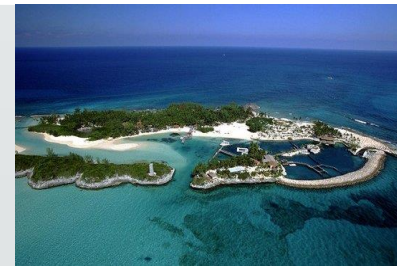


Feasibility studies for the rehabilitation of a selection of Bahamian airports through a PPP scheme

Identification of potential opportunities for PPPs
Phase 1 - Draft report

6th June 2016



Disclaimer

QUALIFICATIONS, ASSUMPTIONS AND LIMITING CONDITIONS

This report is for the exclusive use of the ALG client named herein. This report is not intended for general circulation or publication, nor is it to be reproduced, quoted or distributed for any purpose without the prior written permission of ALG. There are no third party beneficiaries with respect to this report, and ALG does not accept any liability to any third party.

Information furnished by others, upon which all or portions of this report are based, is believed to be reliable but has not been independently verified, unless otherwise expressly indicated. Public information and industry and statistical data are from sources we deem to be reliable; however, we make no representation as to the accuracy or completeness of such information.

The findings contained in this report may contain predictions based on current data and historical trends. Any such predictions are subject to inherent risks and uncertainties. ALG accepts no responsibility for actual results or future events. The opinions expressed in this report are valid only for the purpose stated herein and as of the date of this report. No obligation is assumed to revise this report to reflect changes, events or conditions, which occur subsequent to the date hereof.

All decisions in connection with the implementation or use of advice or recommendations contained in this report are the sole responsibility of the client. This report does not represent investment advice nor does it provide an opinion regarding the fairness of any transaction to any and all parties.

Table of contents

0. Executive Summary

1. Introduction

2. Caribbean market assessment

3. Bahamas market assessment

4. Demand projections

5. Airport development plans and Capex

6. Preliminary financial assumptions

7. Selection of most feasible options for airports PPP

8. Details by airport

Marsh Harbour

Exuma

North Eleuthera

San Salvador

South Bimini

Governor's Harbour

Rock Sound

Deadman's Cay

New Bight

Andros Town

Matthew Town

Great Harbour Cay

San Andros

Treasure Cay

0. Executive Summary

1. Introduction

2. Caribbean market assessment

3. Bahamas market assessment

4. Demand projections

5. Airport development plans and Capex

6. Preliminary financial assumptions

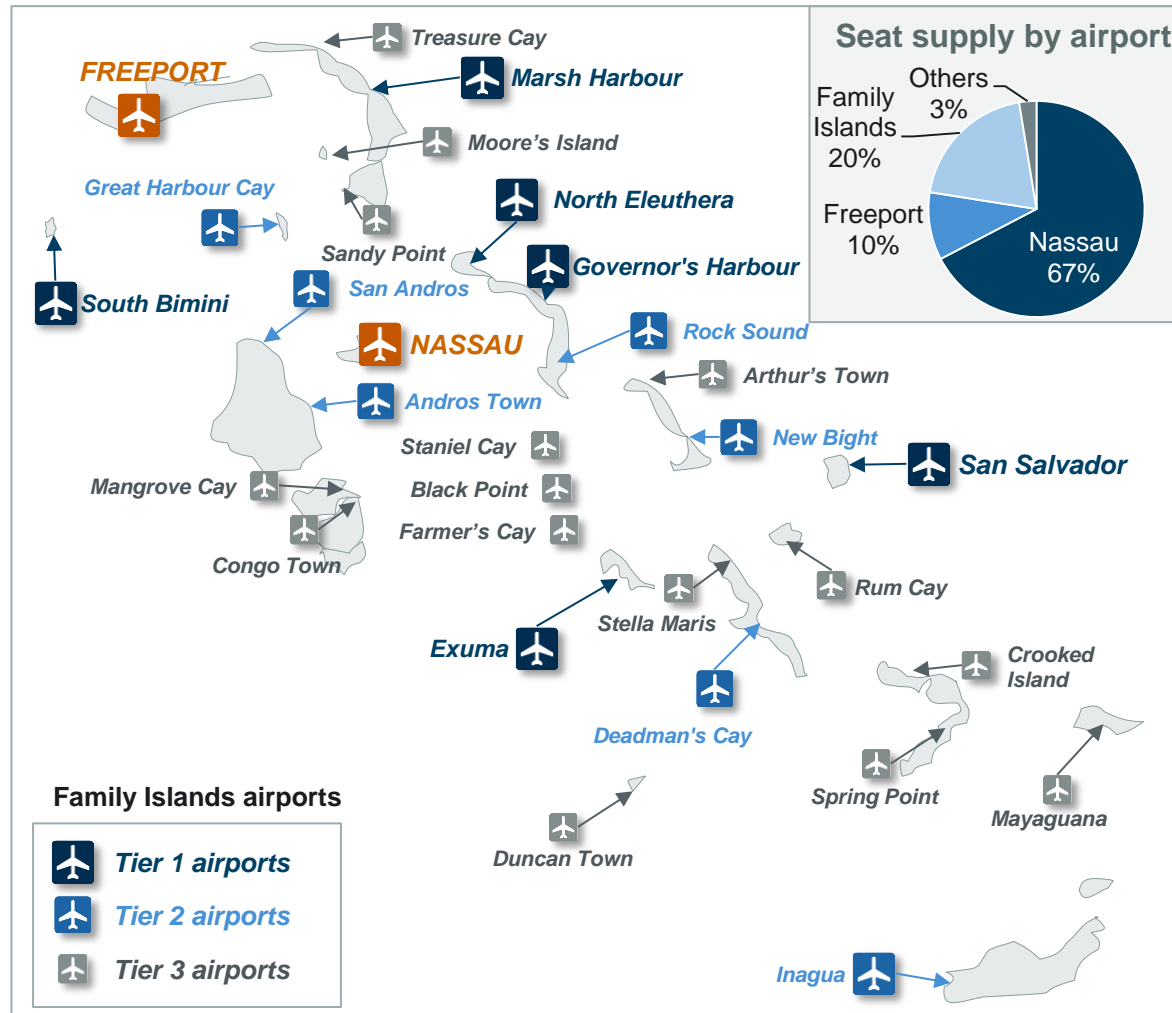
7. Selection of most feasible options for airports PPP

8. Details by airport

The Executive Summary is structured in 4 sections



The Airports in the Bahamas Family Islands (FI)



Tier 1: Significant Port of Entry (gateways) for the FI with economic opportunity to be operationally sustainable

Tier 2: Port of Entry status and provide Customs and Immigration services to FI where there is existing international traffic and/or economic development to support limited or shared services

Tier 3: Domestic services only and limited traffic that requires local coordination with Island Administration for daily inspections and maintenance

- 28 airports divided in 3 levels by the facilities provided and their role

- 6 Tier 1 airports
- 7 Tier 2 airports
- 15 Tier 3 airports

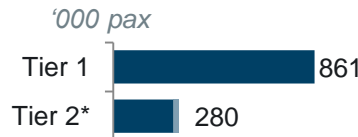
- **Traffic in the Family Islands airports is low**

- In 2015, the busiest airport in the Family Islands was Marsh Harbour, with c. 300,000 passengers
- Several Tier 2 and Tier 3 airports do not have commercial operations

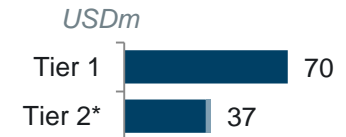
- **Airports require investments** in the short-mid term in order to

- Ensure compliance with ICAO regulations
- Increase capacity to attend to the expected traffic demand
- Ensure maintenance of the infrastructure

Estimated traffic in Family Islands Airports (2015)



Estimated short term investment in Family Islands Airports



* **Note:** Tier 2 airports including Treasure Cay (22,700 pax)
Other Tier 3 airports not included in the scope. It has been decided to analyse Treasure Cay because of its complementarity with Marsh Harbour even though it is a Tier 3 airport

Objective of the consultancy

Objective

To conduct a technical and financial assessment of Tier 1 and Tier 2 to identify potential airports that could attract private investment through a PPP scheme, and to develop a financial model of the selected airport(s) and concession alternative

Phase 1

Market and traffic

Infrastructure

Environmental

Financial

PPPs opportunities

Preliminary overlook of potential opportunities for PPPs

Objectives for each phase

- To understand the market dynamics and business opportunities for all Tier 1 and Tier 2 airports in the country

Main activities for each phase

1. Market assessment and initial demand projections
2. Review of infrastructure development plans
3. Preliminary financial assumptions
4. Selection of most feasible options for airport(s) PPP

Phase 2

Detailed feasibility assessment on selected airports

- Focused on those airports showing higher potential to attract private investors, analysing different PPP schemes

1. Detailed market assessment and traffic forecast
2. Independent verification of Capex
3. Environmental strategic assessment
4. Financial model of the concession
5. Teaser for potential private operators

Report Phase 1

Expected result: Decision on airports to be studied in Phase 2

Scope: 14 airports - all of Tier 1 and Tier 2, one of Tier 3

Marsh Harbour



North Eleuthera



San Salvador



South Bimini



Governor's Harbour



Rock Sound



Deadman's Cay



New Bight



Andros Town



Great Harbour Cay



San Andros



Treasure Cay



Tier 1 airports: 861.1 th. pax

Code	Airport name	'000 pax 2015
MHH	Marsh Harbour	308.1
GGT	Exuma	176.5
ELH	North Eleuthera	137.1
ZSA	San Salvador	70.8
BIM	South Bimini	102.4
GHB	Governor's Harb.	66.3

Tier 2 airports: 257.3 th. pax

Code	Airport name	'000 pax 2015
RSD	Rock Sound	52.0
LGI	Deadman's Cay	46.9
TBI	New Bight	42.6
ASD	Andros Town	26.0
IGA	Matthew Town	11.2
GHC	Great Harb. Cay	34.5
SAQ	San Andros	44.1

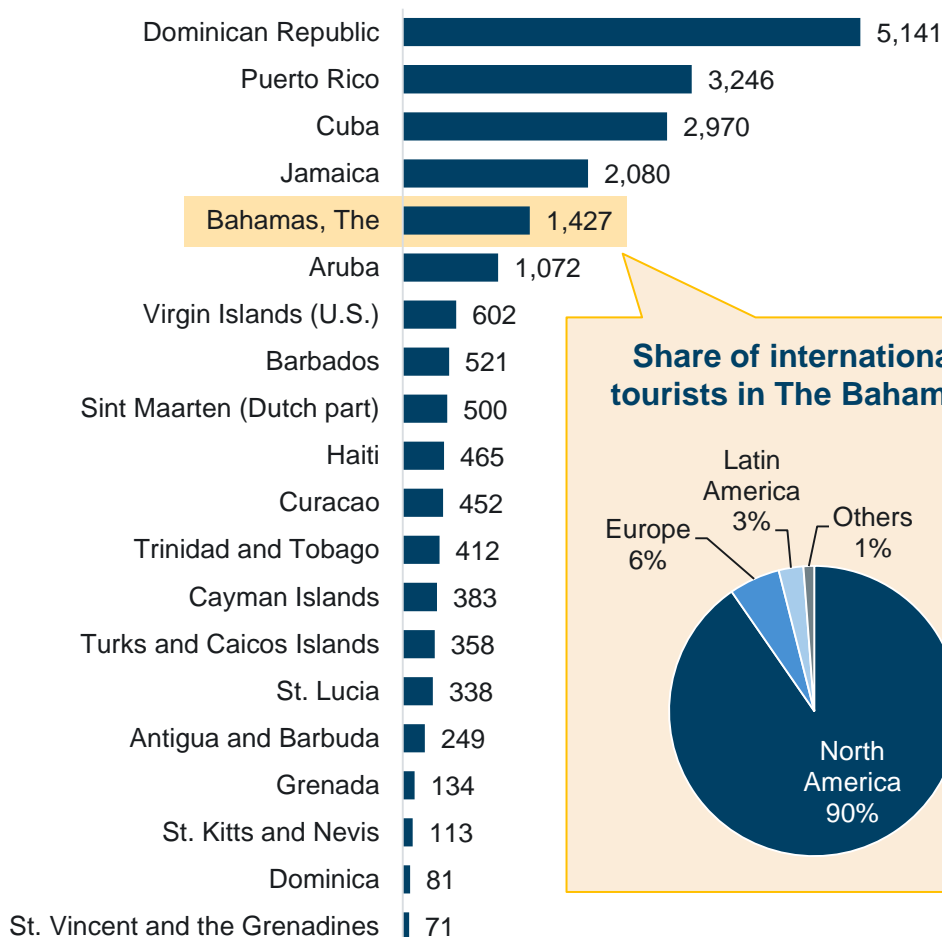
Tier 3 airports: 22.7 th. pax

Code	Airport name	'000 pax 2015
TCB	Treasure Cay	22.7

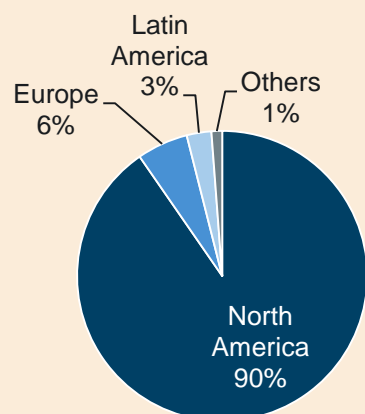
Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

The Bahamas tourist market ranks 5th in the Caribbean

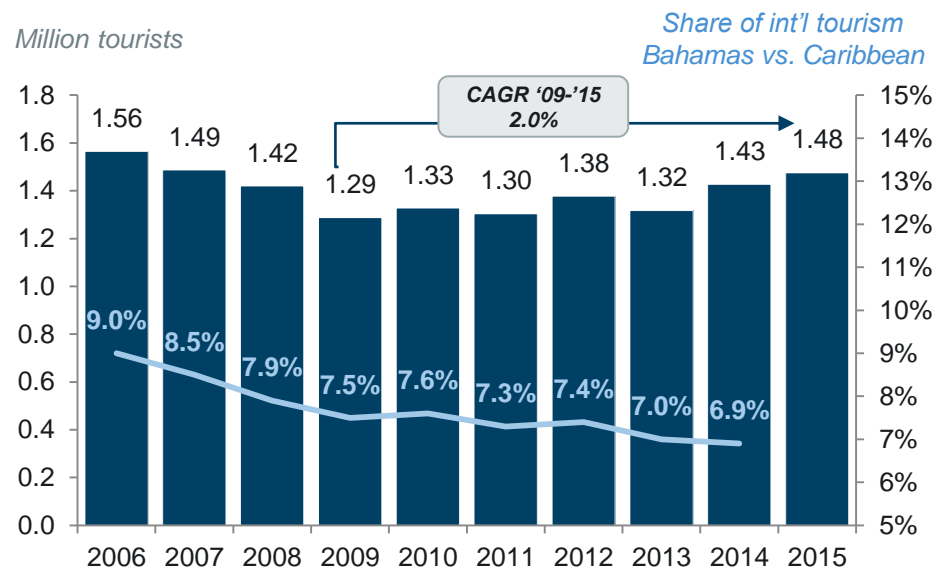
Ranking int'l tourists in Caribbean in 2014 – '000 visitors



Share of international tourists in The Bahamas



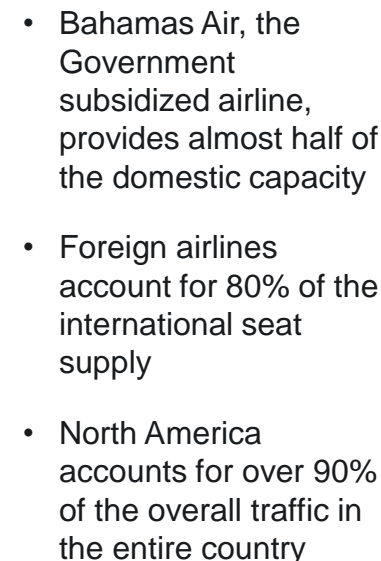
Evolution of int'l tourists in The Bahamas



- The Bahamas receives almost 1.5 million international tourists per year (2015)
- The Bahamas' market share of international tourism in the Caribbean has **decreased** over recent years mainly due to the maturity of its most relevant market (USA)
- From 2006 to 2009, international **tourism decreased**, mainly because of the impact of the **financial crisis** that affected the USA; **however, the last 3 years have seen a recovery** (3.9% CAGR '13-'15)

Source: WorldBank, Ministry of Tourism

Domestic supply by airport – Mseats '06 -'15



IDB
Inter-American
Development Bank



Traffic estimates for 2016 based on expected seat supply evolution compared to 2015

- Commercial traffic for 2016 has been estimated based on seat supply evolution provided by OAG at airport level. Main variations in the supply are in the international market
 - Marsh Harbour:** New Delta route (3 freqs/week), while American and Bahamas Air increase their average aircraft from 50 to 70 seats (both in domestic and international market)
 - Exuma:** Delta increases frequencies (from 3 to 7 freqs/week)
 - North Eleuthera:** New Delta route (3 freqs/week), while American and Silver Air increase their frequencies
 - San Salvador:** American and XL Airways increase their offer
 - South Bimini:** Silver Air double its frequencies
 - Governor's Harbour:** Silver Air double its frequencies
- In airports with no OAG data available, FI average has been considered
- Private traffic is expected to grow c. 1.5% in 2016
- Based on assumptions hereabove, traffic would grow from 1,141 thousand pax estimated for 2015 to 1,267 thousand pax in 2016

It will necessary to verify during Phase 2 whether traffic growth is following seat supply growth; In case YoY traffic growth is not materializing as expected, 2016 traffic will need to be reevaluated

Airport	Domestic growth '15-'16		International growth '15-'16	
MHH		12% 12%		35% 35%
CGT		1% 1%		26% 26%
ELH	-2% -2%			54% 54%
ZSA		1% 1%		27% 27%
BIM		33% 2%		109% 40%
GHB	-10% -10%			89% 40%
RSD		0% 0%		N/A
LGI		2% 2%		N/A
TBI		0% 0%		N/A
ASD		N/A		N/A
IGA	-2% -2%			N/A
GHC		N/A 2%		N/A
SAQ		N/A		N/A
TCB	-33% -33%		-10% -10%	
Total		2% 2%		40% 33%

 OAG seat supply

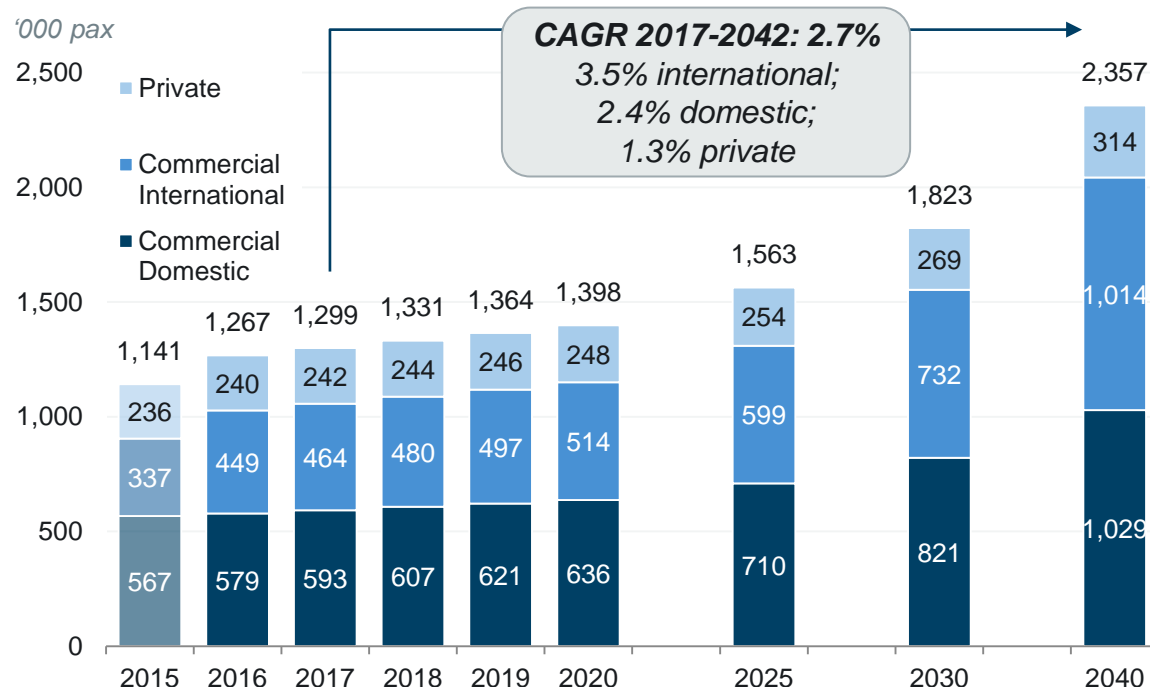
 ALG Commercial Traffic

Source: OAG

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

FI traffic is expected to grow at 2.7% p.a. until 2042

Family Islands demand projection – '000 pax



Traffic forecast methodology

- 1 Econometric model: linear regression with international Caribbean seat supply
- 2 Bahamas seat supply at country level based on expected market share evolution
- 3 Adjustment considering development of the Cuban market
- 4 Family Islands traffic at airport level based on expected market share evolution

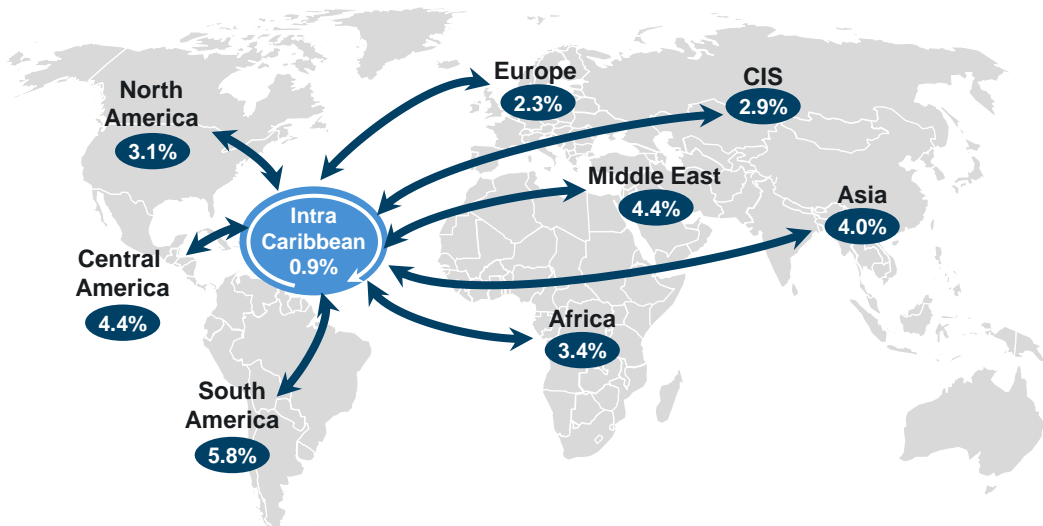
Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Airport	Domestic traffic CAGR '17-'42	International traffic CAGR '17-'42
MHH	2.7%	2.9%
CGT	2.9%	3.4%
ELH	2.6%	3.3%
ZSA	2.2%	3.3%
BIM	2.2%	3.0%
GHB	1.9%	2.6%
RSD	1.5%	2.1%
LGI	1.5%	
TBI	1.5%	2.1%
ASD	1.4%	1.8%
IGA	1.5%	2.1%
GHC	2.1%	2.4%
SAQ	1.4%	1.8%
TCB	1.5%	2.1%
Total	2.3%	3.0%

Source: ALG

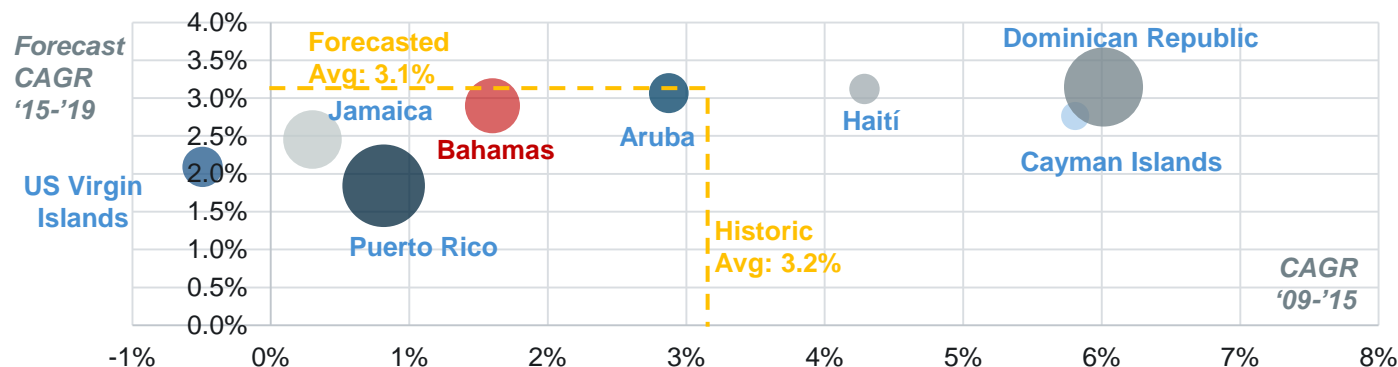
Projected growth aligned with industry forecasts for the Caribbean region (~3%)

Airbus average annual growth rates 2015-2034 between Caribbean (2015-2034)



- Airbus expects international Caribbean traffic to grow at c. 3% per annum over the next 20 years:
 - Around ~3% per annum for mature countries (North America, Europe)
 - Optimistic about emerging markets (Latin America, Asia and the Middle East)
 - Pessimistic about the Intra-Caribbean market

Evolution of North American tourists to the Caribbean countries (2009-19)



Source: Airbus, Euromonitor

- According to Euromonitor, the share of Caribbean market from North America outbound tourism will **not** grow for 4 years
 - To the Caribbean region will grow at 3.1%
 - Tourism to Bahamas will grow at a rate of 2.9%

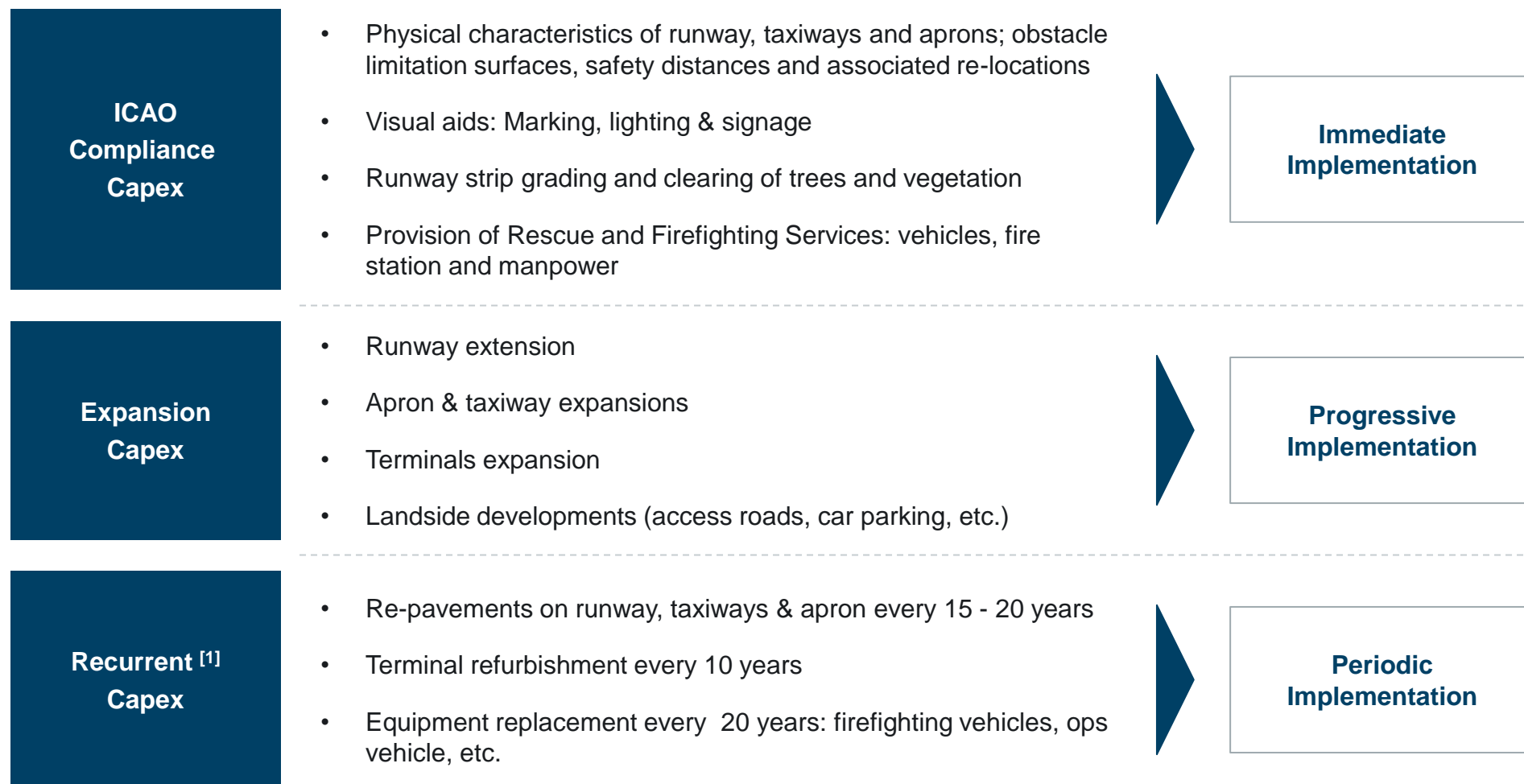
FI's airports require an investment of USD 87m to comply with ICAO standards and additional USD 54m to accommodate future traffic (25 years)

Consolidated capital expenditure for the Family Islands airports 2017-2041 (constant prices 2016)

	Airport	CAPEX review ALG (USD m)			
		ICAO compliance	Expansion '17- '41	Recurrent	TOTAL
Tier 1	Marsh Harbour (MHH)	1.1	1.8	8.1	11
	Exuma - George Town (CGT)	6.3	19	18	43
	North Eleuthera (ELH)	25	1.7	16	42
	San Salvador (ZSA)	5.8	1.5	13	20
	South Bimini (BIM)	5.6	5.4	6.0	17
	Governor's Harbour (GHB)	7.4	3.8	10	21
	Subtotal	51	33	71	155
Tier 2	Rock Sound (RSD)	7.1	0.16	10.5	18
	Deadman's Cay (LGI)	2.6	1.10	4.4	8.1
	New Bight (TBI)	3.0	3.2	5.3	12
	Andros Town (ASD)	6.3	2.5	0.96	10
	Matthew Town (IGA)	1.1	13	7.03	21
	Great Harbour Cay (GHC)	4.4	-	3.9	8.4
	San Andros (SAQ)	10.4	0.6	1.2	12
	Treasure Cay (TCB)	1.4	0.1	8.6	10
	Subtotal	36	21	42	99
	Total	87	54	113	254

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

The investment in the Family Islands airports can be rationalized in time, prioritizing critical safety concerns over capacity developments



[1] Some recurrent CAPEX items are mandatory to ensure continuous compliance with ICAO SARPs, considered for the period 2017-2041

The required investment to meet ICAO standards focuses on the non-compliance related to airfield design, maintenance, firefighting & security

Items considered as part of ICAO Compliance Capex

Airfield physical characteristics

- Runway, runway strip and taxiways dimensions
- Grading & sloping of runways, taxiways & aprons
- Pavement strength and friction

Visual Aids

- Markings
- Lighting and signage (incl. back-up power)

Obstacle limitations

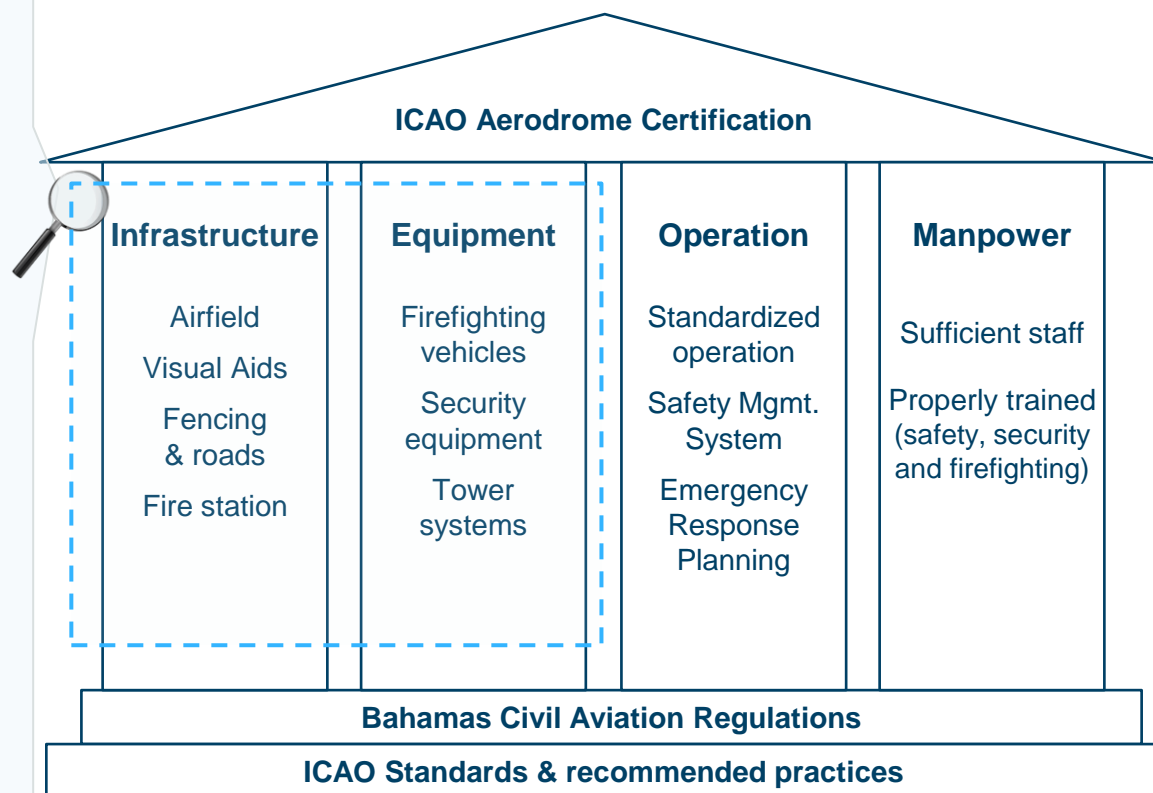
- Trees and vegetation removed from runway strip
- Lighting of obstacles penetrating the OLS

Firefighting

- Fire Station
- Firefighting vehicles

Security

- Perimeter fence
- X-ray machine and arc metal detector



Full compliance with ICAO requires the implementation of standard operating procedures, safety management and emergency response planning in all Family Islands Airports, as well as sufficient and trained staff

Investment associated to terminal building expansions has been assessed to ensure more saturated airports are prioritized over less saturated ones

Terminal building capacity assessment and prioritization

Exuma airport



- 197,400 pax. e. in 2016
- 62% of regular traffic handled during peak season (Jan. to Jul.)
- Average 534 pax per day during high season
- 350 m² terminal building & 500 m² of customs, only for INT pax. (considered 50%)
- 0.9 m²/daily pax. during peak season

North Eleuthera airport



- 163,100 pax. e. in 2016
- 47% of traffic handled during peak season (Mar to Jul)
- Average 441 pax per day during high season
- 470 m² terminal building
- 0.9 m²/daily pax. during peak season

**Critical saturation ratio
<1.0 m²/per daily pax.
during average peak season day**

Source: OAG 2016

	Airport	Terminal (m ²)	Traffic ('000 Pax)		m ² / daily pax		Priority of expansion
			2016	2041	2016	2041	
Tier 1	Marsh Harbour	4270	362	724	3.8	1.9	Low
	Exuma - George Town	600	197	435	0.9	0.4	High
	North Eleuthera	470	163	345	0.9	0.4	High
	San Salvador	829	84	178	3.0	1.4	Low
	South Bimini	420	118	226	1.3	0.7	Medium
	Governor's Harbour	870	62	102	4.8	2.9	Low
Tier 2	Rock Sound	860	52	75	12.0	8.3	Low
	Deadman's Cay	96	48	69	1.2	0.9	Medium
	New Bight	90	43	62	1.3	0.9	Medium
	Andros Town	305	26	39	4.2	2.8	Low
	Matthew Town	210	11	16	7.0	4.8	Low
	Great Harbour Cay	516	35	59	5.4	3.2	ICAO Req.
	San Andros	875	45	63	7.1	5.1	Low
	Treasure Cay	430	20	33	6.2	3.8	Low

Note 1: Great Harbour Cay needs to be relocated to ensure that runway strip and obstacles surfaces are clear of obstructions

Exuma and North Eleuthera are the most saturated terminals, followed by Bimini, New Bight and Deadman's Cay

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Summary of Family Islands' Airport infrastructure developments and capital expenditures (1/4)

Exuma George Town Airport

Airfield

- **Manoeuvring area enhancement:** safety areas, pavement repairs and visual aids
- **Perimeter fence** around 80% of airport boundary
- New airport **fire station** and **2 firefighting vehicles**
- Runway strip cleared of **trees and vegetation**
- **Full re-pavement** of movement area will be required in the mid-term
- Existing FBO **apron to be re-built** to stand commercial traffic (heavier)
- **Apron expansion** may be required in the long term

Terminal area

- **New terminal building** required in short term (21,000ft²). To be located at the current FBO area, re-locating the FBO and GA apron
- **Roads, car parking** and other developments to be carried out around the new terminal



North Eleuthera Airport

Airfield

- **Manoeuvring area enhancement:** mainly pavement repairs and new lighting systems
- **Perimeter fence** repairs around 25% of airport boundary
- New airport **fire station** and **2 firefighting vehicles**
- Runway strip cleared of **trees and vegetation**
- **Full re-pavement** of movement area will be required in the mid-term

Terminal area

- The existing terminal building and apron is too close to the runway to comply with ICAO standards, as it is highly saturated
- **New terminal building** (21,000ft²) and **new apron** required, re-located farther from the runway, as a priority.
- **Roads, car parking** and other developments to be carried out around the new terminal
- In the mid/long term, further **expansions of the apron** may be required



Summary of Family Islands' Airport infrastructure developments and capital expenditures (2/4)

Marsh Harbour Airport

- The new terminal building has been designed to accommodate the expected traffic in the long term
- **Two new firefighting vehicles** to be procured in the coming years
- **Small amendments** in runway pavement and visual aids to be done



South Bimini Airport

- The runway has been recently extended and partially re-paved. It needs **complete re-pavement in the short term**
- New airport **fire station** and **1 firefighting vehicles** required
- The **terminal building** has been recently expanded to can handle the existing traffic, but it will need an **additional expansion in the mid term**
- The **apron** will reach saturation in the short term due to high volume of private aircraft



Governors' Harbour Airport

- Taxiways and runway need **re-pavements** in the short and mid-term respectively
- New **fire station** to be built
- **Security equipment** to be provided for the domestic terminal
- Terminal expansion is not a priority, given the current capacity and the expected demand growth



San Salvador Airport

- The **ongoing terminal expansion** will provide enough capacity to accommodate the expected traffic in the long term
- Corrections in runway strip grading and sloping to eliminate protrusions
- New airport **fire station** and **two firefighting vehicles** required
- **Minor amendments** in the visual aids
- In the long run, **additional apron capacity** may be required



Summary of Family Islands' Airport infrastructure developments and capital expenditures (3/4)

Rock Sound Airport

- The **terminal building** can accommodate the expected traffic, but it requires **refurbishment in the short term**
- The runway needs **complete re-pavement in the short term**
- **Perimeter fence** repairs around 50% of airport boundary
- **Amendments** in airside markings and visual aids to be done



New Bight Airport

- **Apron expansion** would be required to absorb peak traffic in the mid-term without infringing the runway strip
- Also **terminal expansion** will be required in the mid-term
- **New airport fire station** to be constructed
- **Security equipment** and one firefighting vehicle to be provided
- **Perimeter fence** around 90% of airport boundary will be required
- **Amendments** in airside markings and visual aids to be done



San Andros Airport

- **Refurbishment of existing terminal** building should be considered in the short run
- Full **rehabilitation of runway & taxiway pavement** will need to be carried out
- Install **perimeter fence** around ~30% of the airport boundary
- **Security equipment** and one firefighting vehicle to be provided
- **Amendments** in airside markings and visual aids to be done



Andros Town Airport

- The **terminal building** is not in among the most saturated ones and its priority for expansion is low, but it requires **refurbishment urgently**
- A complete **perimeter fence** needs to be installed
- **Security equipment** and one firefighting vehicle to be provided
- **Amendments** in airside markings and visual aids to be done



Summary of Family Islands' Airport infrastructure developments and capital expenditures (4/4)

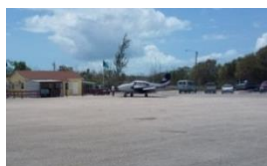
Great Harbour Cay Airport

- **Apron & terminal relocation** to be considered in the **short term**. The apron does not provide clearance to the runway strip
- The re-location of the apron would drive a demolition of customs & immigration building, and the **re-location of the terminal** as well
- **Perimeter fence** to be installed around the new terminal
- Procurement of one **firefighting vehicle**
- **Amendments** in airside markings and visual aids to be done



Deadman's Cay Airport

- **Relocate public road** beyond runway threshold and **demolish buildings** inside the runway strip
- **Terminal expansion** will have to be carried out in the mid-term. Refurbishment of the existing terminal building should be considered in the short run
- Install **perimeter fence** around ~80% of the airport boundary
- **Security equipment** and one firefighting vehicle to be provided
- **Amendments** in airside markings and visual aids to be done



Mathew Town Airport

- The existing **runway** will require **full re-pavement** in the **short or mid-term**
- New **runway clearway** to be provided in both runway ends
- Install **perimeter fence** around the new terminal area
- **Security equipment** and one firefighting vehicle to be provided
- **Amendments** in airside markings and visual aids to be done



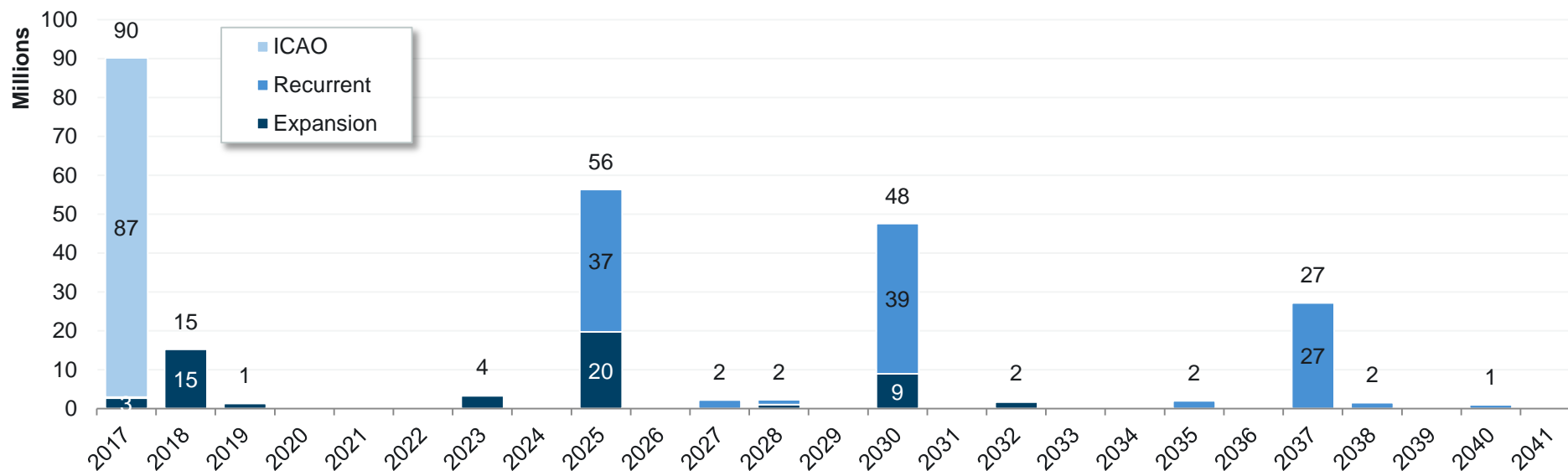
Treasure Cay Airport

- **Refurbishment of existing terminal** building should be considered in the **short run**
- Install **perimeter fence** around ~80% of the airport boundary and **full reinforcement** of the fence with wildlife control strands
- **Security equipment** and one firefighting vehicle to be provided
- **Amendments** in airside markings and visual aids to be done



The Family Islands airports will require USD 107m in the next 5 years – USD 70m in Tier 1 and USD 37m in Tier 2 airports

Evolution of capital expenditure for the Family Islands airports 2017-2041 (constant prices 2016)



		Accumulated '17-'22	Accumulated '23-'28	Accumulated '29-'41	Accumulated '17-'41
TOTAL	USD m	107	65	82	254
Tier 1	USD m	70	43	42	155
ICAO Compliance	USD m	51	-	-	47
Expansion	USD m	19	11	3.6	33
Recurrent	USD m	0.3	32	38	74
Tier 2	USD m	37	22	40	99
ICAO Compliance	USD m	36	-	-	36
Expansion	USD m	0.5	13	7.2	21
Recurrent	USD m	0.2	8.6	33	42

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Why a PPP approach?

Significant benefits for all the parties

Government

1. Access to means of funding airport infrastructure in order to keep pace with economic growth
2. Relief for tight government budgets
3. Use of tax revenues for other public needs
4. CapEx better managed by private investors and faster implementation
5. Realization of cost saving potential
6. Improvement in infrastructure profitability
7. Shared responsibility with the private operator

Risk sharing and upside potential

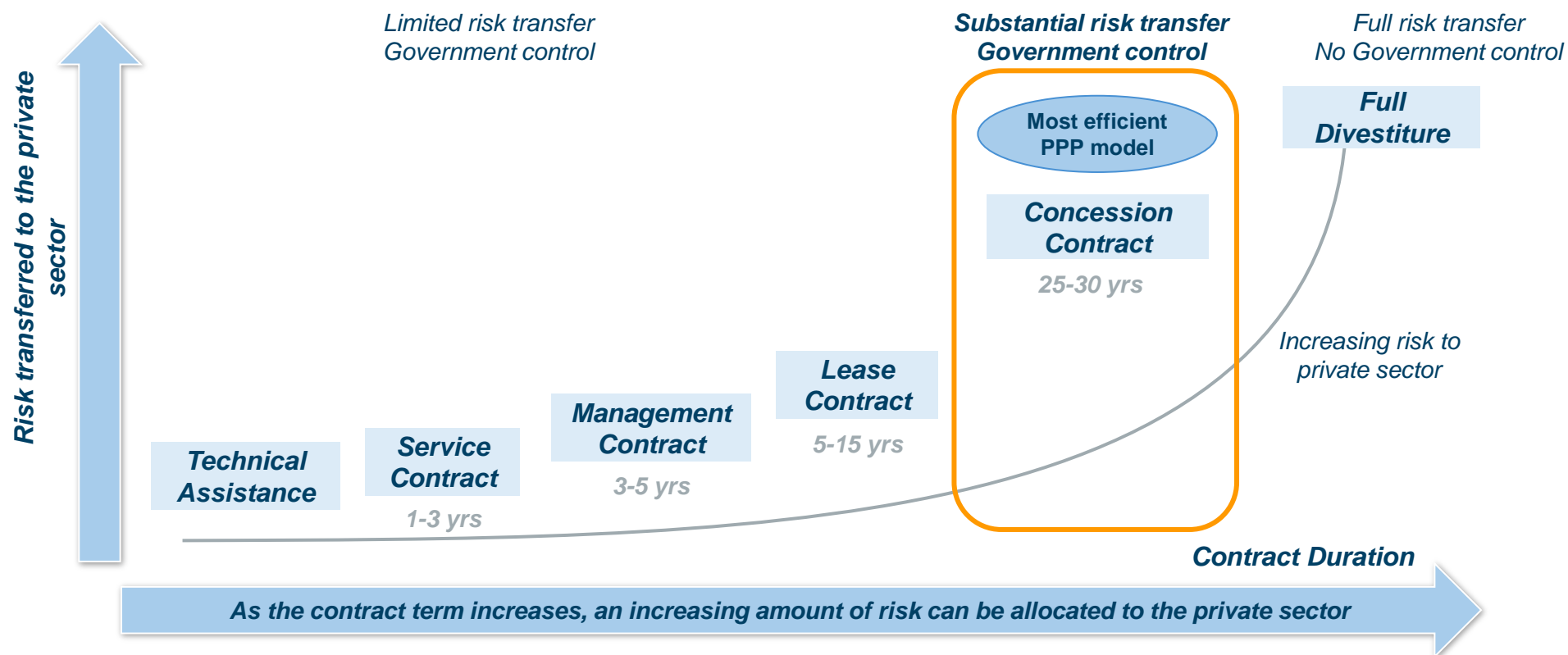
Airport Operators

1. More efficient management of assets and airport capacity
2. Development of commercial activities which can subsidize the aeronautical ones
3. Market oriented management
4. Increase efficiency
5. Faster decision-making
6. Diversification: New commercial models, extension of product and services portfolio
7. Risk can be managed by the Operator through its Business portfolio

Ensure future competitiveness

What nature should the private involvement take?

