THE NUMBERS THAT DRIVE OUR DECISION

Key Statistical Indicator For The International Airports’ Operator In PPP/BOT/Project Finance Environment
Taken over airports in emerging markets and in immature environments (but not always the case) collecting and controlling data is one of the most challenging aspects for any new operator... many times Government expects to have info/data tabulated in a week what they have never produced in the last 30 years.

A personal principle that I have applied is when taking over an airport... (despite obvious, not always a priority) generate the mechanism to collect data, collect data, invoicing and collect cash... then, reporting and measurement.

- Government
- Lenders
- Shareholders & Management
- Aviation Industry
- & more......
Introduction

Left in Blank on purpose
➢ Financial Performance.
➢ Traffic Performance.
➢ Traffic Statistics.
➢ Operating Performance & KPI:
  ➢ Service level “C”.
  ➢ Capacity requirement.
➢ Environmental incidents statistics.
➢ Material events statistics.
Traffic performance & statistics

- Segmentation of passenger international traffic (by origin & Destination).
- Segmentation of arriving and departing international business Passengers.
- Number of arriving and departing passenger flights by carrier.
- Aircraft movement, General aviation, passengers & full freighter.
- Cargo & main aircraft movements.
- Average number of cars parked on Business Days and non-Business Days.
Financial performance

- Aeronautical & Non-Aeronautical Revenues.
- Detailed sources of Revenues.
- Expenses with line item details.
- Depreciations and amortization.
- Excess Cash flow, (i.e. cash flows after all obligations of operating and capital activities and reserves).
- Equity and loans Financing.
- Reserve accounts
- Amounts of Cash and assets.
- Debt service.
Operating performance & KPIs

- Some Required Capacity KPI:
  - Check-in Queue Area: 1.2sqm/php.
  - Gate hold room: 65% seating capacity.
  - Passport Control arr./dep. 1sqm/php.
  - Baggage claim: 1.7sqm/php.
  - Arrival hall: 2.3sqm/php.
  - International passenger facilities: 23sqm/php.
  - Maximum queuing time not exceeding:
    - Check-in: 6 minutes
    - Customs: 5 minutes
    - Other services: 10 minutes.
  - Maximum Baggage delivery time:
    - 45 min for Type E Aircrafts.
    - 30 min for Type D Aircrafts.
    - 20 min for Type C Aircrafts.
  - Required Customer Satisfaction.

<table>
<thead>
<tr>
<th>Services complaints</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airlines &amp; Tenants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passengers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capacity</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact Gates used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remote Stands used</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
Rates - ASQ

Rates - QAIA Survey

TOP 5
Security of airport
Check-in: courtesy, efficiency
Q-time at Immigration

Lowest 5
Pricing: parking, shopping, restaurants
Internet Access
Parking
Construction reporting
- Actual expenditure vs. Forecasts.
- 4 quarters forecast & variance to Budget.
- Construction progress (% completion against forecasted).
- Material change or damage to assets (number of incidents).
- Injuries and Other Safety Issues.
- Environmental Incidents.
- Quality Assurance / Quality Control.

Operating reporting
- Project performance.
- Revenues and revenue forecasts
- Traffic & statistics.
- Health & Safety
- Security
- Environmental aspects.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Number of Man Work Hours '000</td>
<td>253</td>
<td>279</td>
<td>247</td>
<td>239</td>
</tr>
<tr>
<td>Accumulated Number of Man Work Hours '000</td>
<td>2,550</td>
<td>3,388</td>
<td>3,901</td>
<td>4,623</td>
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<tr>
<td>Average Number of Workers</td>
<td>250</td>
<td>270</td>
<td>240</td>
<td>230</td>
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<tr>
<td>Accumulated Number of Workers</td>
<td>270</td>
<td>540</td>
<td>780</td>
<td>1,010</td>
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<tr>
<td>Average Recordable Incidents</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>0</td>
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<tr>
<td>Accumulated Recordable Incidents</td>
<td>23</td>
<td>23</td>
<td>24</td>
<td>24</td>
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<tr>
<td>Average Number of Near Misses (NM)</td>
<td>20</td>
<td>34</td>
<td>23</td>
<td>29</td>
</tr>
<tr>
<td>Accumulated Number of Near Misses (NM)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Average Number of Vehicular accidents (VA)</td>
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<tr>
<td>Accumulated Number of Vehicular accidents (VA)</td>
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<td>4</td>
<td>4</td>
<td>4</td>
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<tr>
<td>Average Number of First aid (FA)</td>
<td>12</td>
<td>13</td>
<td>12</td>
<td>15</td>
</tr>
<tr>
<td>Accumulated Number of First aid (FA)</td>
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<td>62</td>
<td>74</td>
<td>89</td>
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<tr>
<td>Average Number of Fatality (FTL)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accumulated Number of Fatality (FTL)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Average Number of Unsafe equipment (UE)</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Accumulated Number of Unsafe equipment (UE)</td>
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<td>19</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td>Average Number of Environmental Violation (ENV)</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Accumulated Number of Environmental Violation (ENV)</td>
<td>11</td>
<td>12</td>
<td>12</td>
<td>13</td>
</tr>
</tbody>
</table>
Construction related Statistics information undertakings

Injuries & Safety Matters

Recordable Incidents

Man power & plans

Man Power
Project progress, planning & cash flow management is a critical part

Financial Covenants & Compliance outlines in relation to Project Finance contracts with Financers.
**Security performance ... a major element**

Airport should report any security incidents & compliance to regulations to concerned parties including Lenders & Insurers.

