-	613,406	-	-	613,406
Hangar	-	2,479	-	-	2,479
Landing and Take-off	66,492,884	2,469,047	9,038,691	-	78,000,622
A/C Parking	12,299,613	377,660	125,315	195,374	12,997,962
Airbridges and GPS	21,503,671	545,106	-	-	22,048,777
Passengers	183,765,322	9,557,074	25,890,103	27,041	219,239,540
Passenger handling	3,139,452	141,972	206,899	796	3,489,119
Baggage handling	3,475,133	302,157	385,900	890	4,164,080
CUPPS, CUSS and BRS	3,329,434	170,015	344,926	-	3,844,375
Security	27,813,439	2,043,063	3,199,058	6,030	33,061,590
PRM handling	5,733,146	420,803	659,467	1,098	6,814,514
SUB TOTAL	327,552,094	16,642,782	39,850,359	231,229	384,276,464
Cargo (-)	1,170,706	5,427	61,779	-	1,237,912
Landing and Take-off	826,140	4,201	54,842	-	885,183
Parking	190,028	1,120	6,937	-	198,085
GPS	154,538	106	-	-	154,644
TOTAL REAL	326,381,388	16,637,355	39,788,580	231,229	383,038,552
2016 Miscalculation adjustment	5,988,833	-	-	-	5,988,833
TOTAL ADJUSTED	320,392,555	16,637,355	39,788,580	231,229	377,049,719
TERMINAL PASSENGERS	29,035,816	2,283,859	3,333,897	5,817	34,659,389
ADJUSTED REVENUE/TERMINAL PASSENGER	11.03	7.28	11.93	39.75	10.88

In 2018, the revenue obtained through the regulated charges in Lisbon Group were up to 383,038,552€ whereas terminal passengers totalled 34,659,389. After taking into account the 2016 Miscalculation Adjustment, the regulated revenue per terminal passenger amounted to 10,88€.

Revenue obtained through regulated charges at Porto Airport, in 2018, totalled 97,458,705€. The terminal passengers registered were 11,838,665 which results, after considering the deduction of 2016 Miscalculation Adjustment, leads to a regulated charge revenue of 8,19€ per terminal passenger, as presented in the following table:

PORTO AIRPORT		Unit: Euros
REGULATED CHARGES	AMOUNT	
Aerodrome opening	-	
Hangar	-	
Landing and Take-off	18,104,513	
A/C Parking	1,477,407	
Airbridges and GPS	2,394,231	
Passengers	60,177,142	
Passenger handling	682,500	
Baggage handling	887,940	
CUPPS, CUSS and BRS	1,202,405	
Security	11,363,063	
PRM assistance	2,341,401	
SUB TOTAL	98,630,602	
Cargo (-)	-1,171,897	
Landing and Take-off	-1,048,850	
A/C Parking	-123,047	
TOTAL REAL	97,458,705	
2016 Miscalculation adjustment	480,675	
TOTAL ADJUSTED	96,978,030	
TERMINAL PASSENGERS	11,838,665	
ADJUSTED REVENUE/TERMINAL PASSENGER	8.19	

The following table presents the revenue, per regulated charge in 2018, at Faro Airport.

FARO AIRPORT		Unit: Euros
REGULATED CHARGES	AMOUNT	
Aerodrome opening	192,960	
Hangar	-	
Landing and Take-off	11,949,170	
A/C Parking	398,376	
Airbridges and GPS	1,376,673	
Passengers	46,743,522	
Passenger handling	732,987	
Baggage handling	935,282	
CUPPS, CUSS and BRS	839,118	
Security	8,271,963	
PRM assistance	1,703,998	
SUB TOTAL	73,144,049	
Cargo (-)	938	
Landing and Take-off	706	
A/C Parking	232	
TOTAL	73,143,111	
2016 Miscalculation Adjustment	940,456	
TOTAL ADJUSTED	72,202,655	
TERMINAL PASSENGERS	8,625,914	
ADJUSTED REVENUE/TERMINAL PASSENGER	8.37	

Revenue obtained through regulated charges at Faro Airport, in 2018, amounted to 73,143,111€, while the terminal passengers were 8,625,914 which results, after considering the deduction of 2016 Miscalculation Adjustment, leads in a regulated charge revenue of 8,37€ per terminal passenger.