PPP formulas by level of risk transferred to privates and contract duration



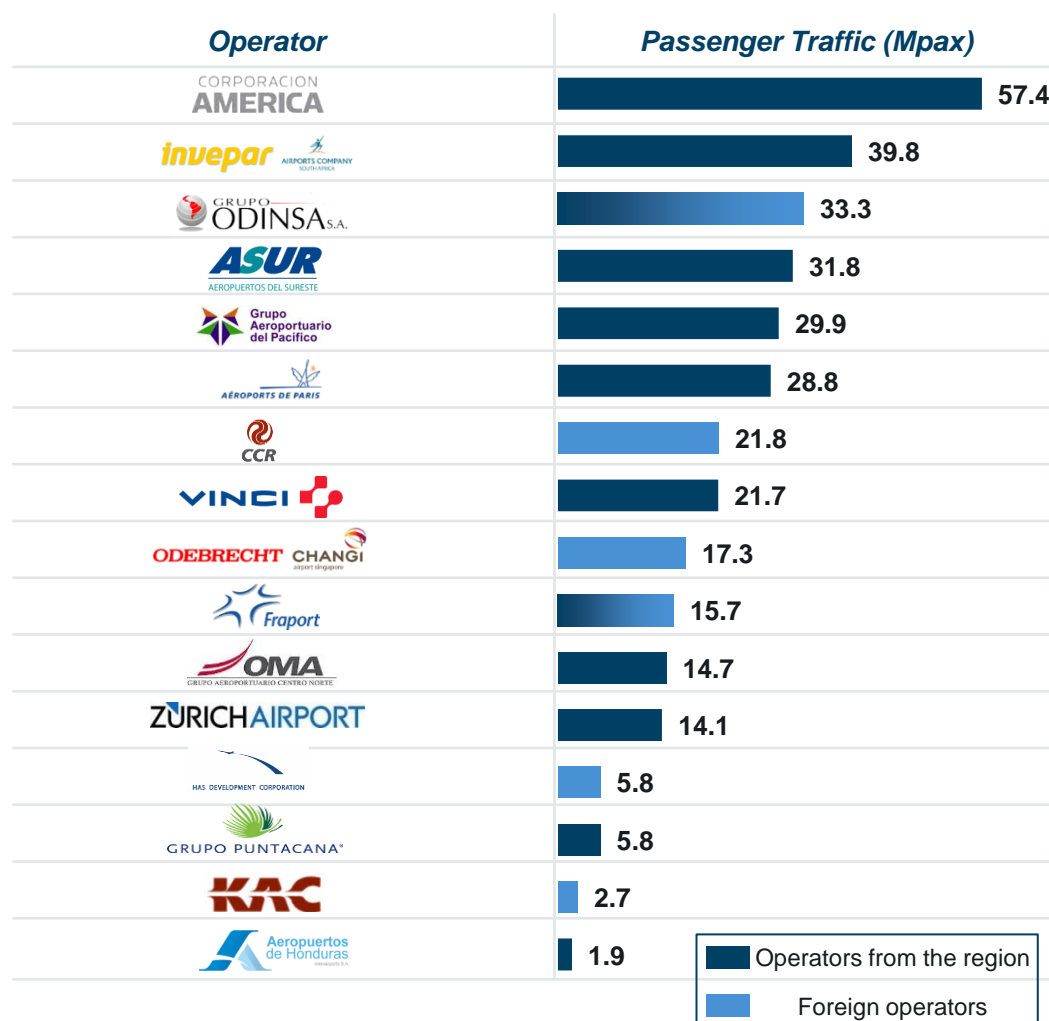
Source: The World Bank Group

Note: Except in the Full Divestiture option, asset ownership is retained by the public sector; all assets revert to the public sector at the end of the Concession contract

Each case must be analyzed independently before choosing the option that maximizes Governments gains and minimizes risks, but will still be financially attractive for a private operator

LAC airports have been successfully expanded and managed under concession contracts

Main private operators of airports managed under concession in LAC



Main airports under concession in LAC



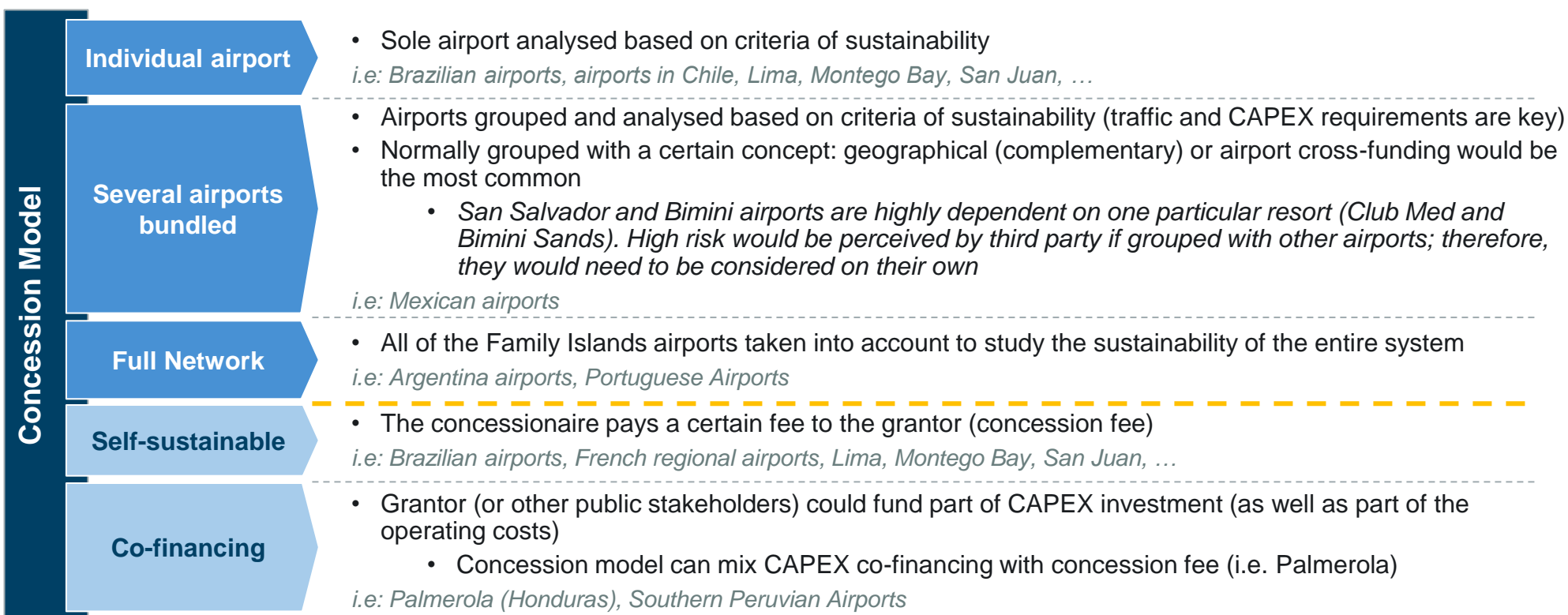
Concession processes under way in LAC

- Palmerola (0.6 Mpax)
- Santa Lucia (0.7 Mpax)
- Trinidad Tobago⁽¹⁾ (3.7 Mpax)
- Kingston (1.4 Mpax)
- Fortaleza (6.3 Mpax)
- Salvador (9.1 Mpax)
- Florianópolis (3.6 Mpax)
- Porto Alegre (8.3 Mpax)
- Asunción (0.9 Mpax)
- Pereira (1.5 Mpax)
- Neiva (0.3 Mpax) & Armenia (0.5 Mpax)

(1) Trinidad & Tobago: bid process in stand-by

- From the top 30 airports in LAC, 19 are managed under concession contracts and 3 more are in progress.
- The Caribbean region has been experiencing an increased interest in PPPs: Dominican Republic was one of the first ones, others are Puerto Rico and Montego Bay
- Co-financing is an option for smaller airports with large CAPEX: i.e. Palmerola, Southern Peruvian airports...

Concession model options

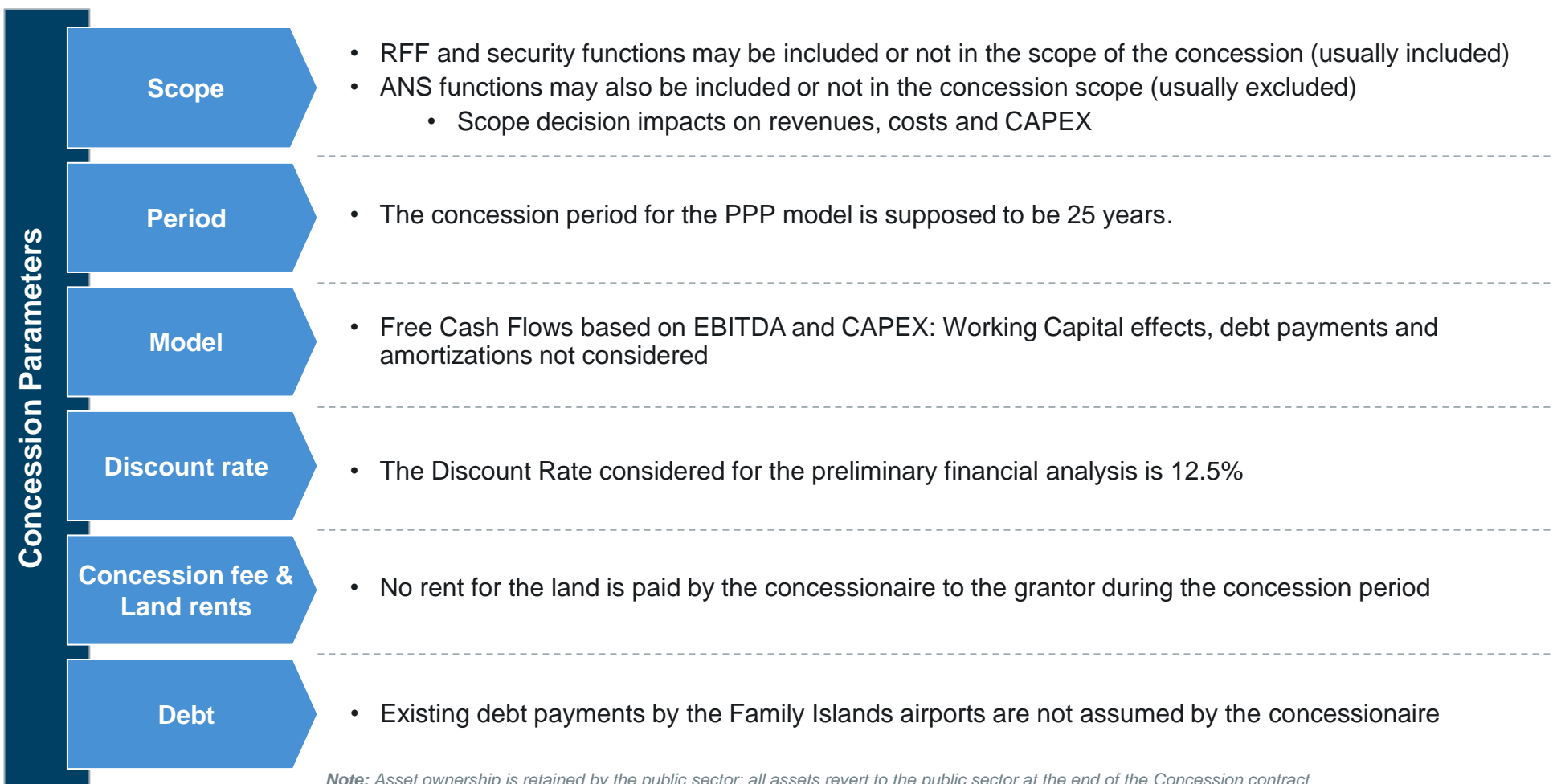


Open questions for discussion

- Self-sustainable in order to obtain a concession fee from the private investor ?
 - i.e. tender process based on highest concession fee offering*
- Or co-financed in order to pass the maximum number of airports to the private investor (efficiency gains expected) ?
 - i.e. tender process based on minimum OPEX subsidy from the grantor*
- Or mixed ?
 - i.e. CAPEX could be funded by the grantor, while the private investor pays a fee which is subject to the financials*

The most suitable airport packaging options will depend on these answers

Concession parameters options



Note: Asset ownership is retained by the public sector; all assets revert to the public sector at the end of the Concession contract

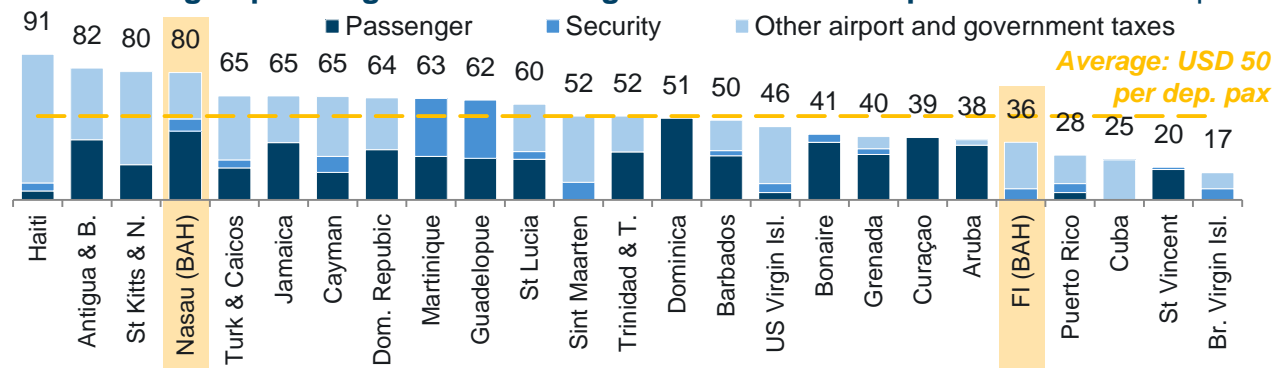
Open questions for discussion

- Should the RFF and security functions be included in the scope of the concession?

The most suitable airport packaging options will depend on these answers

Operator fee of USD 17.5 per intl' passenger (PFC) has been assumed in the Base Case Scenario

Benchmarking of passenger related charges in Caribbean airports – real USD/dep Pax 2016



- Caribbean benchmarking shows limited room to increase passenger related charges without a risk of affecting traffic demand, given the current Departure Tax and security fee
- Charge increases could undermine demand

Preliminary Financial Assumptions

- It is not clear which charges are being collected in Family Islands airports. Thus, current FI airports aeronautical fees and charges needed to be estimated ⁽¹⁾
- With no passenger fees (PFC) the Family Islands Airports cannot be financially sustainable
- It has been assumed that, in case of a PPP, the private operator would collect a fee as follows:
 - Low case: Government of Bahamas keeps current passenger departure tax act and a new airport fee or charge is created (non desirable to add such fee)
 - Base case: Midway High and Low Case (aligned with IATA recommendation for funding FI airports)
 - High case: Government of Bahamas decides to withdraw pax departure tax in order to create PFC airport charge for the same value

PFC assumptions	DOM (USD)	INT (USD)
Low Case	0	10
Base Case	0	17.5
High Case	2	25

(1) Landing, Parking and Security fees are based on information from "Legislation Chapter 284: LANDING, PARKING, TIE-DOWN AND AIR NAVIGATION (FEES AND CHARGES) (GOVERNMENT AERODROMES)"

Open questions for discussion

- What fees and charges should be collected by the concessionaire?
 - Should charges decrease (in real terms) over time or be kept at a fixed rate to the CPI?

The most suitable airport packaging options will depend on these answers

Several strategic options have been evaluated; five of them presented in the executive summary

PPP options

More likely to be sustainable

Less likely to be sustainable

Concept

		Option 1	Option 2a	Option 2b ⁽²⁾	Option 3	Option 4	Option 5
		Two airports at Abaco Island	Airports with highest traffic of the FI		Airports with highest traffic requiring significant expansion CapEx	Airports with highest traffic with the rest of the airports in the same islands	Full network: All the Family Islands airports
Airport							
Tier 1	Marsh Harbour (MHH)	✓	✓	✓		✓	✓
	Exuma - George Town (CGT)		✓	✓	✓	✓	✓
	North Eleuthera (ELH)		✓	✓	✓	✓	✓
	San Salvador (ZSA) ⁽¹⁾						✓
	South Bimini (BIM) ⁽¹⁾						✓
	Governor's Harbour (GHB)			✓		✓	✓
Tier 2	Rock Sound (RSD)					✓	✓
	Deadman's Cay (LGI)						✓
	New Bight (TBI)						✓
	Andros Town (ASD)						✓
	Matthew Town (IGA)						✓
	Great Harbour Cay (GHC)						✓
	San Andros (SAQ)						✓
	Treasure Cay (TCB)	✓				✓	✓

(1) Not included in groups as their strong dependence on a sole hotel/resort would be seen as a risk for a 3rd party. Could be an option on their own

(2) Not presented in the executive summary

Three scenarios are presented in order to assess the feasibility of each option

	Low Case	Base Case	High Case
CAPEX	Same CAPEX assumptions considered for the three scenarios ⁽¹⁾		
Traffic	Base case growth -0.5% CAGR	2.7% CAGR	Base case growth +0.5% CAGR
Aeronautical Charges	Fee per dep. pax (VAT excl.): <ul style="list-style-type: none"> • DOM: USD 0 per dep pax • INT: USD 10 per dep pax 	Fee per dep. pax (VAT excl.): <ul style="list-style-type: none"> • DOM: USD 0 per dep pax • INT: USD 17.5 per dep pax 	Fee per dep. pax (VAT excl.): <ul style="list-style-type: none"> • DOM: USD 2 per dep pax • INT: USD 25 per dep pax
Security & RFF	Included in the concession scope	Both scenarios analysed: Included or not included in the concession scope	Not included in the concession scope

(1) CAPEX for the Project varies depending on whether RFF and security is included or excluded in concession scope

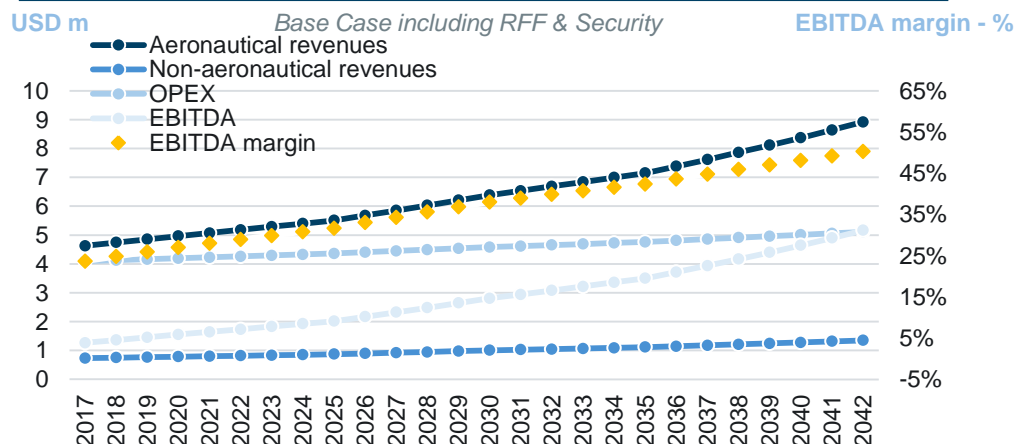
Option 1 (Marsh Harbour & Treasure Cay): NPV between USD 16m and USD 20m for the base case scenario

- Marsh Harbour and Treasure Cay are grouped because of their geographical proximity: synergies expected because of complementary landing runways (MHH's shorter than TCB. Therefore, the largest aircrafts land at TCB)
- Preliminary financials could be interesting for private investors even though traffic figures would be low (account for 30% of the FI traffic)
 - CAPEX always lower than EBITDA, thus FCF always positive
- Interest seems limited for the Grantor as expansion investments on the long term. Main CAPEX are:

1) Regulatory CAPEX for ICAO compliance

2) Airside recurrent CAPEX on both MHH and TCB

Free cash-flow breakdown – real USD m 2016 base



Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Option preliminary financials – real USD m 2016

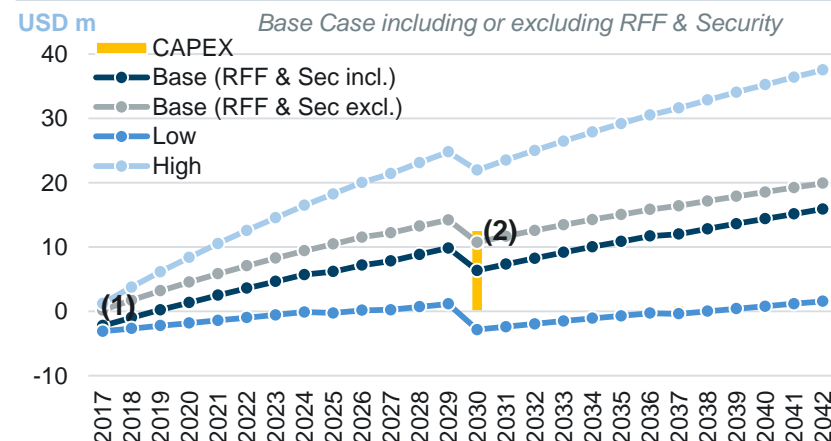
	CAPEX	Payback	NPV ⁽¹⁾	IRR
Base ⁽²⁾	21.1	1.8	15.9	70.8%
Base ⁽³⁾	16.5	1 st year ⁽⁴⁾	19.9	FCF always > 0
High	16.5	1 st year ⁽⁴⁾	37.5	FCF always > 0
Low	21.1	8.6	1.6	16.9%

(1) In million USD with Discount rate: 12.5% for 25 years concession

(2) Base Case including RFF & Security (3) Base Case excluding RFF & Security

(4) Positive Cash Flow in the first year due to the lack of significant initial investment

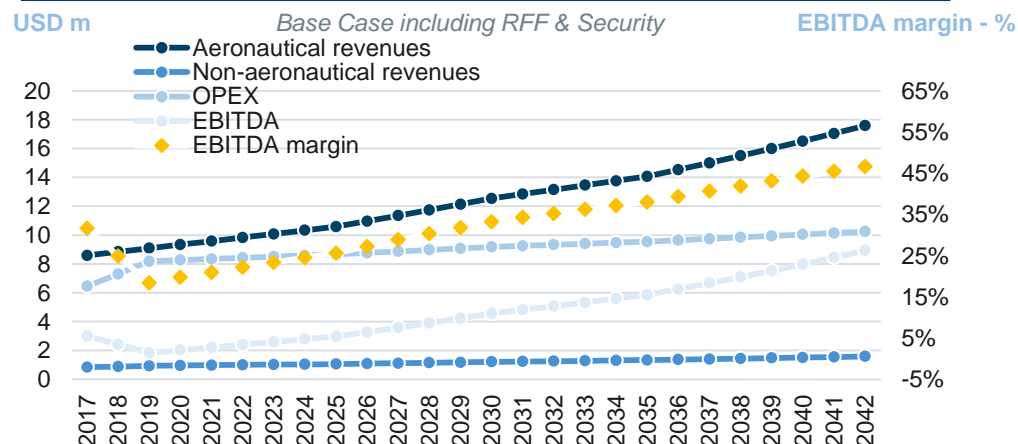
Cumulative free cash-flow – real USD m 2016



Option 2a (Marsh Harbour, Exuma & North Eleuthera): NPV between USD -25m and USD -9m for the base case scenario

- MHH, CGT and ELH are the three largest airports in the Family Islands, accounting for 57% of the FI traffic
- Large investments in the short term. Main CAPEX:
 - 1) Regulatory CAPEX for ICAO compliance and new ELH terminal
 - 2) Terminal expansion in CGT
 - 3) Recurrent CAPEX in CGT & ELH
 - 4) Airside (CGT & ELH) and landside (MHH) recurrent CAPEX
- High risk would be perceived by a private investor due to substantial initial CAPEX (NPV close to 0 only by end of concession).
 - Feasibility could improve under a co-financing scheme (CAPEX)

Free cash-flow breakdown – real USD m 2016 base



Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

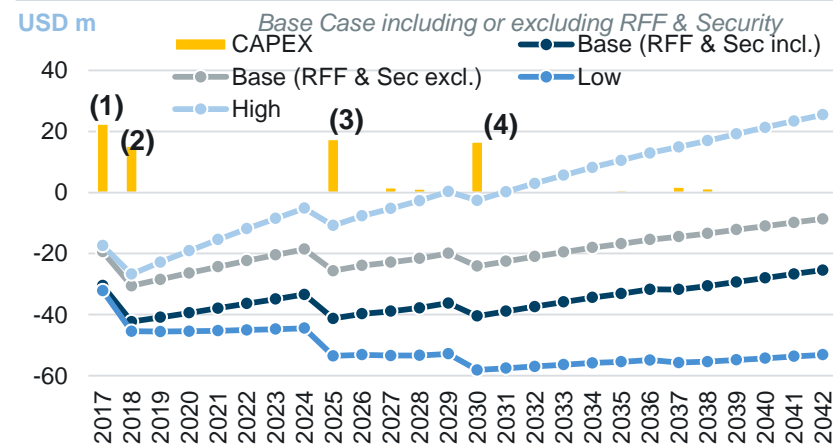
Option preliminary financials – real USD m 2016

	CAPEX	Payback	NPV ⁽¹⁾	IRR
Base⁽²⁾	96.5	>25	-25.4	6.6%
Base⁽³⁾	79.8	>25	-8.7	9.9%
High	79.8	11.9	25.5	19.8%
Low	96.5	>25	-53.2	-3.3%

(1) In million USD with Discount rate: 12.5% for 25 years concession

(2) Base Case including RFF & Security (3) Base Case excluding RFF & Security

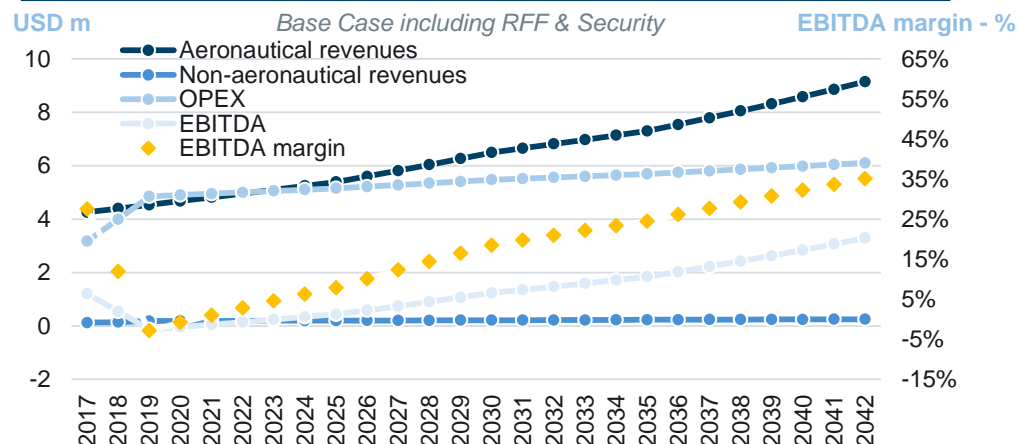
Cumulative free cash-flow – real USD m 2016



Option 3 (Exuma and North Eleuthera): NPV between USD -52m and USD -34m for the base case scenario

- Group of airports based on largest traffic (account for 29% of the FI traffic), excluding MHH that it does not have short-term expansion CAPEX
- Large investments in the short term. Main CAPEX:
 - 1) Regulatory CAPEX for ICAO compliance and new ELH terminal
 - 2) Terminal expansion in CGT
 - 3) Recurrent CAPEX in CGT & ELH
 - 4) Airside (CGT & ELH) recurrent CAPEX
- Negative NPV values with substantial initial CAPEX
 - Feasibility could improve under a co-financing scheme (CAPEX)

Free cash-flow breakdown – real USD m 2016 base



Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

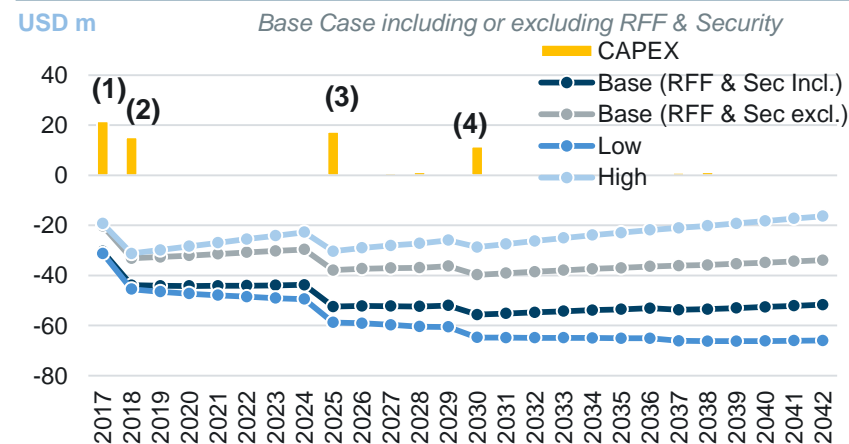
Option preliminary financials – real USD m 2016

	CAPEX	Payback	NPV ⁽¹⁾	IRR
Base⁽²⁾	85.5	>25	-51.7	-3.9%
Base⁽³⁾	71.8	>25	-33.9	0.0%
High	71.8	>25	-16.3	7.4%
Low	85.8	>25	-66.0	FCF always<0

(1) In million USD with Discount rate: 12.5% for 25 years concession

(2) Base Case including RFF & Security (3) Base Case excluding RFF & Security

Cumulative free cash-flow – real USD m 2016



Option 4 (MHH, CGT, ELH, GHB, Rock Sound & Treasure Cay): NPV between USD -77m and USD -42m for the base case scenario

- MHH, CGT and ELH are the three largest airports in the FI. TCB, GHB & RSD are in the same island as MHH and ELH (in total, they account for 68% of the FI traffic)
- Large investments in the short term. Main CAPEX:
 - 1) Regulatory CAPEX for ICAO compliance and new ELH terminal
 - 2) Terminal expansion in CGT
 - 3) Recurrent CAPEX in CGT & ELH
 - 4) Airside (CGT & ELH) and landside (MHH & TCB) rec. CAPEX
 - 5) Recurrent CAPEX in GHB
- Negative NPV values with substantial initial CAPEX
 - Feasibility could improve under a co-financing scheme (CAPEX)
 - However, large number of airports could be perceived as an additional risk by the private operator

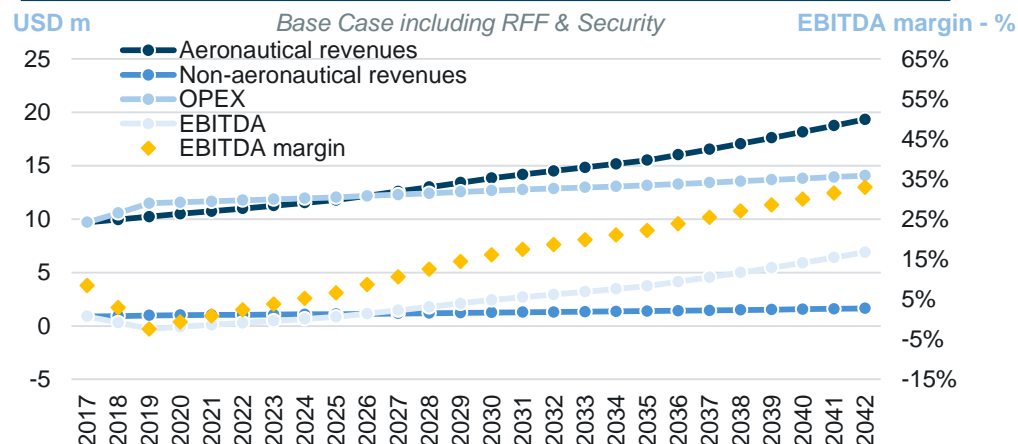
Option preliminary financials – real USD m 2016

	CAPEX	Payback	NPV ⁽¹⁾	IRR
Base⁽²⁾	145.6	>25	-77.5	-3.6%
Base⁽³⁾	120.2	>25	-42.0	1.6%
High	120.2	>25	-4.8	11.4%
Low	145.6	>25	-106.7	FCF always<0

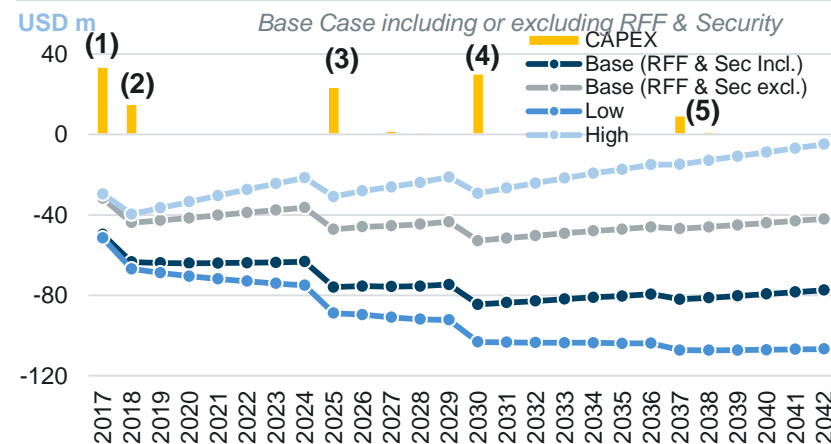
(1) In million USD with Discount rate: 12.5% for 25 years concession

(2) Base Case including RFF & Security (3) Base Case excluding RFF & Security

Free cash-flow breakdown – real USD m 2016 base



Cumulative free cash-flow – real USD m 2016



Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Option 5 (Full network):

NPV between USD -183m and USD -109m for the base case scenario

- The full network is analysed in order to assess the sustainability of the Family Islands Airports network
- Large investments in the short term. Main CAPEX:
 - 1) Regulatory CAPEX for ICAO compliance and new ELH terminal
 - 2) Terminal expansion in CGT
 - 3) Recurrent CAPEX and terminal expansion at IGA
 - 4) Recurrent CAPEX
 - 5) Recurrent CAPEX
- High level of CAPEX and low EBITDA margins; This option would probably require co-financing of CAPEX and operation

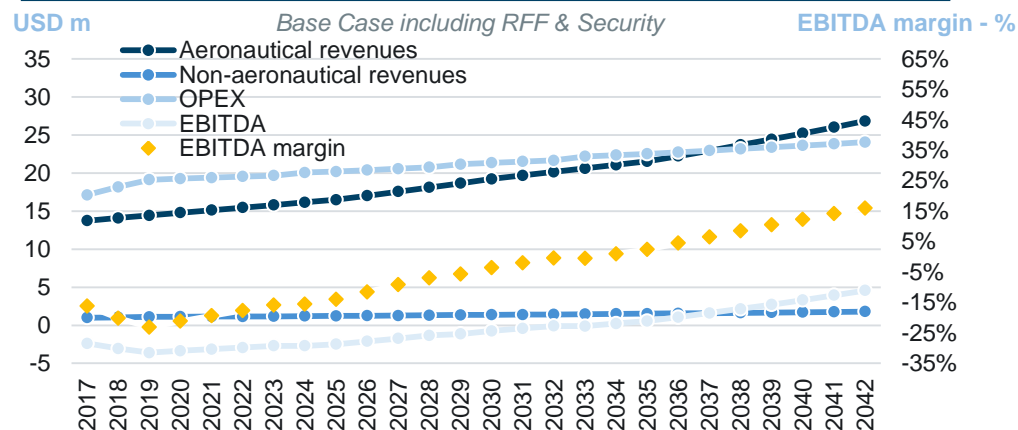
Option preliminary financials – real USD m 2016

	CAPEX	Payback	NPV ⁽¹⁾	IRR
Base⁽²⁾	254.4	>25	-182.9	FCF always<0
Base⁽³⁾	211.1	>25	-108.7	-6.3%
High	211.1	>25	-57.4	4.7%
Low	254.4	>25	-222.2	FCF always<0

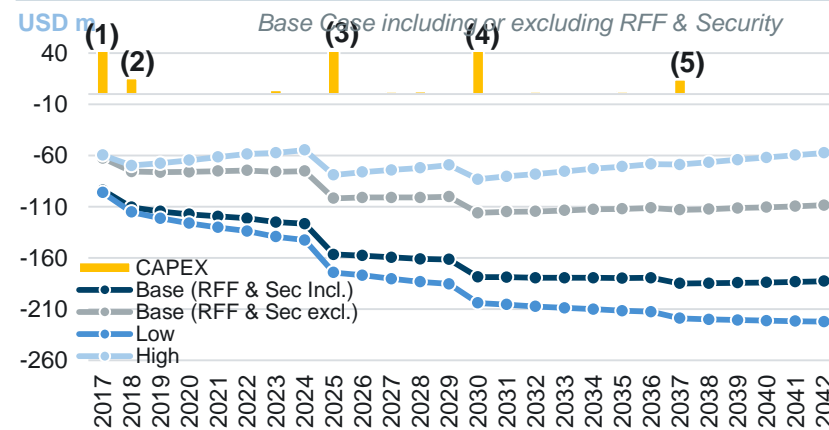
(1) In million USD with Discount rate: 12.5% for 25 years concession

(2) Base Case including RFF & Security (3) Base Case excluding RFF & Security

Free cash-flow breakdown – real USD m 2016 base



Cumulative free cash-flow – real USD m 2016



Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Selection of the option to be developed in Phase 2

Base Case
preliminary
financial
figures
summary

Adding largest Tier 1

+ Traffic
+ ICAO compliance
CapEx
+ Expansion CapEx
≈ Complexity and
risk

Adding secondary airport

Marsh Harbour		Treasure Cay	
Short-term CAPEX (USD m)	1.0 to 1.9	Short-term CAPEX (USD m)	0.5 to 1.6
NPV 2017-2042 (USD m)	25.3 to 26.2	NPV 2017-2042 (USD m)	-10.3 to -5.3
Avg. EBITDA margin (%)	48% to 57%	Avg. EBITDA margin (%)	-143% to -62%
IRR (%)	FCF always > 0	IRR (%)	FCF always < 0
North Eleuthera		Governor's Harbour & Rock Sound	
Short-term CAPEX (USD m)	20 to 25	Short-term CAPEX (USD m)	11 to 16
NPV 2017-2042 (USD m)	-27.7 to -17.5	NPV 2017-2042 (USD m)	-41.7 to -28.0
Avg. EBITDA margin (%)	18% to 41%	Avg. EBITDA margin (%)	-163% to -156%
IRR (%)	-4.2% to 0.8%	IRR (%)	FCF always < 0
Exuma		—	
Short-term CAPEX (USD m)	17 to 22		
NPV 2017-2042 (USD m)	-23.9 to -16.4		
Avg. EBITDA margin (%)	21% to 38%		
IRR (%)	-3.6% to -0.8%		
San Salvador & South Bimini (2)		Other Tier 2 airports	
		Short-term CAPEX (USD m)	24 to 28
		NPV 2017-2042 (USD m)	-82.6 to -57.9
		Avg. EBITDA margin (%)	-179% to -155%
		IRR (%)	FCF always < 0

≈ Traffic
+ ICAO compliance
CapEx
≈ Expansion CapEx
+ Complexity and
risk ⁽¹⁾

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2. Non accounting data available for FI airports regarding revenues and costs. Discount rate considered 12.5%

(1) Including smaller airports would be perceived as additional complexity and risk by a private operator rather than an upside

(2) San Salvador and South Bimini airports are highly dependent on one particular resort (Club Med and Bimini Sands). High risk would be perceived by a third party if grouped with other airports; would need to be considered on their own (or including some Tier 2)

The most suitable airport packaging option will depend on the answers to open questions for discussion

0. Executive Summary

1. Introduction

2. Caribbean market assessment

3. Bahamas market assessment

4. Demand projections

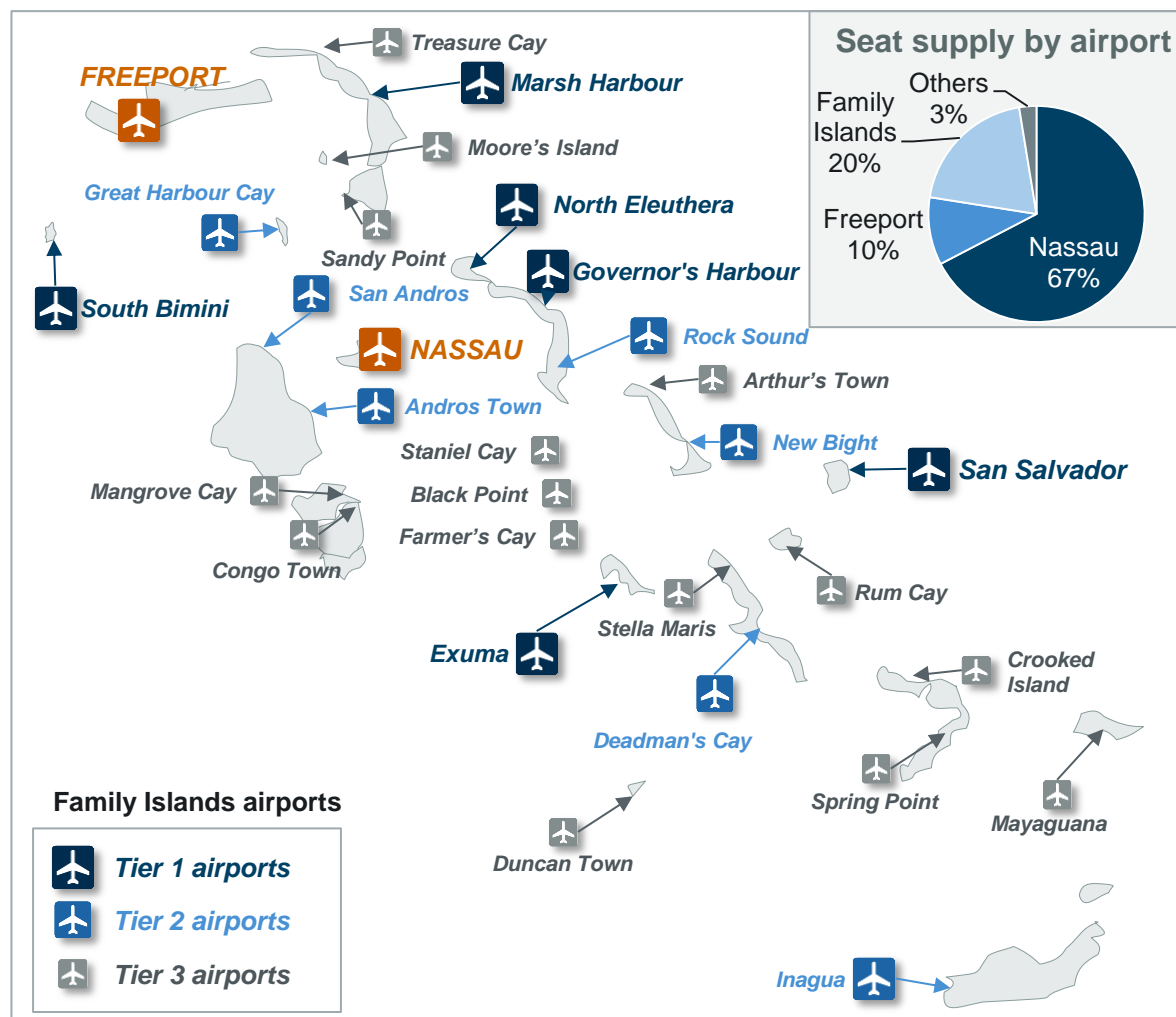
5. Airport development plans and Capex

6. Preliminary financial assumptions

7. Selection of most feasible options for airports PPP

8. Details by airport

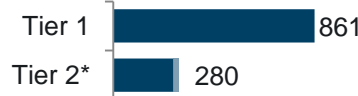
The Airports in the Bahamas Family Islands (FI)



- **28 airports divided in 3 levels by the facilities provided and their role**
 - 6 Tier 1 airports
 - 7 Tier 2 airports
 - 15 Tier 3 airports
- **Traffic in the Family Islands airports is low**
 - In 2015, the busiest airport in the Family Islands was Marsh Harbour, with c. 300,000 passengers
 - Several Tier 2 and Tier 3 airports do not have commercial operations
- **Airports require investments in the short-mid term in order to**
 - Ensure compliance with ICAO regulations
 - Increase capacity to attend to the expected traffic demand
 - Ensure maintenance of the infrastructure

Estimated traffic in Family Islands Airports (2015)

'000 pax



Estimated short term investment in Family Islands Airports

USDm



* **Note:** Tier 2 airports including Treasure Cay (22,700 pax)
Other Tier 3 airports not included in the scope. It has been decided to analyse Treasure Cay because of its complementarity with Marsh Harbour even though it is a Tier 3 airport

Tier 1: Significant Port of Entry (gateways) for the FI with economic opportunity to be operationally sustainable
Tier 2: Port of Entry status and provide Customs and Immigration services to FI where there is existing international traffic and/or economic development to support limited or shared services
Tier 3: Domestic services only and limited traffic that requires local coordination with Island Administration for daily inspections and maintenance

Objective of the consultancy

Objective

To conduct a technical and financial assessment of Tier 1 and Tier 2 to identify potential airports that could attract private investment through a PPP scheme, and to develop a financial model of the selected airport(s) and concession alternative

Phase 1

Market and traffic

Infrastructure

Environmental

Financial

PPPs opportunities

Preliminary overlook of potential opportunities for PPPs

Objectives for each phase

- To understand the market dynamics and business opportunities for all Tier 1 and Tier 2 airports in the country

Main activities for each phase

1. Market assessment and initial demand projections
2. Review of infrastructure development plans
3. Preliminary financial assumptions
4. Selection of most feasible options for airport(s) PPP

Phase 2

Detailed feasibility assessment on selected airports

- Focused on those airports showing higher potential to attract private investors, analysing different PPP schemes

1. Detailed market assessment and traffic forecast
2. Independent verification of Capex
3. Environmental strategic assessment
4. Financial model of the concession
5. Teaser for potential private operators

Report Phase 1

Expected result: Decision on airports to be studied in Phase 2

Scope: 14 airports - all of Tier 1 and Tier 2, one of Tier 3

Marsh Harbour



North Eleuthera



San Salvador



South Bimini



Governor's Harbour



Rock Sound



Deadman's Cay



New Bight



Andros Town



Great Harbour Cay



San Andros



Treasure Cay



Tier 1 airports: 861.1 th. pax

Code	Airport name	'000 pax 2015
MHH	Marsh Harbour	308.1
GGT	Exuma/ George	176.5
ELH	North Eleuthera	137.1
ZSA	San Salvador	70.8
BIM	South Bimini	102.4
GHB	Governor's Harb.	66.3

Tier 2 airports: 257.3 th. pax

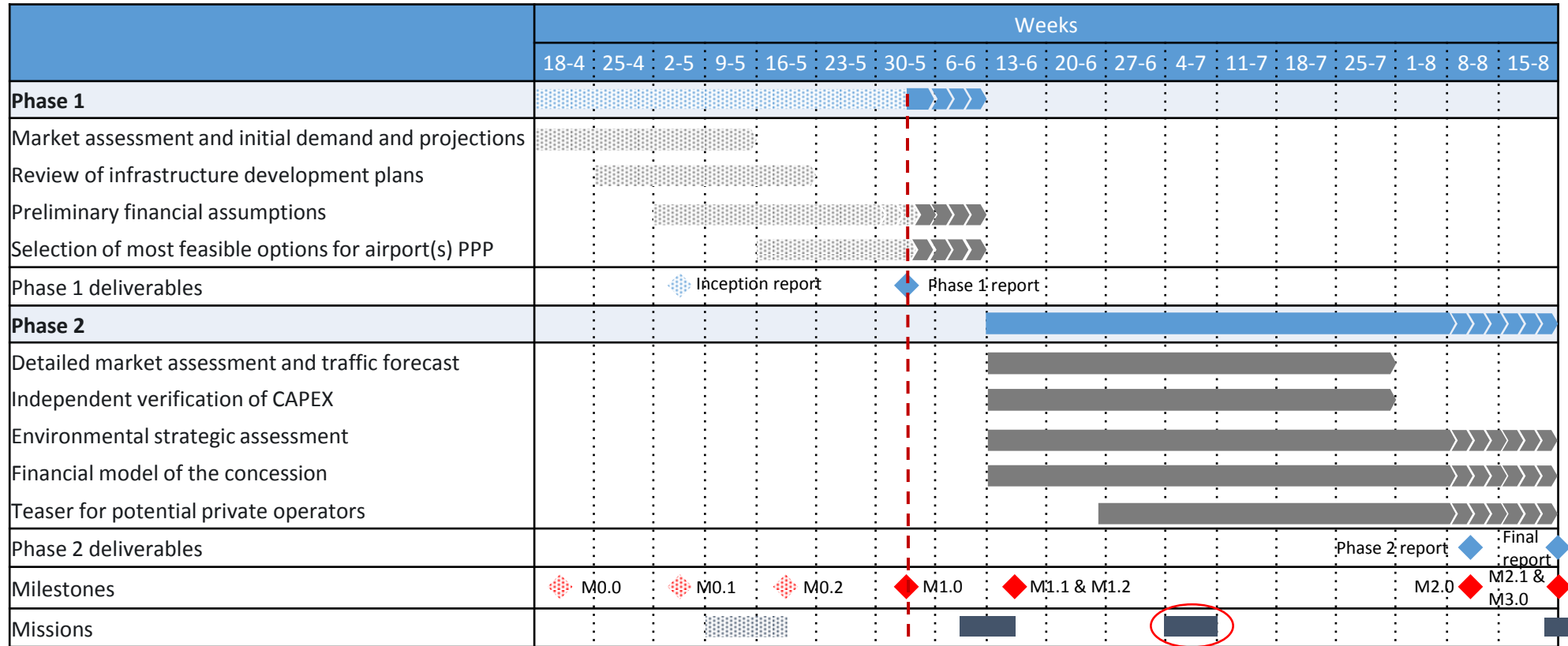
Code	Airport name	'000 pax 2015
RSD	Rock Sound	52.0
LGI	Deadman's Cay	46.9
TBI	New Bight	42.6
ASD	Andros Town	26.0
IGA	Matthew Town	11.2
GHC	Great Harb. Cay	34.5
SAQ	San Andros	44.1

Tier 3 airports: 22.7 th. pax

Code	Airport name	'000 pax 2015
TCB	Treasure Cay	22.7

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Calendar of the consultancy



**Draft Report
Phase 1**

Tentative

Data collection for the Phase 1

Documents made available by MoTA

General information:

- Stantec Report 2014 – Comprehensive Strategy for Optimization of the Family Islands Airports
- Stantec Report 2014 – Institutional & Organizational Analysis / Development of Guidelines & Standards
- Stantec Report 2014 – Hazardous Cargo Management Procedures
- Stantec Report 2014 – Energy & Water Use Conservation Standards
- Bahamas AIP
- Environmental and Social Strategy. Airport Infrastructure Program (BH-L1041)

Traffic and Tourism

- Tourism Statistics from the Ministry of Tourism (up to 2014)
- General statistics 1974-2013
- Nassau Traffic Statistics (split dom/int) 2006-2012

Airports Economics and Development

- Stantec Master Plans for Exuma, North Eleuthera, San Salvador and Governor's Harbour
- Landing, parking, tie-down and air navigation fees and charges (Government aerodromes) regulations – ch. 284 – 2008
- IATA Consulting Report 2016 – Air Transport Sector Organizational Management Consultancy Services, Bahamas Family Islands Aerodromes Company Limited (BFIA Co.)
- Airport Authority Amendment Bill
- Civil Aviation Regulations, 2015
- Civil Aviation Bill, 2015

Information gathered in on-site visits to the Family Islands airports

Traffic and Tourism:

- Real Traffic figures for 2015 for Marsh Harbour, North Eleuthera, Rock Sound, Great Harbour Cay and San Andros airports
- Approximate traffic for the rest of airports (frequencies, figures for some months, etc.)

