

Our business

Financial

1 Currently the airport processes nearly 11 million passengers per annum. The additional infrastructure will significantly enhance our processing capabilities.

2 The Swartklip site was originally purchased for R155 million in 2015. The 500ha site is already valued at more than R200 million. With appropriate rezoning for commercial, industrial and residential use, estimates for its value are over R2 billion.

3 We anticipate that a portion of the land at the Swartklip site will be developed for residential, commercial and industrial use. These developments may ultimately be sold off, increasing the value created for Airports Company South Africa shareholders.

4 We are establishing a development framework that provides an overarching vision for the Swartklip site and to attain town planning approval for the rezoning of the site to sub-divisional area. Various studies and concepts have been done and we are engaging with all stakeholders regarding the process.

Manufacturing

5 Since the initiation of the Air Access Cape Town structure, 15 international flights and 20 expanded international routes have been linked to the airport. This equates to 1.5 million seats, inbound and outbound. Cape Town. International routes have doubled in contribution to overall traffic volumes through Cape Town International Airport, with one in four passengers now flying internationally from the City.

6 The airport's new realigned runway will be located farther from the terminal buildings, allowing for further development of the terminal space, while increasing aircraft movement capacity from 30 currently to 45. This is a 50% increase in the airport's runway capacity. The airport will be able to accommodate new large aircraft such as the A380 aircraft.

Intellectual

Intellectual capital is a key element in CTIA's and the Group's future earning potential and transformation trajectory, with a firm connection and contingency between investment in our developments, innovation, human resources and external relationships, which can assist with advancing our competitive advantage.



Symphony Way development

■ The development prioritises formal housing for Freedom Farm, Malawi Camp and Blikkiesdorp inhabitants. The City has committed to relocating at least the residents of Freedom Farm before the CTIA New Realigned Runway is commissioned.

■ A Memorandum of Agreement was concluded with the City to co-develop the corridor to provide an urban solution that consists of housing, industrial and commercial opportunities, public facilities and green spaces.

■ In addition to the 14ha already approved there is a future, yet to be applied for, 70ha of further commercial developable land. In consultation with local and Provincial Government, it is envisioned that this development will include critical regional economic sectors such as pharmaceutical, electronics and agriculture / agri-processing.

■ This land pocket becomes strategic and could yield high value given its locality alongside of the airport with ease of access to cargo facilities.



Our people and society

Society

7 There is a firm commitment towards seeing the immediate communities benefit from our developments.

8 3 000 families in three informal settlements will be relocated to accommodate the airport's development master plan. The airport and the City have entered into a Memorandum of Agreement for the Symphony Way Development where the City will provide the housing and services for all the qualifying households and we will develop the industrial and commercial land which will create much needed employment opportunities.

9 False Bay College's Swartklip campus aims to reach maximum capacity of 10 000 students per year, potentially making this the largest technical training facility in South Africa. Graduate students will be equipped with technical skills in demand of both our air transport industry as well as critical growth sectors across the country. Our dream is to see a learning hub on the site, where other institutions of learning can offer its services to the community.

10 We are engaging with the City as they develop their biggest transport interchange in Khayelitsha, which will improve rail, bus and taxi transportation between these residential areas and the airport, as well as the greater city. Khayelitsha's Nolungile Station has been identified as a Major Transit Orientated Station Precinct and Metropolitan growth node, as well as a future Bus Rapid Transit Station.

11 Extensive stakeholder consultation is key and will continue to ensure that all aspects of the development is relevant to the surrounding communities. To this end, great care is taken to honour and incorporate cultural practices such as the Initiation Schools currently operating on the site.

12 Creating access to sustainable social and economic opportunities for our surrounding communities is key to redress the imbalances of the past. The key programmes principally covers:

- economy and employment,
- nation building and social cohesion, and
- environmental sustainability.

We participate in the following socio-economic development projects primarily in Blikkiesdorp, Malawi Camp, Freedom Farm and Klipfontein:

■ Members of the community are attending skills development programmes through False Bay College to become artisans capable and certified in the build and construction of their homes. Such construction building programmes are also underway with Northlink College for the communities of Malawi Camp and Freedom Farm. Entrepreneurship programmes will further upskill beneficiaries who intend to convert these skills into starting contractor businesses. Within the Symphony Way Development, the City will make provision for those who do not qualify for ownership. For reasons of foreign citizenship or other, rental models will be considered. To date we have spent R7.7 million on this programme.