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 stemmed 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 2018 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 2018 (RRMM₂₀₁₈). The adjustment amount is computed as the deviations of the RRMM₂₀₁₈ times the actual number of terminal passengers attended during 2018:

$$[(\text{CRLA}_{2018} / \text{PT proposal}_{2018}) - (\text{CRLA}_{2018} / \text{actual PT}_{2018})] = \Delta \text{ authorized RRMM}_{2018}$$

$$\text{Adjustment due to traffic volume} = \Delta \text{ Authorized RRMM}_{2018} * \text{actual PT real}_{2018}$$

LISBON GROUP AIRPORTS:

CRLA₂₀₁₈ : 36,381,905€

PT proposal₂₀₁₈: 33,795,202

Actual PT₂₀₁₈: 34,659,389

Δ Authorized RRMM₂₀₁₈ : (36,381,905€/33,795,202)-(36,381,905€ /34,659,389)=0,03€

Adjustment 0,03€* 34,659,389=**1,039,782€**

PORTO AIRPORT

CRLA₂₀₁₈ : 6,390,437€

PT proposal₂₀₁₈: 11,396,583

Actual PT₂₀₁₈: 11,838,665

Var authorized RRMM₂₀₁₈ : (6,390,437€ /11,396,583)-(6,390,437€ / 11,838,665)=0,02€

Adjustment: 0,02€* 11.838.665=**236,773€**

FARO AIRPORT

CRLA₂₀₁₈ : 9,358,454€

PT proposal₂₀₁₈: 9,196,605

Actual PT₂₀₁₈: 8,625,914

Var authorized RRMM₂₀₁₈: (9,358,454€ / 9.196.605)-(9,358,454€ / 8,625,914)=-0,06€

Adjustment: -0,06€* 8,625,914=-517,555€

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

Due to the effect of variations registered in the traffic mix and in the demand profile, both of which have an impact in the configuration of the services and lead to changes in the regulated revenue per terminal passenger, a deviation was determined in the Actual Regulated Revenue obtained in 2018 (Actual RR₂₀₁₈) compared to the authorised revenue the same year (RRMM₂₀₁₈).

Adjustment = (Authorized RRMM₂₀₁₈ – Actual RR₂₀₁₈ Adjusted³) * Actual PT₂₀₁₈

LISBON GROUP AIRPORTS

Authorized RRMM₂₀₁₈: 10,92€

2016 Miscalculation adjustment: 5,988,833€

Actual RR₂₀₁₈: 11,05€

Actual PT₂₀₁₈: 34,659,389

Actual RR₂₀₁₈ Adjusted: (Total RR₂₀₁₈ – 2016 Miscalculation Adjustment)/Actual PT₂₀₁₈= (383,036,073 – 5,988.833)/ 34,659,389 = 10,88€

Authorized RRMM₂₀₁₈ – Actual RR₂₀₁₈ Adjusted = 10,92€ - 10,88€=0,04€

³ Actual RR₂₀₁₈ deducted of the 2016 Miscalculation Adjustment

Adjustment: $0,04€ * 34,659,389 = 1,386,376€$

PORTO AIRPORT

Authorized RRMM₂₀₁₈: 8,02€

2016 Miscalculation Adjustment: 480,675€

Actual RR₂₀₁₈: 8,23€

Actual PT₂₀₁₈: 11,838,665

Actual RR₂₀₁₈ Adjusted: $(\text{Total RR}_{2018} - 2016 \text{ Miscalculation Adjustment}) / \text{Actual PT}_{2018} = (97,458,705 - 480,675) / 11,838,665 = 8,19€$

Authorized RRMM₂₀₁₈ – Actual adjusted RR₂₀₁₈ = $8,02€ - 8,19€ = -0,17€$

Adjustment: $-0,17€ * 11,838,665 = -2,012,573€$

FARO AIRPORT

Authorized RRMM₂₀₁₈: 8,26€

2016 Miscalculation Adjustment: 940,456€

Actual RR₂₀₁₈: 8,48€

Actual PT₂₀₁₈: 8,625,914

Actual RR₂₀₁₈ Adjusted: $(\text{Total RR}_{2018} - 2016 \text{ Miscalculation Adjustment}) / \text{Actual PT}_{2018} = (73,143,111 - 940,456) / 8,625,914 = 8,26€$

Authorized RRMM₂₀₁₈ – Actual adjusted RR₂₀₁₈ = $8,26€ - 8,37€ = -0,11€$

Adjustment: $-0,11€ * 8,625,914 = -948,851€$

In total, the adjustments due to forecast errors regarding the year 2018 have been the following:

Lisbon Group Airports: 2,426,158€

Porto Airport: -1,775,800€

Faro Airport: -1.466.406€

The positive deviation calculated for Lisbon Group have as a consequence a deficit in revenue charges, which can't be recovered two years later, meaning 2020, due to the Traffic Risk sharing mechanism the Revenue Cap (RMM₂₀₁₂₀) has to be frozen to its nominal value of 2029, as established in line b) of point 5.1 of Annex 12 of the Concession Contract.