Airports Economics and Development

- Current infrastructure condition and on-going development projects in the studied airports
- Approximate aeronautical charges collected in the airports
- Non-aeronautical revenues for Marsh Harbour and North Eleuthera and estimation for the rest of airports
- Operational expenses for Marsh Harbour and North Eleuthera and estimation for the rest of airports (including current staff)

Documents & statistical data missing that should be provided throughout Phase 2 of the study

Traffic

- Historical (from year 2004 to 2015) traffic statistics of Tier 1 & Tier 2 airports split by dom/int, commercial/private


Airports Financial Data

- Current airport aeronautical charges for all Tier 1 and Tier 2 airports
- Detailed (aeronautical & non-aeronautical) incomes per airport
- Detailed Opex per airport
- Historical (from year 2010 to 2015) P&L, Balance Sheet and Cash Flow statements for each airport
- Detailed construction costs in Bahamas and cost estimates of sample infrastructure projects built at the airport (FEED level)

Figures presented in this document will need to be validated during Phase 2 of the study

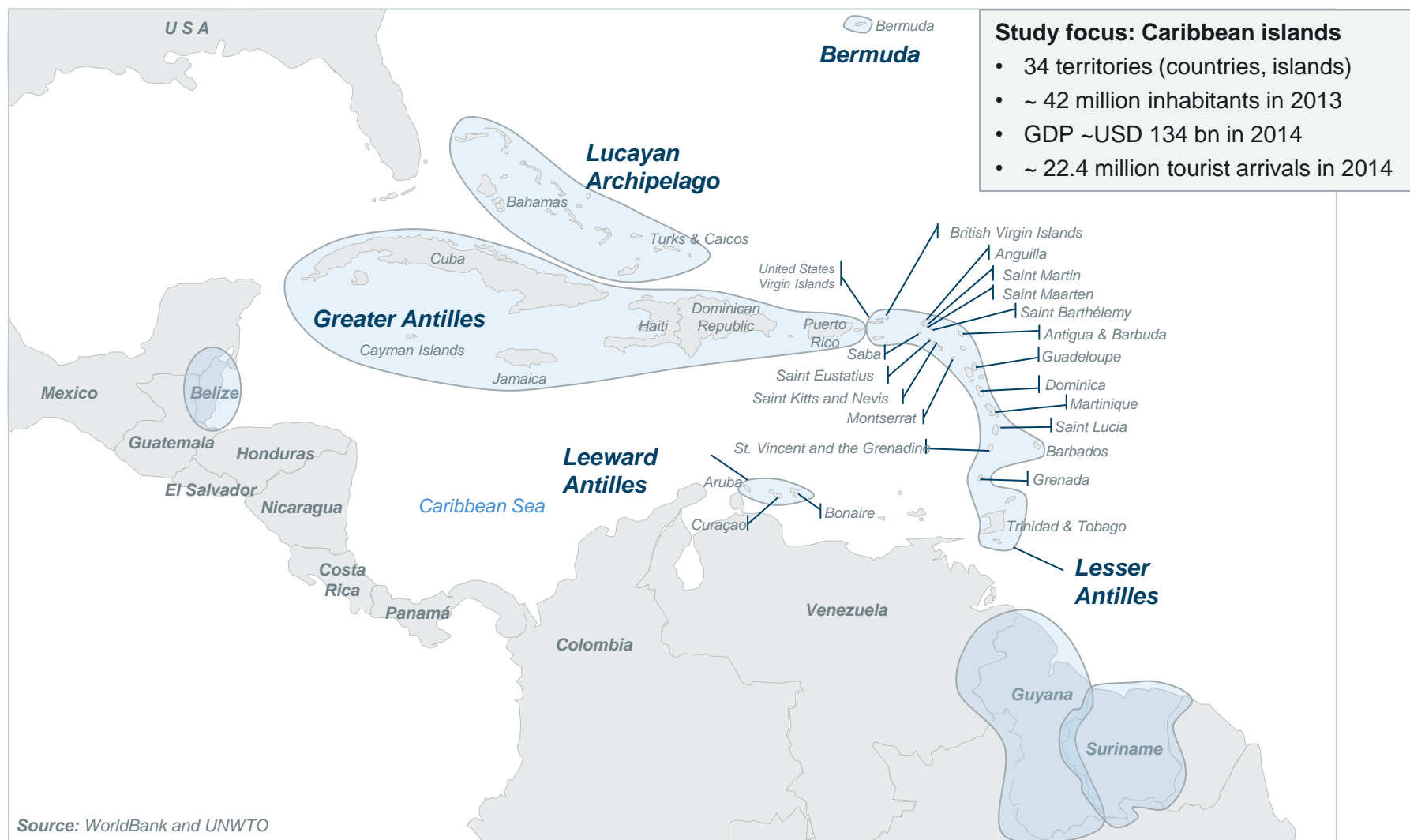
- 0. Executive Summary
- 1. Introduction
- 2. Caribbean market assessment**
- 3. Bahamas market assessment
- 4. Demand projections
- 5. Airport development plans and Capex
- 6. Preliminary financial assumptions
- 7. Selection of most feasible options for airports PPP
- 8. Details by airport

This chapter is structured in 3 sections

	Tourism
	Air Transport
	Airports

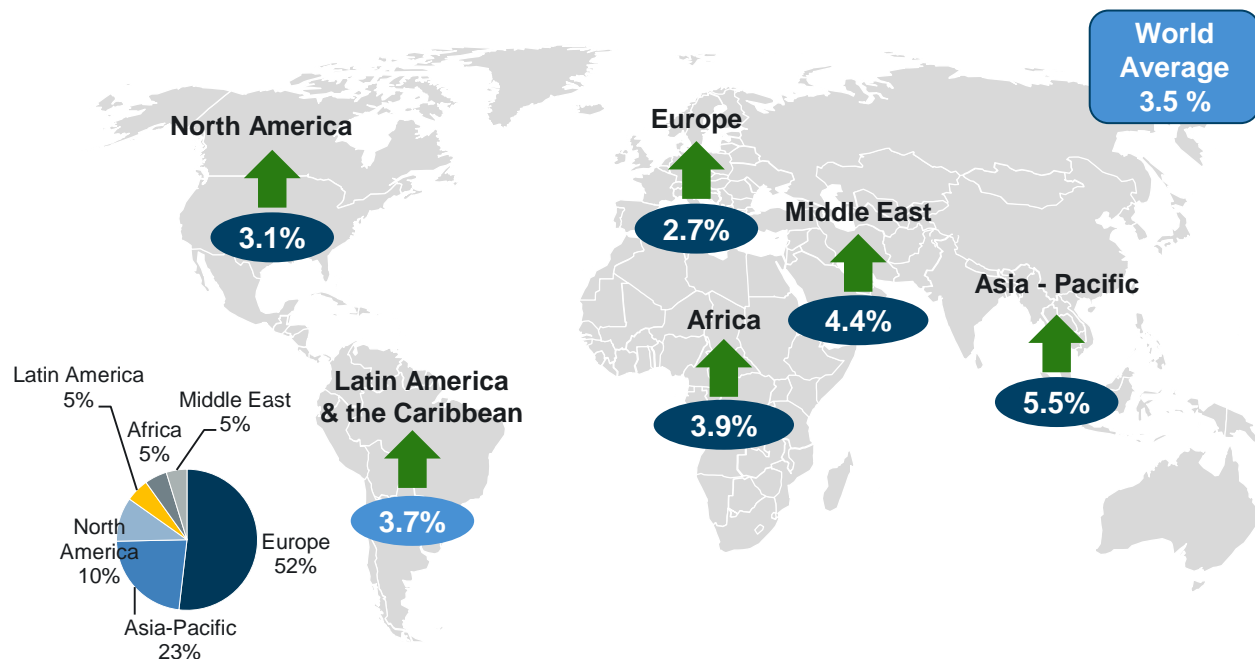
The Caribbean region receives c. 22 million tourist arrivals, accounting for 2% of the tourist arrivals worldwide (c. 1,133 million tourist arrivals)

Caribbean territories: tourism highlights



Tourist arrivals in the Caribbean have shown the lowest growth in LAC despite the increase in absolute numbers

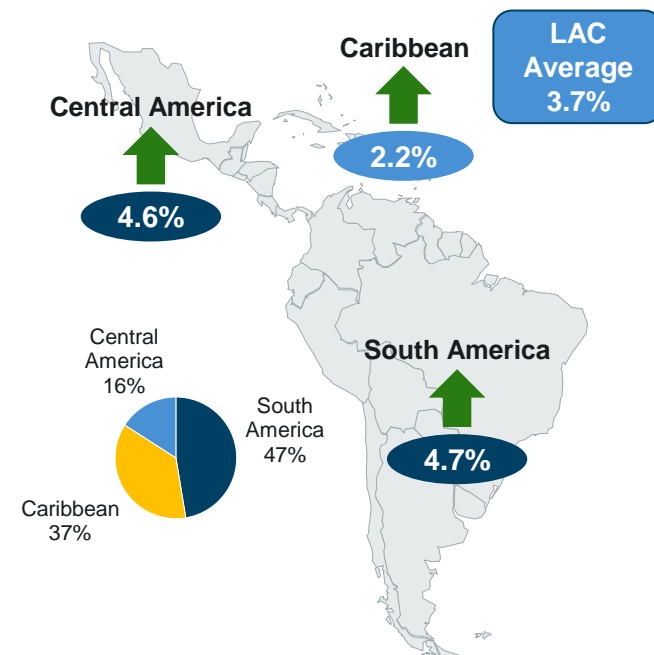
Evolution of International tourist arrivals by region – CAGR 05-15



- The **Latin American & Caribbean** markets together has the **fourth highest growth rate** in terms of tourist arrivals
- Latin America & the Caribbean** receives 5.4% of tourist arrivals worldwide

Source: UNWTO

Evolution of International tourist arrivals in LAC – CAGR 05-15

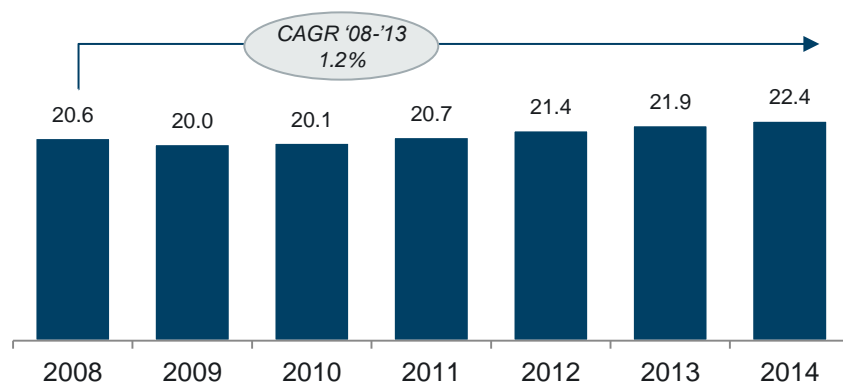


- The Caribbean is the market with the lowest growth in tourist arrivals within LAC (2.2% CAGR 05-15), below world average
- The Caribbean accounts for 37% of the total tourist arrivals in LAC

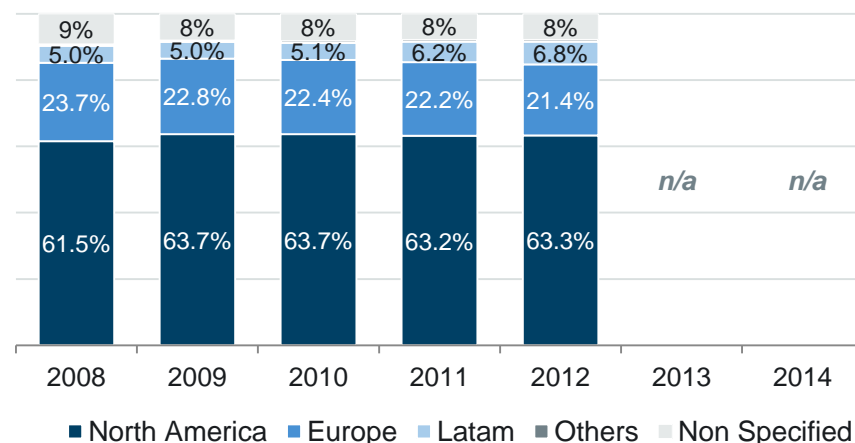
The Caribbean's 2.2% CAGR 05-15 is comparable with the world average, 3.5% CAGR 05-15

North America accounts for c. 63% of inbound tourists reaching the Caribbean

Evolution of tourist travel to the Caribbean (08-14) – million tourists



Tourist travel to the Caribbean by origin (2008-2014) – share %



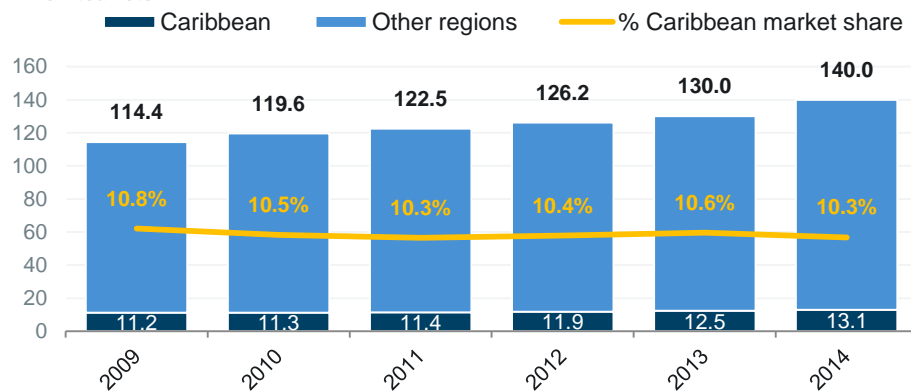
- The **overall tourist growth** between 2008 and 2014 was of **1.2%**
- **North America market share** remained almost constant in overall Caribbean tourist arrivals
 - **North America tourist arrivals grew at a CAGR of 1.7%** between 2008 and 2012
- **Main European source markets** remained quite stable in terms of Caribbean tourist arrivals
 - **European tourist arrivals decreased at a CAGR of -1.6%** between 2008 and 2012
- **The Latin American source markets gained share** in overall Caribbean tourist arrivals
 - **Latin American tourist arrivals grew at a CAGR of 8.9%** between 2008 and 2012

Source: UNWTO

According to Euromonitor, North American tourism to the Caribbean will grow at 3.2% p.a. in the next 4 years

Int'l Outbound tourism from North America (2009-2014)

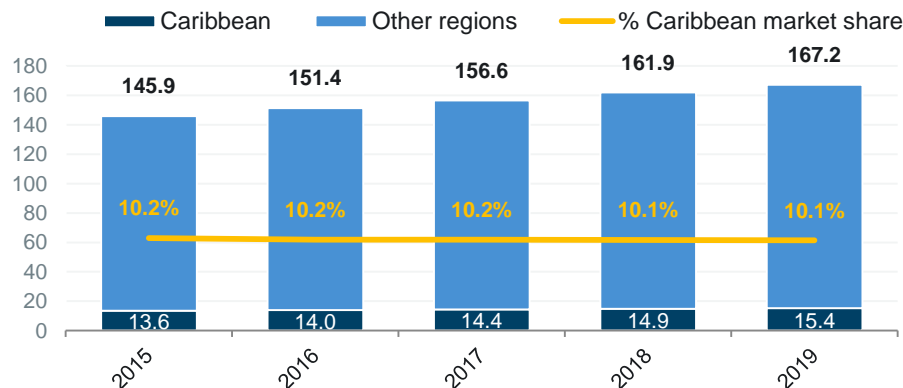
Million tourists



- The Caribbean market share among **internationally-outbound North American tourists** has remained stable since 2009
 - Outbound to the **Caribbean** countries has grown at a pace of **3.2%**, while the **total** outbound tourism from North America has grown at **4.2%**

Int'l Outbound tourism forecast from North America (f. 2015-2019)

Million tourists

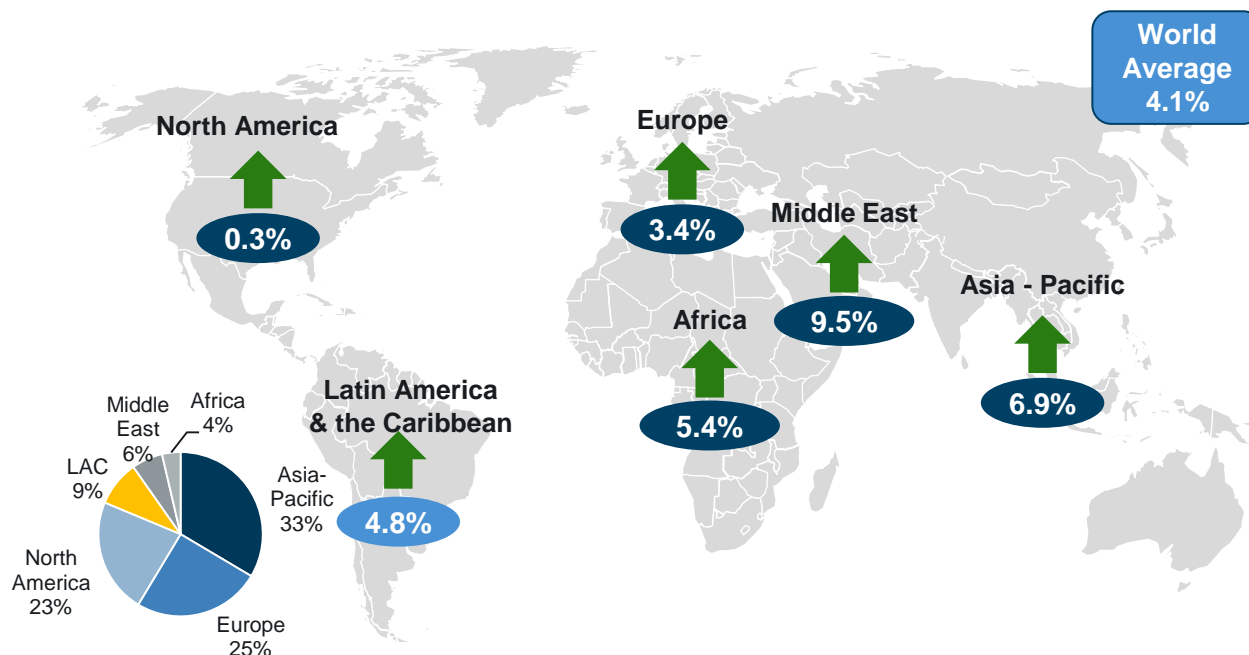


- According to Euromonitor, the **Caribbean market share** of the total North America outbound tourism will **remain virtually stable**
 - The outbound tourism to the **Caribbean** and **total** outbound tourism are expected to grow at a pace of **3.1%** and **3.5%** respectively

Source: Euromonitor

Air transport is key for the tourism industry; the Caribbean air transport market has experienced one of the slowest capacity growth rates in recent years (seats, 1.6% CAGR 06-15), aligned with growth in tourist arrivals (2.2%)

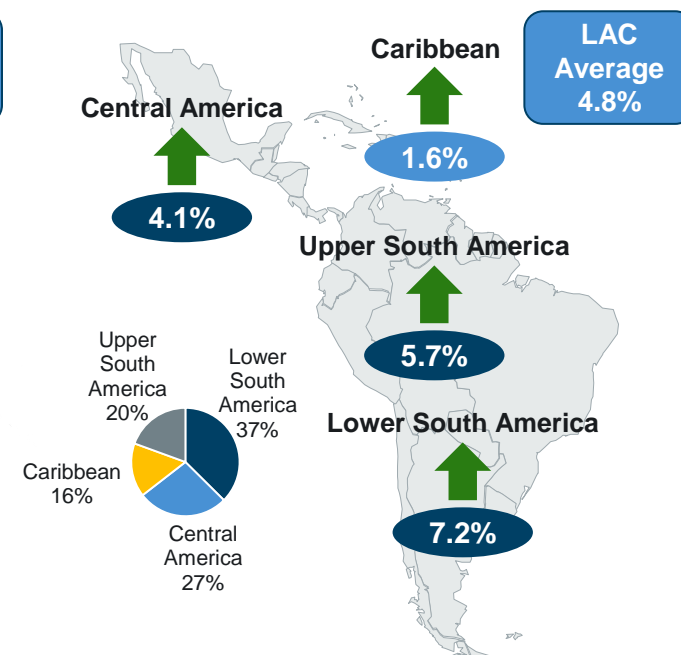
Supply growth per region (seats) – CAGR '06-'15



Source: OAG

- **LAC** is the **market** with the **fourth highest growth** in seats supply
- **LAC** represents 9% of total seats supply worldwide
- Low growth of North American seats supply, the main Caribbean market source

Supply growth in LAC (seats) - CAGR '06-'15



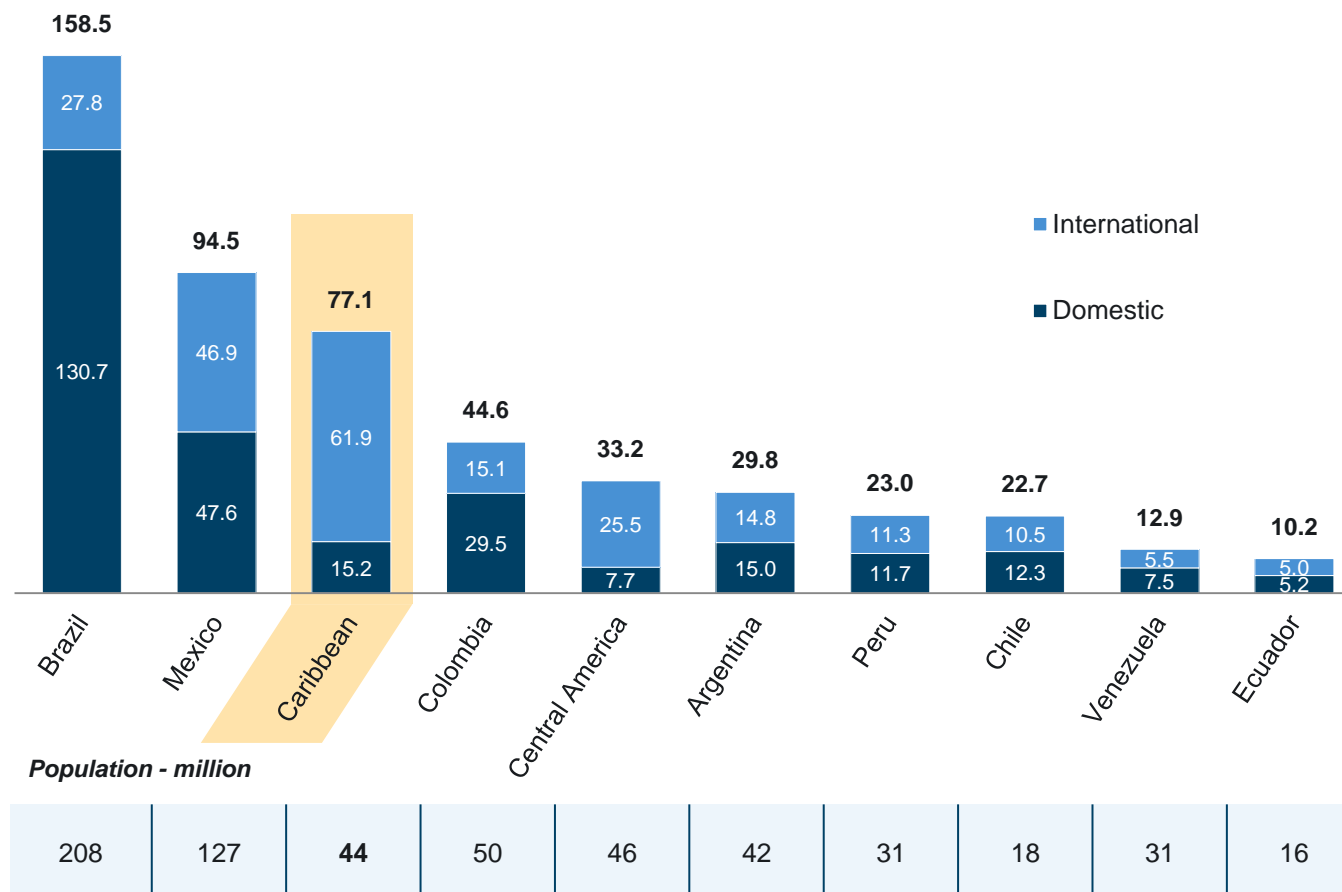
Source: OAG

- **The Caribbean** is the **market** with the **lowest growth in LAC** in terms of capacity
- **The Caribbean** accounts for 16% of the total LAC seats

The Caribbean is the market with the lowest growth in seats within LAC (1.6% CAGR '06 -'15), below the global average

The overall capacity of the Caribbean region would rank it as the 3rd country in LAC (1st in international capacity)

Scheduled supply (seat capacity) – million seats, 2015



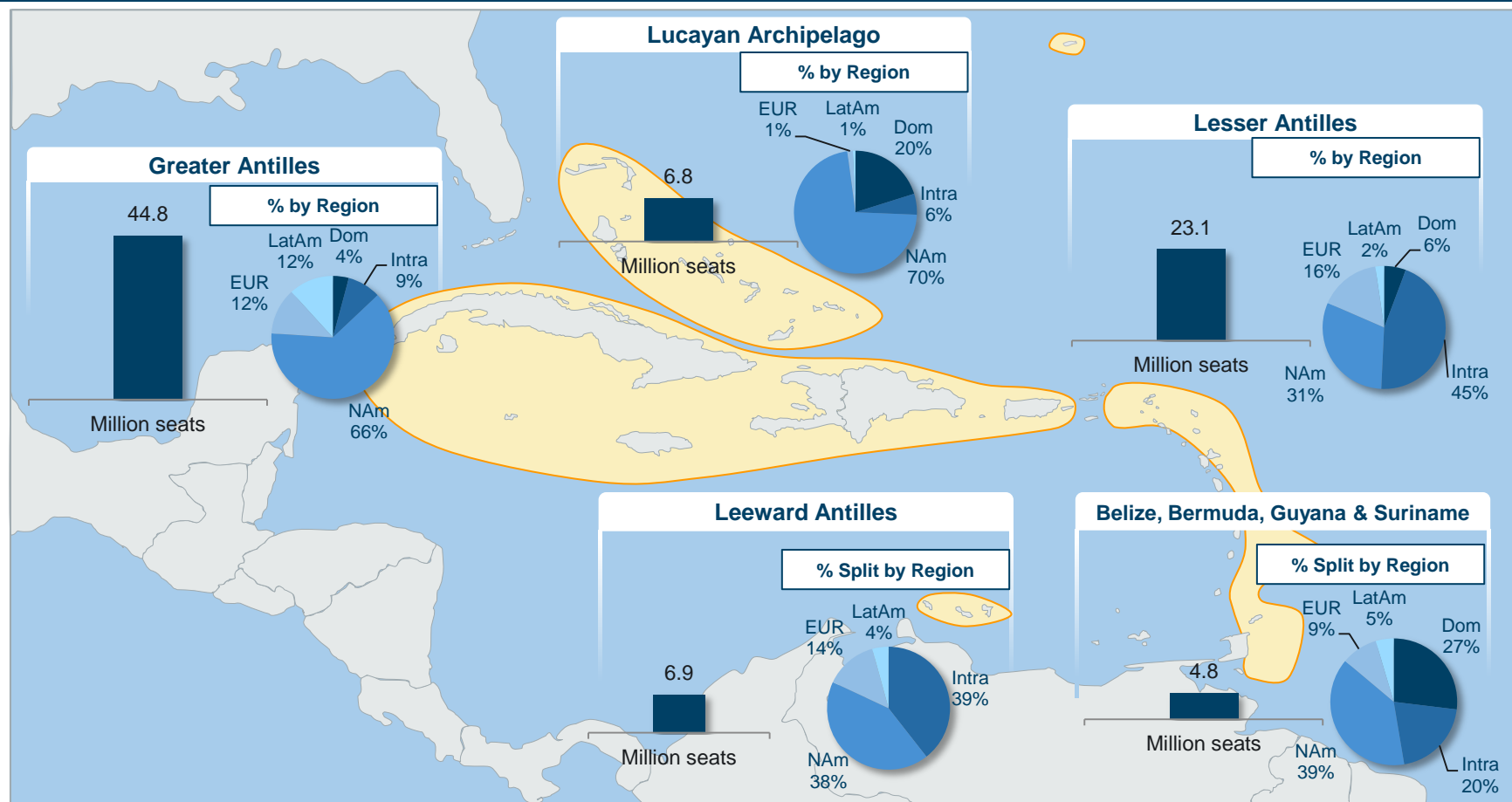
Domestic traffic includes Intra-Caribbean and Intra-CenAm for these 2 regions

Source: OAG, IHS

- Brazil and Mexico are the largest markets in LAC
- The Caribbean region would rank 3rd, right after Mexico
- The Caribbean would rank 1st in terms of international airlift capacity
- Most islands in the Caribbean are above the world average in terms of air transport seats per capita compared to income per capita: their insularity forces the population and tourists to use air transport
- Moreover, Caribbean islands have a higher than average dependence on tourism
- Most traffic in Caribbean territories is Inbound traffic (tourists visiting the countries).
- The largest territories (both in terms of population and area) tend to have a lower seats-per-capita ratio, as they are less dependent on air transport
- Importance of VFR in some Caribbean countries increasing the seats-per-capita ratio (i.e. Puerto Rico, Jamaica, Dominican Republic)

Composition of traffic by nationality, per archipelago

Total scheduled seat supply and market distribution by Caribbean archipelago

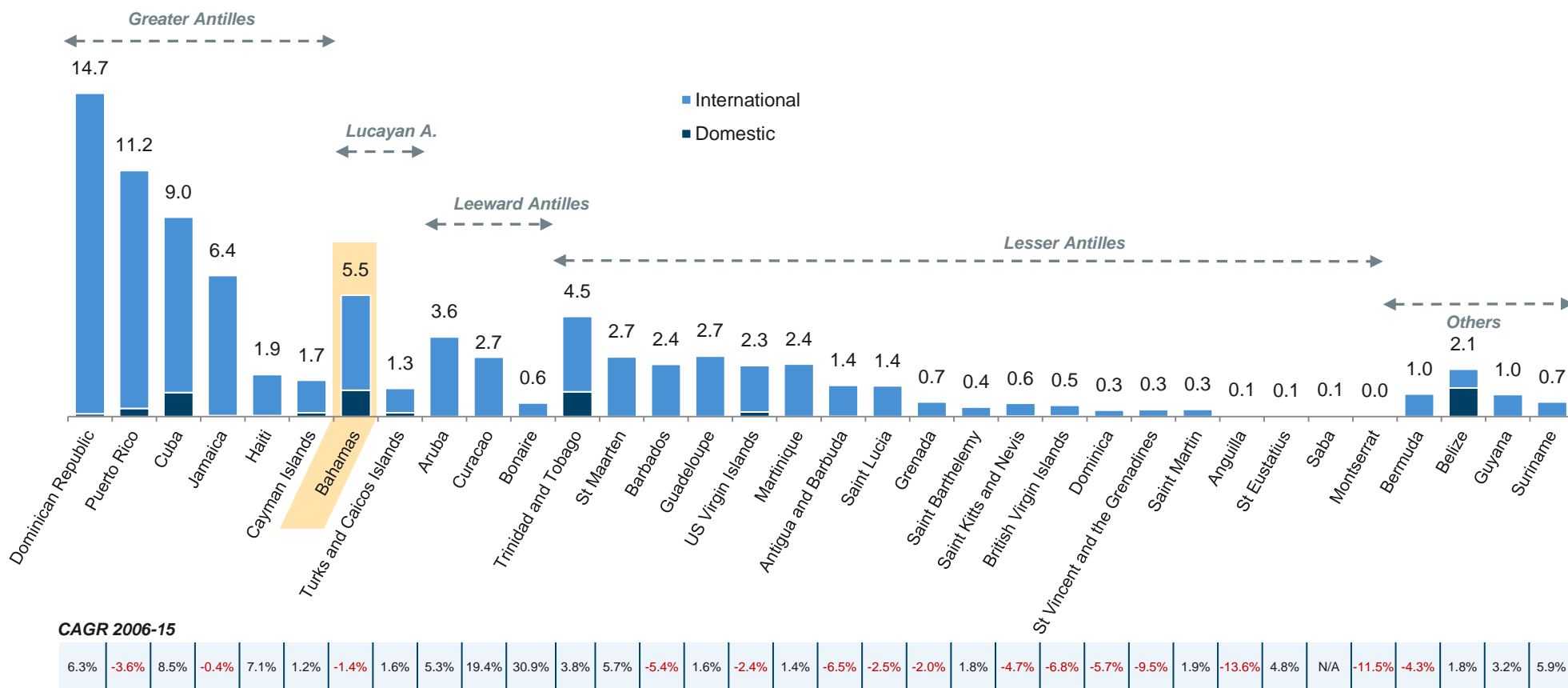


Source: OAG

North America accounts for more than two thirds of the source traffic to the Lucayan, Greater Antilles, & Bermuda, whereas the market is more evenly distributed in the Lesser and Leeward Antilles

Greater & Leeward Antilles' seat supply has increased during the 2005-2013 period (mainly Cuba, Haiti and Dominican Republic), whereas that of Lucayan & the Lesser Antilles has decreased

Scheduled seat supply – million, 2015

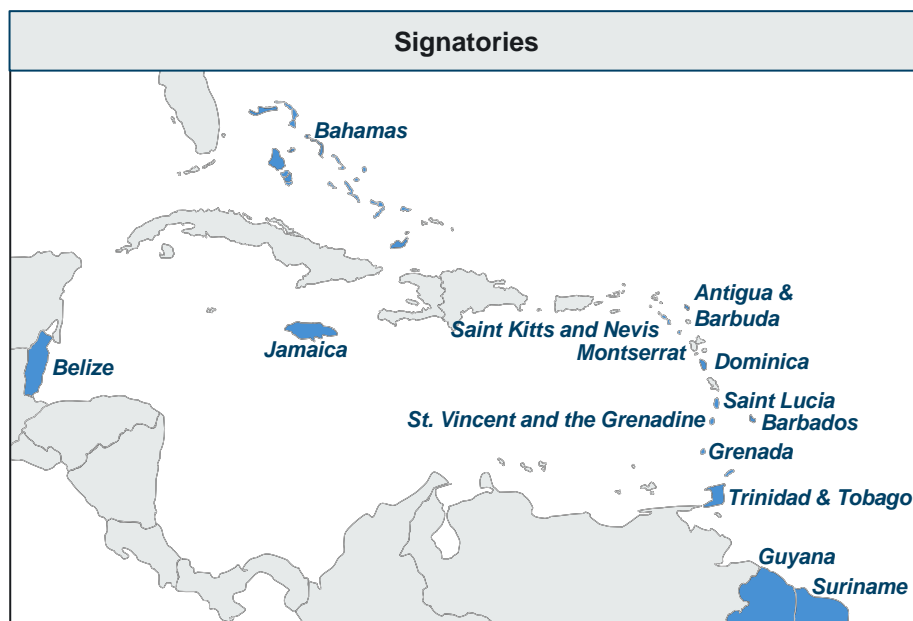


Source: OAG

The Dominican Republic, Cuba, Haiti, Curaçao and Bonaire show the highest growth in terms of scheduled seat supply (% growth) for the 2005-2013 period; whereas most of the countries show small or even negative growth

The Caribbean market is highly deregulated as regards to traffic to and from the North American and European markets, but the Intra-Caribbean market is still fairly regulated

CARICOM Multilateral Air Services Agreement -1996



- ✓ Grants 3rd, 4th and 5th freedoms between Member States
- ✗ Requires countries ratification with right to veto of national airlines
- ✗ Approval of tariffs by Member States
- ✗ Multiple designations restricted in those cases which affect national carriers

Intra-Caribbean market

- The Intra-Caribbean market is controlled by restrictive Air Service Agreements that could constrain the development of the market
- There is a Multilateral ASA signed in the region, but it fails to provide 7th or cabotage freedoms, free-fare setting and multiple designation of carriers
- National carriers are protected by the member States, making it difficult for new carriers to penetrate



Redjet was a private airline based in Barbados that from 2011 tried to develop a LCC model in the Caribbean, but the restrictions of the market led to bankruptcy and cease of operations in 2012

- Caribbean States tend to protect their endemic loss-making national carriers by means of subsidies



Caribbean Airlines received a fuel subsidy from the Government of i.e. Trinidad & Tobago. In 2013 this subsidy was retired but a new subsidy was given to restructure the company

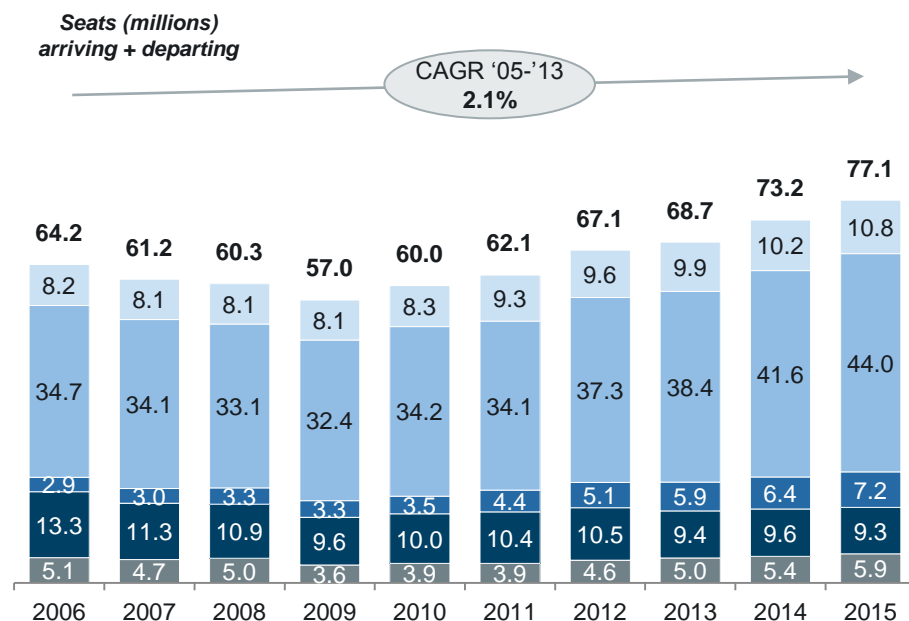
Long-haul markets

- There is a high degree of liberalisation with source tourism markets to the Caribbean
- Many States have Open Skies agreements with US, Canada and Europe. "De facto" open skies: legal framework is never a limitation
- Caribbean States subsidise international carriers to attract tourists to the region
- Some airports grant incentives for the development of new routes

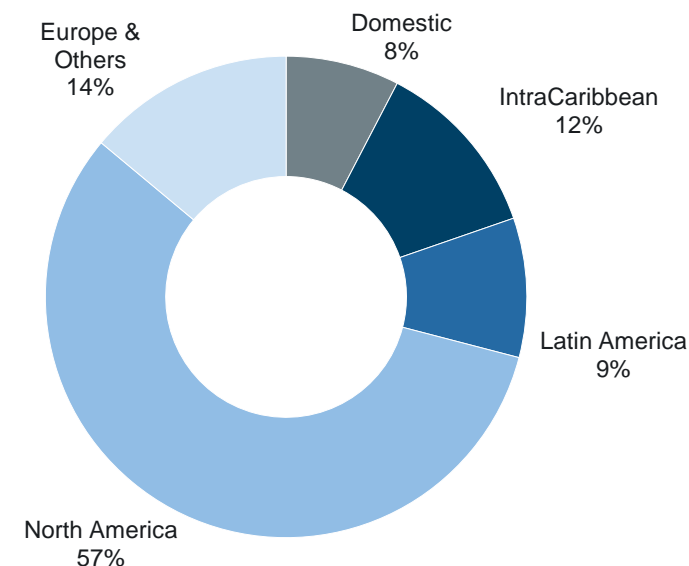
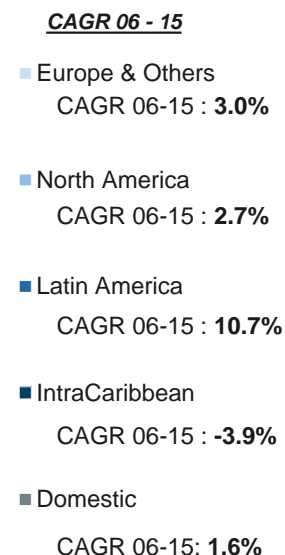
Source: Airbus; CARICOM

Source markets: Supply has grown with North American, Europe & LatAm markets, while Intra-Caribbean capacity has decreased

Scheduled supply evolution per market – 2006-2015



Scheduled supply market share – 2015

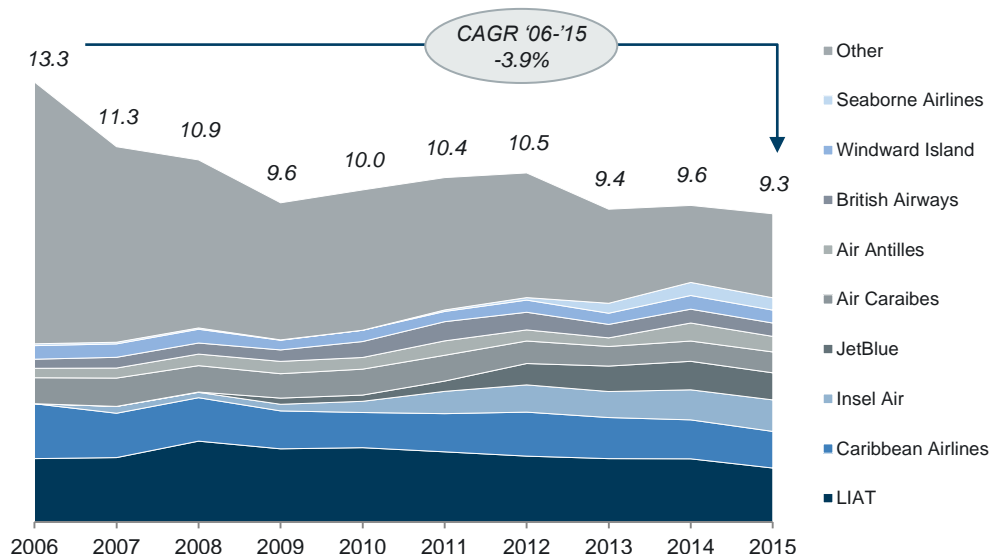


- Due to several factors (*see next slides*), the **Intra-Caribbean** market has suffered **continuous reductions** in its **seat supply**, with an average annual combined decrease of -3.9% (CAGR '06-'15)
- However, **other international markets** (LatAm, North America, Europe & Others) had **positive growth**, with an overall average **increase of 3.4%** (CAGR'06-'15)

Source: OAG

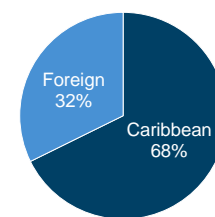
The intra-Caribbean demand has decreased considerably in recent years mainly due to the American Airlines withdrawal from Puerto Rico hub

Evolution of Intra-Caribbean market by airline - Mseats '06 - '15



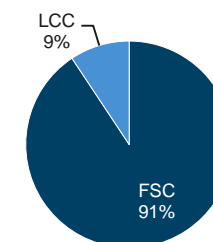
Airline nationality, type and aircraft type - %, 2015

Airline nationality
(% seats)

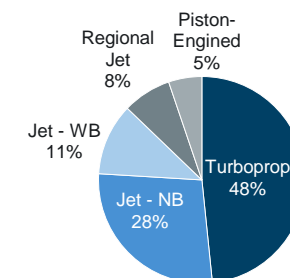


Source: OAG

Carrier type
(% seats)



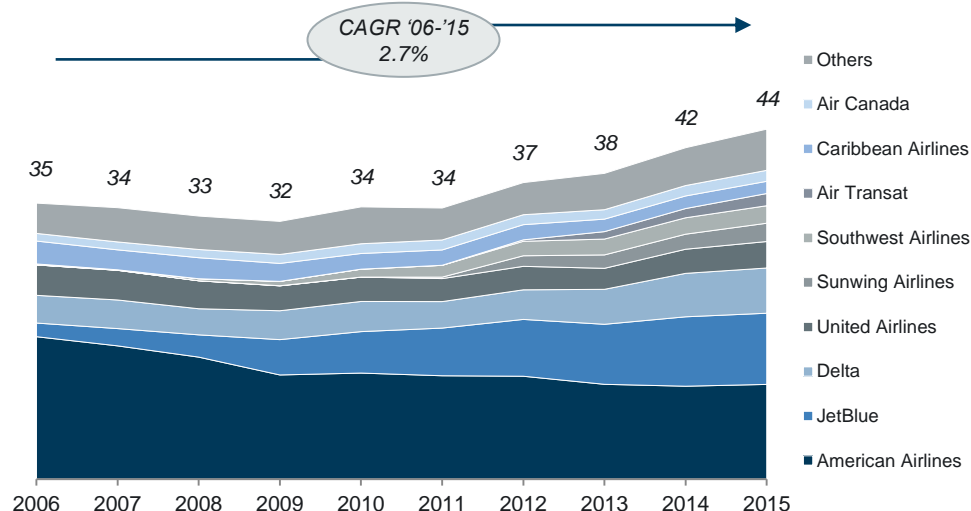
Aircraft type
(% freqs)



- **Several factors have hindered the development of the air traffic market inside the Caribbean** (decrease of 3.9% *per annum* in the last 10 years):
 - Economic weakness of the region in terms of GDP and population wealth
 - Market dominated by Caribbean carriers (main carrier LIAT); lack of strong hub airlines and of low-cost carriers
 - Lack of competition in most of the routes, due to the weak demand between them, leading to high yields for very short routes
 - High government charges for outbound traffic (% over ticket price) and rigid airport charges (no discrimination of markets; same passenger charges for regional than long-haul flights)
 - Use of turboprop aircraft which bring higher inherent unit costs than narrow-body aircraft
 - **American Airlines partial withdrawing from Puerto Rico hub in 2009 and complete withdrawal in 2013**
 - Very strong leisure demand and negligible business demand that could “subsidise” economy tickets and lower fares

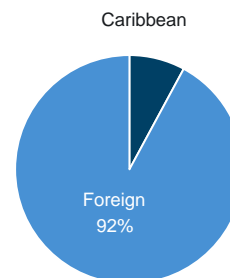
North American market: Supply almost flat from 2006 to 2011 and important increase since then (2.7% CAGR)

Evolution of North American market by airline – Mseats '06-'15



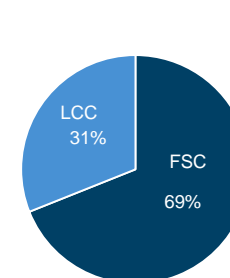
Airline nationality, type and aircraft type - %, 2015

Airline nationality
(% scheduled seats)

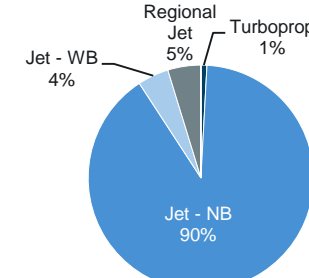


Source: OAG

Carrier type
(% scheduled seats)



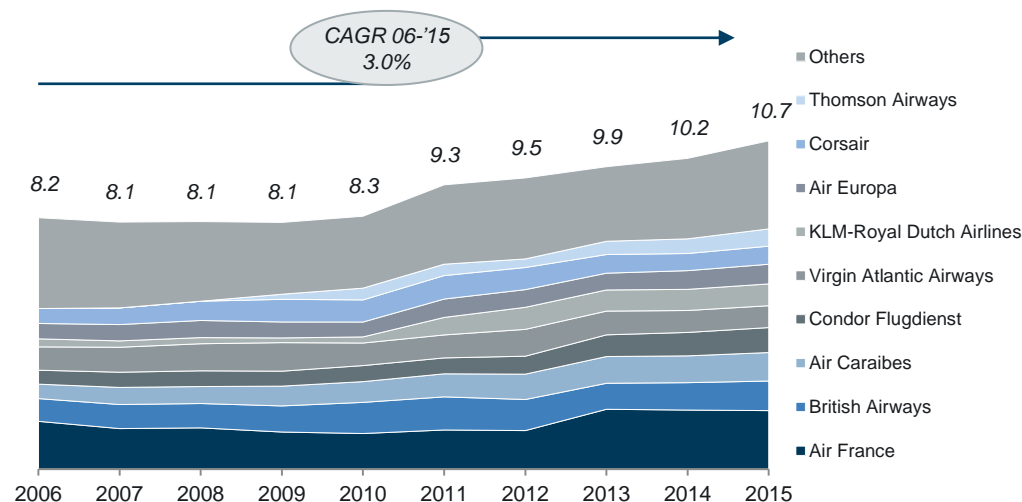
Aircraft type
(% scheduled freqs)