<table>
<thead>
<tr>
<th>Regulations</th>
<th>Compliance status</th>
<th>Planned/Ongoing Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport Security Programs &amp; Plans (national regulations)</td>
<td>Updated Airport Security Program developed and approved by CARC, according to new National Security Program recently amended by Authorities Contingency Plan developed and approved by CARC Quality Control Program was developed and approved by CARC.</td>
<td>Training Program under development Facilitation Program under development</td>
</tr>
<tr>
<td>ICAO Annex 17</td>
<td>Some security equipment found non-compliant with requirements. The Civil Aviation Security System implemented in Jordan was audited by ICAO Feb, 2010. QAIA was chosen by CARC to be included into the audit. The final report showed no findings on AIG/QAIA related items.</td>
<td>All non-compliant units were replaced</td>
</tr>
</tbody>
</table>
Environment

Annual Monitoring Environmental Performance Report

- Environment performance of airport with reference to environmental requirements and goals.
- Environmental capital expenditure.
- Revenues related (i.e. Noise Fees).
- Forecasted cost related to environmental matters.
- Senior management decision or support to facilitate priorities for environmental matters.
Lenders

**Operations Aspects**

**Statistics… Passengers & Aircrafts by weight categories**

**Key Performance Indicators & Statistics of customer satisfaction...**
- Flight delays
- Baggage delivery time
- Flight information directory
- Food & beverage services

**Financial Performance...**
- Actual Revenues & Expenditure against Budgets
- 4 quarters forecast of Revenues & Expenditure
- Annual audited
- Bank Accounts Balances
- Debt Service coverage ratios
- Hedging Stats
Airport Statistics to manage our business...

**Internally – Enhanced quality of operation:**
- Peak hour traffic management
- Delays control
- Traffic management in under sized structure
- Landside utilization, airport facilities maximization aiming for better KPIs
- Airside utilization (runways, contact stands)

**Externally – Route Development:**
- Traffic profile & mix (Tourism, Business, expats & local living abroad, international vs. transit)
- Legacy & LCC traffic
- Load factors and available seats statistics
- Airlines attraction .... Traffic Growth & momentum!
- Routes served & hub information
- Fastest growing city pairs
- LCC growth & market share
- Statistics of LCC interest related to point of sale on internet & travel agencies
Service level (Operational KPIs).
- On time performance.
- Queuing time for screening & Check in.
- Peak hour passenger & ACMs.

Financial performance & Forecasts.

Financial KPI
- Revenue & expenses / Passenger.
- Revenue & expenses / Employee.

Airport Strategic planning
- Route development
- Airport competitiveness
- Growth potentials

Investment Risk & Return
Financing Structure
Project solvency
Financial KPI’s... key indicators of overall financial position

- Total Cost per Dep. Pax
- Operating Cost per Dep. Pax
- Debt per Dep. Pax
- Spend per Dep. Pax
- Non-Aeronautical Revenue per Dep. Pax
- Rent Revenues per Total Sqm Commercial Area
- All type of ratios IRR, RoA, etc
MANAGEMENT, SHAREHOLDER & STAKEHOLDERS

- Bilateral & Open skies
- GDP Growth
- Tourism & Business Stats
- Population Growth
- Neighboring traffic through QAIA
- LCC Profile & Alliances

- Geographical location (Catchment area)
- Incentives & Marketing
- Airport Cost Comparison
- Airport facilities
- Average fares
- Peer airports comparison
**Management, Shareholder & Stakeholders**

**Airport Competitiveness**

- **Q4-2007**
  - 28 regular carriers
  - 58 non-stop & direct destinations
  - 400 flights/week

- **Q4-2010**
  - 44 regular carriers
  - 64 non-stop & direct destinations
  - 659 flights/week

**Across Industry Comparison**

**Benchmarking & potential Growth**
Management, Shareholder & Stakeholders

Departure Pax Traffic Stats YTD Y1
Org. Intl., Transit & Domestic
- Int'l Pax: 2,249,296; 83%
- Domestic Pax: 28,100; 1%
- Transit Pax: 448,892; 16%

PAX Traffic at QAIA by World Regions-YTD Y5
- Africa: 687,148; 13%
- Americas: 340,045; 6%
- Asia: 1,267,189; 23%
- Europe: 267,740; 5%
Airport/PPP/BoT/Project Finance business may be profitable but yet riskier….

Then, obtaining, controlling, tabulating and the most important analyzing data will help to create actions/plans to try mitigate future risks.

Aviation industry does not have frontiers… As all we know here, it is a truly global business… so, we will need to know how our market have had react to shock events in the past (9/11) or economic crisis. Thus….

Understanding our past… it will help us to manage our future…
Thank you!

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Chief Financial Officer

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