The negative deviations calculated for Porto and Faro airports have as a consequence an excess of revenue charged, which will be returned to the clients by the end of June 2019, through a single payment proportional to the revenue from regulated activities obtained in 2018 at Porto and Faro airports, as established in line a) of point 5.1 of Annex 12 of the Concession Contract.

ANA, 26 June 2019

In representation of ANA – Aeroportos de Portugal, by whom duly authorized

CEO - ANA - AEROPORTOS DE PORTUGAL, S.A.

Member of the Executive Board

Thierry Ligonnière

Francisco Pita

ANNEX I – 2018 Regulated Revenue per Trimester

ITEM S	1ST TRIM .	2SD TRIM .	3RD TRIM .	4TH TRIM .	TOTAL
<u>2018 'Regulated Revenue without 2016' miscalculation adjustment</u>					
Faro Airport	6.465.686,61	23.549.327,28	28.778.729,51	13.408.911,24	72.202.654,63
AirBridges and GPS	202.074,94	425.095,50	464.590,27	284.912,43	1.376.673,14
Aircraft Parking	75.239,64	107.706,48	114.478,56	100.719,36	398.144,04
Airport Opening	9.256,39	64.082,70	91.851,87	27.769,17	192.960,13
Baggage Handling	84.702,25	285.115,34	391.248,73	174.215,24	935.281,56
BRS	3.396,69	8.084,66	9.821,51	5.736,62	27.039,48
CUPPS and CUSS	77.723,32	260.269,11	320.066,11	154.019,98	812.078,52
Landing / Take Off	700.373,09	3.881.890,11	4.566.291,29	1.859.452,98	11.008.007,46
Passenger Handling	80.250,05	216.558,73	242.909,42	193.268,40	732.986,60
Passenger Service	4.272.658,88	15.113.086,97	18.644.145,91	8.713.629,94	46.743.521,70
PRM Charge	163.986,00	544.513,60	671.766,80	323.732,80	1.703.999,20
Security Charge	796.025,36	2.642.924,08	3.261.559,04	1.571.454,32	8.271.962,80
Funchal Airport	8.325.141,34	10.037.333,38	10.779.119,04	8.777.173,84	37.918.767,60
Aircraft Parking	17.065,62	32.116,37	35.319,57	27.504,62	112.006,18
Baggage Handling	80.494,20	97.971,84	105.845,40	78.453,00	362.764,44
BRS	7.742,20	8.804,38	9.613,72	6.325,79	32.486,09
CUPPS and CUSS	65.717,98	79.592,92	86.010,90	67.089,63	298.411,43
Landing / Take Off	1.846.568,43	2.187.409,48	2.277.395,89	2.129.413,34	8.440.787,14
Passenger Handling	46.260,84	50.943,48	54.498,16	43.330,22	195.032,70
Passenger Service	5.449.849,51	6.596.107,75	7.147.993,08	5.596.087,22	24.790.037,56
PRM Charge	138.681,60	168.240,80	181.589,20	141.680,40	630.192,00
Security Charge	672.760,96	816.146,36	880.853,12	687.289,62	3.057.050,06
João Paulo II Airport	2.348.779,69	3.697.131,87	4.920.334,58	2.800.633,91	13.766.880,05
AirBridges and GPS	117.461,16	146.208,16	158.282,24	123.048,04	544.999,60
Aircraft Parking	97.746,64	87.538,32	100.555,60	79.775,68	365.616,24
Airport Opening	16.846,96	80.347,04	77.755,20	42.765,36	217.714,56
Baggage Handling	37.643,20	65.073,75	98.308,00	49.361,90	250.386,85
CUPPS and CUSS	29.763,14	47.215,41	62.210,11	30.826,45	170.015,11
Landing / Take Off	357.557,92	567.322,93	687.797,78	412.033,11	2.024.711,74
Passenger Handling	21.853,80	25.844,79	30.159,72	23.999,62	101.857,93
Passenger Service	1.329.128,51	2.131.099,85	2.979.236,65	1.619.232,11	8.058.697,12
PRM Charge	58.248,40	93.194,80	124.024,00	71.699,20	347.166,40
Security Charge	282.529,96	453.286,82	602.005,28	347.892,44	1.685.714,50
Lisbon Airport	66.976.754,76	83.111.304,71	92.921.444,11	77.383.051,20	320.392.554,78
AirBridges and GPS	5.035.067,49	5.479.673,25	5.520.974,13	5.313.418,07	21.349.132,94
Aircraft Parking	2.970.182,98	2.896.853,05	3.178.258,98	3.064.290,25	12.109.585,26
Baggage Handling	689.500,11	886.785,51	1.098.404,97	800.442,08	3.475.132,67
BRS	131.250,08	153.249,17	187.485,15	140.893,20	612.877,60
CUPPS and CUSS	562.642,02	714.188,96	798.408,47	641.316,95	2.716.556,40
Landing / Take Off	12.661.870,23	15.297.090,26	16.961.303,20	14.757.647,84	59.677.911,53
Passenger Handling	633.349,00	739.543,56	963.464,94	803.094,12	3.139.451,62
Passenger Service	37.346.468,71	48.115.906,81	54.358.763,45	43.944.183,23	183.765.322,20
PRM Charge	1.187.124,80	1.508.683,20	1.684.200,80	1.353.137,20	5.733.146,00
Security Charge	5.759.299,34	7.319.330,94	8.170.180,02	6.564.628,26	27.813.438,56