- North America – the Caribbean market has grown at an annual rate of 2.7% during the last 10 years
- The North American market is clearly dominated by foreign airlines (92% of the seat supply)
 - American Airlines is the main airline but is losing market share due to increased competition
 - Notable increase in the LCC share in recent years reaching 31% of total – JetBlue is the main LCC in the region
 - Caribbean Airlines is the largest domiciled Caribbean airline in the market
- Use of narrow body aircraft (c. 90%) and wide-body for longest flights (4%)
- Top 5 North American airports in this market: Miami, New York, Toronto, Fort Lauderdale and Atlanta
- Top 5 Caribbean airports in this market: San Juan, Punta Cana, Montego Bay, Nassau and Aruba

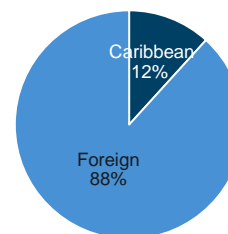
European market: after the stagnation from 2006 to 2010, there followed constant increase from 2010 to 2015, reaching a 3.0%CAGR from 2006-2015

Evolution of European market by airline – Mseats '06 -'15



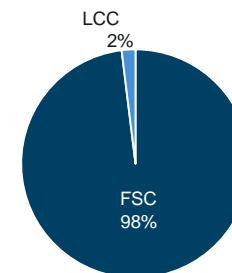
Airline nationality, type and aircraft type - %, 2015

Airline nationality
(% scheduled seats)

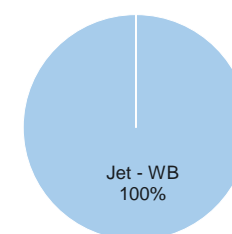


Source: OAG

Carrier type
(% scheduled seats)



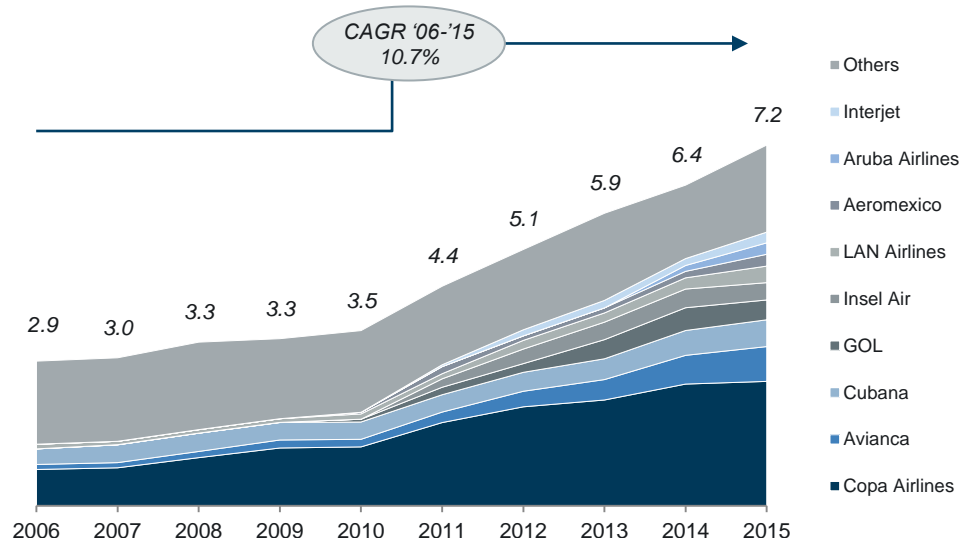
Aircraft type
(% scheduled freqs)



- Europe – Caribbean market has grown at an annual rate of 3% during last 10 years
- Caribbean competes with other regions for European outbound tourists
- The European market is clearly dominated by foreign airlines (88% of the seat supply)
 - Air France-KLM Group is the main player (24% market share)
 - Air Caraïbes is the largest Caribbean-based airline in the market
 - Significant presence of charter flights
- Operated with wide-body aircraft
- Top 5 European airports: London, Amsterdam, Frankfurt, Paris and Madrid
- Top 5 Caribbean airports: Punta Cana, La Havana, Montego Bay, Puerto Plata and Santo Domingo

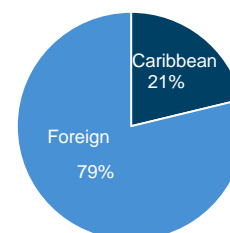
LatAm market: significant increase of overall seat supply (10.7% CAGR) specially in the 2010-2015 period

Evolution of Latin American market by airline – Mseats '06 - '15



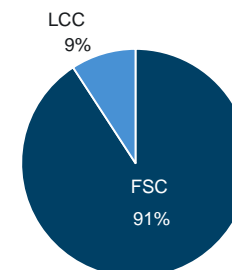
Airline nationality, type and aircraft type - %, 2015

Airline nationality
(% scheduled seats)

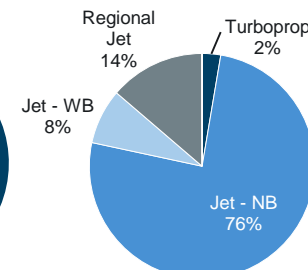


Source: OAG

Carrier type
(% scheduled seats)



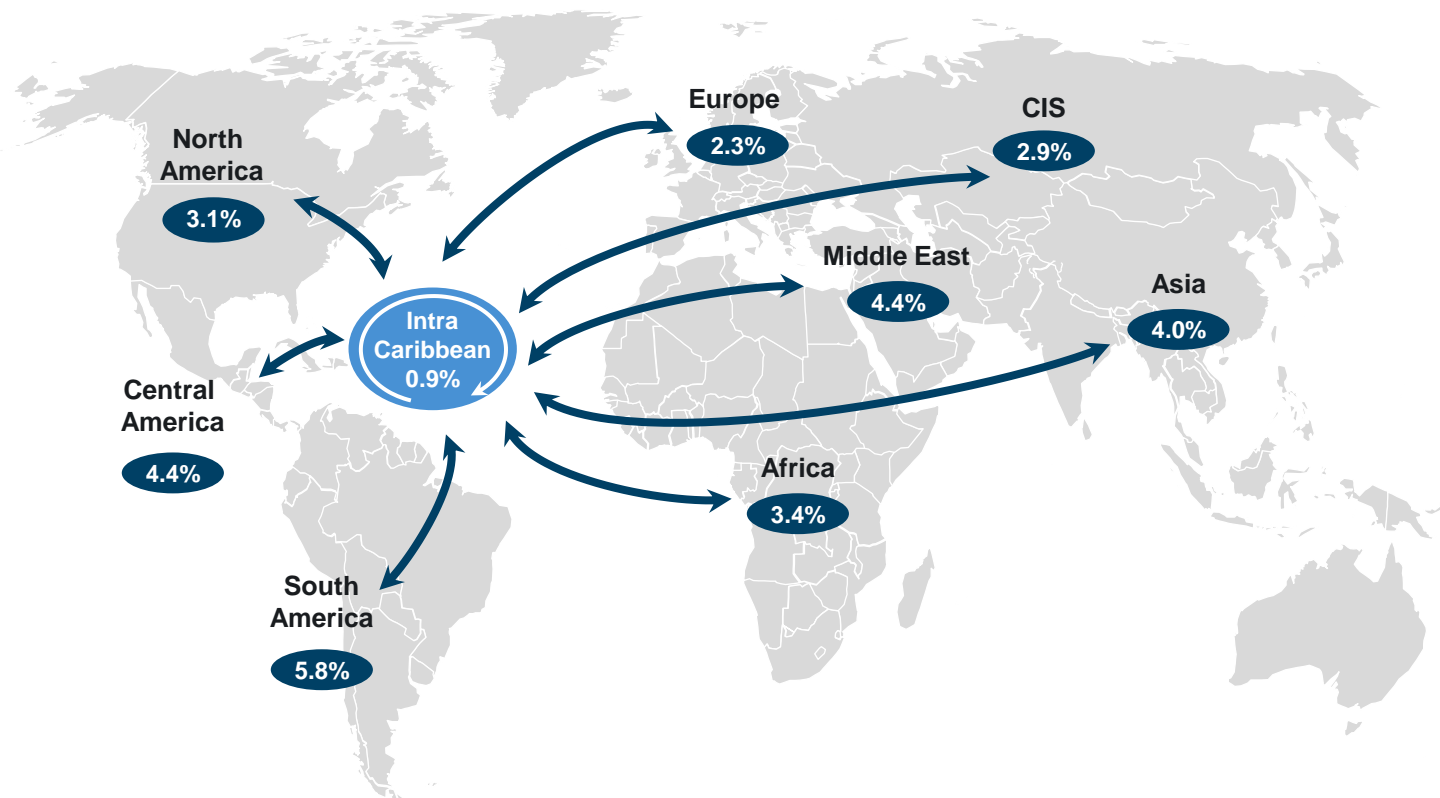
Aircraft type
(% scheduled freqs)



- The Latin American – Caribbean market has grown at an annual rate of 10.7% during last 10 years
- Growing & dynamic market with emerging economies: Caribbean is ideally located to be a competitive tourism destination
- The LatAm market is dominated by foreign airlines but 20% of the seat supply is operated by Caribbean airlines
 - Copa is the main player (hub in Panama) and its weight is increasing – c. 35% market share
 - Second foreign airline is Avianca which is also increasing but far from Copa
 - Strong LatAm based airlines that are able and willing to take advantage of the opportunity
 - Cubana and Insel Air are the main carriers based in the Caribbean in this market
- Use of narrow-body aircraft (76%) and regional jets (14%)
- Top 3 LatAm airports: Panama City, Caracas and Bogota
- Top 5 Caribbean airports: La Havana, Curaçao, Aruba, Santo Domingo and Port of Spain

Airbus expects international Caribbean traffic to grow at c. 3% per annum in the next 20 years

Airbus traffic forecast: Average annual growth rates 2015-2034 between Caribbean (traffic growth CAGR 2015-2034, %)



- Airbus expects international Caribbean traffic to grow at c. 3% per annum over the next 20 years:
- Around ~3% per annum for mature countries (North America, Europe)
- Optimistic about emerging markets (Latin America, Asia and the Middle East)
- Pessimistic about the Intra-Caribbean market (0.9%, making it Airbus' lowest expected growth rate in the world)

Other Industry Forecasts

- **Euromonitor:** North – America outbound tourism to Caribbean growth of 3.1% (CAGR 2015-2019)

Source: Airbus, Euromonitor

A large airport network in the Caribbean region with limited traffic volumes

Top 30 Caribbean airports – M. seats, 2015

		CAGR '06-'15
San Juan Luis	10.3	-4.0%
Punta Cana	7.3	13.0%
Havana	4.9	4.1%
Nassau	4.5	-0.9%
Santo Domingo	4.5	2.0%
Montego Bay	4.4	0.1%
Port of Spain	4.4	4.7%
Aruba	3.6	5.2%
Pointe-a-Pitre	2.7	1.5%
St Maarten	2.7	5.4%
Curacao	2.7	20.8%
Fort de France	2.4	1.4%
Barbados	2.4	-5.4%
Kingston Norman	2.0	-4.3%
Varadero	1.8	16.6%
Port au Prince	1.8	6.9%
St Thomas Cyril	1.8	-0.8%
Santiago	1.7	2.8%
Grand Cayman	1.6	1.2%
Belize City Goldson	1.4	1.1%
Antigua	1.4	-6.5%
Tobago	1.3	10.2%
Providenciales	1.3	2.3%
Hewanorra Intl	1.1	5.6%
Bermuda	1.0	-4.3%
Georgetown	0.9	2.1%
Puerto Plata	0.9	2.4%
Holguin	0.9	8.1%
Santa Clara	0.8	52.6%
Freeport	0.7	-4.3%
Others	13.3	-0.2%

■ Domestic
■ International







- The **airport network** in the Caribbean region has a **large number of airports** (almost 70 airports in the region with more than one weekly international flight) **with limited traffic volumes**
- Low traffic concentration & no airport hubs in the region:** Top 10 airports only account for 57% of the Caribbean's capacity
 - The largest Caribbean airport, San Juan in Puerto Rico, with 10.2 Mseats, ranks 21st in the LAC region and Punta Cana (2nd in Caribbean) would be 31st in the LAC region
- High airport charges** as a consequence of lack of economies of scale
 - High airport charges & taxes for outbound traffic can represent a large proportion of ticket prices for intra-Caribbean traffic

Source: OAG

- 0. Executive Summary
- 1. Introduction
- 2. Caribbean market assessment
- 3. Bahamas market assessment**
- 4. Demand projections
- 5. Airport development plans and Capex
- 6. Preliminary financial assumptions
- 7. Selection of most feasible options for airports PPP
- 8. Details by airport

This chapter is structured in 4 sections

	Economic Overview
	Tourism
	Air transport
	Airports

The economy of Bahamas accounts for c. USD 8,510.5 m

The Bahamas airports map



Source: WorldBank, Stantec report and OAG

The Bahamas facts

The Bahamas



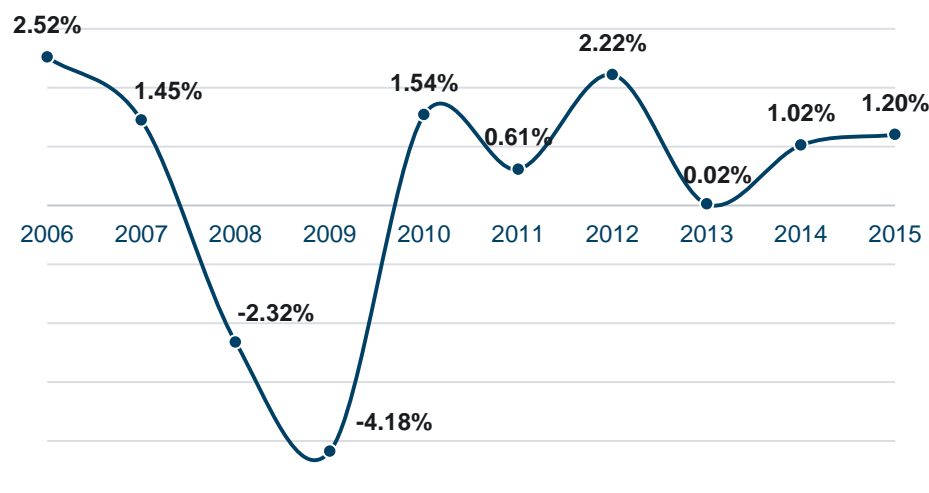
Land Area	13,880 km ²	
Population (2014)	383,054	
New providence	248,948	65%
Grand Bahama	80,469	21%
Family Islands	53,637	14%
Density (2014)	27.6 people/km ²	
GDP (2014)	USD 8,510.5 m	
GDP per capita (2014)	USD 22,217	
Total Hotel rooms (2013)	14,836	
Stopover visitors (2013)	1,364,200	
Visitors average stay (2013)	6,8	

The Bahamas Airports

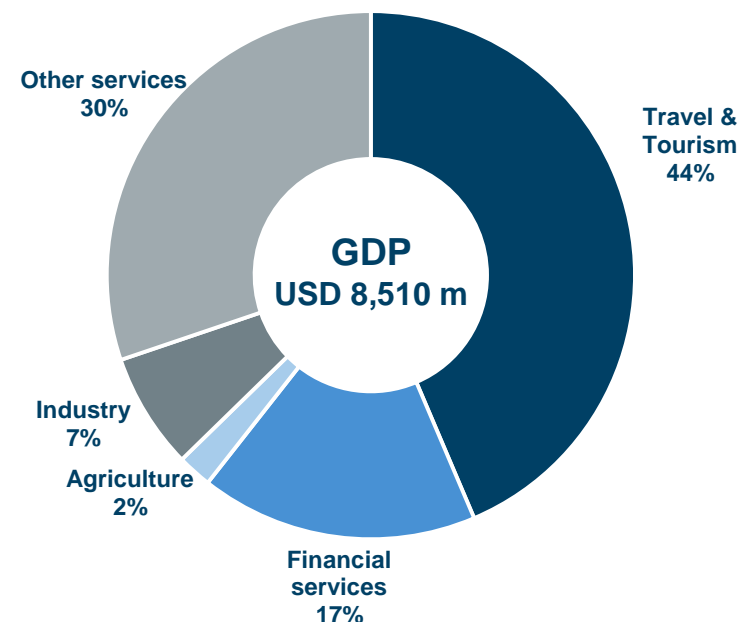
Lynden Pindling Airport (2015)	Supply: 4,664,101 seats
Freeport Airport (2015)	Supply: 868,399 seats
Family Islands Airports (2015)	Supply: 1,334,404 seats

The economy of Bahamas has grown at a rate of *c. 0.7% per annum* throughout the last decade

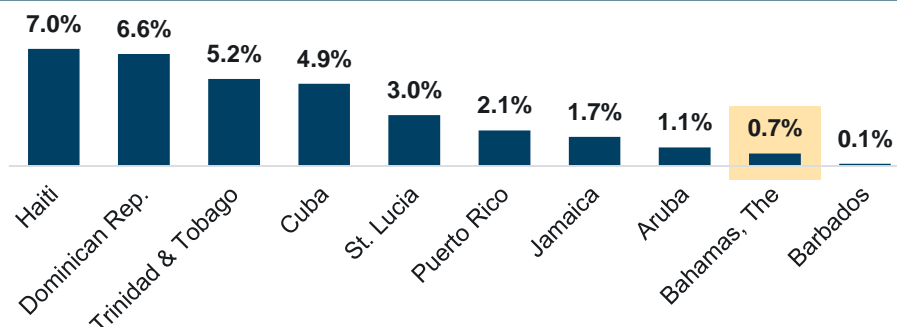
The Bahamas GDP evolution – 2006-2015



GDP composition - 2014



Caribbean countries Avg. GDP evolution – CAGR '06-'14

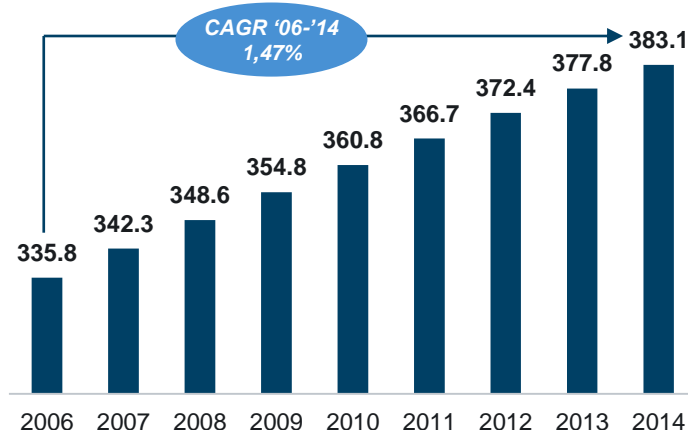


- The Bahamas GDP has grown with a CAGR of 0,74% between 2006 and 2014
- In 2014, 43.6% of The Bahamas' GDP was directly and indirectly related to international tourism

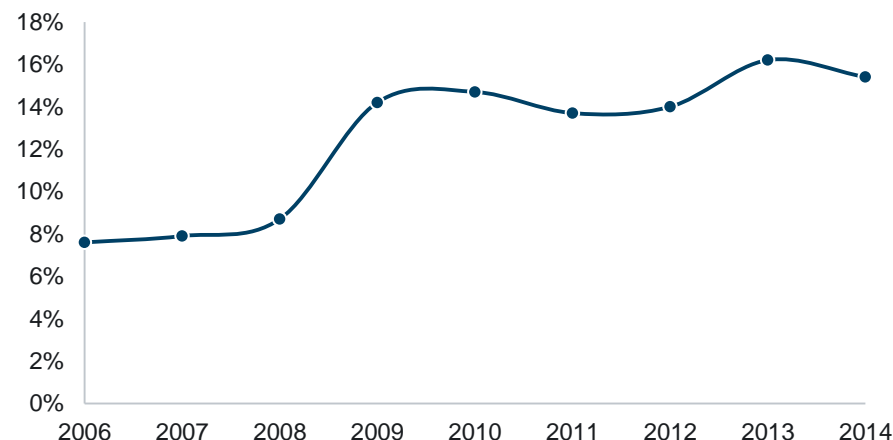
Source: WorldBank and WTTC

The population of Bahamas has grown at a pace of *c. 1.5% per annum* throughout the last decade

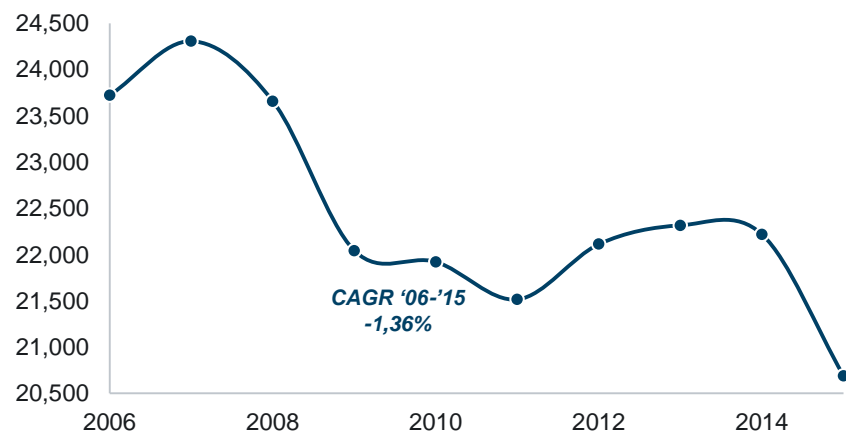
Population – '000 citizens



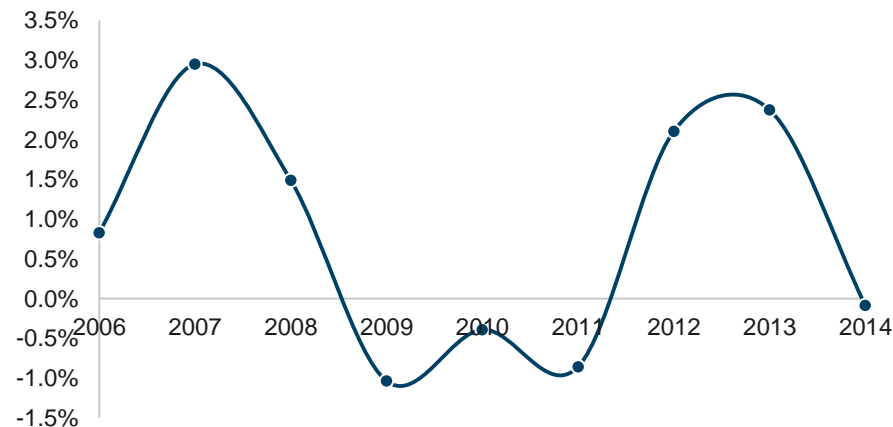
Unemployment rate – %



GDP/capita – Current USD



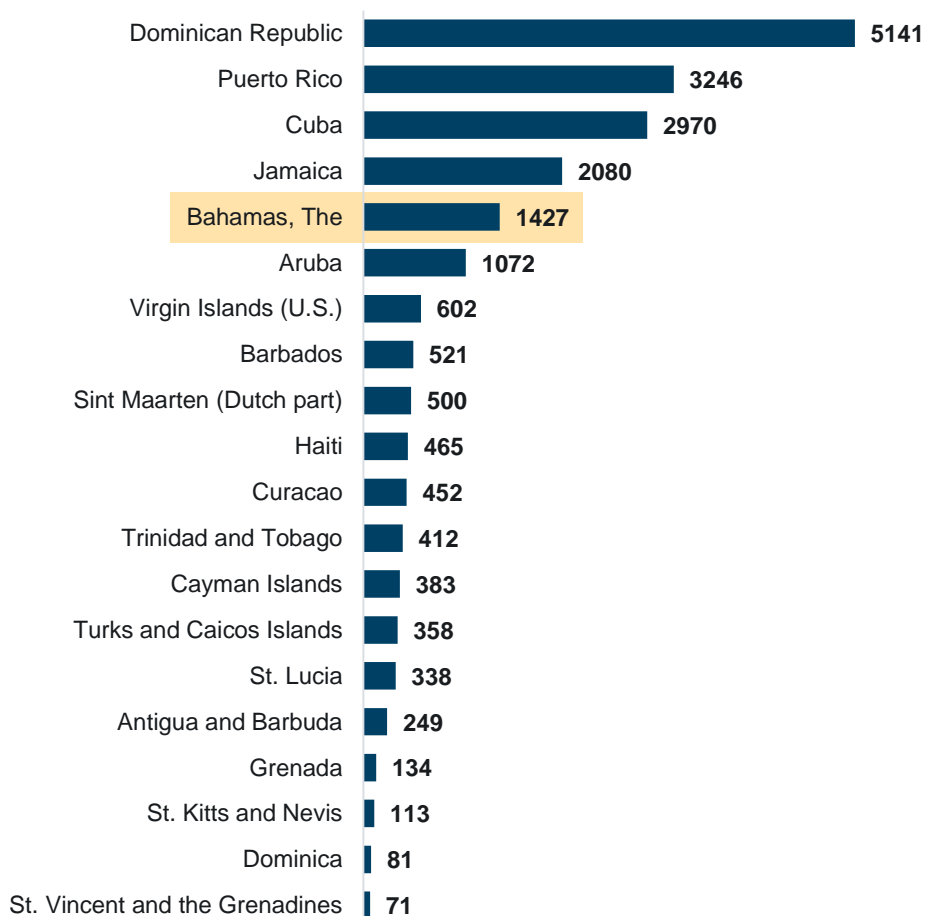
Inflation rate – %



Source: WorldBank

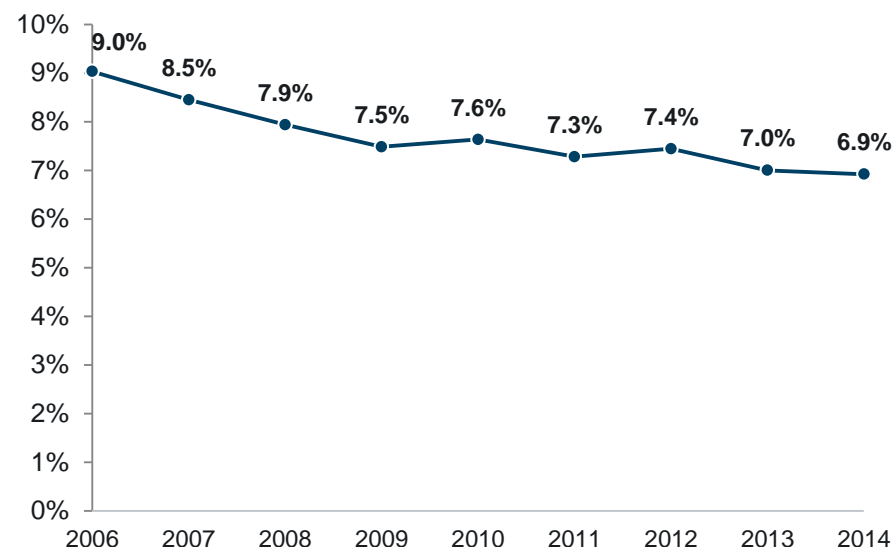
The Bahamas tourist market is one of the largest in the Caribbean (ranks 5th) but has decreased its market share throughout the last decade

Ranking int'l tourists in E. Caribbean in 2014 – '000 visitors



Source: WorldBank

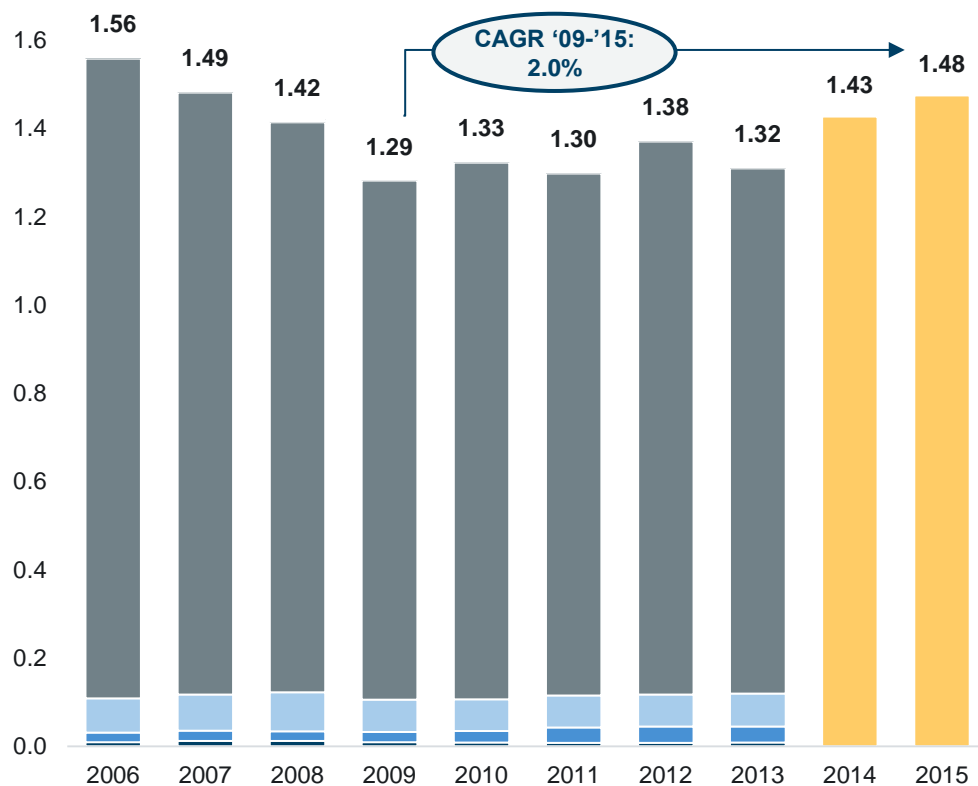
Share of int'l tourism The Bahamas vs. Caribbean – %



- The Bahamas' international tourist market ranks 5th in the Caribbean. The Dominican Republic is the largest tourism market with 5 million international tourists in 2014.
- The Bahamas' market share of international tourism in the Caribbean has **decreased** over recent years mainly due to the maturity of the USA market, the most relevant market

USA nationals account for more than 80% of the tourists visiting Bahamas

Evolution of int'l tourists in The Bahamas – Million tourists



Note: No data by origin country available for 2014 and 2015

■ Caribbean ■ Latin America ■ Europe ■ North America ■ Asia ■ Africa ■ Australia

CAGR '06-'13

-0.75% -6.53% -0.45 -2.44% -4.65% 1.96% 5.31%

Source: TourismToday

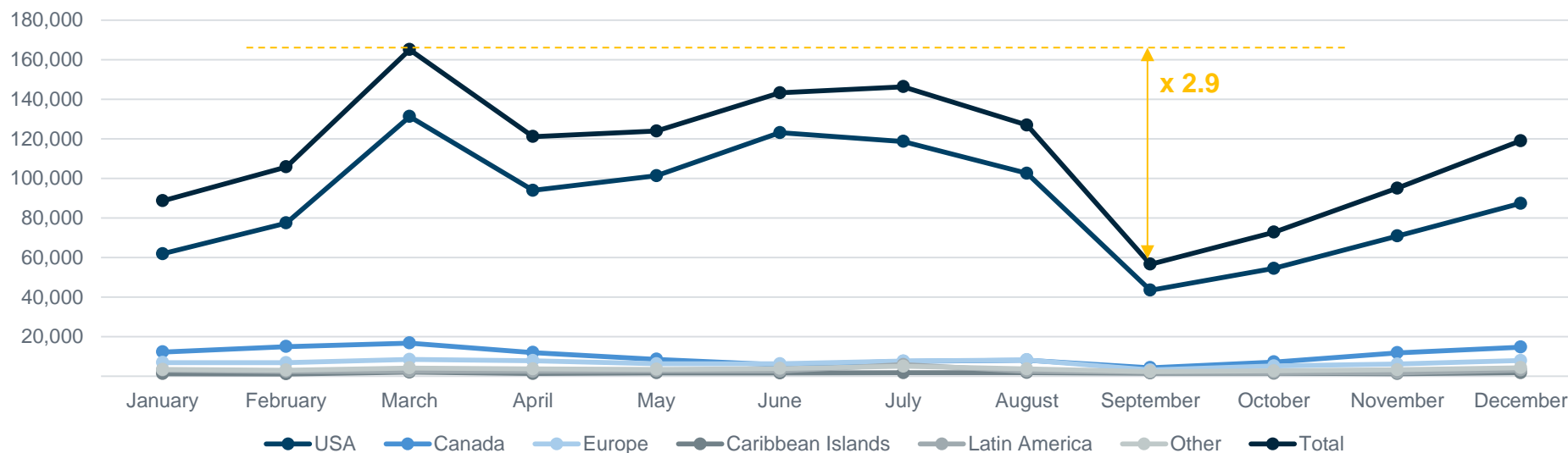
Top-5 countries (2013)

Countries	Emigrants
USA	1,066,064
Canada	123,720
UK	23,989
France	14,001
Germany	8,934
TOTAL	1,236,708 (94%)

- As a top-end destination, **The Bahamas receives almost 1,500,000 international tourists every year.**
- From 2006 to 2015, international **tourism has been decreasing** at an average pace of **-0.6% annually**, mainly because of the decrease in the number of North America tourists
- However, the last 3 years have seen a recovery: 3.9% CAGR '13-'15**
- This **market shrinking** is mainly due to the impact of the **financial crisis** that affected the two most relevant source market: USA

Tourism in The Bahamas has a strong seasonality

Monthly tourist arrivals - 2013



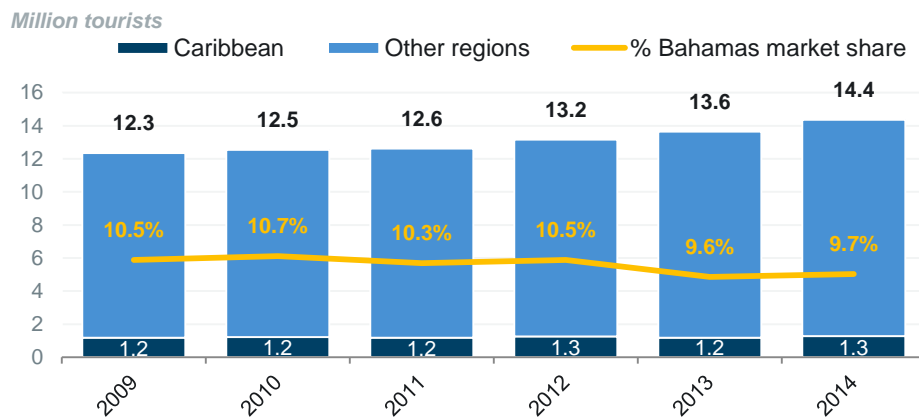
The Bahamas high season is considered to go from March to August, mainly because of USA summer break

- There is a **strong seasonality** in The Bahamas, as there is a reduction of **65% in the number of tourists in low season** (September, least crowded month) compared to high season (March, most crowded month).
- The main country of origin is the **United States**: The seasonality is correlated with the travelling habits and preferences of the US citizens.

Source: TourismToday

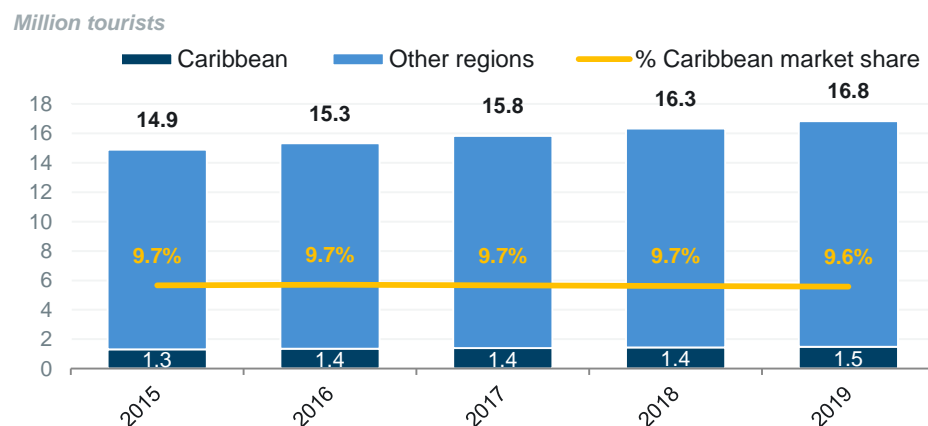
According to Euromonitor, North American tourist destinations to the Bahamas will grow at c. 2.9% per annum during the next 4 years (1/2)

Int'l Outbound tourism from North America (2009-2014)



- The Bahamas has lost market share among internationally-outbound **North American tourists to the Caribbean** since 2009
 - Tourism to the **Caribbean** region has grown at **3.2%**
 - Tourism to **Bahamas** has grown at a rate of **1.6%**

Int'l Outbound tourism forecast from North America (f. 2015-2019)

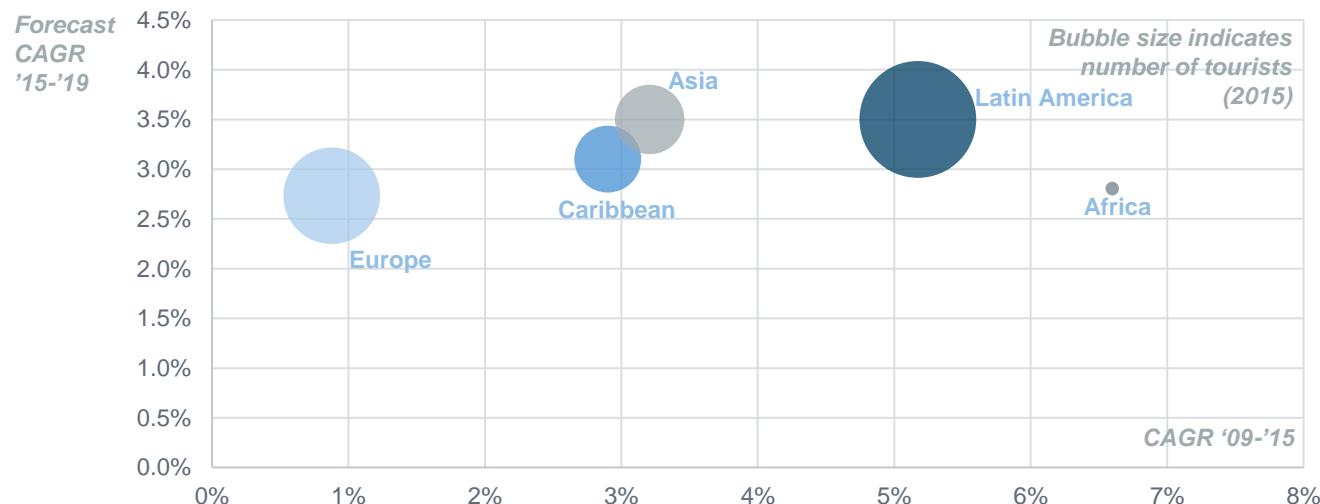


- According to Euromonitor, the share of Caribbean market from North America outbound tourism will **not grow** for 4 years
 - To the **Caribbean** region will grow at **3.1%**
 - Tourism to **Bahamas** will grow at a rate of **2.9%**

Source: Euromonitor

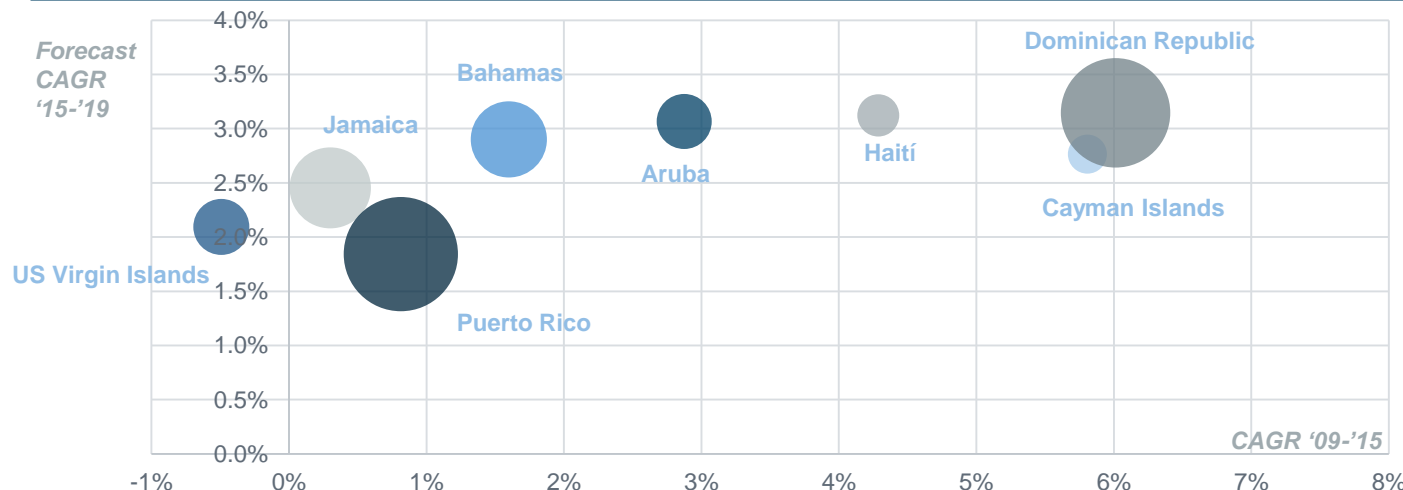
According to Euromonitor, North American tourist destinations to the Bahamas will grow at c. 2.9% per annum during the next 4 years (2/2)

Evolution of main North America tourism destinations (2009-2019)



- North American outbound tourism is focused on Europe and LatAm
- Latin America is the largest US tourism market by volume and Asia is expected to have the highest increase in market share
- The Caribbean** region is the **fourth** North American **market by volume**
- The **Caribbean market** is expected to grow at a **CAGR 3.1%**, compared to the total CAGR of 3.5% of North America tourism
- In general, the Caribbean is losing market share among international outbound **North America** tourism

Evolution of main North America tourism destinations to the Caribbean countries (2009-19)



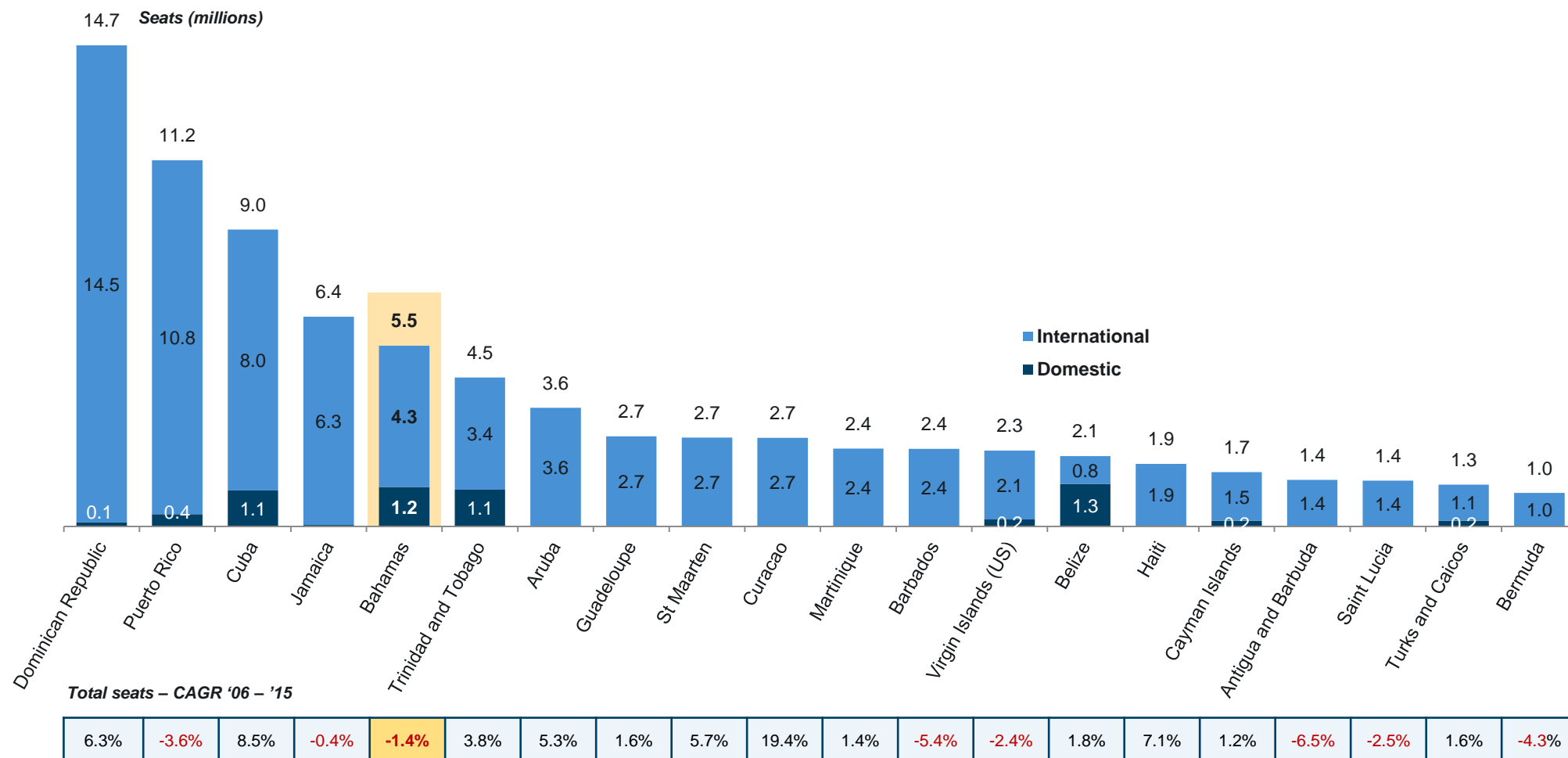
- Both the **Dominican Republic** and **Puerto Rico** are the **main markets** by volume for North America outbound tourism
- The **Dominican Republic** is expected to experience the **highest growth** among the Caribbean countries, whereas **Puerto Rico's** projections are **below the Caribbean growth**
- The Bahamas** has grown at a **CAGR of 1.6%**, whereas the Caribbean has grown at 3.2%
- The expected growth** of The Bahamas (CAGR 2.9%) is **below the Caribbean market growth (3.1%)**

Source: Euromonitor

Note: This forecast was done prior to changes in political relations USA - Cuba

Bahamas air transport market is the 5th largest in the Caribbean with ~5.5 Mseats and the 2nd largest in terms of domestic supply

Top 20 Caribbean countries seats supply - 2015

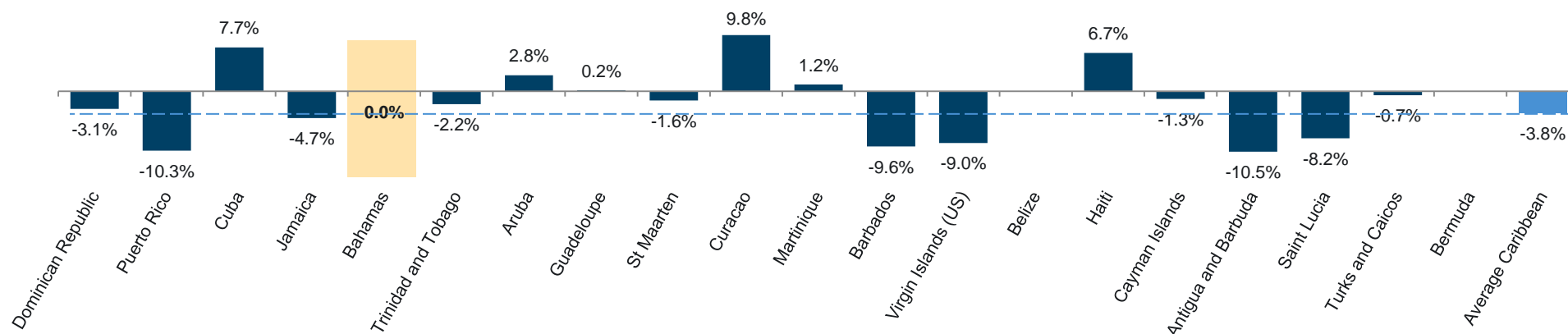


Source: OAG

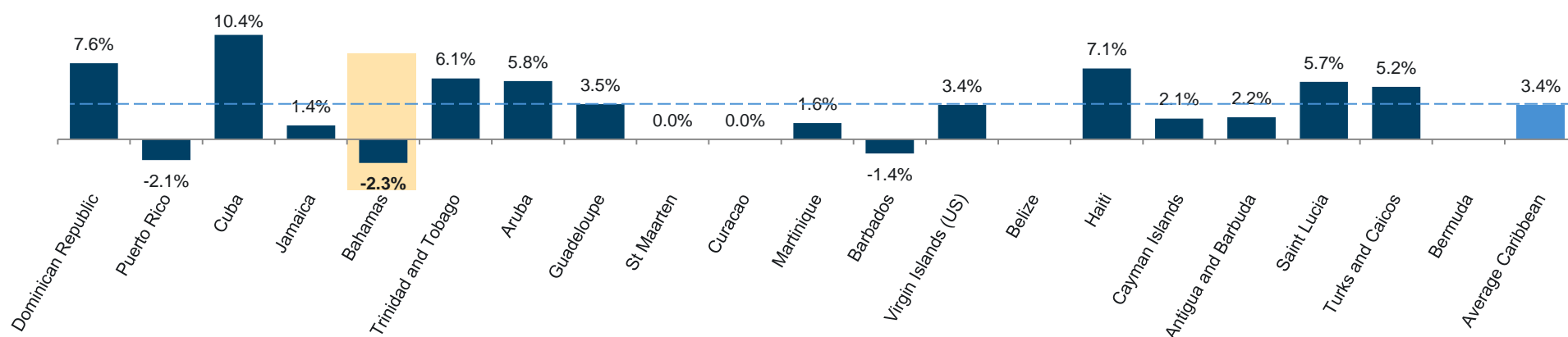
*Note: Includes Intra-caribbean traffic

Bahamas international seats supply has decreased (-2.3% CAGR 06-15) compared to an average 3.4% growth for the overall Caribbean countries

