

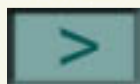


ACSA  
Airports Company South Africa Limited



1999

Interim Report  
For the six months ended 30 September 1999



## Condensed income statement

FOR THE HALF YEAR ENDED 30 SEPTEMBER 1999

	30 Sep 1999 R'000	30 Sep 1998 R'000	Audited 31 Mar 1999 R'000
Sales	467 332	402 472	844 215
Operating income	218 586	185 460	374 996
Other income	8 437	34 057	62 213
Financing costs	(1 361)	(1 097)	(2 824)
Profit before taxation	225 662	218 420	434 385
Taxation	(71 170)	(83 416)	(156 415)
Profit after taxation	154 492	135 004	227 970
Dividend	0	0	(60 000)
Profit from ordinary activities	154 492	135 004	217 970
Earnings per share (cents)	30,90	27,00	55,59
Dividend per share (cents)	–	–	12,00
Headline earnings per share (cents)	30,90	27,00	51,81

## Cash flow statement

FOR THE HALF YEAR ENDED 30 SEPTEMBER 1999

	30 Sep 1999 R'000	30 Sep 1998 R'000	Audited 31 Mar 1999 R'000
<i>Net cash provided by operating activities</i>	198 722	251 815	468 642
Purchase of property, plant and equipment	(232 140)	(144 572)	(442 838)
Other investing cash flows, net	1 192	(8)	(21 221)
<i>Net cash used in investing activities</i>	(230 948)	(144 580)	(464 059)
Dividends paid	0	0	(44 500)
Taxation paid	(151 782)	(157 999)	(163 513)
Other financing cash flows	(1 361)	0	(2 824)
Proceeds less payments on long term borrowings	(5 327)	0	0
<i>Net cash used in investing activities</i>	(158 470)	(157 999)	(210 837)
<i>Decrease in cash, net cash and cash equivalents</i>	(190 696)	(50 764)	(206 254)
<i>Movement in cash and cash equivalents</i>			
At start of interim period	190 728	396 982	396 982
(Decrease)/increase	(190 696)	(50 764)	(206 254)
At end of interim period	32	346 218	190 728

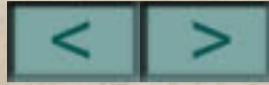
## Passenger and air traffic movements

FOR THE HALF YEAR ENDED 30 SEPTEMBER 1999

	30 Sep 1999	30 Sep 1998	Audited 31 Mar 1998
Departing passengers			
International	1 321 151	1 251 982	2 620 180
Domestic	3 359 347	3 150 889	6 639 760
Regional	131 760	111 293	219 5244
Non-scheduled	24 096	17 776	34 497
	4 836 354	4 531 940	9 513 961

**Aircraft landings**

International	10 011	9 493	19 428
Domestic	57 924	57 205	115 755
Regional	5 011	4 267	8 424
Non-scheduled	25 770	22 082	43 816
	98 716	93 047	187 423



## Condensed balance sheet

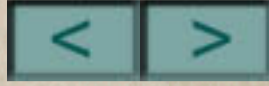
AS AT 30 SEPTEMBER 1999

	30 Sep 1999 R'000	30 Sep 1998 R'000	Audited 31 Mar 1999 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1 720 181	1 326 050	1 526 487
Long term investments	60 000	0	60 000
Interest in subsidiary	1 700	1 700	1 700
Other non-current assts	11 382	7 277	10 111
	<b>1 793 263</b>	<b>1 335 027</b>	<b>1 598 298</b>
<b>Current assets</b>			
Receivables and prepayments	109 678	115 369	116 749
Short term investments	50 005	190 299	103 002
Cash and cash equivalents	32	155 919	137 726
	<b>159 715</b>	<b>461 587</b>	<b>357 477</b>
<b>Total assets</b>	<b>1 952 978</b>	<b>1 796 614</b>	<b>1 955 775</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Capital and share premium	750 001	750 000	750 000
Retained earnings and reserves	909 338	671 880	754 846
	<b>1 659 339</b>	<b>1 421 880</b>	<b>1 504 846</b>
<b>Non-current liabilities</b>			
Borrowings	10 420	8 720	10 420
	<b>10 420</b>	<b>8 720</b>	<b>10 420</b>
<b>Current liabilities</b>			
Borrowings	5 865	0	0
Trade accounts payable	78 949	150 707	166 316
Provision for liabilities and charges	120 742	127 203	99 226
Other current liabilities	77 663	88 104	174 967
	<b>283 219</b>	<b>366 014</b>	<b>440 509</b>
<b>Total liabilities</b>	<b>293 639</b>	<b>374 734</b>	<b>450 929</b>
<b>Total equity and liabilities</b>	<b>1 952 978</b>	<b>1 796 614</b>	<b>1 955 775</b>