■ We fund four feeding schemes currently providing food for more than 700 people through Operation Hunger, to the value of R919 000 in 2019.

■ The Blikkiesdorp Leadership Programme works towards social leadership and cohesion by training the community leaders of tomorrow. We spent R162 000 on this programme during the year.

■ We funded R660 000 for an English literacy programme focusing on schools in Delft, Bishop Lavis, Khayelitsha and Matroosfontein. It aims to improve the language skills of learners to become competent in reading and writing.

■ We funded R112 000 to Mandela Day for a Schools Mentorship Programme which took 100 learners from ten schools surrounding Cape Town International Airport to Robben Island on an education tour.

■ We support a youth development programme aimed at promoting social cohesion in the community and to address some of the underlining issues that lead to anti-social behaviour. Considering this, the Blikkiesdorp Football Programme has established a club called the ACSA Stars, which participates in the Blue Downs Local Football Association. The programme also offers first aid training.

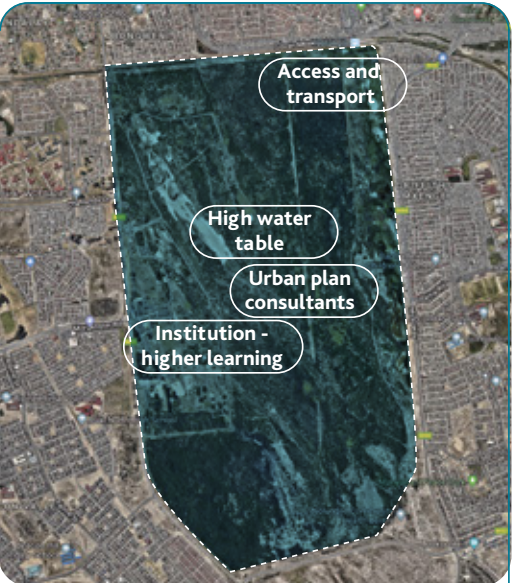
■ Core to our approach is community engagement, skills development and community beneficiation. Accordingly, we are funding provision of renewable energy to Freedom Farm and Malawi Camp, in a project to be rolled out over the next three years. We contributed R1.1 million this year to operational costs to get the project under way.

Human

13 Research has shown for every long-haul flight operated over the course of a year, the airport can support 3 000 jobs, that there is seven times more high value job growth in aerropolis than traditional downtowns and that every 10% passenger volume increase results in 2% regional job growth.

CTIA employs nearly 700 people and the broader airport value chain employs significantly more people, approximately 20 000. Increased employment of women remains a focus as well as employing young black professionals. Early this year, one of CTIA's female electricians was recognised as the Young Professional of the Year by the Black Management Forum. The airport invests in growing the skills and knowledge of its employees through a variety of training and development initiatives. In 2018 alone, it provided 64 employment opportunities to through a learnership programme.

Swartklip



■ **Access and transport:**
To further support access, this area is earmarked to become a major multi-modal transport hub in Cape Town including bus, rail and taxis.

■ **Institution - higher learning:**
False Bay College has established Phase 1 of the college development on the site. There is a possibility of partnerships with other learning institutions to establish satellite campuses on the site.

■ **High water table:**
Recent studies have revealed that the Cape Town Aquifer extends across the Swartklip Site. This provides the potential opportunity for security of water supply during and after development. Discussions with the City are underway to manage this most recent discovery, also noting increasing pressure on water supply following the recent droughts.

■ **Urban plan consultants:**
In September 2018, consultants were appointed to lead the process of formulating an urban plan, carry out sub-division and re-zone the site to enable development. It is anticipated to be a 2-3 year process.

Our environment

Natural

14 A portion of the Swartklip site underneath the flight path of the new runway, is intended to be preserved in perpetuity as a protected environmental zone. Airport management is in discussions with the City and possible partners to use this parcel of land to create an accessible and sustainable conservation area that communities could access for recreation, cultural and education purposes.

15 The City is preparing to dig boreholes in our underlying aquifer to produce water following positive water quality tests. Based on the results of monitoring over time, the City will ramp up production and might implement an aquifer recharge scheme.