Evolution of Intra-Caribbean seat supply – CAGR '06-'15



Evolution of International seat supply (excl. Intra-Caribbean) – CAGR '06-'15

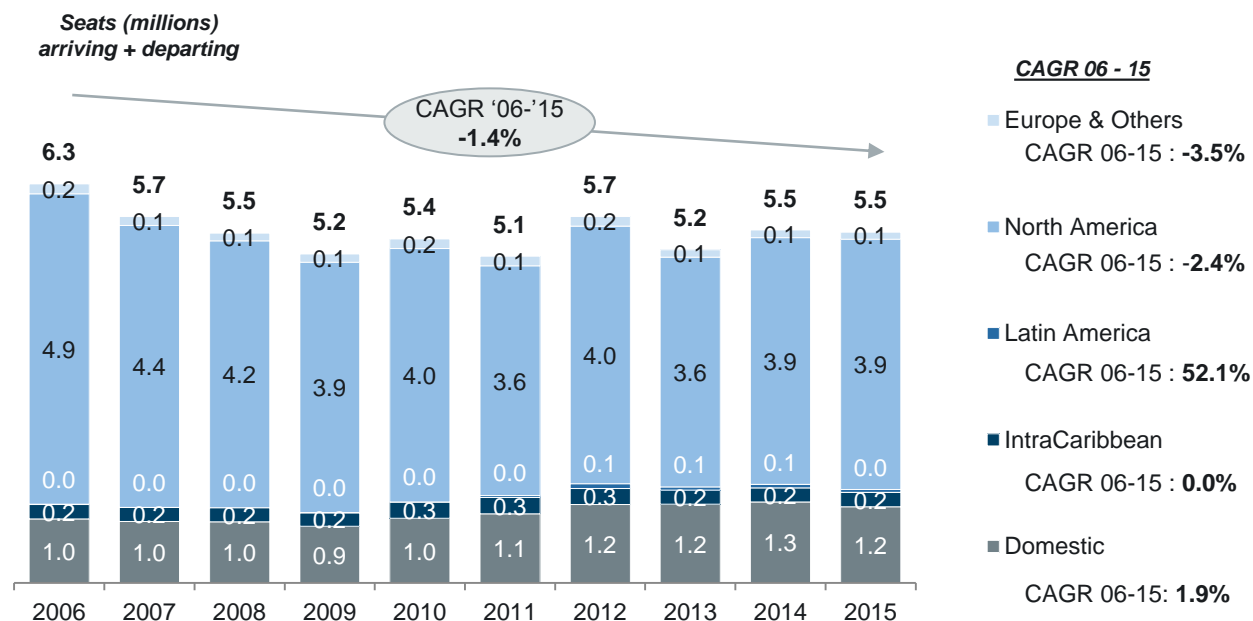


- With ~5.5 Mseats, **Bahamas is ranked 5th** regarding seats supply
- **Bahamas** is one of the countries where the **traffic has decreased** over the last years (2006-2015)

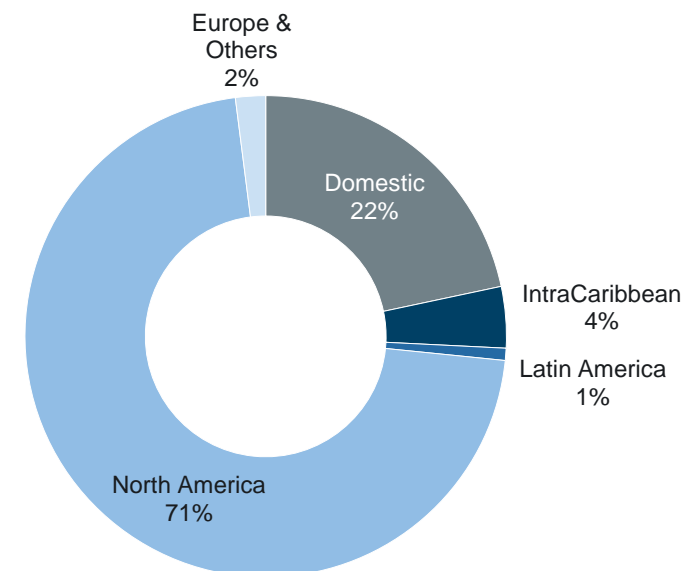
Source: OAG

Source markets: Seat supply has decreased with North American whereas domestic supply has increased

Scheduled supply evolution per market – 2006-2015



Scheduled supply market share – 2015

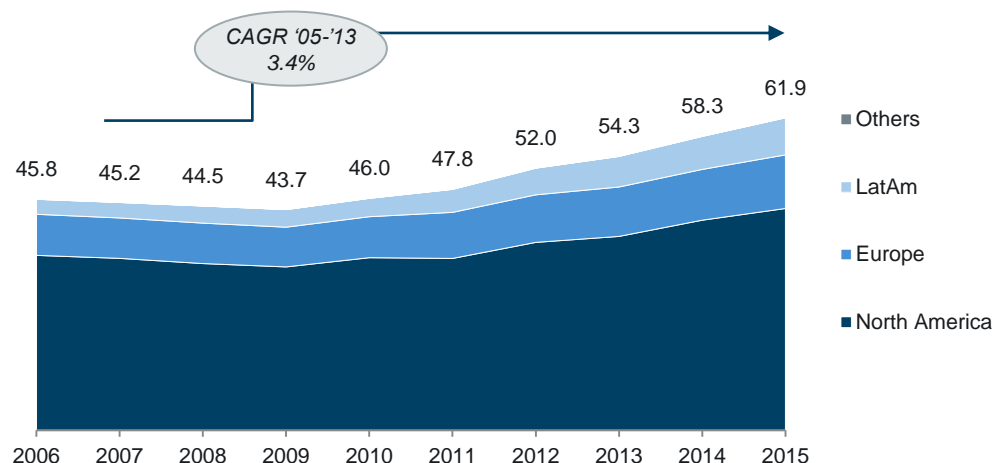


- **The Domestic** market accounts for 22% of market share in Bahamas and has experienced a 1.9% growth in the last decade
- **North America** market is the most important in terms of seats supply in Bahamas, accounting for 71% of supply share. In the last decade North America market has experienced a -2.4% annual decrease(CAGR 06-15)
- **Latin America** market has experiences the highest growth (52.1% CAGR 06-15) but its weight on Bahamas market is negligible (1% market share)

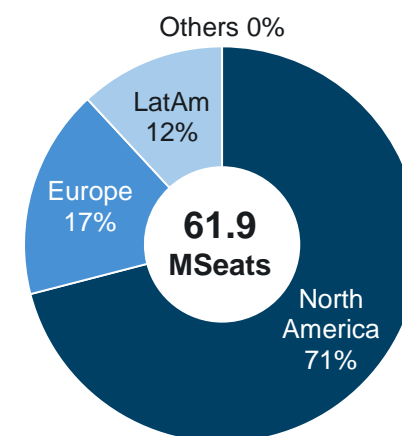
Source: OAG

Bahamas international traffic is very dependent on North America, which accounts for 96% of the international supply

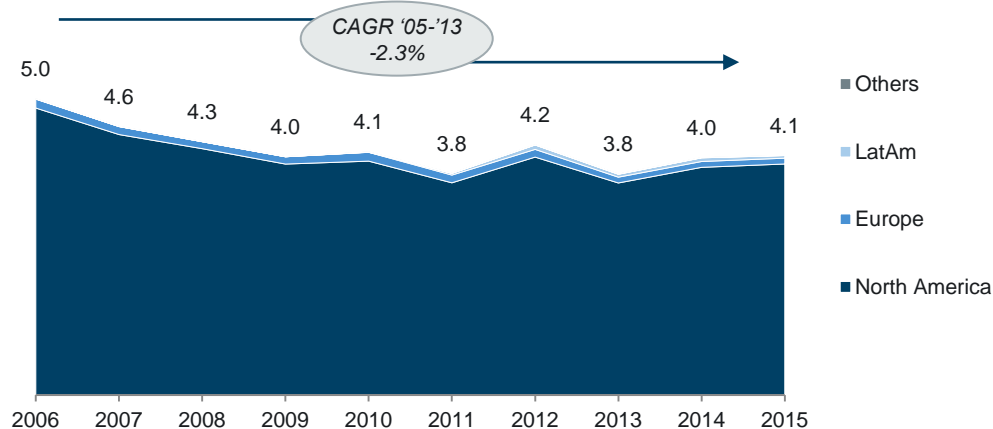
International supply by market; Caribbean— Mseats '06 -'15



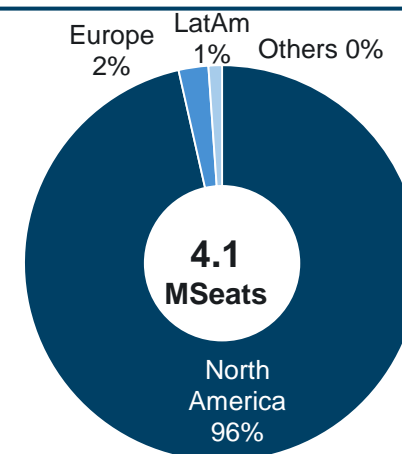
International supply by market; Caribbean – Mseats 2015



International supply by market (excl. Intra-Caribbean); Bahamas – Mseats '06 -'15



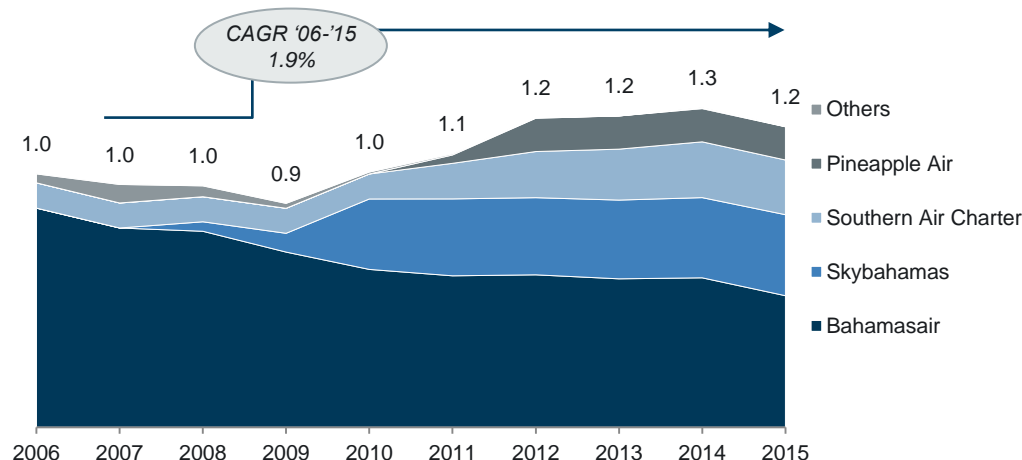
International supply by market (excl. Intra-Caribbean); Bahamas – Mseats 2015



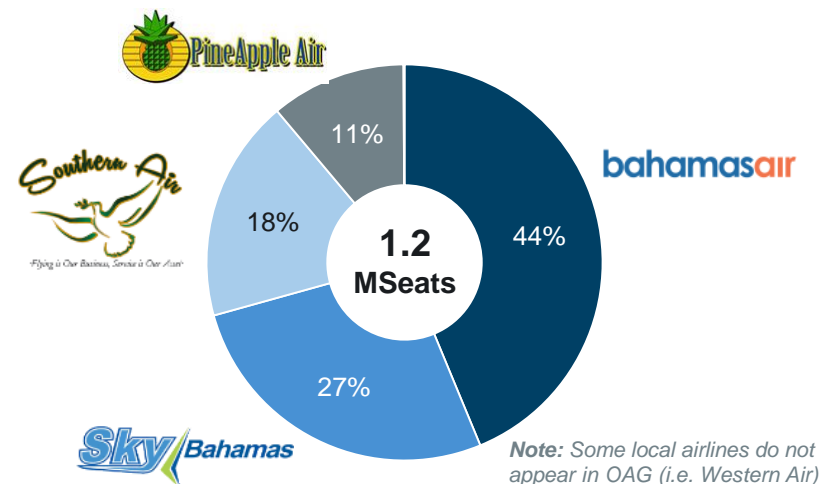
Source: OAG

Bahamas Air provides almost half of the domestic capacity whereas foreign airlines account for 80% of the international seat supply

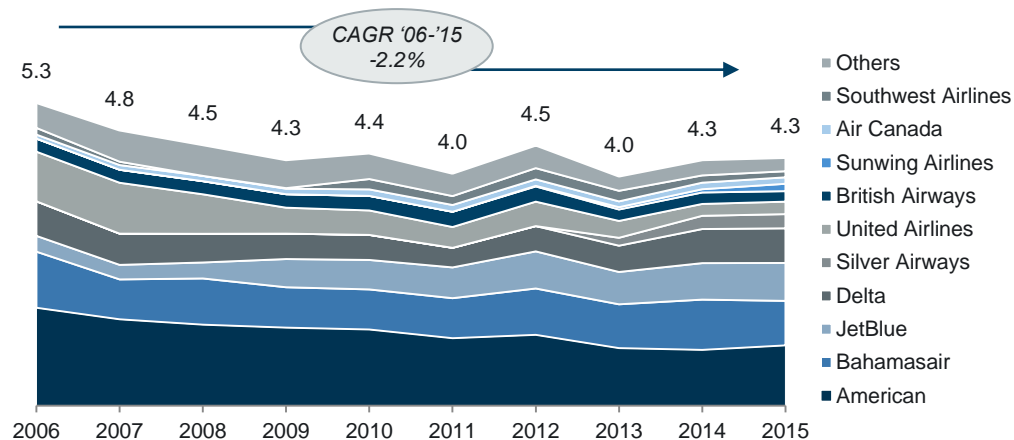
Domestic supply by airlines – Mseats '06 -'15



Domestic supply by airlines – Mseats 2015

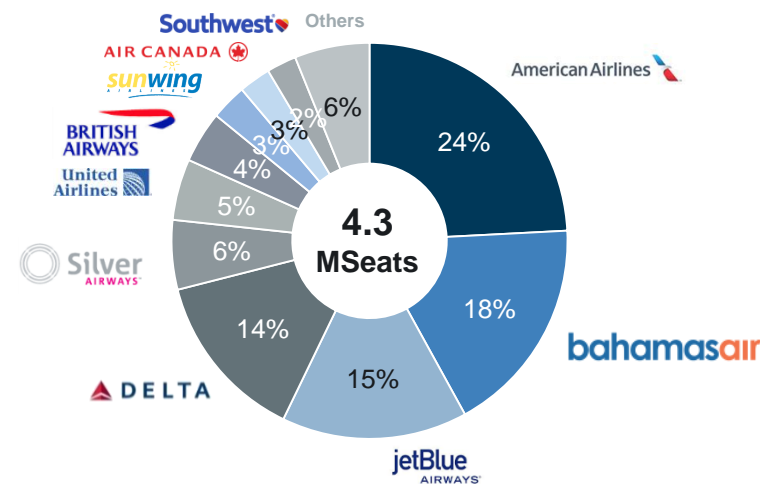


International supply by airlines – Mseats '06 -'15



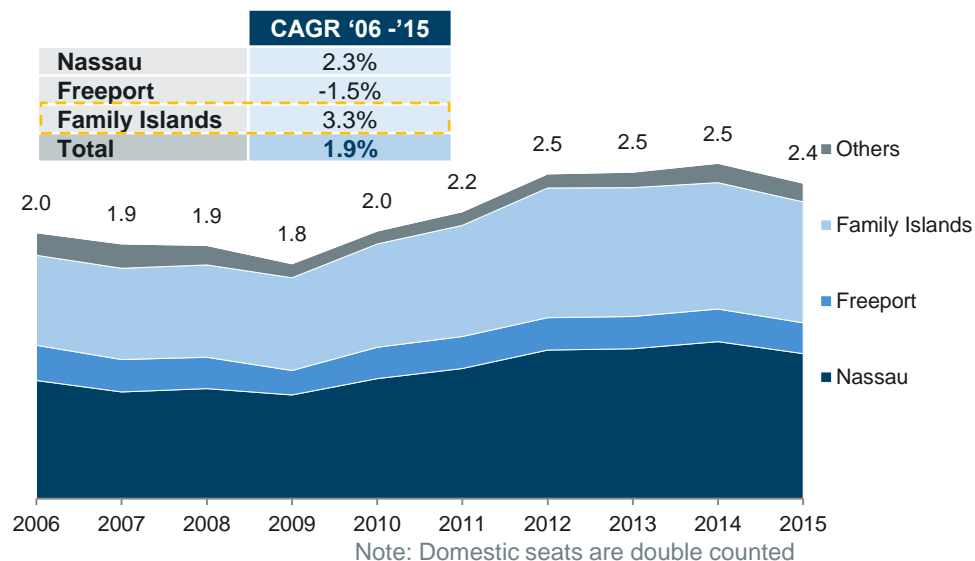
Source: OAG

International supply by airlines – Mseats 2015

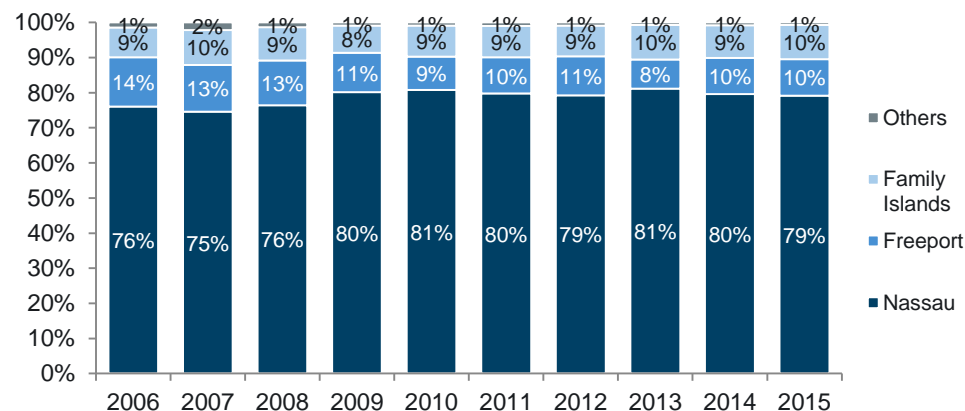
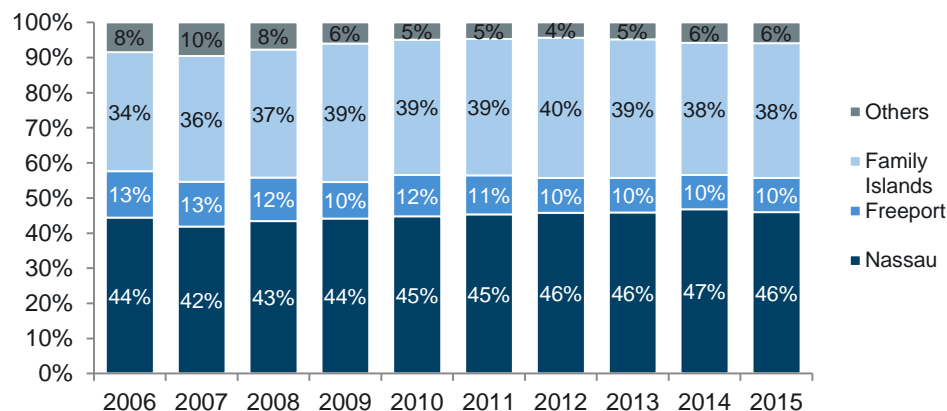
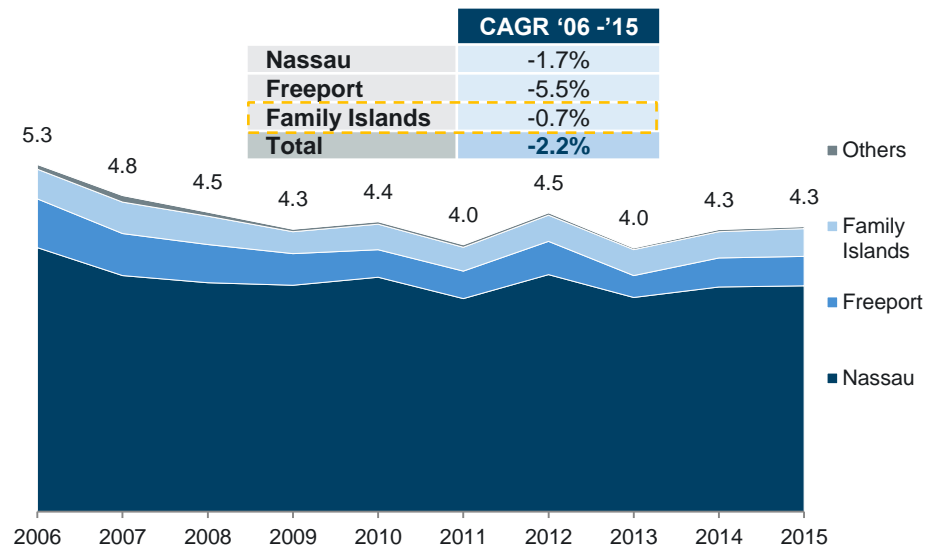


FI account for c. 40% of the domestic traffic and 10% of the int'l traffic in Bahamas

Domestic supply by airport type– Mseats '06 -'15



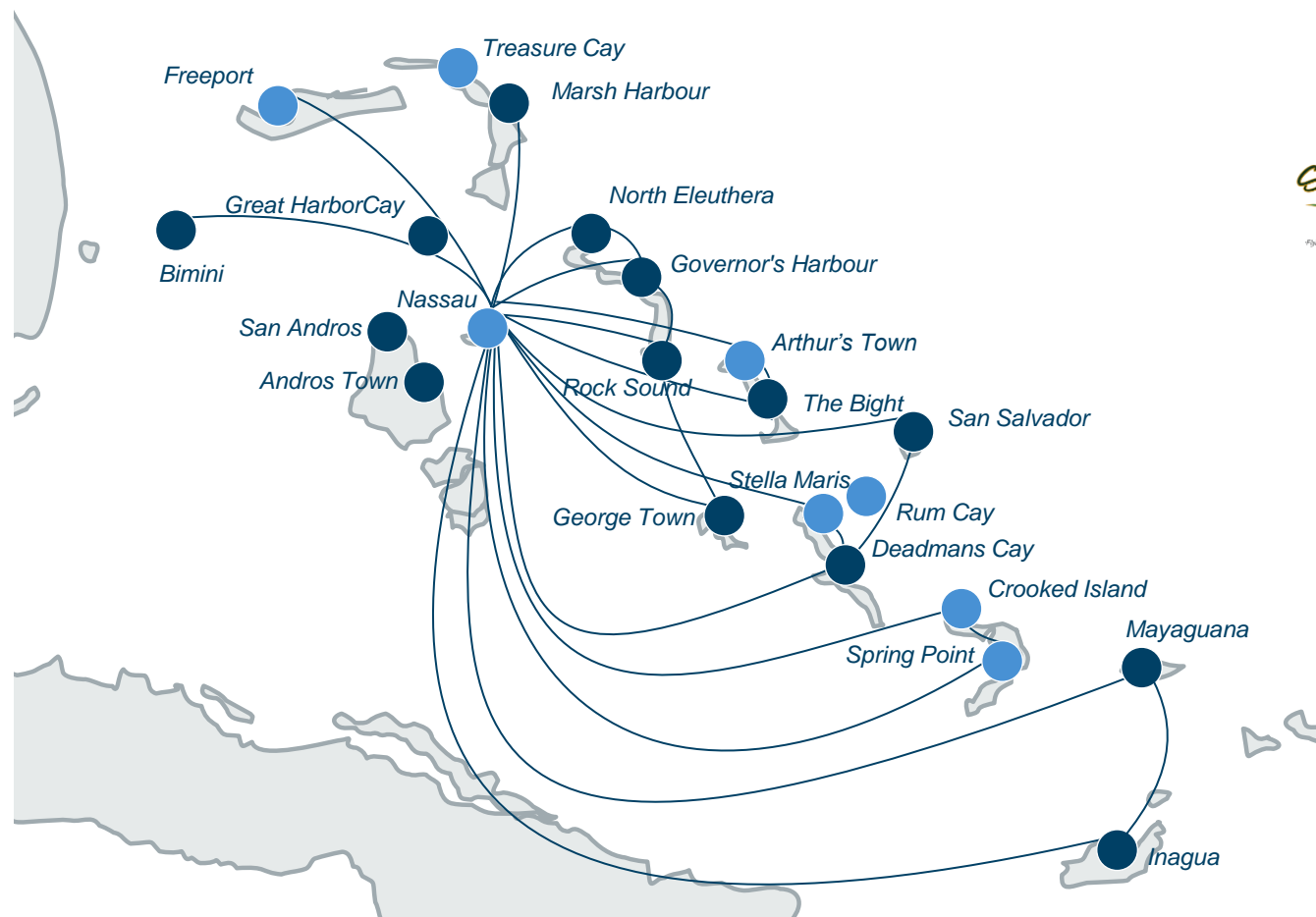
International supply by airport type– Mseats '06 -'15



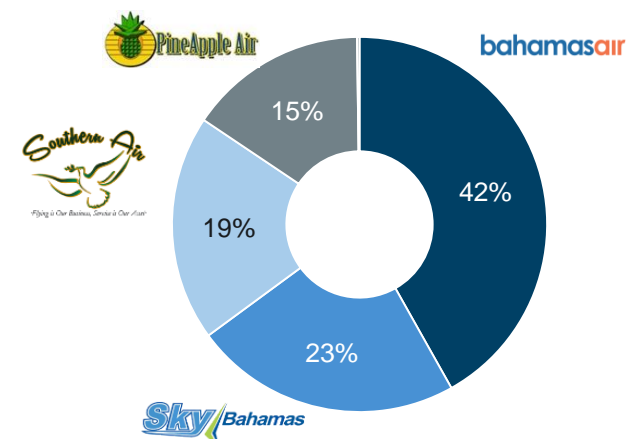
Source: OAG

Main routes of Bahamas' domestic market arrive/depart from Nassau, which accounts for 46% of the total seats supply

Bahamas' domestic market - 2015

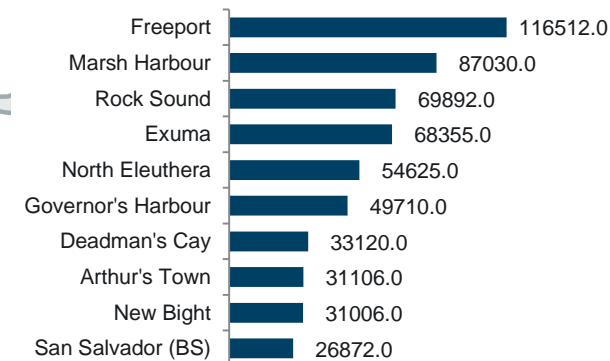


Domestic seats supply share by airline



Note: Some local airlines do not appear in OAG (i.e. Western Air)

Top 10 domestic routes by departing seats (all from Nassau)

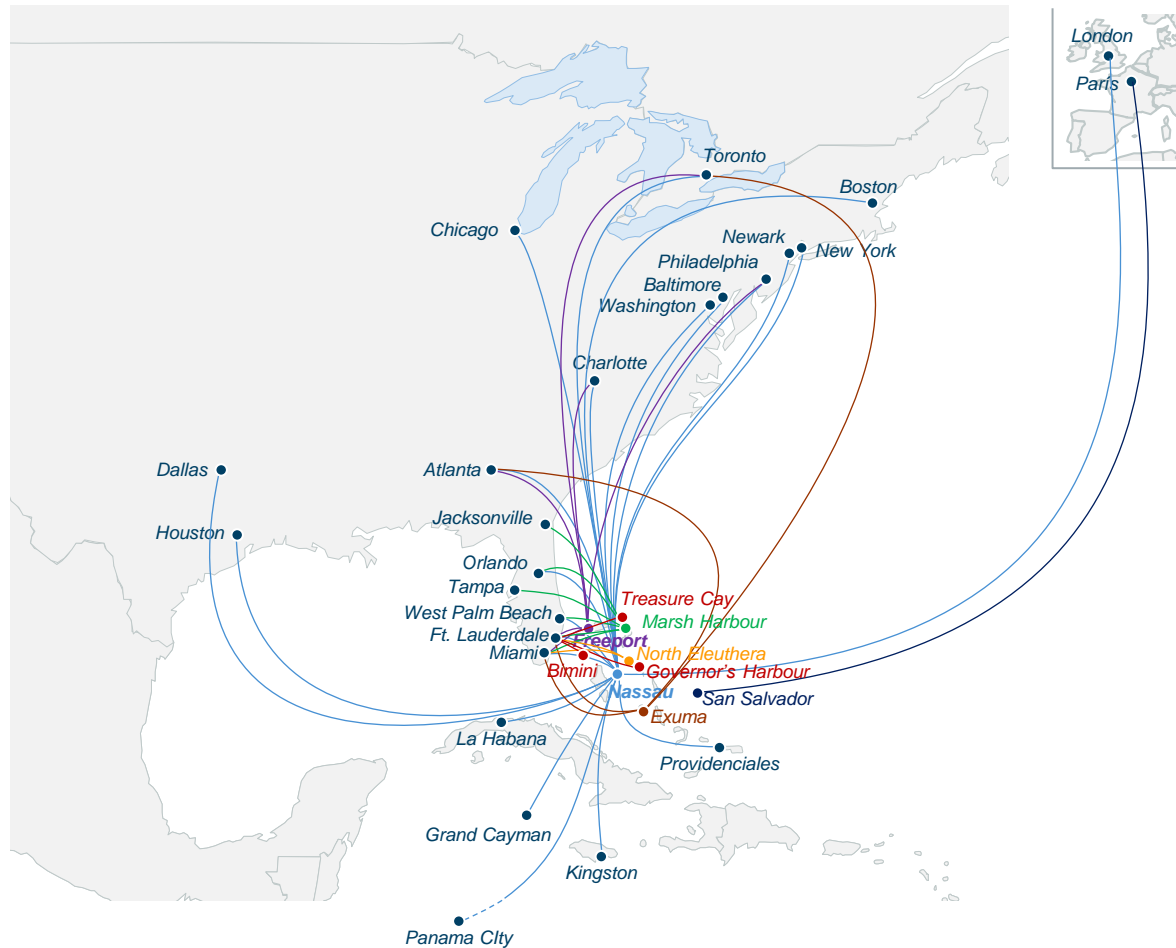


Source: OAG; FlightGlobal

Note: Routes with an average of more than 1 weekly frequency included

Bahamas' international market is also centralized in Nassau, although several Family Islands airports have direct flights to Florida

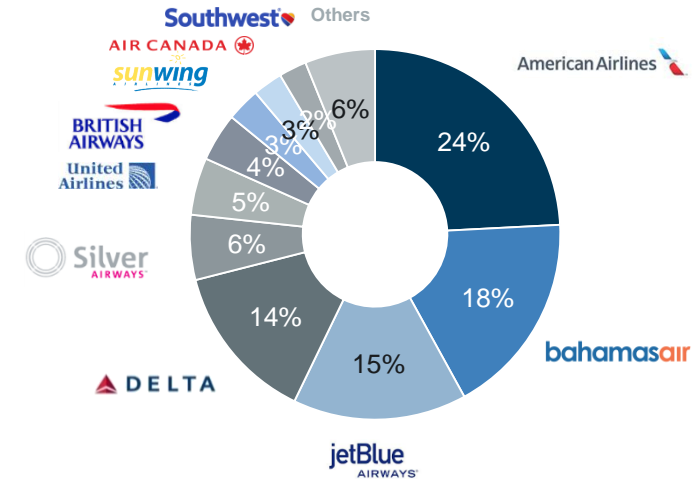
Bahamas' international market - 2015



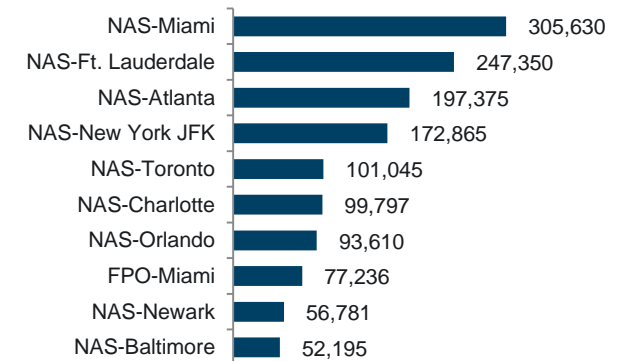
Source: OAG; FlightGlobal

Note: Routes with an average of more than 1 weekly frequency included

International seats supply share by airline

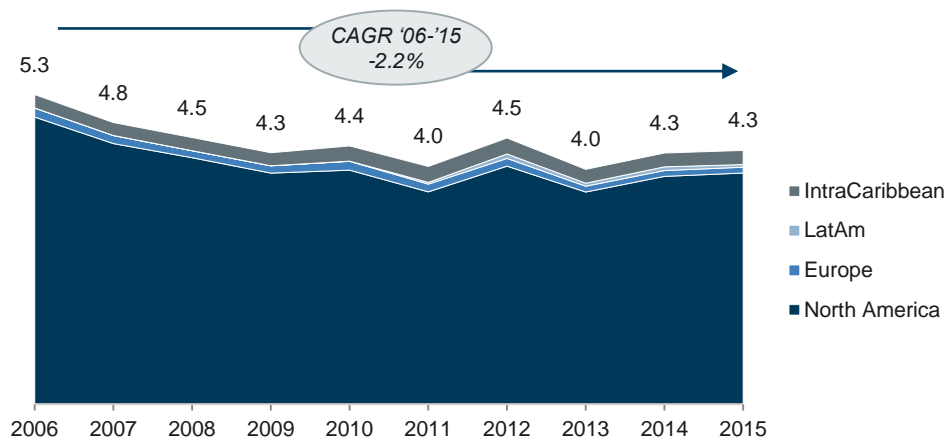


Top 10 international routes by departing seats

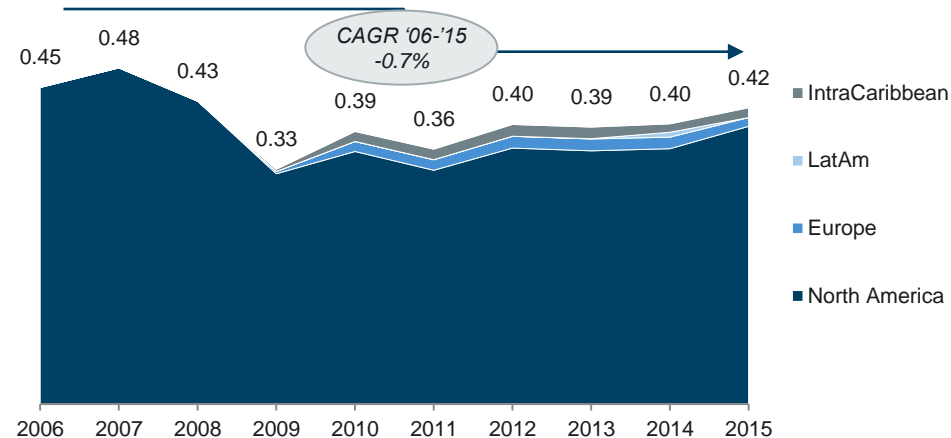


North America accounts for over 90% of the overall international traffic in the entire country

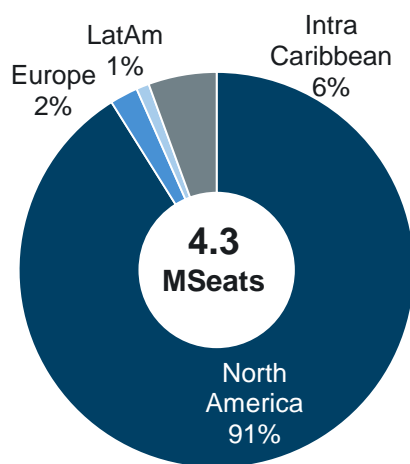
International supply by market; Bahamas– Mseats '06 -'15



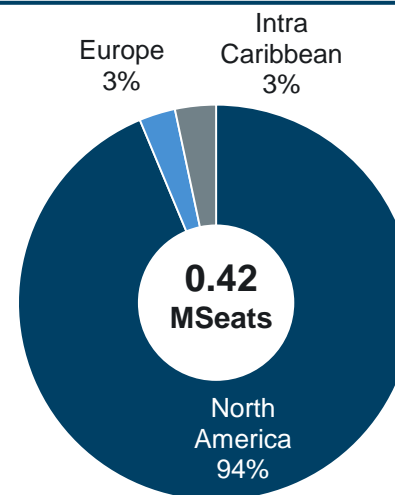
Int'l supply by market; Fam. Islands– Mseats '06 -'15



International supply by market; Bahamas – Mseats 2015



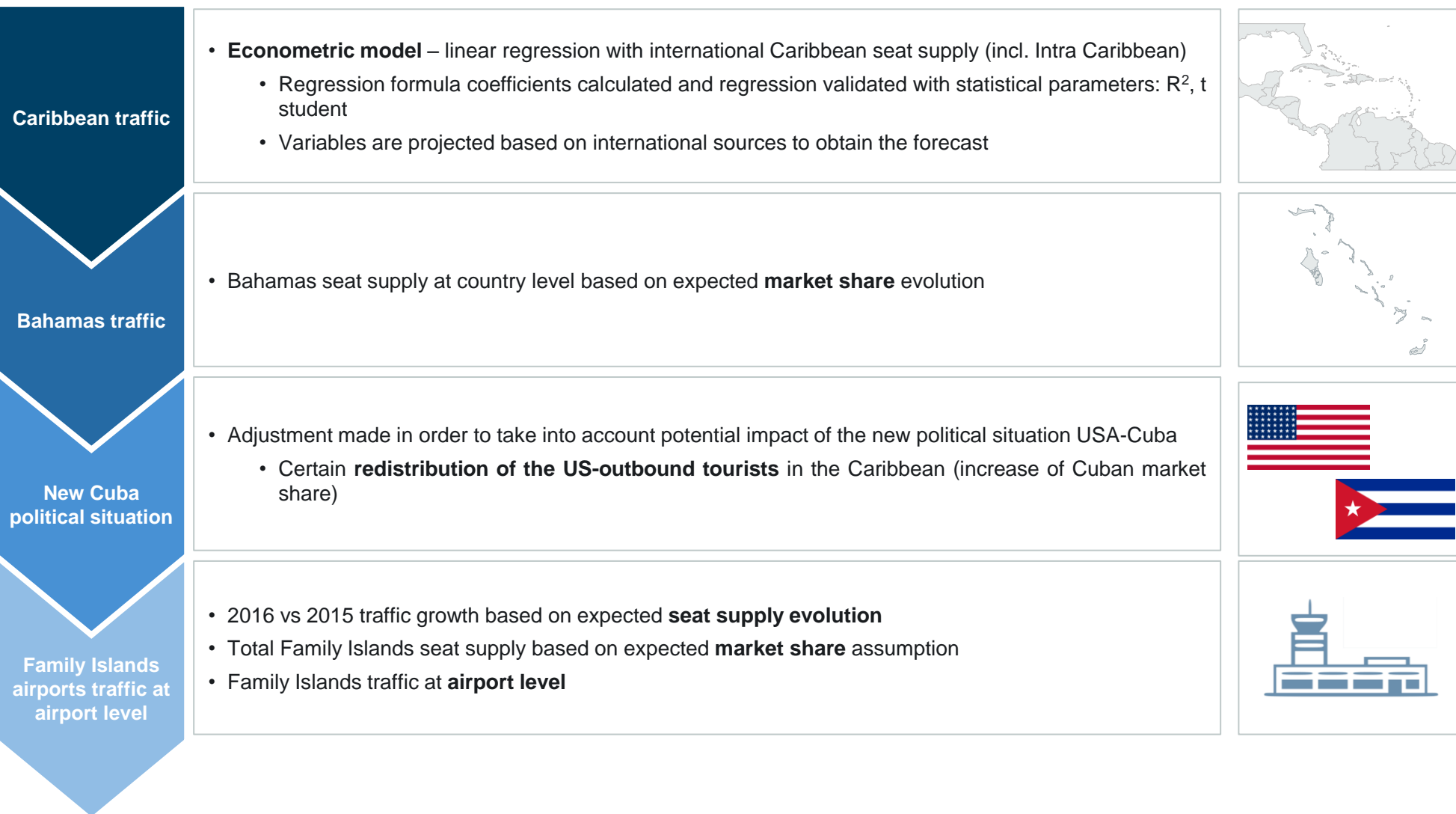
Int'l supply by market; Family Islands – Mseats 2015



Source: OAG

- 0. Executive Summary
- 1. Introduction
- 2. Caribbean market assessment
- 3. Bahamas market assessment
- 4. Demand projections**
- 5. Airport development plans and Capex
- 6. Preliminary financial assumptions
- 7. Selection of most feasible options for airports PPP
- 8. Details by airport

Traffic forecast methodology

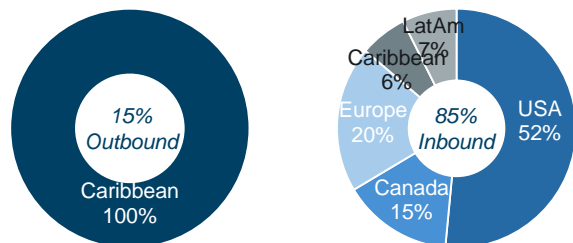


Caribbean international seat supply forecast based on an econometric model (linear regression)

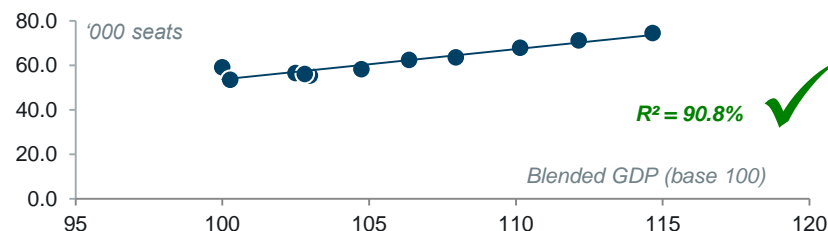


Caribbean international seat supply projection

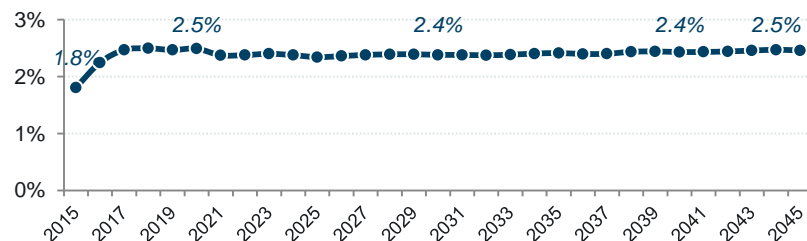
Descriptive variable: International Blended GDP (15% outbound + 85% inbound)



Correlation analysis: Caribbean international seat supply (incl. Intra Caribbean)



Descriptive variable projection



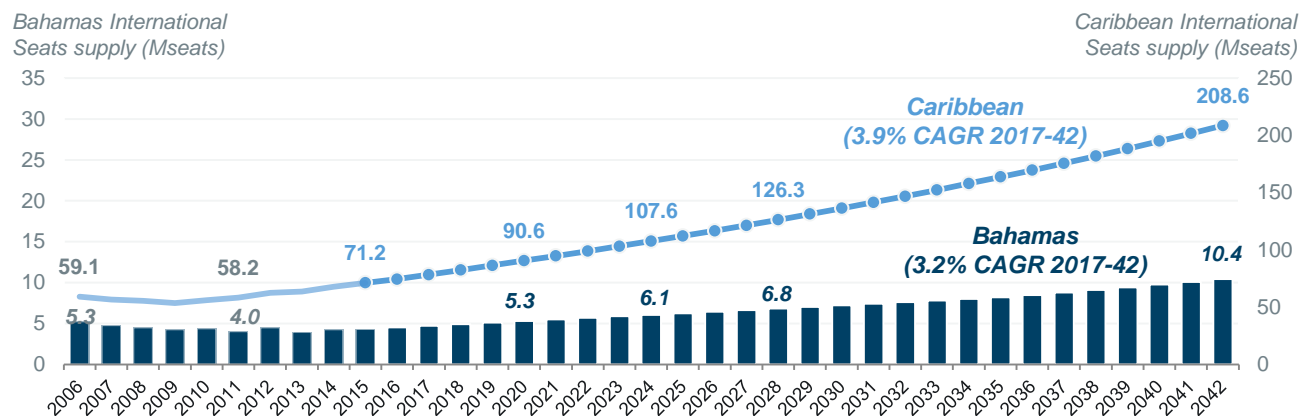
- The international seat supply projection for the Caribbean is based on an econometric model – linear regression – with a blended descriptive variable composed of:
 - Caribbean GDP (outbound flow)
 - GDP of tourism source countries (inbound flow)
 - Weight of each country based on the number of inbound tourists
- Regression formula coefficients obtained with a correlation analysis
 - R^2 obtained > 90%
 - t student > 2
- The blended variable is projected using IHS' November 2015 GDP projections

Source: UNWTO



Based on correlation and historical data analysis, Bahamas international traffic would grow at c. 3.2% during next 25 years

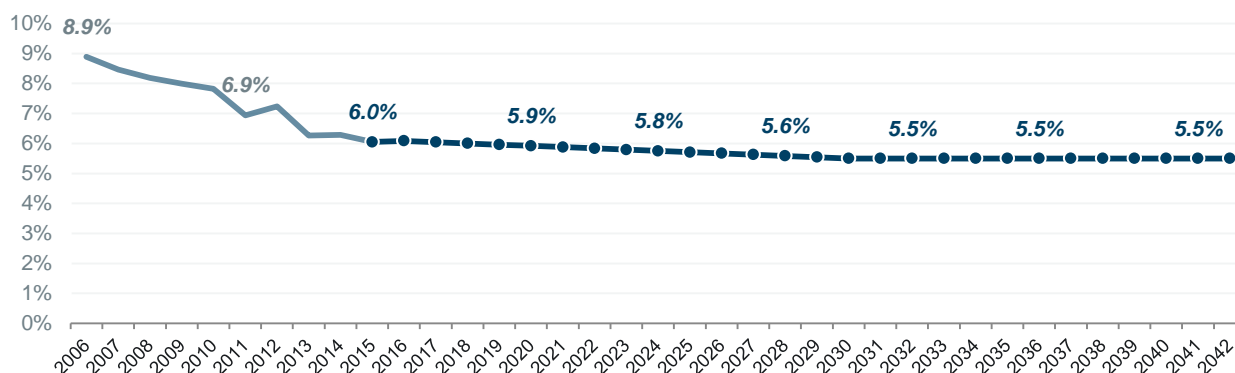
Caribbean and Bahamas international seats supply – Million seats



- Caribbean international seat supply forecast based on an econometric model
- International seats in the Bahamas have been projected using market share assumptions
- The **Bahamas international share** (vs. the Caribbean seat supply projection) is assumed to **decrease from 6.0% to 5.5%** by 2030 based on the historical trend
- The **domestic** seat supply in the Bahamas is projected assuming its growth is **70% of the growth of the international segment** based on the historical trend

The Bahamas share of international seats (vs. Caribbean)

% share of the Caribbean seats projection





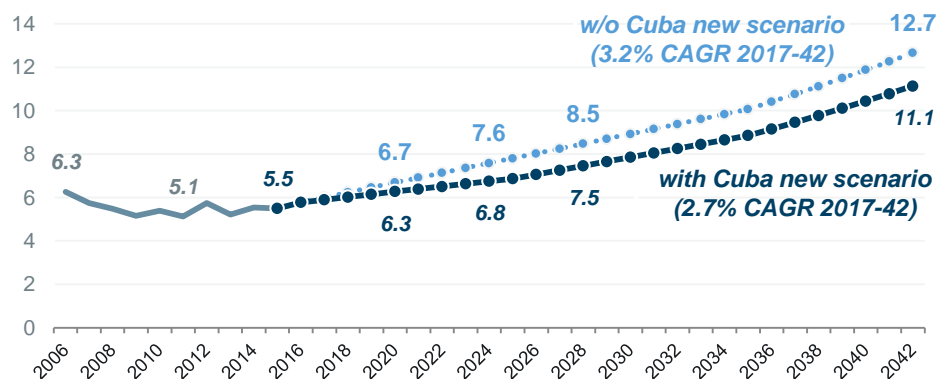
It has been assumed that traffic growth in the Bahamas could be slightly affected by the new Cuban political situation

Impact of the new political situation Cuba – USA

US share of tourist departures	2015	After Cuba liberalization
To the Caribbean ⁽¹⁾ (vs. total outbound)	8%	9%
To Cuba (vs. Caribbean)	0%	38%

Canadian share of tourist departures	2015 (and future)
To the Caribbean (vs. total outbound)	8%
To Cuba (vs. Caribbean)	38%

Bahamas Seats supply (Mseats, Total: Domestic + International)



Source: Euromonitor, ALG analysis

(1) Excluding Puerto Rico, given that most of the US-tourists travelling to Puerto Rico are visits to family and relatives (VFR)