2018 'Regulated Revenue without 2016 'miscalculation adjustment (continuation)

Porto Airport	19.464.275,40	25.674.480,86	28.491.747,10	23.347.525,99	96.978.029,34
AirBridges and GPS	496.750,26	647.536,18	649.096,70	600.847,71	2.394.230,85
Aircraft Parking	287.704,78	349.075,91	358.824,94	358.754,57	1.354.360,20
Baggage Handling	152.878,45	216.418,55	318.803,84	199.839,22	887.940,06
BRS	16.166,98	22.879,91	31.855,48	21.294,17	92.196,54
CUPPS and CUSS	224.369,37	295.683,88	325.146,47	265.008,26	1.110.207,98
Landing /Take Off	3.334.104,75	4.387.614,62	4.764.267,23	4.089.000,65	16.574.987,24
Passenger Handling	150.555,55	177.352,62	200.805,80	153.786,06	682.500,03
Passenger Service	12.032.108,88	15.927.661,35	17.834.033,02	14.383.338,93	60.177.142,18
PRM Charge	473.244,80	623.671,60	684.853,60	559.631,20	2.341.401,20
Security Charge	2.296.391,58	3.026.586,24	3.324.060,02	2.716.025,22	11.363.063,06
Remaining Airports	711.495,55	1.288.584,95	2.059.598,08	911.838,31	4.971.516,89
Aircraft Parking	46.547,96	33.705,50	54.427,13	77.990,01	212.670,60
Hangar	55,44		2.423,96		2.479,40
Airport Opening	73.124,22	109.221,40	129.700,11	83.645,77	395.691,50
Baggage Handling	11.149,65	19.192,17	31.996,01	13.457,15	75.794,98
CUPPS and CUSS	1.707,66	3.522,01	6.644,28	2.154,13	14.028,08
Landing /Take Off	142.550,48	276.241,21	386.362,42	178.042,19	983.196,30
Passenger Handling	11.244,03	13.837,79	16.435,58	11.259,95	52.777,35
Passenger Service	341.183,47	675.868,53	1.168.586,43	439.845,13	2.625.483,56
PRM Charge	14.333,20	26.820,40	44.880,80	17.975,20	104.009,60
Security Charge	69.599,44	130.175,94	218.141,36	87.468,78	505.385,52
Total	104.292.133,35	147.358.163,05	167.950.972,41	126.629.134,48	546.230.403,29
<u>2016 'Miscalculation adjustment</u>	1.425.146,45	2.026.551,13	2.275.294,83	1.682.972,10	7.409.964,51
Lisbon Airport	1.233.725,09	1.587.075,53	1.760.167,66	1.407.864,49	5.988.832,77
Porto Airport	100.891,34	127.695,87	138.712,68	113.375,52	480.675,42
Faro Airport	90.530,02	311.779,73	376.414,48	161.732,08	940.456,32
Total with 2016 'Miscalculation adj.	105.717.279,80	149.384.714,18	170.226.267,24	128.312.106,58	553.640.367,80