## Condensed statement of changes in equity

	Total R'000	Capital R'000	Retained earnings R'000
<b>Balance at 1 April 1998</b>	<b>1 286 876</b>	<b>750 000</b>	<b>536 876</b>
– As previously reported	1 302 697	750 000	552 697
– Prior year adjustment	(15 821)	0	(15 821)
Dividends	0	0	0
Net profit	135 004	0	135 004
Issue of share capital	0	0	0
<b>Balance at 30 September 1998</b>	<b>1 421 880</b>	<b>750 000</b>	<b>671 880</b>
<b>Balance at 1 April 1999</b>	<b>1 504 846</b>	<b>750 000</b>	<b>754 846</b>

– As previously reported	1 522 810	750 000	772 810
– Prior year adjustment	(17 964)	0	(17 964)
Dividends	0	0	0
Net profit	154 492	0	154 492
Issue of share capital	1	1	0
<b>Balance at 30 September 1999</b>	<b>1 659 339</b>	<b>750 001</b>	<b>909 338</b>



## Business review

The Directors of Airports Company South Africa Limited take pleasure in reporting a good financial performance for the six months ended 30 September 1999.

Passenger volumes have increased by 6,7% overall with domestic, regional and international passenger growth at 6,6%, 18,4% and 5,5% respectively.

Air traffic movements (landings) have increased by 6,1% overall. Domestic landings increased by 1,3% due to aircraft mix changes on certain routes.

Current levels of growth in traffic and passenger volumes are expected to be negatively affected due to the demise of Sun Air in August 1999. The full effect of this is however not yet known.

Retail revenues showed increases of 20,5% due to increased passenger volumes and increased retail space. Property Income has increased by 46,5% due to additional office, cargo and freight facilities, mainly for the aeronautical industry, and new leases signed at commercial rates for certain existing areas.

Operating profit at R218,6 million is 17,8% ahead of last year.

Profit before tax increased by 3,3% to R225,6 million and was affected by the substantial reduction in interest received on short term investments due to the company's large capital expenditure program together with increased depreciation charges.

The effect of the reduction in interest income earned together substantial increases in depreciation due to major projects being commissioned and capitalised, is expected to result in full year attributable income being below the previous year.

The Company's capital expenditure plans are proceeding in line with expectations. The two largest projects completed during the course of the year are the multi-storey parkade and the international arrivals terminal at Johannesburg International Airport (JIA). The international holding lounge and retail project at JIA will be substantially completed and opened during December 1999 with the balance opening in May 2000. Cape Town International Airport has seen expansion to its domestic departure terminal and work on the international terminal is well under way. Renovations at Durban International Airport have started and the major upgrade to this terminal will occur in the new financial year.

The Board of directors are satisfied with the performance of the company for the six-month period. The future outlook of the Company remains positive.

The Company has been a finalist in the Corporate Governance Award for the second consecutive year.

## Prior year adjustment

During the current financial year the Company received an advice from SA Revenue Services for R19 049 265 for interest charges in respect of the 1995 tax year of assessment. This was a result of an error on the South African Revenue Service's computer system which had only been detected by themselves in this financial year. The interest was paid under protest and to avoid penalties. The Company has lodged an appeal with the South African Revenue Services for the repayment of this amount. At the date of preparing this report, the matter had not been resolved. The portion that relates to prior years has been reflected as a prior year adjustment and results in a reduction in accumulated profits of R15 821 000 in respect of the 1998 financial year. In the current year, net profit has reduced by R1 085 000 and in the previous financial year by R2 143 000. The Income Statements have been restated for the year ended 31 March 1999 and the six months ended 30 September 1999. The opening retained income for the year ended 31 March 1999 has been restated to take account of adjustments relating to prior years.

2000	1999
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	R'000	R'000
Interest on taxation	1 085	2 143
Tax effect	-	-
	1 085	2 143



## Year 2000

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As reported in the 1999 annual report, the Company has an ongoing programme to address the risk to its business of the millennium date change. This includes a detailed review of its operational and computer systems and processes and implementation of a plan to modify those systems affected. This process is substantially complete and corrective action has been taken where possible. Given the complexity of the problem, and the reliance the company has on other stakeholders, it is impossible to guarantee that no Year 2000 problems will occur. However, the Board believes it is achieving an acceptable state of readiness and has taken steps to ensure airports remain operational.

For and on behalf of the Board



T N Chapman  
*Chairman*



D A Ackerman  
*Managing Director*

### BUSINESS ADDRESS

The Maples  
Riverwoods Office Park  
24 Johnson Road  
Bedfordview  
2008

### DIRECTORS

T N Chapman (Chairman)  
D A Ackerman\*, M L Leoka, L I Weil,  
Y I Mahomed, B M Stocks,



A J Williamson\*, M S G Mareletse\*,  
F Battaglia<sup>1</sup>, P Cotone<sup>1</sup>, S Sithole, C Bassetti\*<sup>1</sup>

COMPANY SECRETARY

L E D Hlatshwayo

\*Executive Directors

<sup>1</sup>Italian