- Supply projection for the Caribbean has been redistributed due to the effect of the new political situation Cuba - USA
- In order to perform a preliminary assessment, it is assumed that the share of US outbound tourists to Cuba will be similar to the current Canadian share of tourists travelling to Cuba
 - This would represent ~4 million US tourists to Cuba in the mid term (38% of US tourists travelling to the Caribbean)
- Of these tourists, it is assumed that:
 - 25% are cannibalized from the rest of the world
 - 25% correspond to new tourists
 - 50% are cannibalized from other Caribbean islands:
 - The Bahamas will be affected with a reduction of inbound tourism proportional to Bahamas share in the Caribbean
- Based on these preliminary assumptions, there would be a 13% reduction of tourists arrivals compared to the expected arrivals to The Bahamas without this effect
 - The model considers there will be a progressive loss of 0.5 international Mpx to The Bahamas in 2025 compared to the expected passenger traffic growth without this effect
- In general, it would be reasonable to expect a limited impact as the tourist visitor to The Bahamas in general has a different profile (high-end tourism)

Traffic estimates for 2016 based on expected seat supply evolution compared to 2015



- Commercial traffic for 2016 has been estimated based on seat supply evolution provided by OAG at airport level
- Main variations in the supply are in the international market
 - Marsh Harbour:** New Delta route (3 freqs/week), while American and Bahamas Air increase their average aircraft from 50 to 70 seats (both in domestic and international market)
 - Exuma:** Delta increases frequencies (from 3 to 7 freqs/week)
 - North Eleuthera:** New Delta route (3 freqs/week), while American and Silver Air increase their frequencies
 - San Salvador:** American and XL Airways increase their offer
 - South Bimini:** Silver Air double its frequencies
 - Governor's Harbour:** Silver Air double its frequencies
- In airports with no OAG data available, FI average has been considered
- Private traffic is expected to grow c. 1.5% in 2016

It will necessary to verify during Phase 2 whether traffic growth is following seat supply growth; In case YoY traffic growth is not materializing as expected, 2016 traffic will need to be reevaluated

Airport	Domestic growth '15-'16		International growth '15-'16	
MHH		12% 12%		35% 35%
CGT		1% 1%		26% 26%
ELH	-2% -2%			54% 54%
ZSA		1% 1%		27% 27%
BIM		33% 2%		109% 40%
GHB	-10% -10%			89% 40%
RSD		0% 0%		N/A
LGI		2% 2%		N/A
TBI		0% 0%		N/A
ASD		N/A		N/A
IGA	-2% -2%			N/A
GHC		N/A 2%		N/A
SAQ		N/A		N/A
TCB	-33% -33%		-10% -10%	
Total		2% 2%		40% 33%

■ OAG seat supply ■ ALG Commercial Traffic Source: OAG

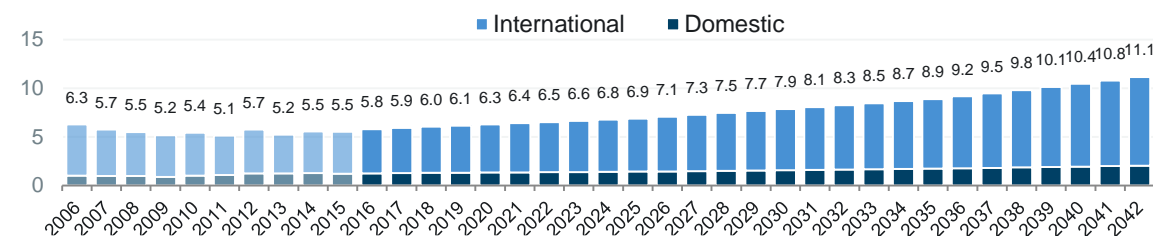
Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

The forecast average compound passenger growth for the Family Islands is 2.7% p.a. during the next 25 years



The Bahamas seat supply projection (Dom/Int)

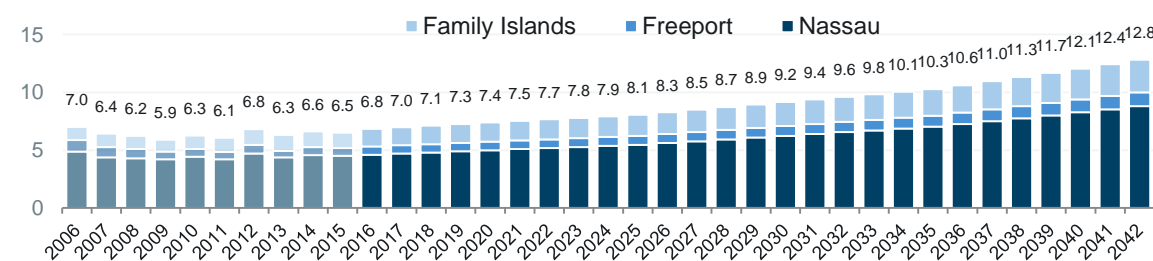
The Bahamas seat supply by segment (Mseats)



Note: Supply at country level

The Bahamas seat supply projection (by island groups)

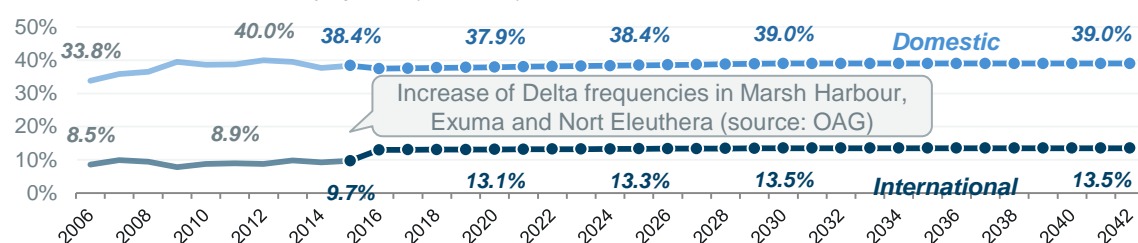
The Bahamas seat supply by island groups (Mseats)



Note: Sum of supply at island level not equivalent to supply at country level (domestic double counted & not all the islands are shown in the graph)

Family Islands share of seats (vs. The Bahamas)

% share of The Bahamas seats projection (Dom & Int)



Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

	CAGR '06-'15	CAGR '15-'16	CAGR '16-'17	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Dom	1.9%	4.4%	1.6%	1.5%	1.8%	2.3%	1.7%	1.9%
Int'l	-2.2%	5.2%	2.3%	2.1%	2.6%	3.2%	2.4%	2.7%
Total	-1.4%	5.0%	2.1%	2.0%	2.4%	3.0%	2.3%	2.6%

- **Airbus GMF:** Caribbean international traffic growth of 3.0% (CAGR 2015-2034)
- **Euromonitor:** North America Outbound tourism to Bahamas growth of 3.2% (CAGR 2015-19)

	CAGR '06-'15	CAGR '15-'16	CAGR '16-'17	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Nassau	-0.9%	2.2%	2.1%	2.0%	2.4%	3.0%	2.3%	2.6%
Freeport	-4.3%	4.6%	1.2%	1.1%	1.6%	2.9%	1.4%	2.0%
Family Islands	1.9%	14.0%	2.1%	2.4%	2.7%	2.7%	2.6%	2.7%

- **Stantec:** Family Islands traffic growth of 2.5% (CAGR 2013-2033)

- The share of **domestic** seat supply taken up by flights to and from the Family Islands (vs. the domestic supply at Bahamas country level) is assumed to be **39% in the long term**
- The share of **international** seat supply in Family Islands flights (vs. the international supply at Bahamas country level) is assumed to reach **13.5% in the long term**



Traffic growth at airport level is adjusted based on its individual tourism perspectives

Traffic at airport level

Airport	Island	Traffic 2015 ('000 pax)	Rooms 2013	Expected increase of rooms ⁽¹⁾	Domestic traffic ALG: CAGR '17-'42 Stantec: CAGR '13-'33	International traffic ALG: CAGR '17-'42 Stantec: CAGR '13-'33
Marsh Harbour (MHH)	Abaco	308	921	20%	2.7% 1.9%	2.9% 3.5%
Exuma - George Town (CGT)	Exuma	177	755	85%	2.9% 2.5%	3.4% 3.7%
North Eleuthera (ELH)	Harbour Island & Eleuthera	137	563	40%	2.6% 2.5%	3.3% 3.1%
San Salvador (ZSA)	San Salvador	71	278	150%	2.2% 2.2%	3.3% 4.2%
South Bimini (BIM)	Bimini	102	810	20%-60%	2.2% 1.9%	3.0% 2.8%
Governor's Harbour (GHB)	Harbour Island & Eleuthera	66	563	40%	1.9% 1.3%	2.6% 1.7%
Rock Sound (RSD)	Harbour Island & Eleuthera	52	563	40%	1.5% 1.3%	2.1% 0.8%
Deadman's Cay (LGI)	Long Island	47	201	n/a	1.5% 1.4%	
New Bight (TBI)	Cat Island	43	181	n/a	1.5% 2.5%	2.1% 3.7%
Andros Town (ASD)	Andros	26	393	n/a	1.4% 1.4%	1.8% 1.8%
Matthew Town (IGA)	Inagua	11	27	n/a	1.5% 1.1%	2.1% 0.2%
Great Harbour Cay (GHC)	Berry Islands	35	34	100%	2.1% 2.0%	2.4% 1.9%
San Andros (SAQ)	Andros	44	393	n/a	1.4% 1.5%	1.8% 2.5%
Treasure Cay (TCB)	Abaco	23	921	20%	1.5% 4.8%	2.1% 0.6%
Total Family islands		1,141	6,603	35%	2.3% 1.9%	3.0% 3.1%

- The traffic projection at airport level is based on the projection for all the Family Islands
- Exuma – George Town, North Eleuthera and San Salvador have growth rates above the average at the expense of other islands

■ ALG
■ Stantec

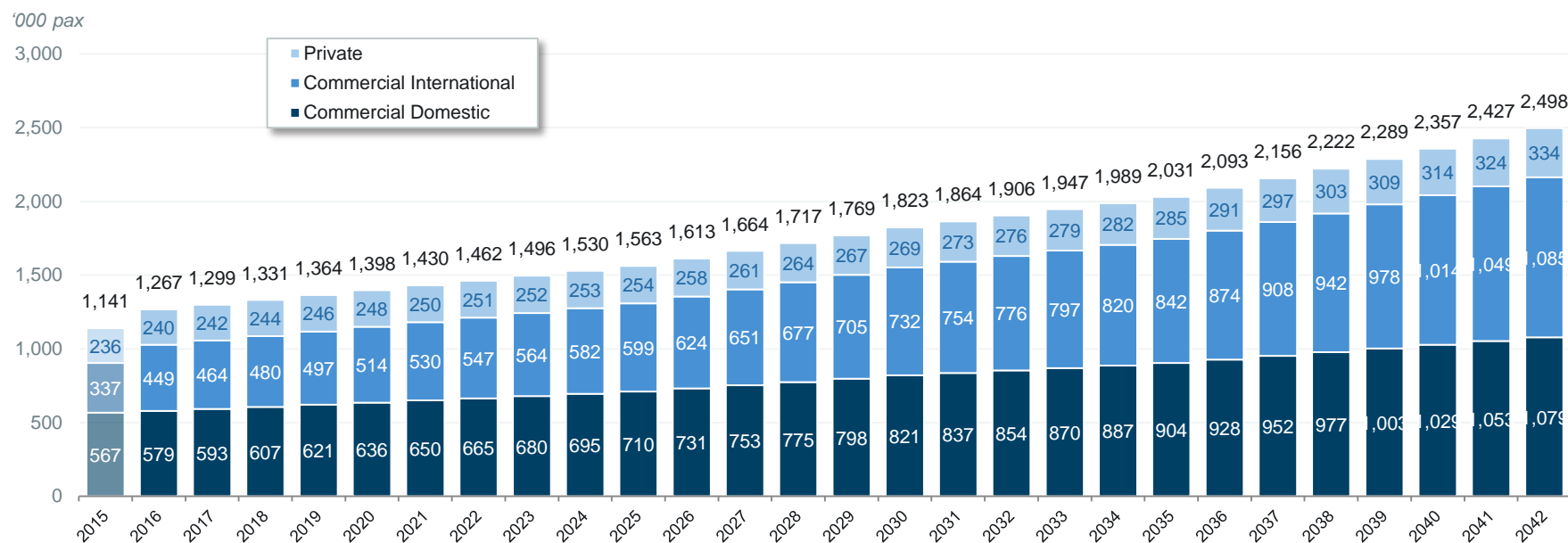
(1) Estimated increase of rooms in the short-mid term based on on-going land planned investments

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

FI traffic is expected to grow at 2.7% p.a. until 2042 (3.5% international, 2.4% domestic, 1.3% private)



Family Islands demand projection (2015-2042)

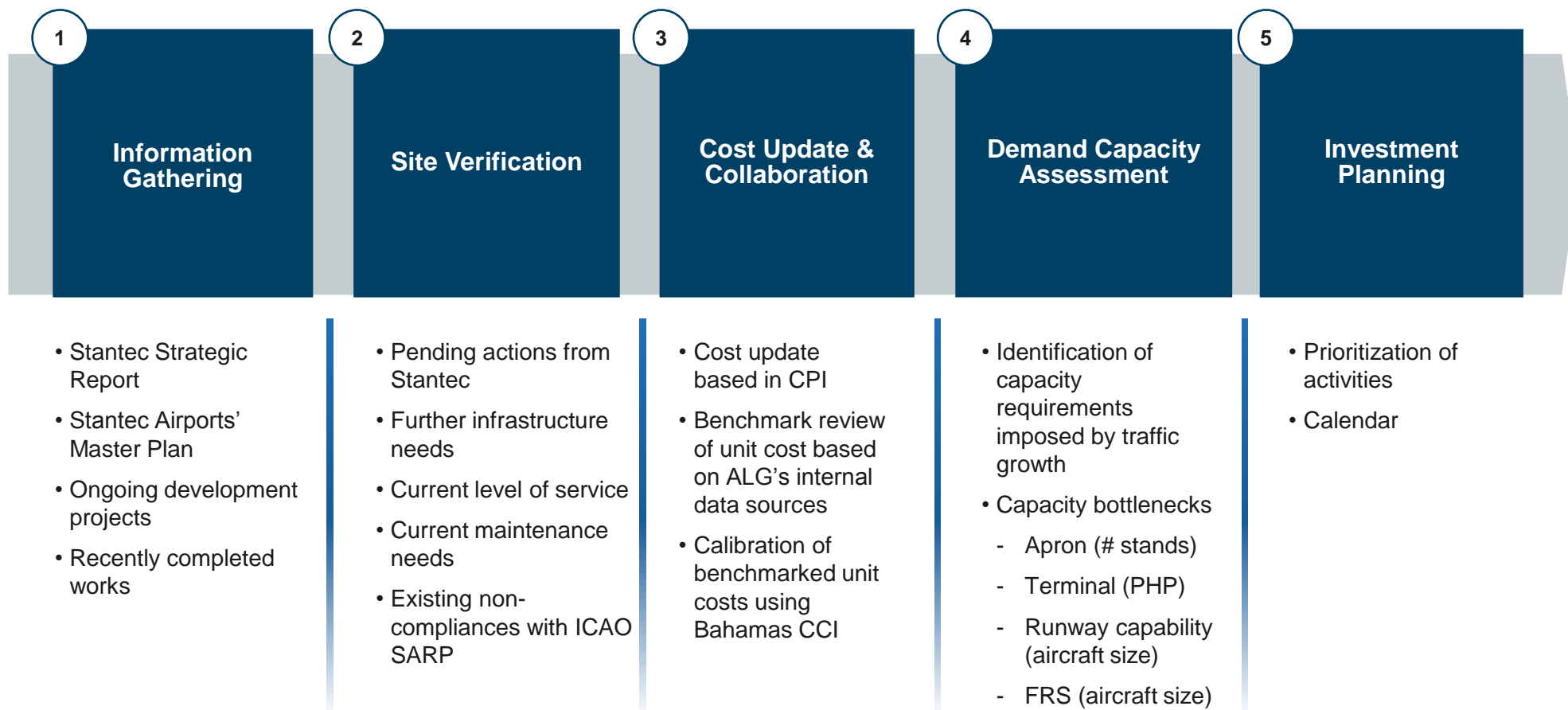


		2015	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Total traffic	'000 Pax	1,141	1,267	1,299	1,331	1,364	1,398	1,563	1,823	2,357	2.4%	2.7%	2.7%	2.6%	2.7%
Private	'000 Pax	236	240	242	244	246	248	254	269	314	0.7%	1.0%	1.9%	0.9%	1.3%
Commercial Domestic	'000 Pax	567	579	593	607	621	636	710	821	1,029	2.3%	2.5%	2.4%	2.5%	2.4%
Commercial Intl'	'000 Pax	337	449	464	480	497	514	599	732	1,014	3.3%	3.6%	3.4%	3.5%	3.5%
Total ATMs	'000 ATMs	133	137	138	140	141	143	148	160	194	0.9%	1.3%	2.2%	1.2%	1.6%
Private	'000 ATMs	85	87	87	88	88	89	89	93	108	0.4%	0.7%	1.8%	0.6%	1.1%
Commercial Domestic	'000 ATMs	34	34	35	35	36	37	39	43	54	1.5%	1.8%	2.3%	1.7%	2.0%
Commercial Intl'	'000 ATMs	13	16	17	17	17	18	20	23	32	2.5%	2.9%	3.4%	2.7%	3.0%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2. Traffic statistics for most of the airports non available

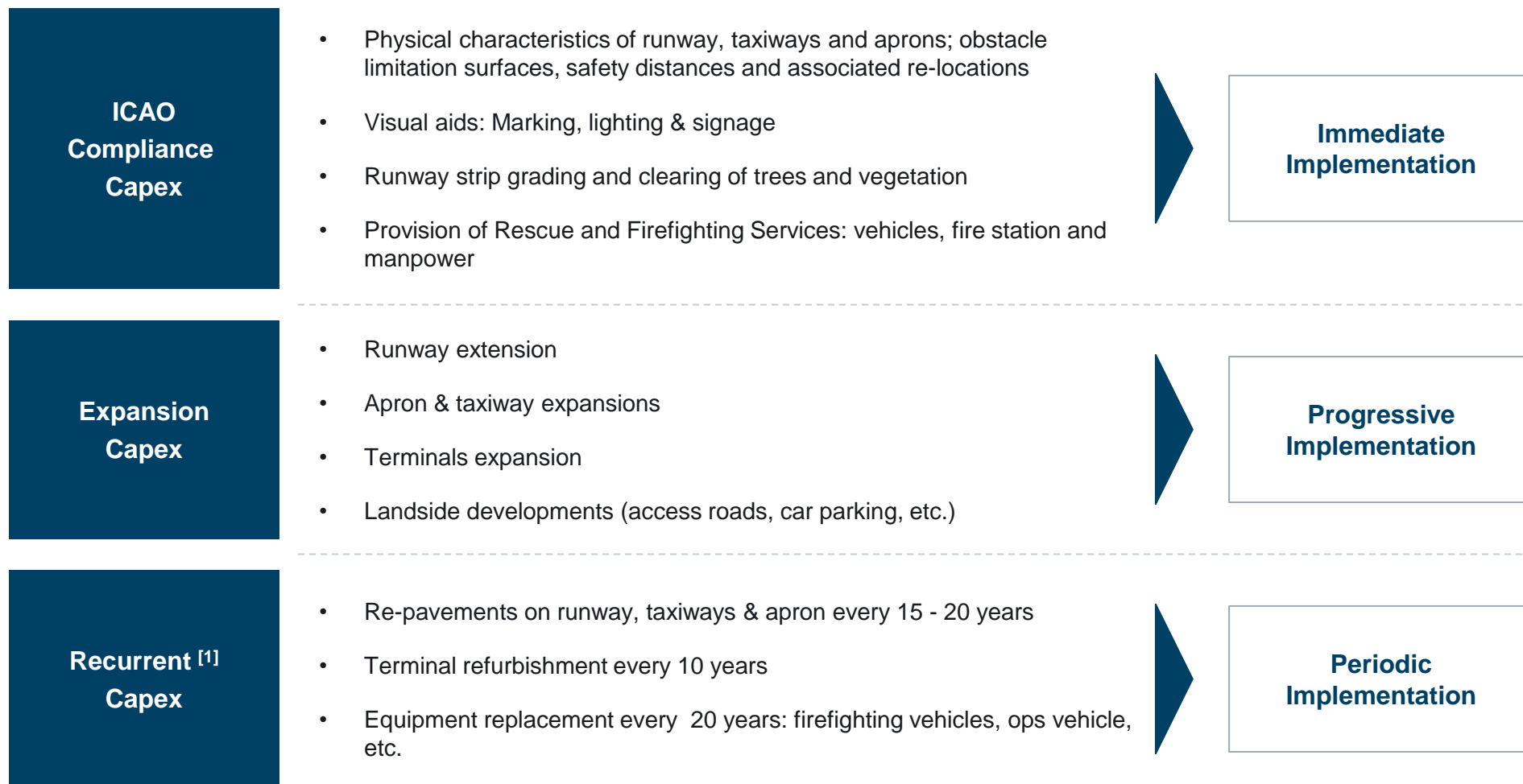
- 0. Executive Summary
- 1. Introduction
- 2. Caribbean market assessment
- 3. Bahamas market assessment
- 4. Demand projections
- 5. Airport development plans and Capex**
- 6. Preliminary financial assumptions
- 7. Selection of most feasible options for airports PPP
- 8. Details by airport

ALG has followed a methodological approach to assess and validate the investment required on each of the Family Islands airports



The current status of each facility has been validated through site-visits and information provided regarding ongoing airport development plans

The investment in the Family Islands airports can be driven by three factors: Compliance with ICAO standards, increase of capacity and recurrent costs



[1] Some recurrent CAPEX items are mandatory to ensure continuous compliance with ICAO SARPs, considered for the period 2017-2041

FI's airports require an investment of USD 87 m to comply with ICAO standards and an additional USD 54 m to accommodate future traffic (25 years)

Consolidated capital expenditure for the Family Islands airports 2017-2041 (constant prices 2016)

	Airport	CAPEX review ALG (USD m)			
		ICAO compliance	Expansion '17- '41	Recurrent	TOTAL
Tier 1	Marsh Harbour (MHH)	1.1	1.8	8.1	11
	Exuma - George Town (CGT)	6.3	19	18	43
	North Eleuthera (ELH)	25	1.7	16	42
	San Salvador (ZSA)	5.8	1.5	13	20
	South Bimini (BIM)	5.6	5.4	6.0	17
	Governor's Harbour (GHB)	7.4	3.8	10	21
	Subtotal	51	33	71	155
Tier 2	Rock Sound (RSD)	7.1	0.16	10.5	18
	Deadman's Cay (LGI)	2.6	1.10	4.4	8.1
	New Bight (TBI)	3.0	3.2	5.3	12
	Andros Town (ASD)	6.3	2.5	0.96	10
	Matthew Town (IGA)	1.1	13	7.03	21
	Great Harbour Cay (GHC)	4.4	-	3.9	8.4
	San Andros (SAQ)	10.4	0.6	1.2	12
	Treasure Cay (TCB)	1.4	0.1	8.6	10
	Subtotal	36	21	42	99
	Total	87	54	113	254

*Note: Preliminary figures based on currently available data that will need to be validated in Phase 2.
Construction costs for previous airport projects not available*

The main differences between this CAPEX and the one proposed by Stantec are rationalization of expansion needs and provision for recurrent costs

Decreases to Stantec CAPEX plan

- **Prolonged & prioritized expansions** throughout a potential concession period, in line with expected traffic growth
 - Terminal building expansion only when it is continuously at capacity to prevent oversizing due to high stationarity
 - Runway extension proposed only when regular traffic is constrained due to runway length and no alternative runway is available in the island
 - Apron expansion only when combined FBO + commercial apron's capacity reaches saturation
- **Reduction of unitary cost** for terminal building developments based on ALG benchmark and internal data sources
- **Update of development works already carried out** since 2013, mainly in San Salvador and South Bimini
- **Avoid construction of a new runway in North Eleuthera.** Lateral separation achieved by re-locating the apron & terminal facilities

Increases to Stantec CAPEX plan

- **Fully ICAO compliant fire & rescue services** proposed in all Tier 1 & 2 airports, including the required provision on vehicles, manpower and facilities to meet their ICAO –FRS Category
- **Aviation security** measures implemented in all airports: complete perimeter fence and terminal landside-airside boundary with passenger screening
- **Runway and apron re-pavement** expected every 15 to 20 years for Tier 1 & 2 airports respectively. All airports will require at least one full re-pavement in the life-time of a concession period
- **Replacement of equipment** at the end of their expected life-time (vehicles, x-rays and other terminal equipment)
- **Continuous maintenance of visual aids:** marking re-painting, lights and windsocks replacement
- **CPI update** to 2016 prices

Investment associated to terminal building expansions has been assessed to ensure more saturated airports are prioritized over less saturated ones

Terminal building capacity assessment and prioritization

Exuma airport



- 197,400 pax. in 2016
- 62% of regular traffic handled during peak season (Jan. to Jul.)
- Average 534 pax per day during high season
- 350 m² terminal building & 500 m² of customs, only for INT pax. (considered 50%)
- 0.9 m²/daily pax. during peak season

North Eleuthera airport



- 163,100 pax. in 2016
- 47% of traffic handled during peak season (Mar to Jul)
- Average 441 pax per day during high season
- 470 m² terminal building
- 0.9 m²/daily pax. during peak season

**Critical saturation ratio
<1.0 m²/per daily pax.
during average peak season day**

Source: OAG 2016

	Airport	Terminal (m ²)	Traffic ('000 Pax)		m ² / daily pax		Priority of expansion
			2016	2041	2016	2041	
Tier 1	Marsh Harbour	4270	362	724	3.8	1.9	Low
	Exuma - George Town	600	197	435	0.9	0.4	High
	North Eleuthera	470	163	345	0.9	0.4	High
	San Salvador	829	84	178	3.0	1.4	Low
	South Bimini	420	118	226	1.3	0.7	Medium
Tier 2	Governor's Harbour	870	62	102	4.8	2.9	Low
	Rock Sound	860	52	75	12.0	8.3	Low
	Deadman's Cay	96	48	69	1.2	0.9	Medium
	New Bight	90	43	62	1.3	0.9	Medium
	Andros Town	305	26	39	4.2	2.8	Low
	Matthew Town	210	11	16	7.0	4.8	Low
	Great Harbour Cay	516	35	59	5.4	3.2	ICAO Req.
	San Andros	875	45	63	7.1	5.1	Low
	Treasure Cay	430	20	33	6.2	3.8	Low

Note 1: Great Harbour Cay needs to be relocated to ensure that runway strip and obstacles surfaces are clear of obstructions

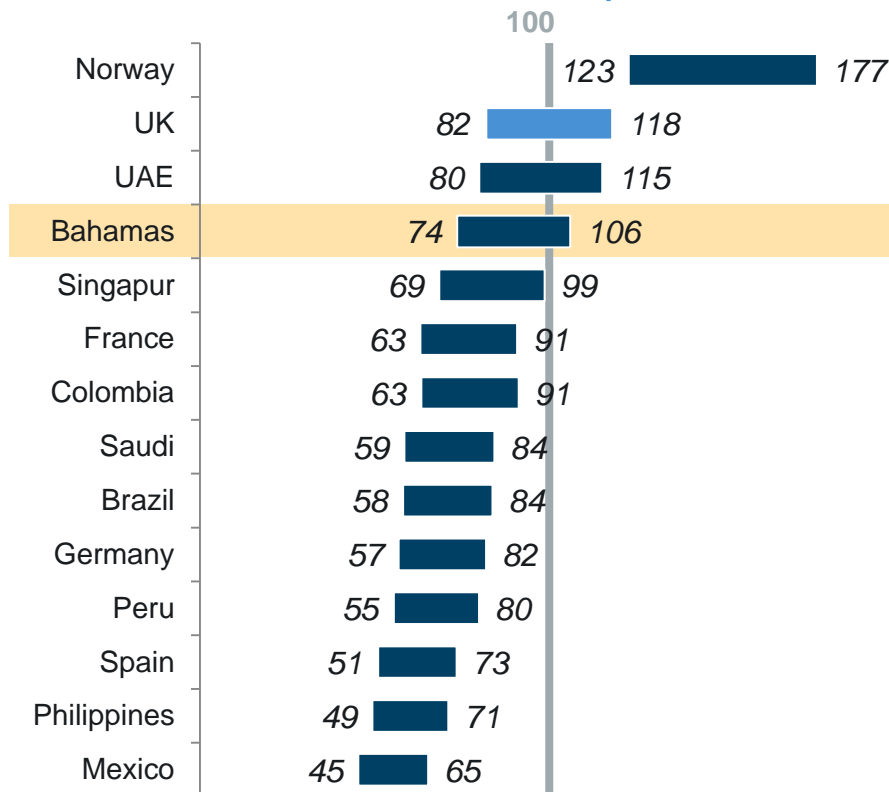
Exuma and North Eleuthera are the most saturated terminals, followed by Bimini, New Bight and Deadman's Cay

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Construction costs for new Tier 1 terminal has been reviewed based on international benchmark adjusted with Bahamas' construction costs

ALG benchmark on unitary cost for airport terminal building

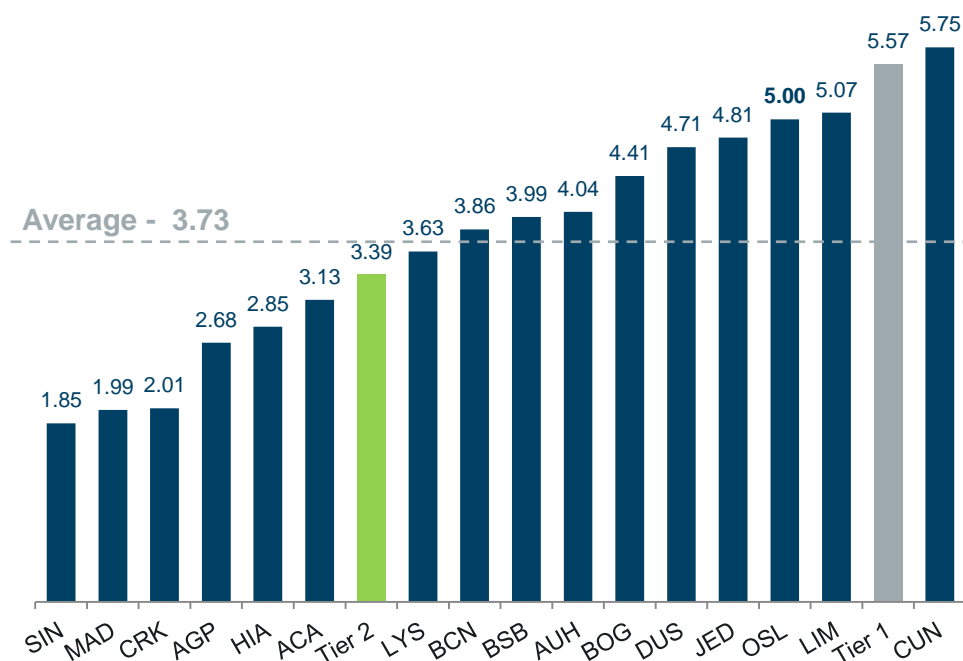
International unit construction cost comparison



Source: FMI, IATA ICC, ALG Benchmark

Unitary cost^{(1) (2)} of new terminal building at Bahamas' construction cost 2016

(USD '000 / sqm)



Note⁽¹⁾: Preliminary figures based on currently available data that will need to be validated in Phase 2

Note⁽²⁾: Stantec's unitary construction cost for Tier 1 & 2 terminals include logistics & transportation costs

Stantec's proposed construction cost for Tier 2 terminals are more align with the market that the ones proposed for Tier 1

The results of the rationalization exercise is an overall reduction of 43% over the investment proposed by STANTEC for the short-term

Comparative analysis Stantec vs ALG Capex (constant prices 2016)

	Airport	CAPEX Stantec (USD m)			CAPEX review ALG (USD m)				Delta1 ^[1]	Delta Total
		Short term	Mid-long term	TOTAL	ICAO	Exp. short term	Exp. mid/long term	TOTAL		
Tier 1	Marsh Harbour (MHH)	1.6	-	1.6	1.1	0.8	1.0	2.9	21%	82%
	Exuma (CGT)	26	11	37	6.3	15	3.8	25	-18%	-32%
	North Eleuthera (ELH)	65	4.7	70	25	0.2	1.5	26	-62%	-62%
	San Salvador (ZSA)	20	13	34	5.8	0.6	0.9	7.2	-69%	-79%
	South Bimini (BIM)	2.4	-	2.4	5.6	1.1	4.3	11.0	178%	357%
	Governor's Harbour (GHB)	17	11	27	7.4	0.8	3.0	11	-50%	-58%
	Subtotal	133	40	172	51	19	15	84	-47%	-51%
Tier 2	Rock Sound (RSD)	4.0	-	4.0	7.1	0.2	-	7.2	81%	81%
	Deadman's Cay (LGI)	3.5	-	3.5	2.6	0.02	1.1	3.7	-25%	6%
	New Bight (TBI)	6.1	-	6.1	3.0	0.0	3.2	6.2	-50%	2%
	Andros Town (ASD)	9.0	-	9.0	6.3	0.1	2.4	8.8	-29%	-2%
	Matthew Town (IGA)	15	-	15	1.1	-	13	14	-92%	-1%
	Great Harbour Cay (GHC)	4.7	-	4.7	4.4	-	-	4.4	-6%	-6%
	San Andros (SAQ)	12	-	12	10.4	0.2	0.4	11	-11%	-7%
	Treasure Cay (TCB)	1.1	-	1.1	1.4	0.08	-	1.5	40%	40%
	Subtotal	55	-	55	36	0.5	20	57	-33%	5%
Total		187	40	227	87	19	35	141	-43%	-38%

Main CAPEX decreases

1. San Salvador passenger terminal already under construction – **USD 13.5m**
2. ALG proposes **not to build North Eleuthera's new runway**. Lateral separation between terminal and runway to meet ICAO SARPs can be achieved by merely re-locating the terminal to the Northeast – **USD 37m saving in runway construction**
3. Downside on **unitary cost of the terminal buildings** at CGT & ELH to those proposed by Stantec for Tier 2 airports – **USD 5.5m & 8.5m** respectively

*Note: Preliminary figures based on currently available data that will need to be validated in Phase 2. Construction costs for previous airport projects non available
This table does not include recurrent CAPEX*

^[1] Difference between ALG's CAPEX review and Stantec proposed CAPEX for the short-term

The number of firefighting vehicles will depend on ICAO code of each airport, defined by the largest aircraft operating

Airport Firefighting category and fire vehicle requirements

	Item	Largest Aircraft	ICAO RFFS Code	RFFS Vehicles
Tier 1	Marsh Harbour (MHH)	CRJ900	6 - 7	2
	Exuma - George Town (CGT)	A319	6 - 7	2
	North Eleuthera (ELH)	CRJ900	6 - 7	2
	San Salvador (ZSA)	A330 ^[1]	6 - 7	2
	South Bimini (BIM)	ATR42 /ATR72	2 - 5	1
	Governor's Harbour (GHB)	ATR 72	2 - 5	1
	Subtotal			10
Tier 2	Rock Sound (RSD)	ATR42 /ATR72	2 - 5	1
	Deadman's Cay (LGI)	ATR42	2 - 5	1
	New Bight (TBI)	DHC-8	2 - 5	1
	Andros Town (ASD)	Beechcraft 1900	2 - 5	1
	Matthew Town (IGA)	ATR42	2 - 5	1
	Great Harbour Cay (GHC)	Saab 340	2 - 5	1
	San Andros (SAQ)	DHC-8	2 - 5	1
	Treasure Cay (TCB)	A320/B737	2 - 5	1
	Subtotal			8
	Total			18

Custom-built firefighting vehicle



\$650-800.000

Commercial fire truck vehicle

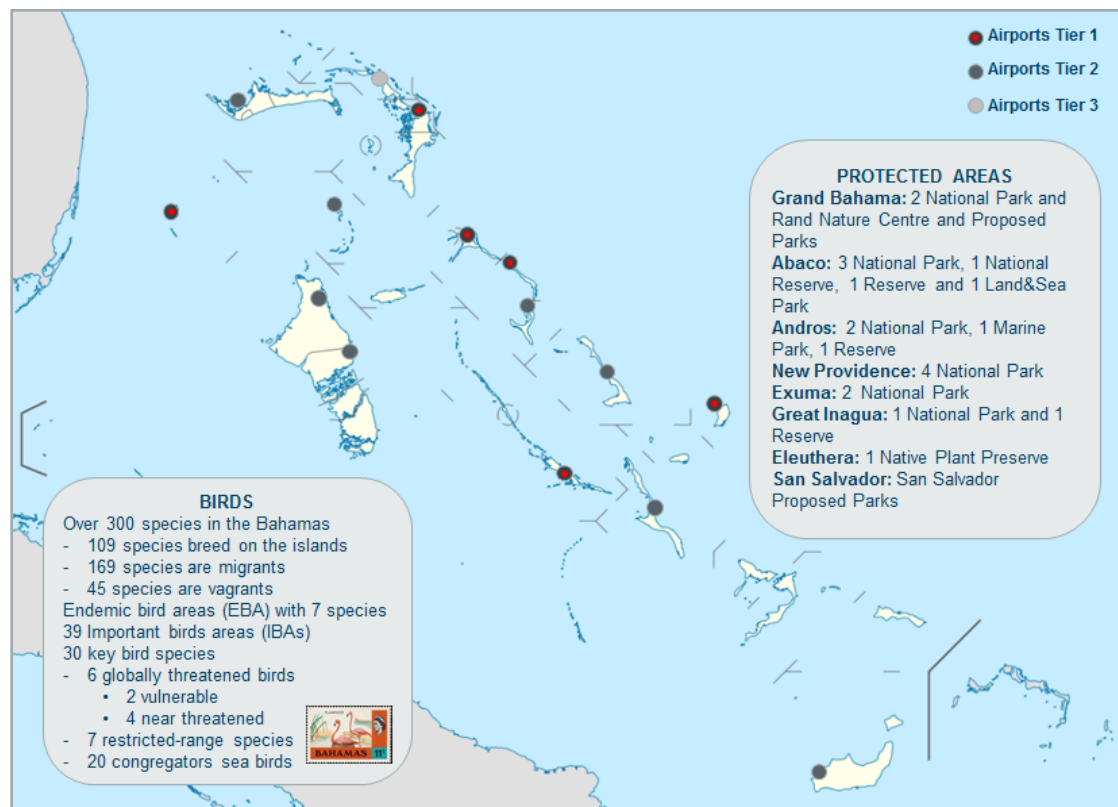
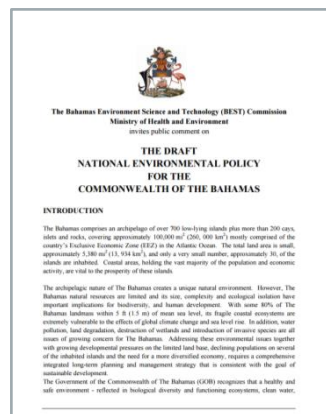
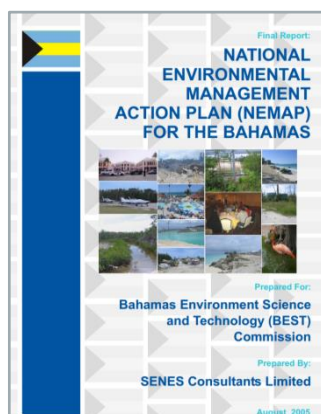
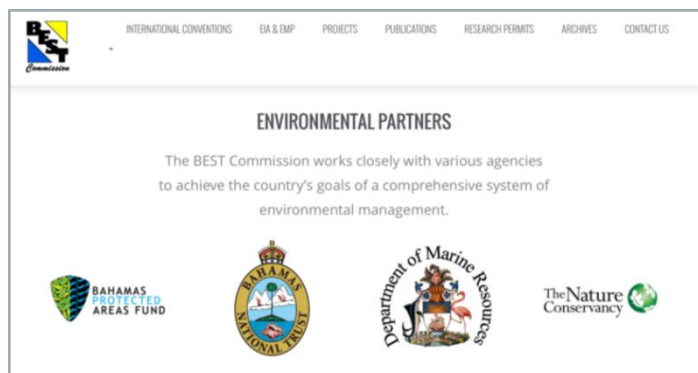


\$300-400.000

[1] When the number of movements of the aircraft in the highest category using the aerodrome is less than 700 in the busiest consecutive three months, the level of protection provided can be downgrade one level

The fragility and great complexity of the environment is a challenge for the planning and development of the Family Islands' airport system

- The tourism industry and its specific needs of the existing tourism model are the main source of environmental impact on The Bahamas.
- There is a strong and solid alliance between stakeholders in favour of conserving the natural heritage of The Bahamas.
- The involvement of private investment through PPP schemes could facilitate a responsible and efficient environmental management of the airport system.



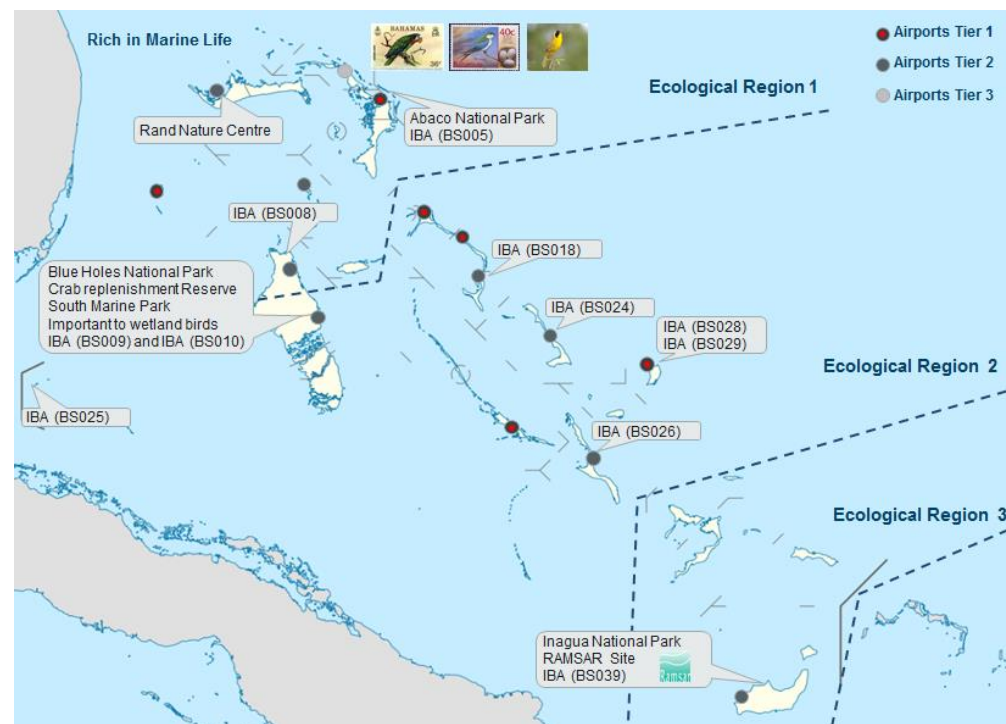
Phase 2 will focus on defining the scope of the impact and assessing all the options available for the airports selected

- The fragility of the environment requires a staged and planned reorganisation of some airport infrastructures within the territorial context from a global perspective and also for certain islands in particular:
 - Improving territorial competitiveness
 - Enhancing airport infrastructure efficiency
 - Minimizing territorial, environmental and social impacts
- General environmental information exists but there is a lack of detailed environmental analysis for decision making
 - There is no environmental analysis of the entire airport system, nor individual environmental analyses of each of the airports
 - No incompatibilities with National Parks in any of the airports have been found during the preliminary desktop review exercise performed in Phase 1. This issue will need to be validated in Phase 2; IBAs will be a challenge for airport management



Sources:

- Stantec Environment documents 2015
- <http://www.bnt.bs/>
- www.iucnredlist.org
- <http://birdlife.org.au/projects/important-bird-areas>



E&S analysis to be conducted in the second phase of the study

1 Visit the airports selected in Phase 1 in order to:

a) Identify airport E&S management

- Assessment and management of E&S
- Resource efficiency: Greenhouses gases, water consumption, energy consumption...
- Pollution prevention: Waste, hazardous materials management, oil spills...
- Noise and emissions
- Protection and conservation biodiversity (ecosystems, wildlife, birds...)
- Management of ecosystem services
- Sustainable management of living natural resources
- Labor and working conditions
- Community health, safety and security
- Land acquisition

b) Identify potential environmental deficiencies

c) Link environmental and social aspects in the infrastructure development plans

2 Environmental analysis of the need for adaptation of the airports in the framework of the PPP

3 Integration of the environmental dimension into airport planning

4 Socio-environmental impacts analysis :

- Direct and indirect
- Inside-out and outside-in

- 0. Executive Summary
- 1. Introduction
- 2. Caribbean market assessment
- 3. Bahamas market assessment
- 4. Demand projections
- 5. Airport development plans and Capex
- 6. Preliminary financial assumptions**
- 7. Selection of most feasible options for airports PPP
- 8. Details by airport

This chapter is structured in 4 sections



It is not clear which charges are being collected in Family Islands airports...

Bahamas AIP

1. LANDING OF AIRCRAFT

- 1.1 Landing fees at three quarters of the rate prescribed below shall be charged in respect of privately owned aircraft used only for purposes of recreational flying.
- 1.2 Aircraft other than cargo-carrying aircraft, which land more than once at the aerodrome in any one day shall be charged the full scheduled fee on first landing and one-half of the scheduled fee for any subsequent landing on the same day.
- 1.3 A single engine aircraft, weighing less than six thousand pounds, privately owned and operated is exempt from payment of landing fees.
- 1.4 The Director of Civil Aviation may, remit or reduce any of the scheduled fees in the case of persons owning or operating aircraft and having business to transact with him.

Aircraft weight (lbs)	Fee
up to 4,000	\$4.00
4,001 - 6,000	\$6.00
6,001 - 14,000	\$11.00
14,001 - 34,000	\$40.00
34,001 - 58,000	\$60.00
58,001 and more	\$75.00

Airport visit – Rock Sound

ROCK SOUND AIRPORT
LANDING FEE SCALE

PISTON OR TURBO		JET AIRCRAFT	
LBS:	£	LBS:	£
1-1,000	1.60	1-5,000	19.85
1,001-2,000	2.40	5,001-10,000	27.90
2,001-3,000	4.40	10,001-15,000	35.55
3,001-4,000	4.40	15,001-20,000	43.70
4,001-5,000	6.40	20,001-25,000	52.90
5,001-8,000	7.60	25,001-30,000	60.95
8,001-11,000	9.40	30,001-35,000	67.55
11,001-14,000	11.20	35,001-40,000	72.75
14,001-17,000	12.80	40,001-45,000	79.35
17,001-20,000	14.40	45,001-50,000	83.40
20,001-23,000	16.00	50,001-55,000	87.40
23,001-26,000	24.40	55,001-60,000	88.55
26,001-29,000	26.00	60,001-65,000	92.60
29,001-32,000	27.60	65,001-70,000	95.15
32,001-35,000	28.00	70,001-75,000	99.20
35,001-38,000	29.60	75,001-80,000	100.65
38,001-41,000	30.40	80,001-85,000	104.35
41,001-44,000	31.20	85,001-90,000	107.25
44,001-47,000	32.00	90,001-95,000	108.40
47,001-50,000	32.80	95,001-100,000	112.40
50,001-53,000	33.60	100,001-105,000	119.05
53,001-57,000	36.00	105,001-110,000	123.25
57,001-63,000	38.80	110,001-115,000	128.25
		115,001-120,000	134.85
		120,001-125,000	140.30
		125,001-130,000	146.90
		130,001-135,000	152.10
		135,001-140,000	158.70
		140,001-145,000	162.75
		145,001-150,000	167.75
		150,001-155,000	174.50
		155,001-160,000	180.00
		160,001-165,000	186.60
		165,001-170,000	191.75
		170,001-175,000	198.40
		175,001-180,000	202.40

Regulations – ch. 284 - 2008

Landing, parking, tie-down and air navigation (fees and charges) (Government aerodromes) regulations – ch. 284 - 2008

FIRST SCHEDULE (Regulations 2, 3 & 4)

LANDING FEES

A. Piston Engine Aircraft.

The following landing fee Schedule applies to piston driven aircraft with a maximum allowable takeoff weight (MATW) below and above 12,500 pounds —

Up to 12,500 pounds	\$3.00 per 1,000 pounds
12,501 pounds and above	\$3.00 per 1,000 pounds.

B. Turbine and Pure Jet.

The following landing fee applies to turbine and pure jet aircraft with maximum takeoff weight of 12,501 pounds but not exceeding 100,000 pounds —

12,501 pounds – not exceeding 100,000 pounds.....	\$3.50 per 1,000 pounds
---	-------------------------

The following landing fees applies to turbine and pure jet aircraft with maximum takeoff weights of —

100,001 pounds – not exceeding 800,000 pounds.....	\$4.00 per 1,000 pounds.
--	--------------------------

Different tables of charges were received and it was not possible to know which one is currently used at each airport

... thus, current FI airports aeronautical fees and charges needed to be estimated

Criteria used to estimate the aeronautical fees: Example for a 34 seats and 29,000 lb. MTOW aircraft (SAAB 340), Commercial flight

	Assumptions used Family Islands Airports	Family Islands Airports – Rock Sound (info provided in airport visit) (1) - 2016	Family Islands Airports according to AIP - May 2015	Family Islands Airports Landing, parking, tie-down and air navigation (fees and charges) (Government aerodromes) regulations – ch. 284 - 2008
Domestic				
Landing fee	\$ 102 per landing (\$ 3.5 per every 1,000 lb until 12,500 lb + \$ 4 per every 1,00 lb from 12,500 lb)	\$ 26 per landing (price for a 26,000 to 29,000 lb MTOW turboprop)	\$ 40 per landing (price for a 14,000 to 34,000 lb MTOW turboprop)	\$ 102 per landing (\$ 3.5 per every 1,000 lb MTOW turboprop)
Parking Fee	\$ 200 per month (price for a 20,000 to 50,000 lb MTOW aircraft)	Not specified	\$ 200 per month (price for a 20,000 to 50,000 lb MTOW aircraft)	\$ 200 per month (price for a 20,000 to 50,000 lb MTOW aircraft)
Security fee	\$ 7 per departing pax (VAT excluded)	\$ 7 per departing pax	Not specified	- Screening, passenger and carry on baggage: \$ 3 per person - Screening hold baggage: \$ 50 per flight - Security charges: \$ 75 per flight (for a 50 seat aircraft) It would add approx. \$ 6.8 per departing pax
International				
Landing fee	\$ 102 per landing (\$ 3.5 per every 1,000 lb until 12,500 lb + \$ 4 per every 1,00 lb from 12,500 lb)	\$ 26 per landing (price for a 26,000 to 29,000 lb MTOW turboprop)	\$ 40 per landing (price for a 14,000 to 34,000 lb MTOW turboprop)	\$ 102 per landing (\$ 3.5 per every 1,000 lb MTOW turboprop)
Parking Fee	\$ 200 per month (price for a 20,000 to 50,000 lb MTOW aircraft)	Not specified	\$ 200 per month (price for a 20,000 to 50,000 lb MTOW aircraft)	\$ 200 per month (price for a 20,000 to 50,000 lb MTOW aircraft)
Security fee	\$ 7 per departing pax (VAT excluded)	\$ 7 per departing pax	Not specified	Screening, passenger and carry on baggage: \$ 3 per person - Screening hold baggage: \$ 50 per flight - Security charges: \$ 75 per flight (for a 50 seat aircraft) It would add approx. \$ 6.8 per departing pax
Processing fee – Commercial	-	\$ 150 per commercial flight arriving	-	-
Passenger Departure Tax (2)	\$ 29 per departing pax	\$ 29 per departing pax	\$ 15 per person (international)	Not specified

Note: (1) Written information not provided in airport visits; (2) It is not an airport charge or fee, it is a tax

FI airports aeronautical fees and charges are much lower than in Nassau due to lack of PFC for DOM and INT pax

F.I. airports vs. Nassau aeronautical fees and charges: Example for a 34 seats and 29,000 lb. MTOW aircraft (SAAB 340), Commercial flight

	Nassau airport fees and charges May 2015	Assumptions used Family Islands Airports
Domestic		
Landing fee	\$ 88.3 per landing (price for a 26,000 to 29,000 lb MTOW aircraft first 10 landings)	\$ 102 per landing (\$ 3.5 per every 1,000 lb until 12,500 lb + \$ 4 per every 1,00 lb from 12,500 lb)
Parking Fee	\$ 30.8 per day (first 4 hours are exempted)	\$ 200 per month (price for a 20,000 to 50,000 lb MTOW aircraft)
Security fee	\$ 5.38 per departing pax (VAT inclusive)	\$ 7 per departing pax (VAT exclusive)
PFC (Passengers Facility Charge)	\$ 8.06 per departing pax (VAT inclusive)	-
Terminal fee	\$ 30.8 per flight (price for a 20 to 46 seats aircraft)	-
International		
Landing fee	\$ 82.2 per landing (price for a 26,000 to 29,000 lb MTOW aircraft first 10 landings)	\$ 102 per landing (\$ 3.5 per every 1,000 lb until 12,500 lb + \$ 4 per every 1,00 lb from 12,500 lb)
Parking Fee	\$ 28.7 per day (first 4 hours are exempt)	\$ 200 per month (price for a 20,000 to 50,000 lb MTOW aircraft)
Security fee	\$ 7.53 per departing pax (VAT inclusive)	\$ 7 per departing pax (VAT exclusive)
PFC (Passengers Facility Charge)	\$ 36.55 per departing pax (VAT inclusive)	-
Passenger processing Processing fee	\$ 6.45 per departing pax (VAT inclusive)	-
Terminal fee	\$ 28.7 (price for a 20- to 46-seat aircraft)	-
Passenger Departure Tax (1)	\$ 29 per departing pax	\$ 29 per departing pax



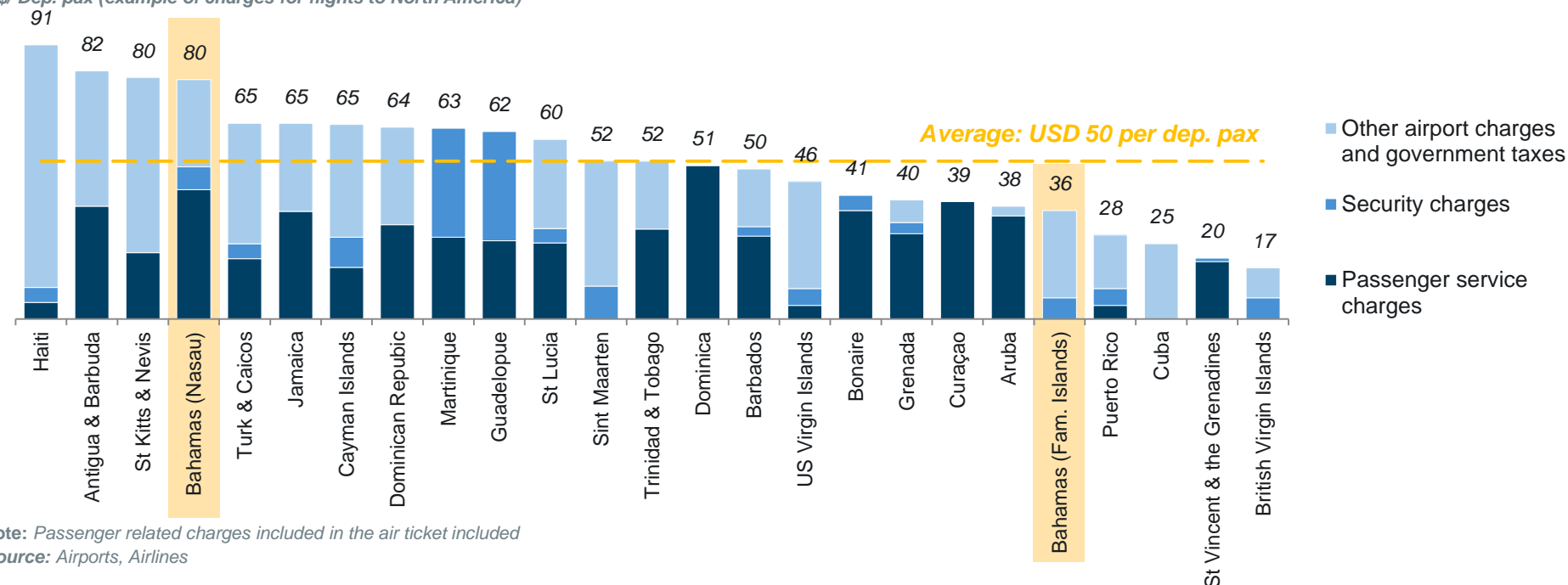
- No domestic PFC assumed for FI airports
- **Difference of c. USD 10 per DOM dep. Pax compared to Nassau**
- No international PFC assumed for FI airports
- **Difference of c. USD 44 per INT dep. Pax compared to Nassau**
- Passenger Departure is a Government tax and not an airport charge

Note: (1) It is not an airport charge or fee, it is a government tax

Caribbean benchmarking shows limited margin to increase FI airports international passenger related charges given the cost of Passenger Departure Tax and security fee

Benchmarking of passenger related charges in Caribbean airports - 2016, USD per dep international pax

US\$/ Dep. pax (example of charges for flights to North America)



Note: Passenger related charges included in the air ticket included

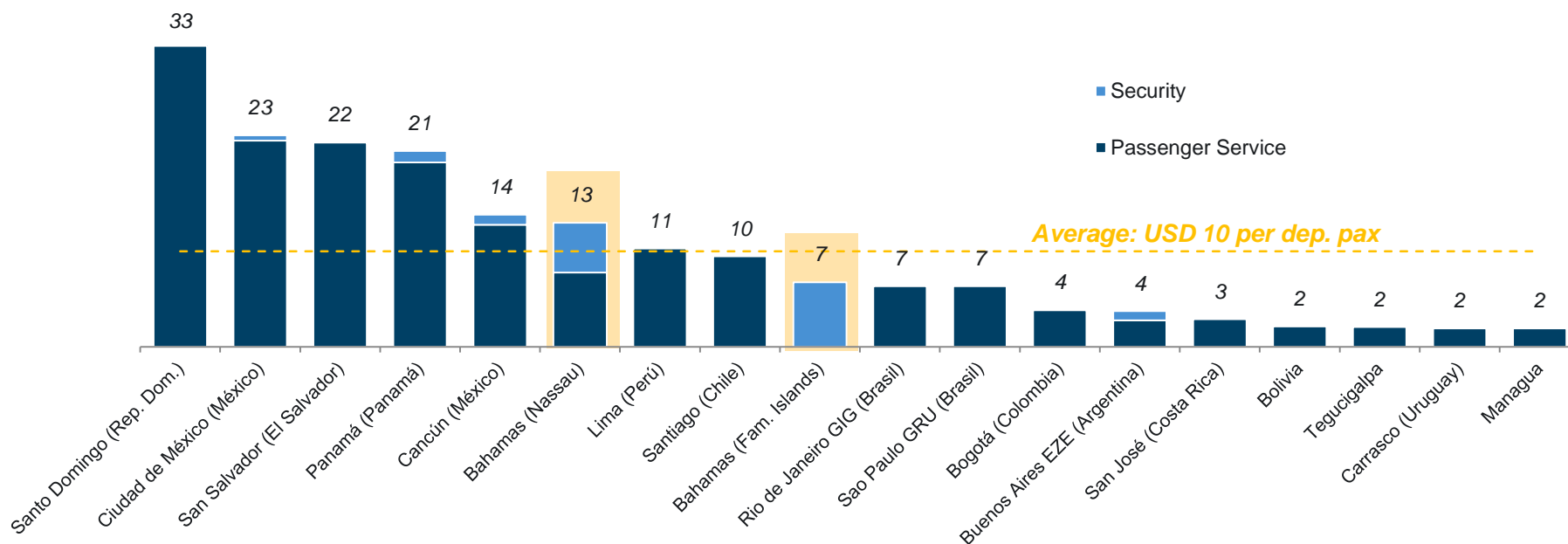
Source: Airports, Airlines

- It is important to note that Caribbean airport charges are high compared to a relevant sample of benchmarks
- The current level of charges leave no room to increase charges without a risk of affecting traffic demand. The key point is to avoid charge increases that would undermine international traffic growth
- Key findings:
 - The average charge for pax in the region is approximately USD 50, which is USD 14 higher than the F.I. airports (incl. VAT)
 - Family Islands Airports should be compared to other small airports in the region
- An increase of USD 10 (excl. VAT) per departing passenger for the Family Islands airports should be considered a maximum. The charge increase for pax should not exceed USD 10 (excl. VAT) as it risks a negative effect on demand

Given the cost of the security fee, there is no room to increase domestic passenger charges

Benchmarking of passenger related charges in Latin-American and Caribbean airports - 2016, USD per dep. domestic pax

USD/ Dep. pax



Source: Airports, Airlines, ALTA

- Several airports in LAC have been included in the benchmarking of domestic passenger related charges
- There is no margin to increase domestic passenger charges for the FI airports
- The main idea is to avoid charge increase which could undermine domestic traffic growth
 - Most domestic passengers are international tourists that connect via Nassau, thus are already paying international charges at Nassau – (\$ 29 for International departure tax, \$ 6 for Passenger processing fee and \$ 34 for the Airport Facility Fee)
 - Family Islands Airports have a public service condition for Bahamian nationals and must ensure easy and cheap access to domestic air transport

A charge of USD 17.5 per passenger has been assumed – in the Base Case Scenario – for funding the expansion and operation

IATA's draft proposal



IATA's draft proposal re. Family Islands airports funding (fees & charges)

...

a. To implement the fees and charges described in existing national regulations titled: "LANDING, PARKING, TIE-DOWN AND AIR NAVIGATION (FEES AND CHARGES) (GOVERNMENT AERODROMES) REGULATIONS (SECTION 5), [Commencement 1st October, 2005]"

....

b. As it is assumed that such fees and charges will not be enough to fund operations and CAPEX for these airports; the network of aerodromes will therefore necessitate continuous financial support by the Government. It is expected that such subsidies will be funded through the proceeds of the international passenger tax collected under the "PASSENGER TAX ACT (CHAPTER 379) PASSENGER TAX ACT (AMENDMENT TO FIRST SCHEDULE) ORDER, 2013": USD 25 per departing passenger

ALG's Forecast Assumptions

- With no passenger fees (PFC) the Family Islands Airports cannot be financially sustainable
- It has been assumed that, in case of a PPP, the private operator would collect a fee as follows:
 - **Low case:** Government of Bahamas keeps current passenger departure tax act and a new airport fee or charge is created (as previously assessed through regional benchmark, USD 10 per departing pax is considered a maximum, and is non desirable to add such fee)
 - **Base case:** Midway High and Low Case (aligned with draft IATA recommendation for funding of the FI airports)
 - **High case:** Government of Bahamas decides to withdraw pax departure tax in order to create PFC airport charge for the same value

PFC assumptions	DOM (USD)	INT (USD)
Low Case	0	10
Base Case	0	17.5
High Case	2	25

Open questions for discussion

- What fees and charges should be collected by the concessionaire?
 - Should charges decrease (in real terms) over time or be kept at a fixed rate to the CPI?

The most suitable airport packaging options will depend on these answers

The fees, charges & taxes considered result in a cost of USD 750-1,200 for a typical intl' commercial turnaround in the Family Islands

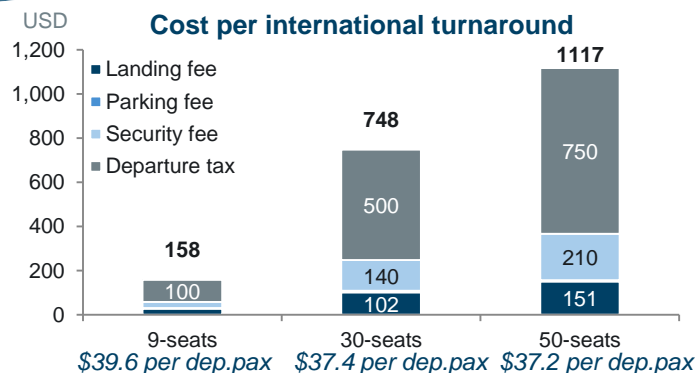
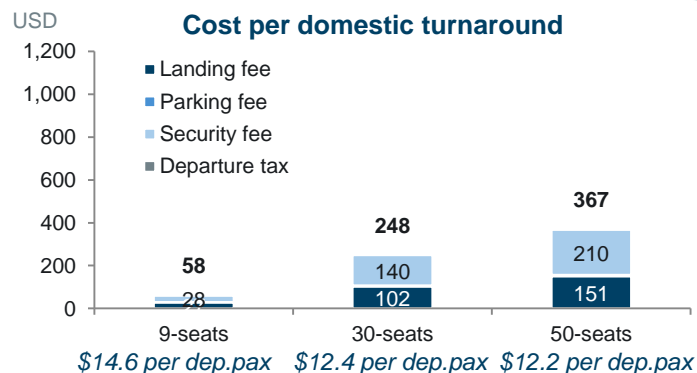
Assumptions, Aeronautical fees & charges considered

Operating assumptions						
Typical Aircraft	9-seats aircraft (private)		33-seats aircraft (commercial)		50-seats aircraft (commercial)	
MTOW (lbs)	9,000		29,000		43,000	
Seats	9		33		50	
Avg. Pax (Load Factor)	4 (44%)		20 (61%)		30 (60%)	
Applicable aeronautical fees & charges						
Market	Domestic	International	Domestic	International	Domestic	International
Landing fee ⁽¹⁾	\$ 27 (\$ 3 per 1,000 lb)		\$ 101.5 (\$ 3.5 per 1,000 lb)		\$ 150.5 (\$ 3.5 per 1,000 lb)	
Parking fee	\$ 3.3 (\$ 100 per month)		\$ 6.7 (\$ 200 per month)		\$ 6.7 (\$ 200 per month)	
Security fee	\$ 7.0 per dep. Pax		\$ 7.0 per dep. Pax		\$ 7.0 per dep. Pax	
Departure tax ⁽²⁾	-	\$ 25 per dep. Pax (VAT excluded)	-	\$ 25 per dep. Pax (VAT excluded)	-	\$ 25 per dep. Pax (VAT excluded)

Note: (1) Private flights operated by aircraft with MTOW lower than 6,000 lb are exempted of paying landing fees

(2) It is not an airport charge or fee, it is a tax currently collected by the Government

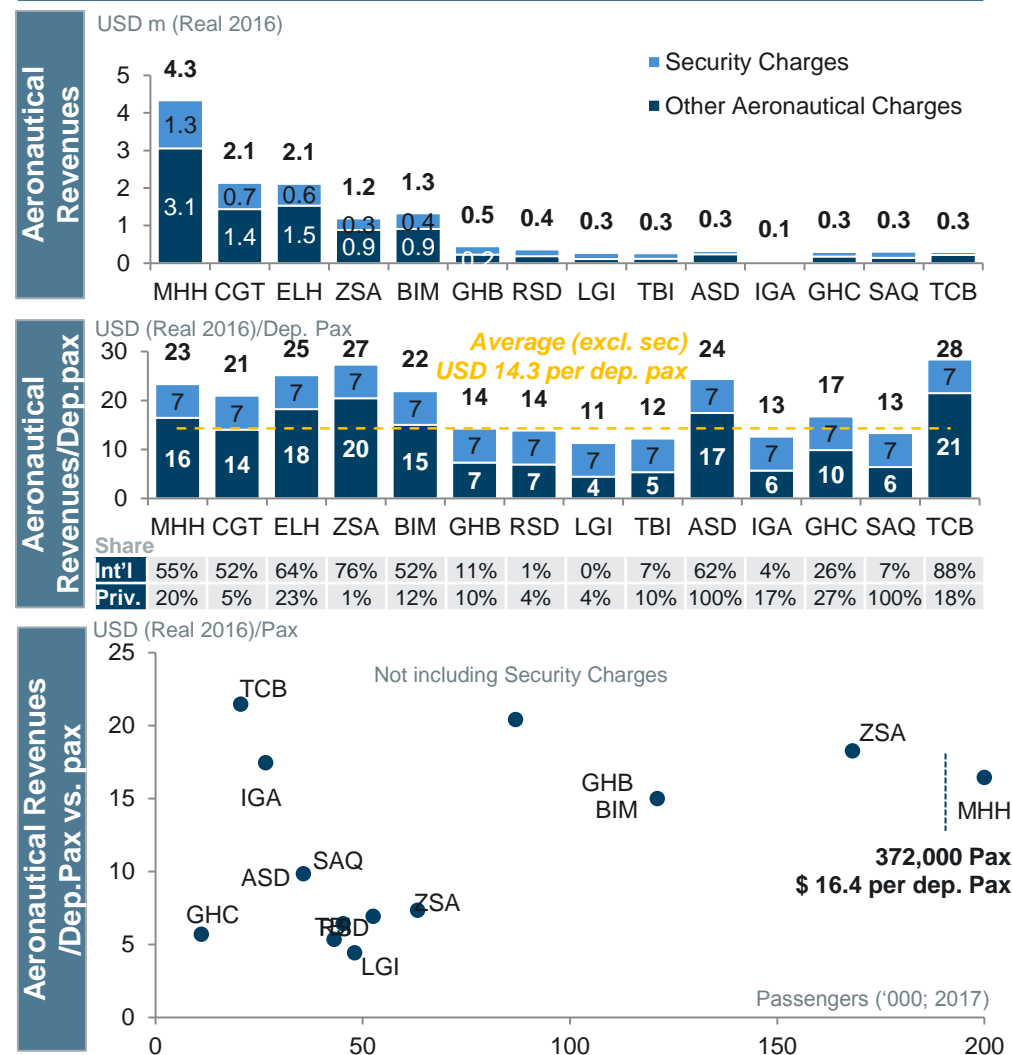
- Landing, Parking and Security fees are based on information from "Legislation Chapter 284: LANDING, PARKING, TIE-DOWN AND AIR NAVIGATION (FEES AND CHARGES) (GOVERNMENT AERODROMES) "
- Departure tax is based on Passenger Tax Act (Chapter 379). It is assumed that the airport operator will receive a certain proportion of this tax in order to finance the expenses and investments related to the operation of the Family Islands airports: USD 10, 17.5 or 25 per INT dep pax depending on the scenario



Based on previous assumptions and the expected traffic, an airport operator would charge an average of USD 14.3 per dep. pax in the FI

Aeronautical revenues – Base Case, yr. 2017; Real USD 2016

- RFF and Security could be inside or outside a concession scope
- Based on the fees and charges assumptions presented, and given the expected traffic mix, an airport operator would collect (Base Case scenario):
 - Without RFF and security: an average of USD 14.3 per dep. pax
 - With RFF and security: an average of USD 21.3 per dep. pax
- Differences between the airports regarding aeronautical revenues per departing pax are mainly driven by the share of international traffic and the share of private traffic:
 - Airports operating a larger share of international passengers (i.e. San Salvador and Treasure Cay) show higher values of aeronautical revenues per departing pax
 - Airports operating a larger share of private flights (i.e. San Andros) show higher aeronautical revenues per departing pax
- This same level of revenues could be achieved through a different fees and charges structure



Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Non-Aeronautical Revenues: estimated based on data gathered on-site and published charges

	Comments	Airports' estimated non aeronautical revenues (USDk)													
		MHH	CGT	ELH	ZSA	BIM	GHB	RSD	LGI	TBI	ASD	IGA	GHC	SAQ	TCB
Shops	<ul style="list-style-type: none">Based on sqm of shops and a fee per sqm;Fee per sqm USD 600 - assumed based on site visitMarsh Harbour: USD 716 per sqm. + 15% revenue sharing	328	8	4	11	4	8	3	-	4	4	4	-	8	-
Offices and Counters	<ul style="list-style-type: none">Offices revenues based on sqm of offices and a fee per sqm whereas counters revenues based on number of counters and a fee for each counterFee per counter based on document "Civil Aviation, CH. 284 (2008)"Office fee per sqm based on airports visits information	105	30	35	16	29	7	22	15	4	14	7	14	-	-
Fuel	<ul style="list-style-type: none">Fuel revenues based on gallons supplied in the airport and a fee per gallonUnit rate of \$ 0.07 per gallon based on document "Civil Aviation, CH. 284 (2008)"	56	-	29	-	-	-	-	-	-	-	-	-	-	N/A
Land leases (FBO & Fuel)	<ul style="list-style-type: none">Fee per sqm of \$0.59-\$0.89 based on document "Civil Aviation, CH. 284 (2008)"Fee per sqm of \$ 1.18 for Marsh Harbour based on revenue info provided on airport visit	77	N/A	-	N/A	-	N/A	-	-	-	-	-	-	N/A	N/A
Others: parking, rent a car...	<ul style="list-style-type: none">Includes: car parking, car rentals, advertisementThese revenues only considered for Marsh HarbourRevenues based on revenue per passenger obtained from such revenue streams; data collected during airport visit	149	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		715	58	68	28	33	21	25	15	7	18	10	14	11	N/A
Total/pax		2.3	N/A	0.5	N/A	0.3	N/A	0.5	0.3	0.2	0.7	0.9	0.4	N/A	N/A

Source: Airport visits, "Legislation Chapter 284: Landing, parking, tie-down and air navigation (fees and charges) (Government aerodromes)"

Note: Information based on interviews. No documents or consolidated accounting data available; N/A when information was not provided during airport visits

Reduced mix of non-aeronautical businesses present today at the Family Islands

	MHH	CGT	ELH	ZSA	BIM	GHB	RSD	LGI	TBI	ASD	IGA	GHC	SAQ	TCB
Shops	✓	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✗	✓	✗
Offices and Counters	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✗	✗
Fuel	✓	✗	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✓
Land leases (FBO & Fuel)	✓	✓	✗	✓	✗	✓	✗	✗	✗	✗	✗	✗	✓	✓
Others: parking, rent a car...	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗

✓ Available ✗ NOT Available

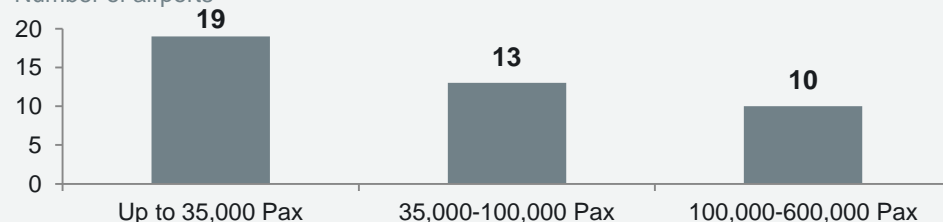
Marsh Harbour is the only airport which exploits a wide spectrum of commercial activities

Benchmarking shows margin for improving non aeronautical revenues (1/2)

Benchmarking description

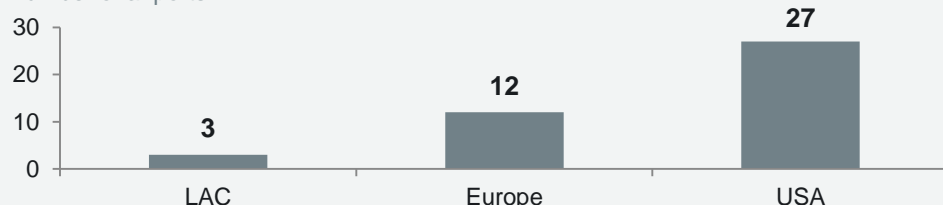
Number of airports by traffic range

Number of airports



Number of airports by Region

Number of airports

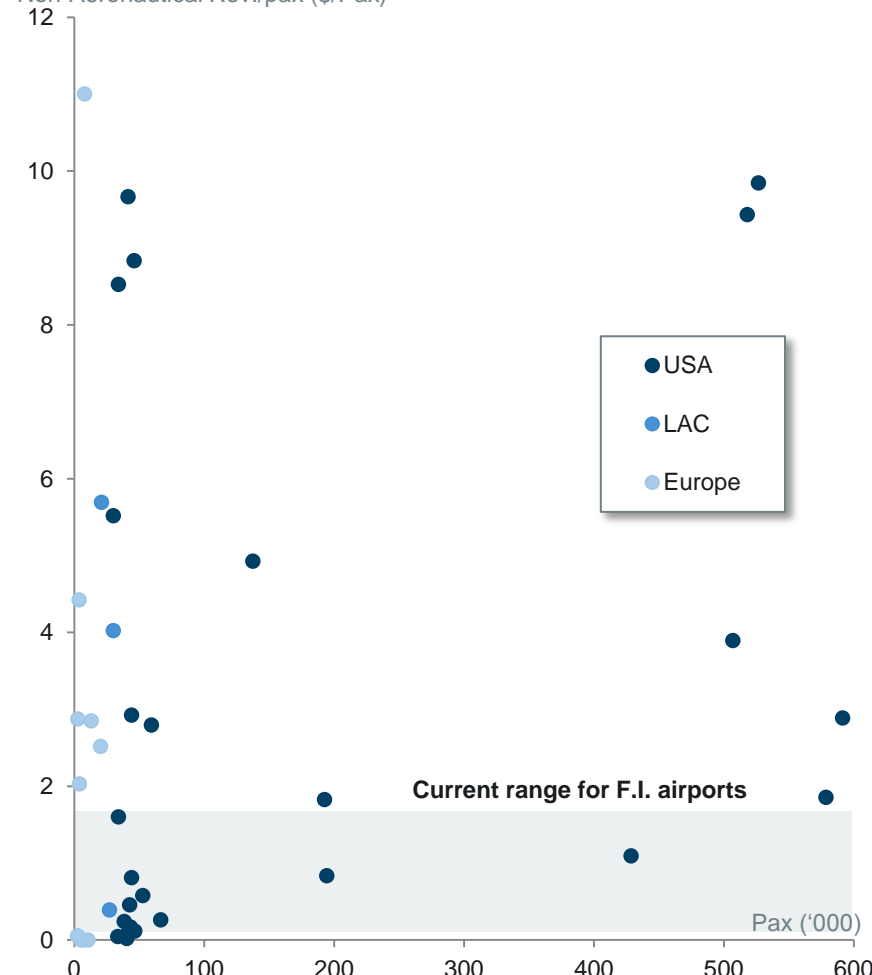


- Benchmarking available containing data from 42 airports with traffic volumes similar to those from Family Islands and from different regions (USA, Europe and LAC)

- Values for non aeronautical revenues do not follow a clear pattern due to the small size of the airports benchmarked

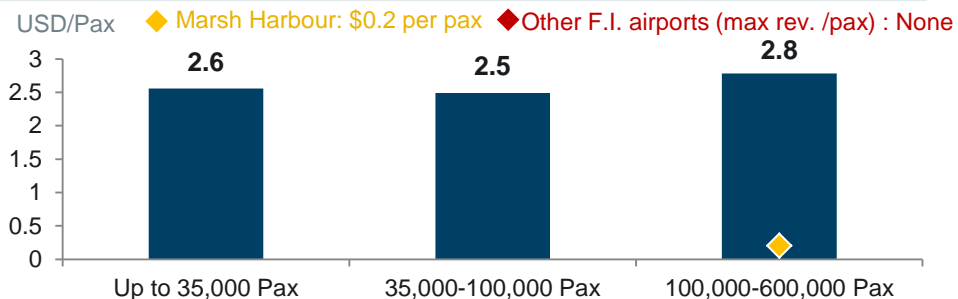
Benchmarking: Non-Aeronautical revenues/pax vs. pax

Non-Aeronautical Rev./pax (\$/Pax)

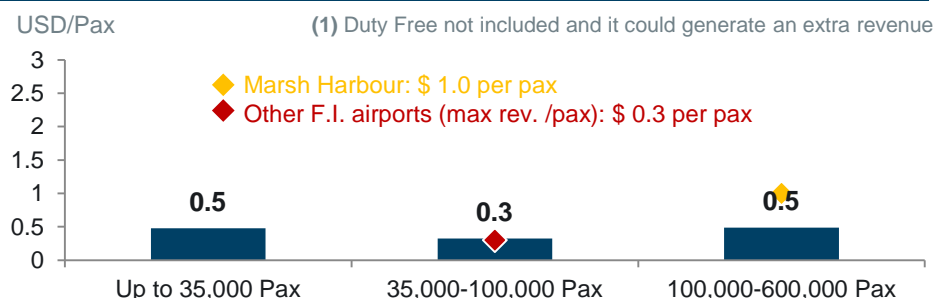


Benchmarking shows margin for improving non aeronautical revenues (2/2)

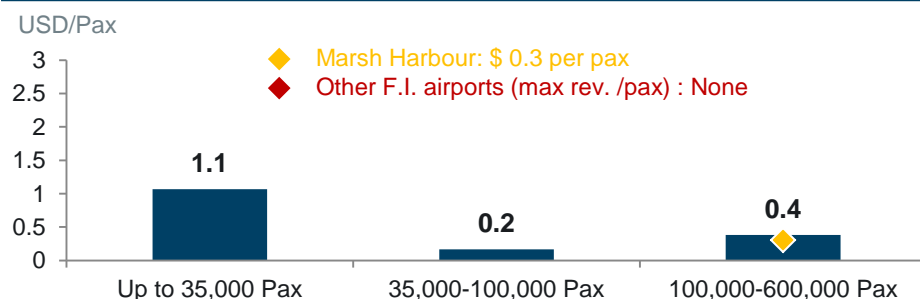
Benchmarking results for Car rental & Parking – Avg.



Benchmarking results for Shops⁽¹⁾ (F&B & Retail) – Avg.

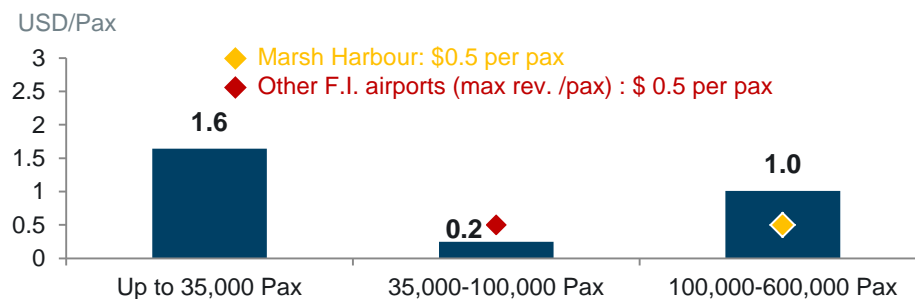


Benchmarking results for Advertisement – Avg.

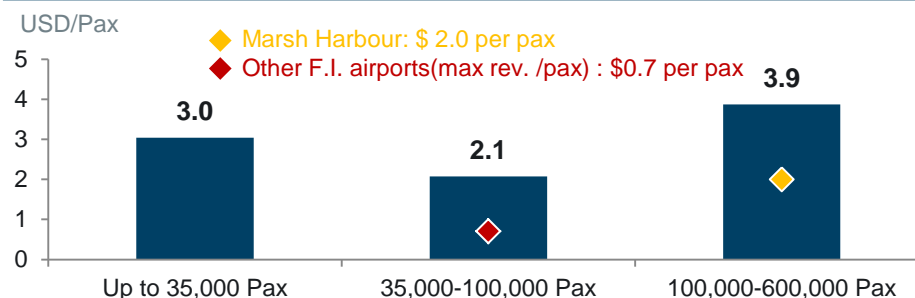


Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Benchmarking results for Other Non Aeron. Revenues – Avg.



Benchmarking results for Total Non Aeron. Revenues – Avg.



- Based on the comparison of Family Islands airport current revenues with similar sized airports, only Marsh Harbour is exploiting the different businesses, obtaining revenue levels aligned with the benchmarks
- All other airports are currently below benchmarking values and are not exploiting some businesses at all (i.e car rental & parking, which can be the largest revenue streams in airports with this size)
- Therefore, there is margin to improve non aeronautical revenues in Family Islands airports

It is assumed that the airport operator would generate an average of USD 1.5 per dep. pax

Non-Aeronautical Fees and Unit rates -2017

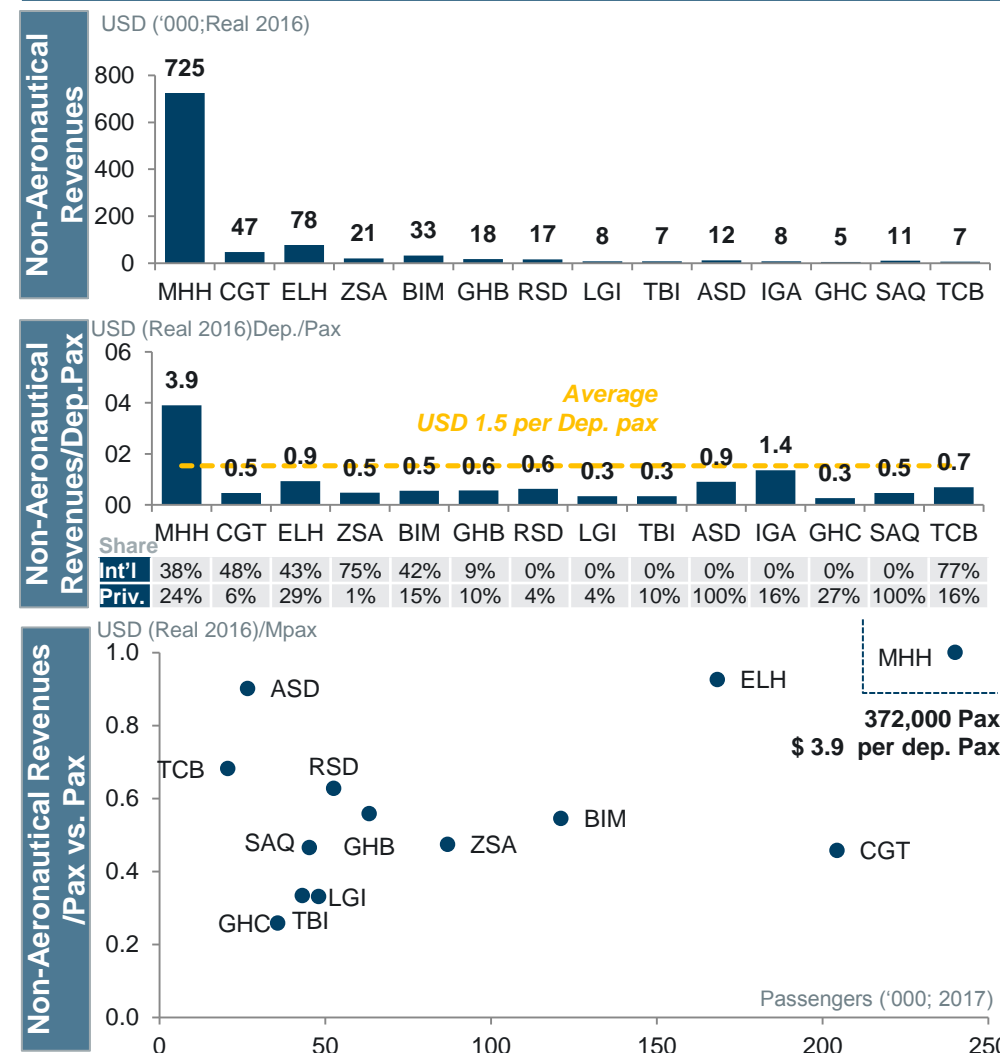
	Driver	Reference MHH	Reference Airport 1	Reference Airport 2
Shops	\$/sqm.	716 \$/sqm + 0.7 \$/pax	600	600
Counters	\$/counter	4,200	4,200	3,600
Offices	\$/sq. feet	50	50	50
Fuel	\$/gallon	0.07	0.07	0.07
Land-leasing	\$/sqm.	1.18	0.89	0.59
Car rental companies rent	\$	36,000	-	-
Parking	\$/pax	0.088	-	-
Advertisement	\$/pax	0.280	-	-

Note: Airport 1 include CGT, ELH, ZSA, BIM, GHB; Airport 2 include RSD, LGI, TBI, ASD, IGA, GHC, SAQ, TCB

- Although benchmarking analysis has allowed to identify potential to improve non aeronautical revenues, the preliminary financial model will be based on the current business model in the Family Islands airports and will assume rates presented in "Government aerodromes regulations, Legislation Chapter 284: Landing, parking, tie-down and air navigation (fees and charges) (Government aerodromes)"
 - Assumed annual growth of fees and unit rates of 0.5% above CPI
- In the context of a bidding process, private operators would be able to improve such non aeronautical revenue assumptions taking into account their expertise, in case it was decided to allow the private operator to change current business model for non-aeronautical revenues

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Non Aeronautical revenues – Base Case, yr. 2017; Real USD m 2016



Current Operating expenses are assumed by different stakeholders and consolidated data at an airport level is not available (1/2)

Opex breakdown	Stakeholders	Provided Data
Staff	CAD Local Government	Number of current staff and salaries in each airport obtained from interviews during airports visits: headcount estimated at 186 employees for Family Islands airports ⁽¹⁾
Utilities	CAD Budget Ministry of Finance Ministry of Works Local Government Others	Available data from interviews during airports visits for Marsh Harbour and North Eleuthera ⁽¹⁾
Maintenance & Supplies and operational expenses		Current budget of USD 3.5m per annum by CAD for the Family Islands airports ⁽¹⁾
Overheads & Others		Budget allocated by Ministry of Finance, Ministry of Works or others not known

(1) Note: Information based on interviews. No documents or accounting data available for the Consultant

Current Operating expenses are assumed by different stakeholders and consolidated data at an airport level is not available (2/2)

Staff by airport and Salaries by position⁽¹⁾ - 2016

Staff	Total	MHH	CGT	ELH	ZSA	BIM	GHB	RSD	LGI	TBI	ASD	IGA	GHC	SAQ	TCB	Salaries (\$)
Airport Manager	12	1	1	1	1	1	1	1	1	1	0	1	1	0	1	45,000*
Middle Managers	4	1	1	0	0	0	0	0	0	0	0	0	2	0	0	35,000
Administration	2	0	0	0	0	0	0	0	2	0	0	0	0	0	0	20,000
Operations	3	2	0	0	0	0	0	0	0	0	0	0	1	0	0	23,000
Maintenance	10	0	3	0	1	0	1	1	0	0	1	0	2	0	1	23,000
Fire Fighters	46	8	7	2	7	2	5	1	0	5	0	5	0	0	4	26,000
Security	83	9	14	6	11	5	7	9	1	2	2	2	6	4	5	24,000
Janitors	21	5	2	2	1	0	1	3	1	1	2	1	1	1	0	16,000
ATC	5	0	4	1	0	0	0	0	0	0	0	0	0	0	0	22,000
Total	186	26	32	12	21	8	15	15	5	9	5	9	13	5	11	

*Note: \$ 75,000 in Marsh Harbour

Utilities expenses⁽¹⁾ - 2016

	Marsh Harbour	North Eleuthera
Electricity	\$ 396,000	\$ 57,600
Water	\$ 1,440	\$ 200
Diesel.	\$ 24,000	\$ 3,100
Telephone, Cable TV & Internet	\$ 41,800	\$ 5,400

- Current Opex estimated based on information gathered during airport visits
- Maintenance and operational expenses in CAD's budget for all the Family Islands is USD 3.5m; It does not include Staff & Utilities costs. Moreover, some other costs (non identified) also outside CAD scope and are currently under Ministry of Finance, Ministry of Works or local community budgets
- Future Opex estimates based on bottom-up analysis performed by the Consultant

(1) Note: Information based on interviews. No documents or accounting data available for the Consultant

Staff: Costs are estimated based on bottom-up analysis in order to ensure ICAO compliance

Staff assumptions - 2017

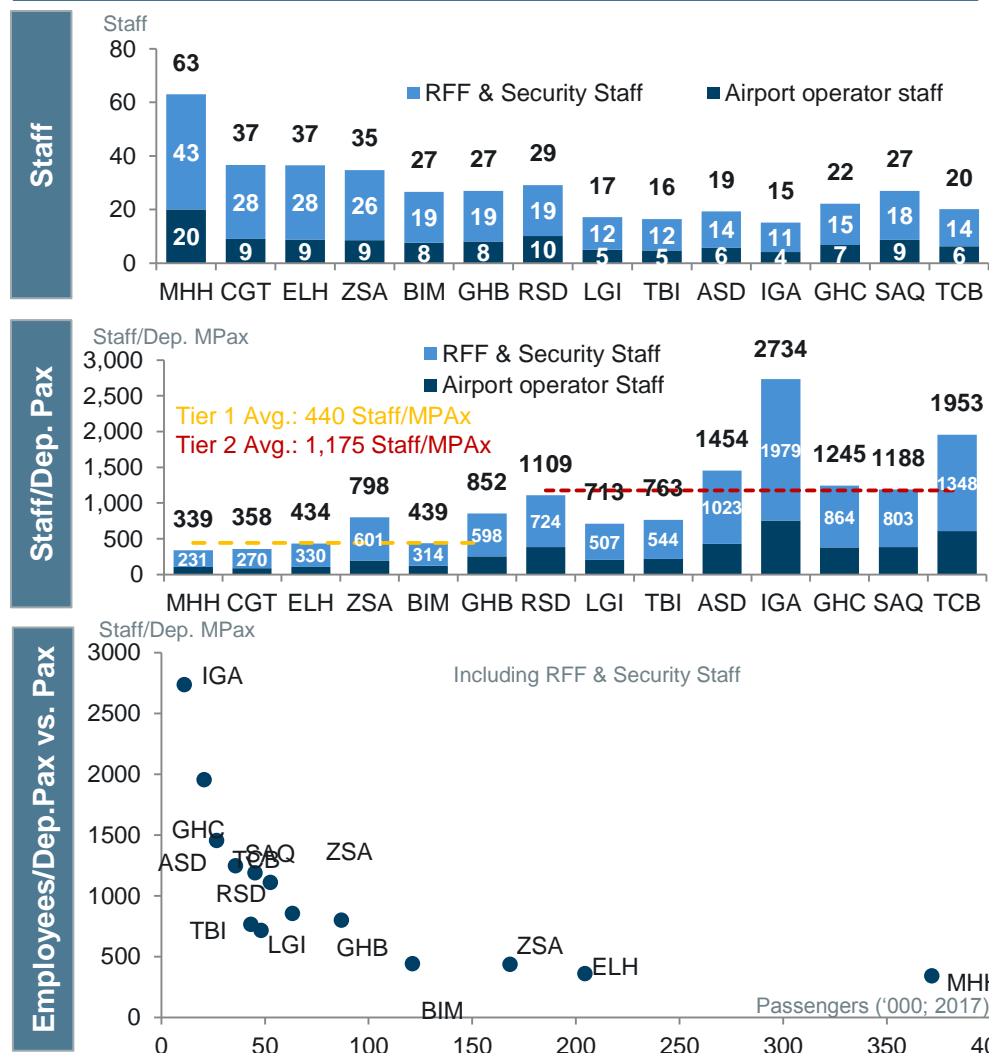
FTEs	Current Staff			Bottom Up-Staff 2017		
	Marsh Harbour	North Eleuthera	New Bight	Marsh Harbour	North Eleuthera	New Bight
Airport Mng.	1	1	0	1	1	1
Middle Mng.	1	0	0	2	0	0
Admin.	0	0	0	2	1	1
Operations& Maintenance	2	0	0	10	5	3
Janitors	5	2	1	5	3	1
Sub-total	9	3	1	20	10	6
Fire Fighters	8	2	5	13	13	6
Security	9	6	3	30	15	8
Total*	26	11	9	63	38	20

*Note: Figures may not add due to rounding

- The number of employees by position has been dimensioned in order to be compliant with ICAO regulations and benchmarked against airports of similar size
- Salary costs based on information collected during airport visits
- Fire fighters headcount estimated based on ICAO regulation: Airports with RFF category from 2 to 5 need a total of 6 fire fighters whereas airports with RFF category 6 or 7 (Marsh Harbour, Exuma, North Eleuthera and San Salvador) need 13 fire fighters
- Security staff headcount estimated in order to ensure presence during the operational hours: 10 employees per shift for Marsh Harbour, 3 employees per shift for North Eleuthera and 2 employees per shift for New Bight
- Salary unit costs (wages) assumed to grow at 0.25% above CPI
- Projections based on elasticity model (see slide 120)

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2
No accounting data re. current staff costs has been made available to the consultant

Staff by airport - 2017; Manpower units



Utilities: Costs are estimated based on data obtained for Marsh Harbour and North Eleuthera airports

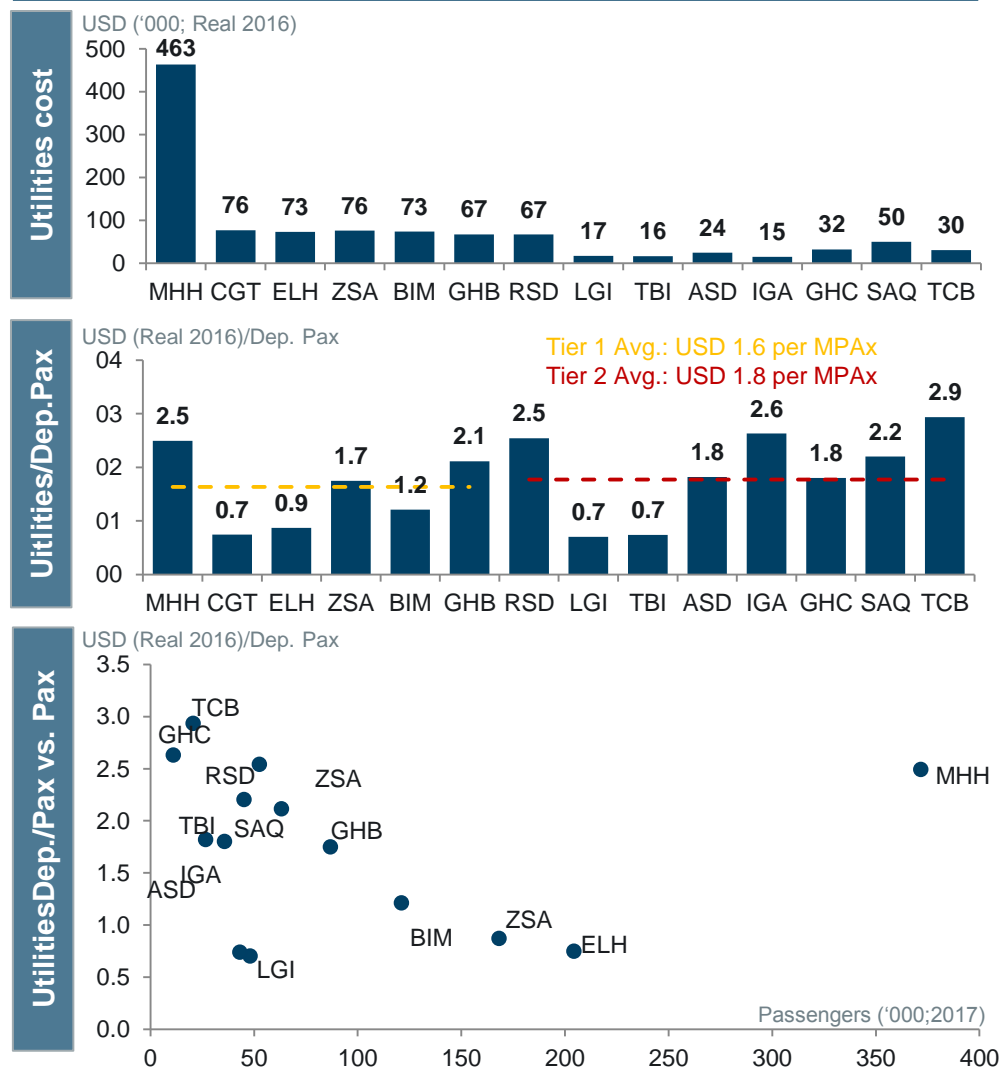
Utilities assumptions - 2017

	Marsh Harbour	North Eleuthera
Electricity	\$ 396,000	\$ 57,600
Water	\$ 1,440	\$ 200
Diesel.	\$ 24,000	\$ 3,100
Telephone, Cable TV & Internet	\$ 41,800	\$ 5,400

- Utilities cost has been estimated based on data collected on airports visits for Marsh Harbour and North Eleuthera
- It can be noted that expenses in Marsh Harbour are larger than those in North Eleuthera (due to the size and characteristics of its terminal)
 - Marsh Harbour has been projected independently
 - All other airports utilities costs have been estimated based on data from North Eleuthera
- Utilities unit costs (electricity rates) are assumed to grow at 0.25% above CPI
- Projections based on elasticity model (see slide 120)

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2
No data re. utilities costs in the other airports has been made available to the consultant

Utilities costs by airport - 2017; Real USD m 2016



Maintenance, overheads & others: Costs are estimated based on bottom-up analysis and aligned with benchmarks

Maintenance & Other costs assumptions - 2017

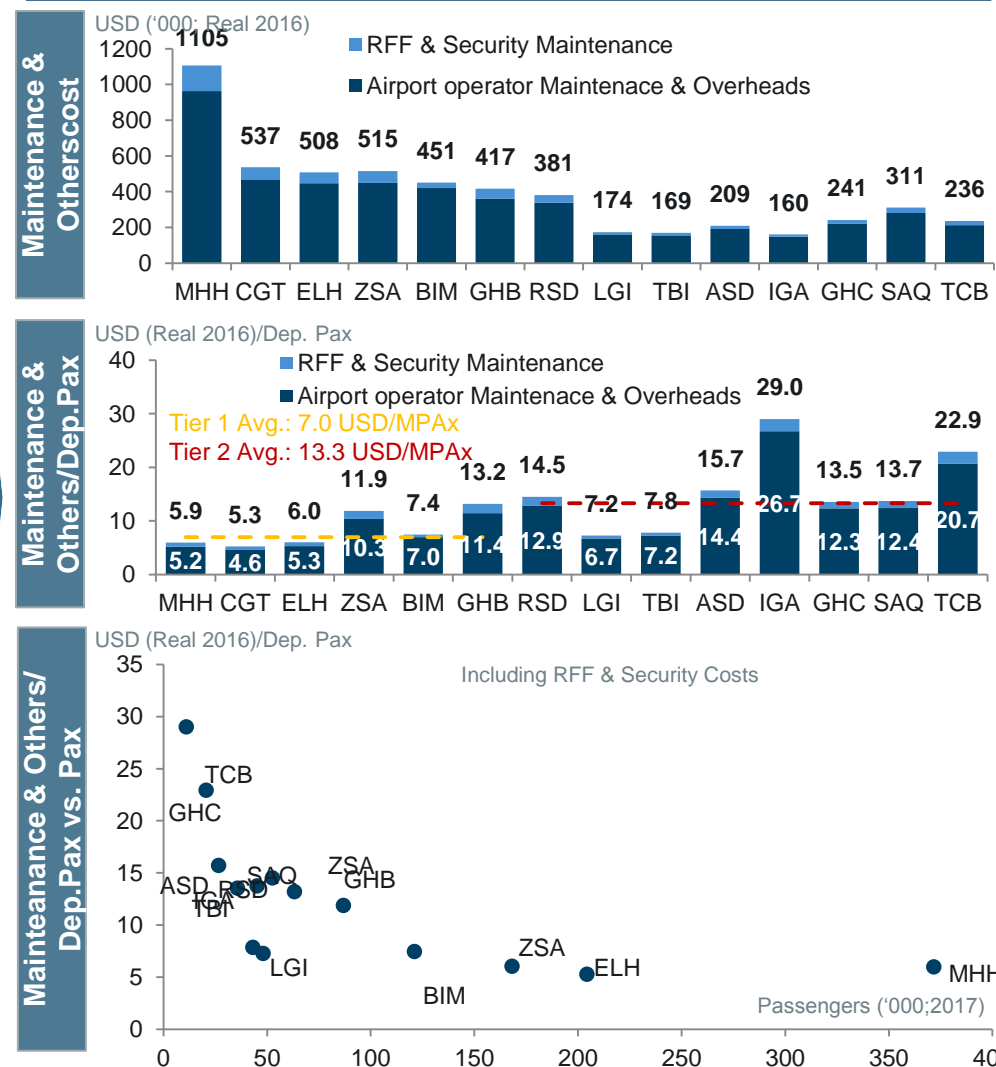
	Marsh Harbour	North Eleuthera	New Bight	Marsh Harbour	Tier 1 - North Eleuthera	Tier 2 - New Bight
Maintenance & Supplies*	No data available			\$450,000	\$200,000	\$60,000
Overheads, Insurance and Others	No data available			+25% of Total Opex	+25% of Total Opex	+25% of Total Opex

*Out of overall Maintenance and Supplies expenses, 15% is assumed to be related to RFF & Security

- Maintenance costs estimated based on bottom up analysis: cost estimated for each system based on similar airports
- Three airport categories considered:
 - Marsh Harbour, given its terminal
 - Rest of tier 1 airports, based on North Eleuthera
 - Tier 2 airports
- Overheads & Other expenses (i.e. Insurance, Contractual Services,...) have been estimated as 25% of total Opex
- Projections based on elasticity model (see slide 120)

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2. No aggregated data re. maintenance & other expenses in each airport has been made available to the consultant.

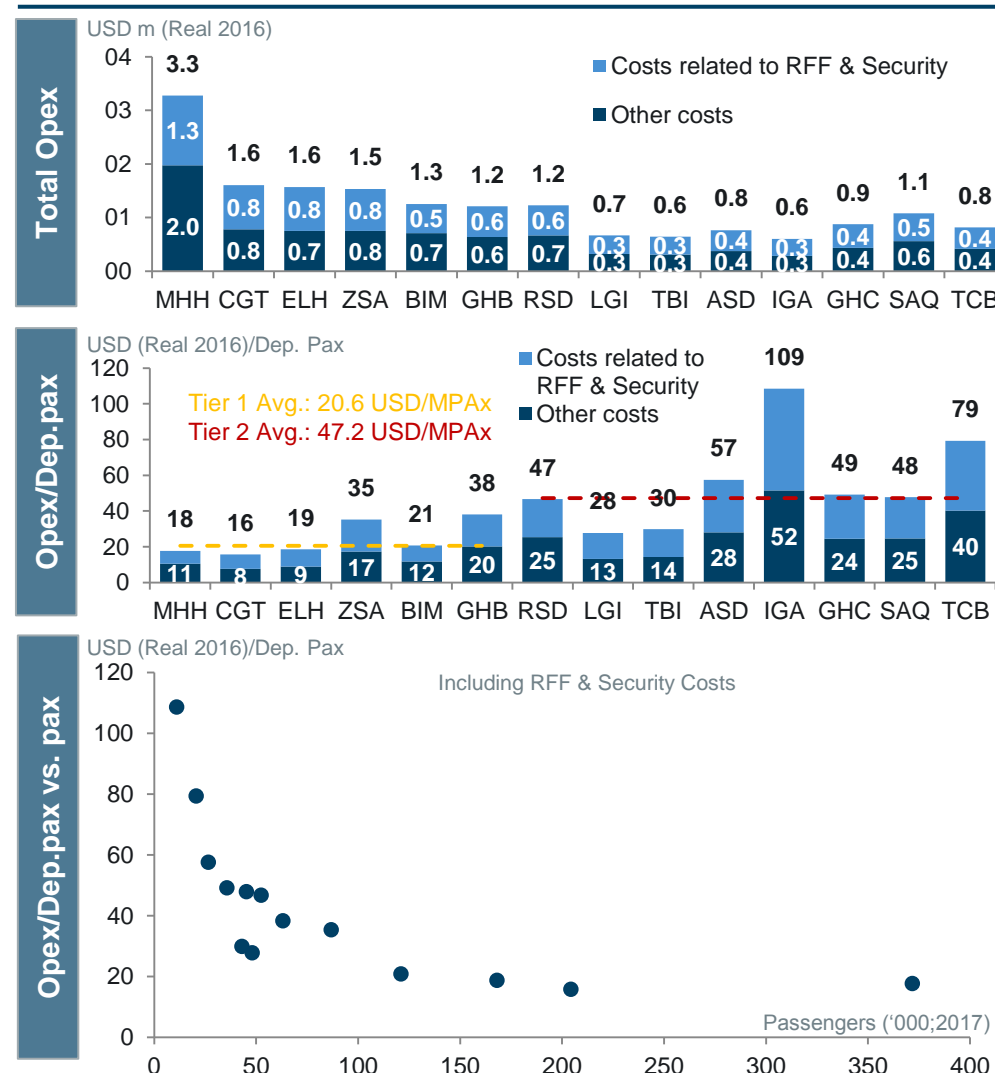
Maintenance & Other costs by airport – 2017; Real USD m 2016



Total Opex estimates: c. USD 3.3m for MHH, c. USD 1.6m for Tier 1 airports and c. USD 0.8m for Tier 2 airports

- Based on the assumptions presented and given the expected traffic mix and the current infrastructures, total Opex estimates are:
 - c. USD 3.3m for MHH, it is estimated that RFF and Security account for c. USD 1.3m
 - c. USD 1.6m for Tier 1 airports, it is estimated that RFF and Security account for half of these costs
 - c. USD 0.8m for Tier 2 airports, it is estimated that RFF and Security account for half of these costs
- Opex per pax estimates decrease when airport traffic increases
 - Opex per pax for Tier 1 airports, including RFF and Security, of c. USD 20.6 per departing pax...
 - ...whereas for Tier 2 airports, including RFF and Security, it is more than doubled to reach USD 47.2 per departing pax
- Given its traffic and infrastructure, Rock Sound costs are in the range of tier 1 airports and not in the range of Tier 2

Total Opex by airport – 2017; Real USD m 2016



Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Revenues and Opex projections based on elasticity model to traffic and infrastructure development as well as assumed evolutions of unit rates

Assumptions used in projections - Revenues

Unit rates	Annual growth
Aeronautical Fees & Charges	CPI
Non-Aeronautical Fees & Unit rates	0.5% above CPI

Note: Average CPI considered for 2017-2042 period of 4.0% (Source: Global Insight-IHS)

Drivers	Elasticity to Traffic	Elasticity to Terminal Area	Elasticity to Airfield Area
Counters	20%	0%	0%
Offices surface	0%	100%	0%
Shops surface	0%	100%	0%
Land surface	0%	0%	100%
Fuel	100% (to ATMs)	0%	0%

- The number of counters has been assumed to grow with an elasticity of 20% to traffic
- Shop space rented, land leases and offices are considered to grow proportionally to total terminal surface area (it grows when terminal or is expanded)
- Refueling value for the airports is assumed to evolve with ATMs

Assumptions used in projections - Opex

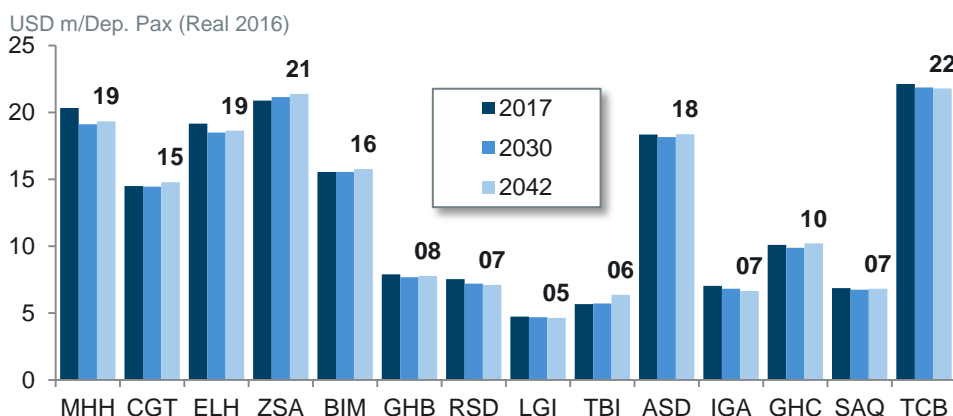
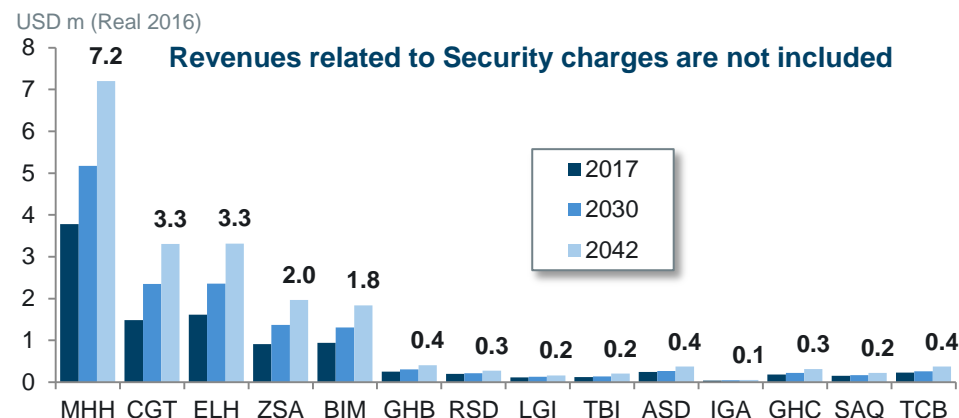
Unit rates	Annual growth
Salaries	0.25% above CPI
Utilities rates	0.5% above CPI
Maintenance & Supplies	CPI

Note: Average CPI considered for 2017-2042 period of 4.0% (Source: Global Insight-IHS)

Drivers	Elasticity to Traffic	Elasticity to Terminal Area	Elasticity to Airfield Area
Utilities			
Electricity	40%	40%	20%
Water	40%	40%	0%
Diesel	40%	0%	0%
Telephone, cable TV & Internet	40%	40%	0%
Staff			
Airport Manager	0%	0%	0%
Middle Managers	0%	0%	0%
Administration	30%	0%	0%
Operations	30%	25%	0%
Maintenance	30%	30%	35%
Fire Fighters	10%	0%	0%
Security	30%	20%	0%
Janitors	30%	30%	0%
Repair & Maintenance	30%	25%	25%

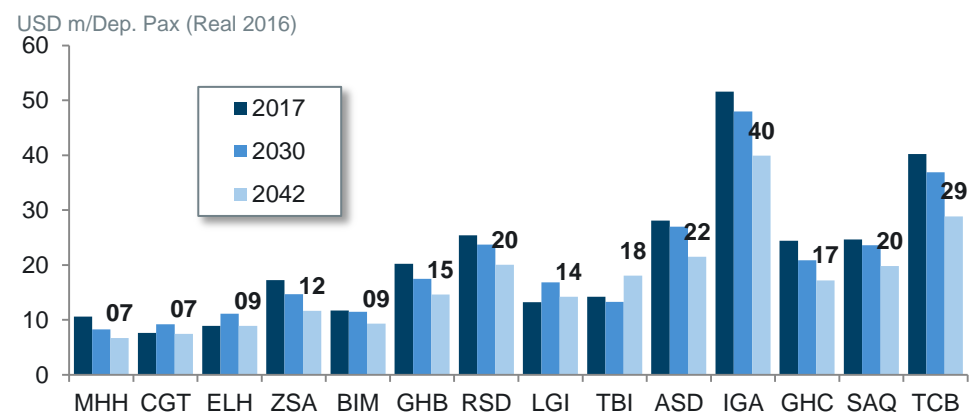
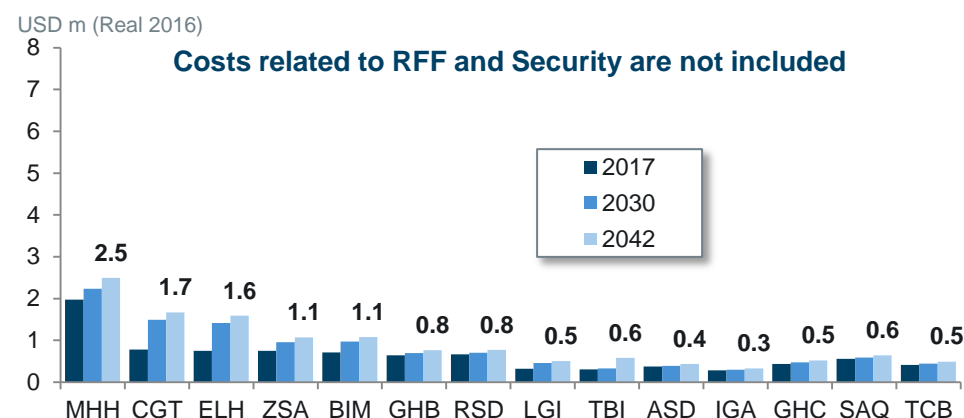
Total revenues of Family Islands airports are expected to grow with an annual rate of 2.7% until 2042, whereas Opex would grow 1.5% p.a.

Revenues evolution by airport – 2017-2042; Real USD m 2016



- Revenue per pax is almost flat throughout the period considered
 - Fees and charges flat in real terms
 - It evolves with traffic mix

Opex evolution by airport – 2017-2042; Real USD m 2016

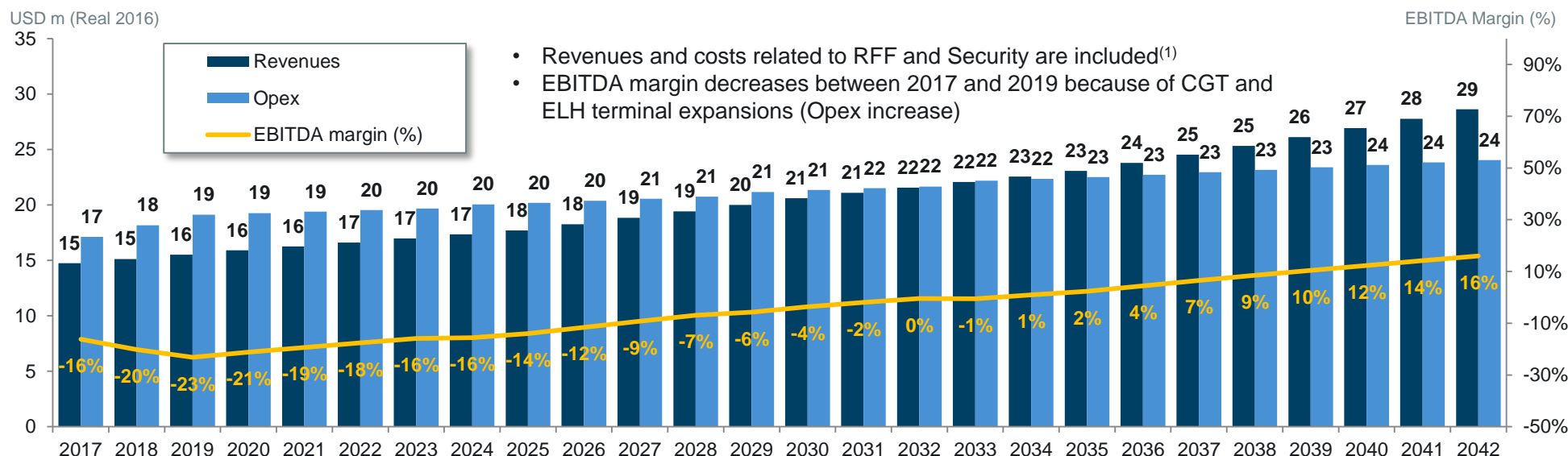


- Decreasing Opex per pax throughout the period considered
 - Unit costs are almost flat in real terms but utilities consumptions, staff required, etc, are projected with elasticities; therefore, Opex per pax decreases when traffic increases

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

FI airports EBITDA margin, starting at -16% in 2017, reaches 16% by 2042 if RFF & security is included in the scope⁽¹⁾

Revenues, Opex and EBITDA margin evolution, All airports – 2017-2042; Real USD m 2016



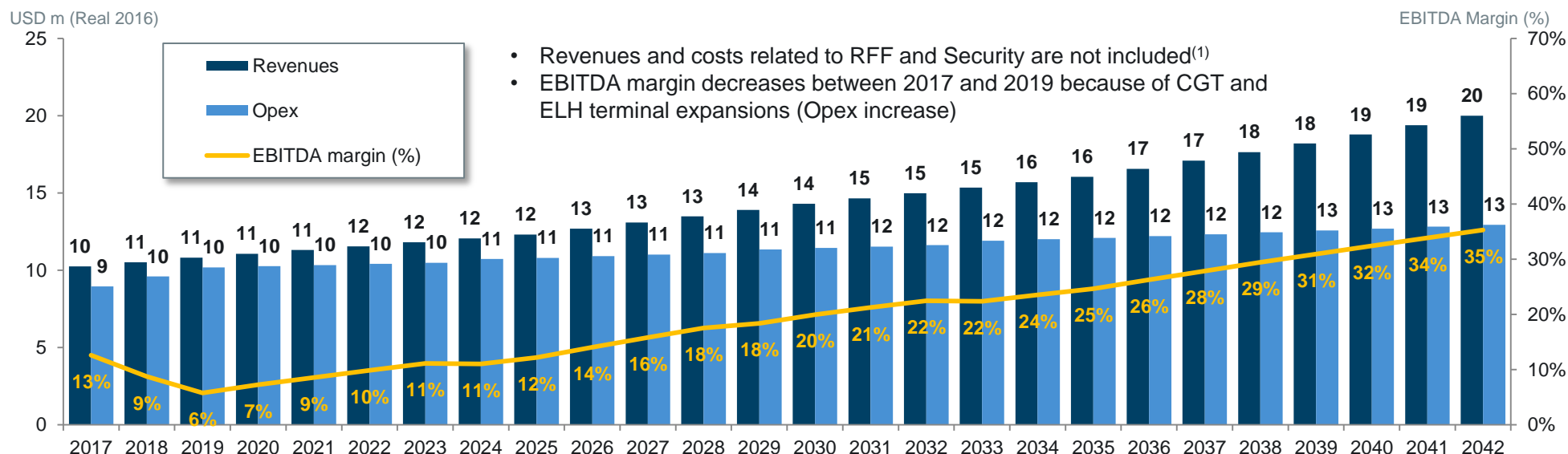
		2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	-2,385	-3,047	-3,594	-3,361	-2,481	-741	3,315	4.2%	-29.1%	0.0%	-19.4%	-202.6%
<i>EBITDA margin (%)</i>		<i>-16%</i>	<i>-20%</i>	<i>-23%</i>	<i>-21%</i>	<i>-14%</i>	<i>-4%</i>	<i>12%</i>	-	-	-	-	-
Total Revenues	Real USDk	14,737	15,119	15,523	15,900	17,706	20,598	26,920	2.4%	2.7%	2.9%	2.6%	2.7%
Total Aeronautical	Real USDk	13,742	14,085	14,428	14,782	16,484	19,218	25,208	2.4%	2.7%	2.9%	2.6%	2.7%
Total Non-Aeronautical	Real USDk	995	1,033	1,095	1,118	1,222	1,380	1,712	3.1%	2.1%	2.3%	2.4%	2.4%
Total Opex	Real USDk	17,122	18,165	19,117	19,261	20,188	21,339	23,606	2.7%	1.0%	1.1%	1.6%	1.4%
EBITDA per dep pax	Real USD	-3.7	-4.6	-5.3	-4.8	-3.2	-0.8	2.8	1.7%	-31.0%	0.0%	-21.5%	-200.0%
Revenues per dep pax	Real USD	22.7	22.7	22.8	22.7	22.7	22.6	22.8	0.0%	0.0%	0.1%	0.0%	0.0%
Opex per dep pax	Real USD	26.4	27.3	28.0	27.6	25.8	23.4	20.0	0.3%	-1.6%	-1.6%	-1.0%	-1.2%

(1) RFF & Security included in the Concession scope; i.e. Concessionaire assumes the associated revenues, costs and investments

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

FI airports EBITDA margin, starting at 13% in 2017, reaches 35% by 2042 if RFF & security is excluded of the scope⁽¹⁾

Revenues, Opex and EBITDA margin evolution, All airports – 2017-2042; Real USD m 2016



		2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	1,293	920	624	805	1,504	2,858	6,086	-2.5%	11.4%	7.7%	6.6%	7.0%
<i>EBITDA margin (%)</i>		13%	9%	6%	7%	12%	20%	32%	-	-	-	-	-
Total Revenues	Real USDk	10,253	10,522	10,813	11,073	12,309	14,305	18,782	2.4%	2.6%	2.9%	2.6%	2.7%
Total Aeronautical	Real USDk	9,258	9,488	9,718	9,955	11,087	12,926	17,070	2.4%	2.7%	3.0%	2.6%	2.7%
Total Non-Aeronautical	Real USDk	995	1,033	1,095	1,118	1,222	1,380	1,712	3.1%	2.1%	2.3%	2.4%	2.4%
Total Opex	Real USDk	8,959	9,602	10,188	10,267	10,806	11,447	12,696	3.1%	1.1%	1.1%	1.8%	1.5%
EBITDA per dep pax	Real USD	2.0	1.4	0.9	1.2	1.9	3.1	5.2	-4.8%	8.5%	4.8%	3.9%	4.3%
Revenues per dep pax	Real USD	15.8	15.8	15.9	15.8	15.7	15.7	15.9	0.0%	0.0%	0.2%	0.0%	0.1%
Opex per dep pax	Real USD	13.8	14.4	14.9	14.7	13.8	12.6	10.8	0.6%	-1.5%	-1.6%	-0.8%	-1.1%

(1) RFF & Security excluded of the Concession scope ; i.e. they become the Airport Authority's responsibility (and assumes the associated revenues, costs and investments)

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

- 0. Executive Summary
- 1. Introduction
- 2. Caribbean market assessment
- 3. Bahamas market assessment
- 4. Demand projections
- 5. Airport development plans and Capex
- 6. Preliminary financial assumptions
- 7. Selection of most feasible options for airports PPP**
- 8. Details by airport

Why a PPP approach?

Significant benefits for all the parties

Government

1. Access to means of funding airport infrastructure in order to keep pace with economic growth
2. Relief for tight government budgets
3. Use of tax revenues for other public needs
4. CapEx better managed by private investors and faster implementation
5. Realization of cost saving potential
6. Improvement in infrastructure profitability
7. Shared responsibility with the private operator

Risk sharing and upside potential

Airport Operators

1. More efficient management of assets and airport capacity
2. Development of commercial activities which can subsidize the aeronautical ones
3. Market oriented management
4. Increase efficiency
5. Faster decision-making
6. Diversification: New commercial models, extension of product and services portfolio
7. Risk can be managed by the Operator through its Business portfolio

Ensure future competitiveness

Which should be the private involvement?

Private Sector Participation: Levels of Engagement

	Complete Government Control			Complete Private Sector Control
Ownership	Government	Government	Government	Private Sector
Investment	Government	Government	Private Sector	Private Sector
Management/Operations	Government	Private Sector	Private Sector	Private Sector
PPI Options (commonly used)		<ul style="list-style-type: none"> Service concessions Management Contracts Multiple Concessions 	<ul style="list-style-type: none"> BOOT scheme (BOOT, BTO, etc.) Long term Leases Master Concession 	<ul style="list-style-type: none"> Wraparound Additions BOO Strategic Buyout Capital Markets

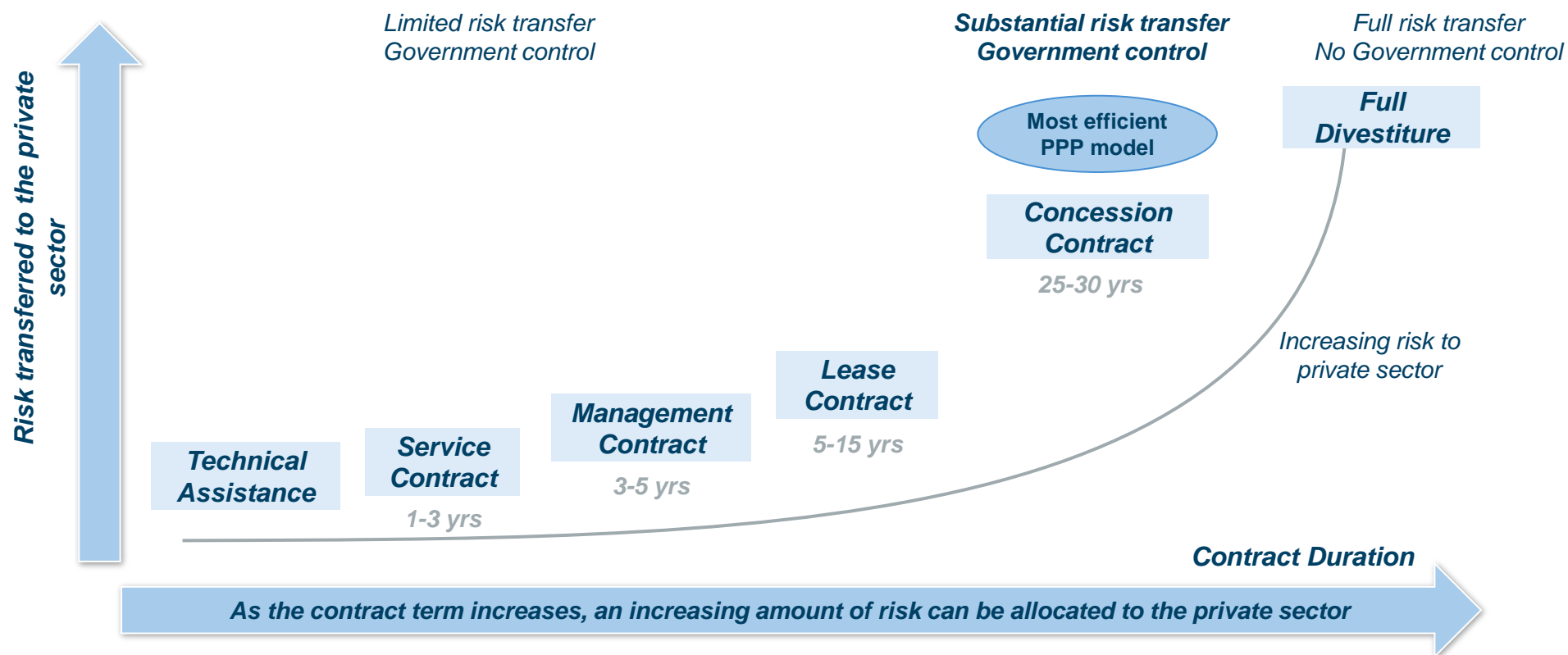
Depending on the level of engagement of the Private sector, there exist several PPP options that are commonly used

Source: The World Bank Group

Choosing the appropriate PPP structure will depend on the project objectives, financing requirements, market realities, government management, politics and regulatory landscape

What nature should the private involvement take?

PPP formulas by level of risk transferred to privates and contract duration



Source: The World Bank Group

Note: Except in the Full Divestiture option, asset ownership is retained by the public sector; all assets revert to the public sector at the end of the Concession contract

Each case must be analyzed independently before choosing the option that maximizes Governments gains and minimizes risks, but will still be financially attractive for a private operator

What are Management and Operating & Leases / Affermage contracts?

Management and Operating contracts

Definition

- Range from technical assistance through to full-blown operation and maintenance agreements
- Main common features: awarding authority engages the contractor to manage a range of activities

Key features

- The simplest contracts involve that the private is paid a fixed fee for performing the specific tasks (private operator does not typically take on the risk of assets condition)
- Tend to be task specific and input rather than output focused
- Usually short term (2 - 5 years)
- Limited potential for improvements in efficiency and performance
- Operator is unlikely to collect bills on its own behalf
- Operating agreements are also usual in relation to BOT/ concession arrangements, with the concessionaire sub-contracting the operations phase of the concession to an operator

Examples and common sectors

- Commonly found in Water and sanitation
- Power and energy
- Rails, trams and roads

Leases / Affermage contracts

Definition

- Contracts under which the private operator is responsible for operating and maintaining the utility, but not financing the investment

Key features

- Usually when private equity and commercial debt are not available for a certain investment
- The awarding authority wants to combine public financing with attracting private efficiency and quality of service
- Commercial risk passed to the private operator, with incentives to perform
- Operator does not receive a fixed fee, charges an operator fee to consumers:
 - **Lease:** a portion going to the awarding authority as owner of the asset as a lease fee (usually a fixed one). Operator takes collection risk
 - **Affermage:** operator retains whole operator fee and pays an additional surcharge charged to customers for the investments the awarding authority makes/ has made. Public sector takes collection risk
- Public sector remains responsible for financing and managing investments in the assets
- Tends to employ the staff directly, and a length of 8-15 years

Examples and common sectors

- Commonly found in Water and sanitation
- Power and energy

What are Concessions, BOT and DBO projects?

Definition

- **Concessions:** long-term right to use assets (operations and some investments). Responsibility to operate, maintenance, financing and managing all investments. Concessions are commonly used for large infrastructural projects because private operators leverage on Government for big investments in infrastructures
- **BOT:** typically used to develop a single asset or limited number of assets rather (usually greenfield) than a whole network.
- **DBO:** The assets are designed, built and operated by the private sector, but financed by the public sector. Therefore, the operator assumes little risk

Key features Concessions

- Asset ownership is retained by the public sector. All assets revert to the public sector at the end of the concession
- An important upfront investment is required
- Revenues obtained directly from the consumer/user
- Concessionaire takes risk for the condition of the assets
- Concessions are focused on outputs
- Tariff levels are usually limited by the awarding authority
- If tariffs do not cover operational costs, there is need for alternative cost recovery
- Typical duration: 25-30 years

Examples and common sectors

- **BOTs:** Power and energy, Fuel/Bulk supply, Implementation agreements, Land Lease, “Greenfield” airport investment, etc.
- **Concessions:** Airports, ports and roads, energy, etc.

Key features BOT / DBO

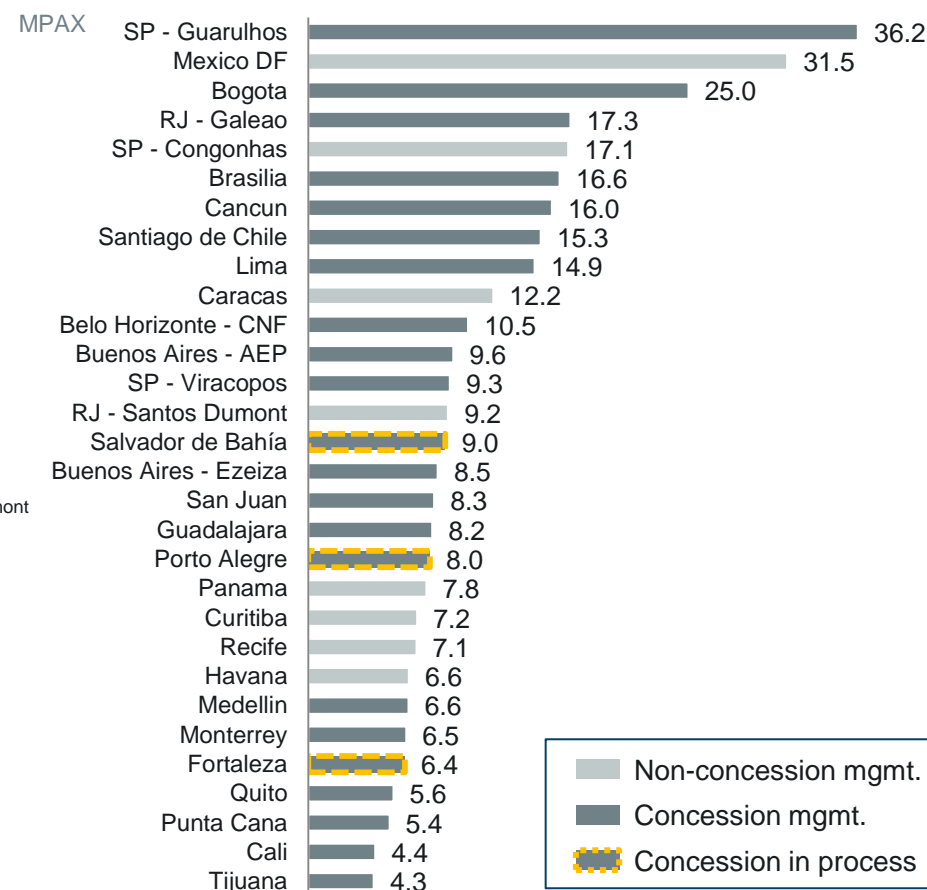
- Operator finances (not in DBO), builds and owns the facility during the project period, after which it is transferred to the authority
- Typical for project finance: there is no revenue stream from the outset
- Revenues are usually obtained from a fee charged to the utility/government rather than to the consumers. Revenues are obtained from the output, not from the outset
- Revenues obtained from the operation phase are destined to cover operating costs, maintenance, repayment of debt principal, financing costs and return to shareholders
- The project company assumes virtually all risk

Most of the largest airports in LAC are managed under concession contracts

Top-30 Airports in LAC



Top-30 Airports by pax volume in 2013



Source: FlightGlobal

In the last two decades, the airport sector in the region has seen major entry by private investors...

Main airports managed under concession in LAC



Operators of the Top 10 airports in LAC

Airport	Operator/s	Main shareholders
Sao Paulo - Guarulhos	INFRERO 49% AEROPORTO DE GUARULHOS PARTICIPAÇÕES S.A. 51%	invepar AIRPORTS COMPANY SOUTH AFRICA
Mexico City	SCT GRUPO AEROPORTUARIO DE LA CIUDAD DE MEXICO	GRUPO ODINSA S.A.
Bogota	OPAIN S.A.	ODEBRECHT CHANGI airport singapore
R. de Janeiro - Galeão	INFRERO 49% RIO DE JANEIRO AEROPORTO S/A 51%	ENGEVIX CORPORACION AMERICA
Sao Paulo - Congonhas	INFRERO	
Brasilia	INFRERO 49% INFRAMERICA 51%	
Cancun	ASUR AEROPUERTOS DEL SURESTE	
Santiago	NUEVO PUDAHUEL	AEROPORTS DE PARIS VINCI
Lima	LIMA AIRPORT PARTNERS	Fraport IFC
Caracas	Gobierno Bolivariano de Venezuela	

Concession processes under way in LAC

- **Santa Lucia (0.7 Mpax)**
- **Trinidad Tobago (3.7 Mpax)**
- **Kingston (1.4 Mpax) in Jamaica:** Concession structured by the IFC, but no bids received
- **Fortaleza (6.3 Mpax), Salvador (9.1 Mpax), Florianópolis (3.6 Mpax) and Porto Alegre (8.3 Mpax) in Brazil:** Concessioneering process underway for all four airports
- **Asunción (0.9 Mpax) in Paraguay:** Concessioneering process for Asunción airport underway (bidding June 2016)
- **Pereira (1.5 Mpax) in Colombia:** Concession of the airport by the Pereira City Council is pending
- **Neiva (0.3 Mpax) and Armenia (0.5 Mpax) in Colombia:** Concession of the airport by the ANI is pending

...in line with the global trend

Global trend towards privatization

- In all continents, except the USA
- Started in the UK (BAA, 1987)
- Very significant growth 2000-2008; since 2010 growth has returned
- Latin America, Europe, not in the USA (except for specific cases), India, the Philippines and increasingly in Africa

Airport commercial Development












- Growth in non-aeronautical businesses
- Special potential for growth of commercial revenue in the terminal
- More efficient management of assets and airport capacity
- Management more oriented to the market in order to develop new traffic

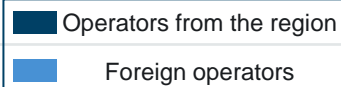
Consolidation and globalization of the industry

- Growing list of international investors
- Development of multinational airport management companies
- Growing interest in airports by investment funds (regional and global)

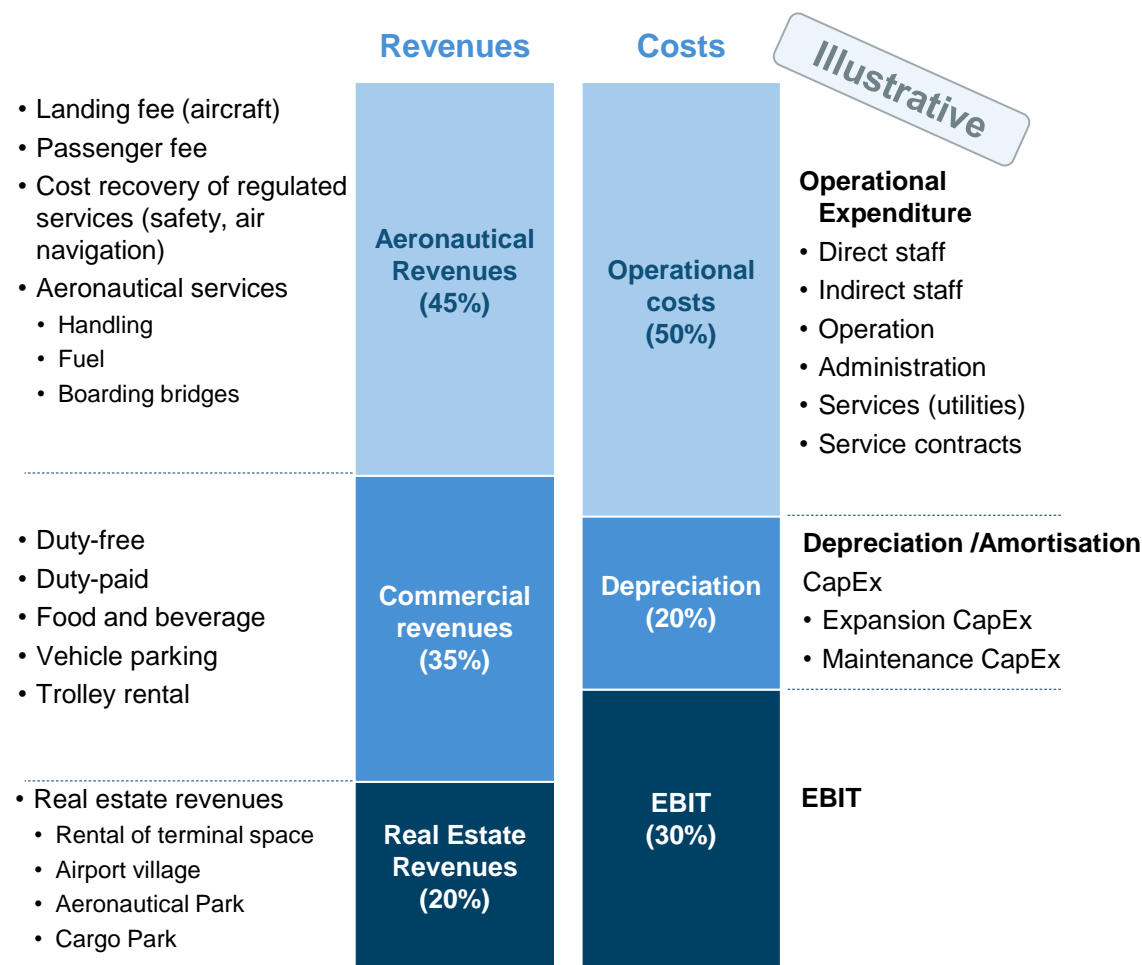
This process has made way for large regional airport operators, with foreign operators brought in as industrial partners

Main private operators of airports managed under concession in LAC

Operator	Passenger Traffic (Mpax)	Airports
 CORPORACION AMERICA	57.4	Argentina, Andinos del Perú, Natal, Brasília, Guayaquil, Galápagos
 invepar	39.8	Sao Paulo - Guarulhos
 GRUPO ODINSA S.A.	33.3	Bogota, Quito
 ASUR	31.8	Cancún, Cozumel, Huatulco, Mérida, Minatitlán, Oaxaca, Tapachula, Veracruz, Villahermosa
 Grupo Aeroportuario del Pacífico	29.9	Grupo Aeroportuario del Pacífico (Mexico), Montego Bay (Jamaica)
 AÉROPORTS DE PARIS	28.8	OMA (Mexico), Santiago (Chile)
 CCR	21.8	Quito, Belo Horizonte/Confins, San José (Costa Rica)
 VINCI	21.7	Santiago (Chile), Aerodrom (Dominican Rep).
 ODEBRECHT CHANGI	17.3	Rio de Janeiro - Galeão
 Fraport	15.7	Lima
 OMA	14.7	Acapulco, Ciudad Juárez, Culiacán, Chihuahua, Durango, Mazatlán, Monterrey, Reynosa, San Luis Potosí, Tampico, Torreón, Zacatecas, Zihuatanejo
 ZURICH AIRPORT	14.1	Antofagasta, Iquique, Belo Horizonte/Confins
 HAS DEVELOPMENT CORPORATION	5.8	Quito
 GRUPO PUNTACANA	5.8	Punta Cana
 KAC	2.7	Bucaramanga, Cúcuta
 Aeropuertos de Honduras	1.9	San Pedro Sula, Tegucigalpa, Roatán, La Ceiba



Drivers of the airport business



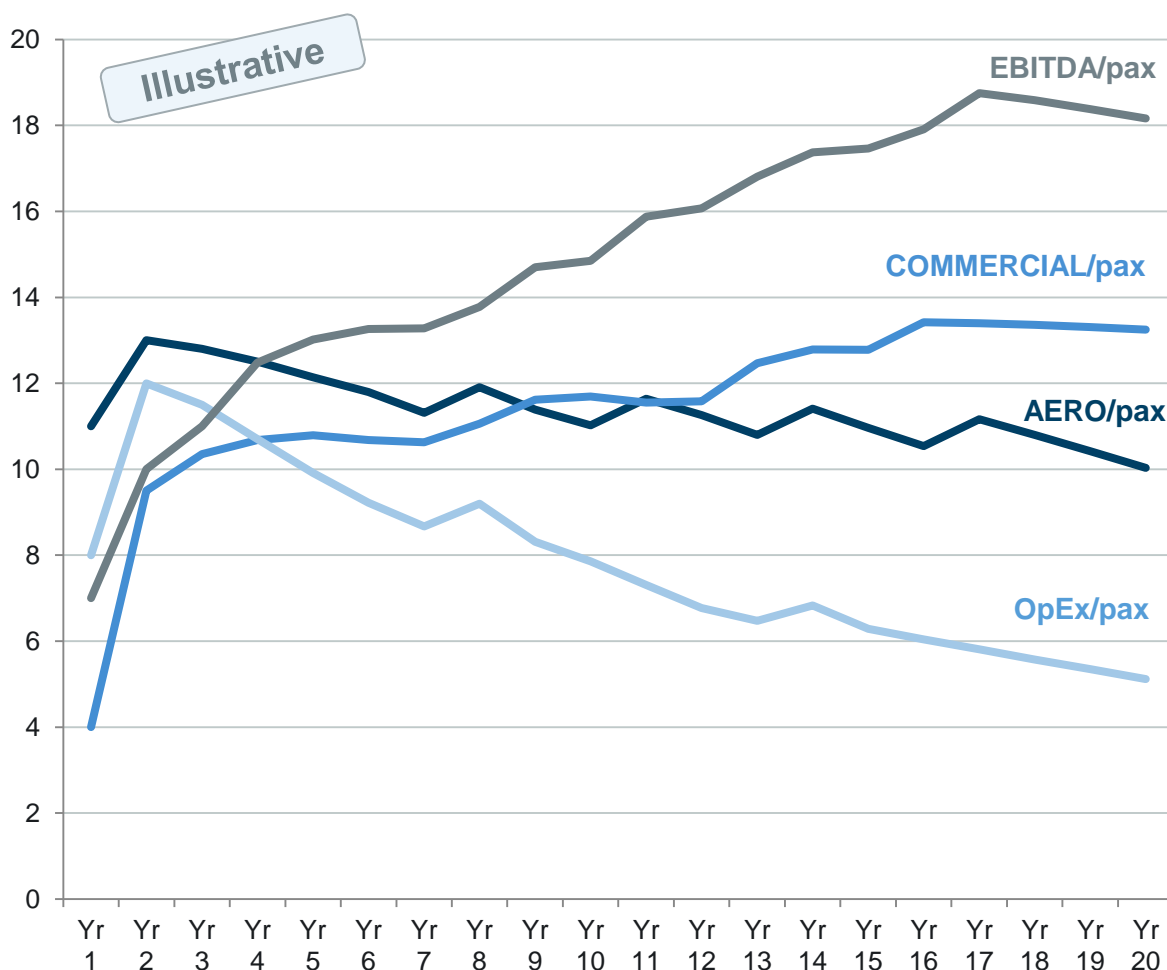
Value creation drivers for a private investor

Driver	Improvement potential
Aeronautical Revenues <ul style="list-style-type: none"> • Fees • Rentals 	<ul style="list-style-type: none"> • Limited potential subject to regulations & capital
Non aeronautical revenues <ul style="list-style-type: none"> • Retail • Bars & restaurants • Parking • Rent a car • Commercial developments 	<ul style="list-style-type: none"> • High potential – innovation opportunities • Promote consumption in airports • Creativity for new commercial developments (hotel, WiFi, etc.) • Renegotiate contracts
Operation and maintenance <ul style="list-style-type: none"> • Staff • Utilities • Services contracting • Provisioning of supplies 	<ul style="list-style-type: none"> • Medium potential – generally there are restrictions • Staff reductions limited • Opportunities to enhance efficiency and productivity • Outsourcing • Renegotiate sourcing contracts • Economies of scale

The airport business model has a large number of levers, making it possible to optimise revenue and achieve economies of scale

With the entry of a private investor, there is usually an improvement in several business drivers

Illustrative evolution in business KPIs – in units of \$/pax



ENTRY OF PRIVATE INVESTOR

AERO

Based on charges which are regulated by governments, usually allow a certain increase linked to the expansion of infrastructure and CapEx. Subsequently tends to flatten out or drop slightly in real terms.

NON-AERO

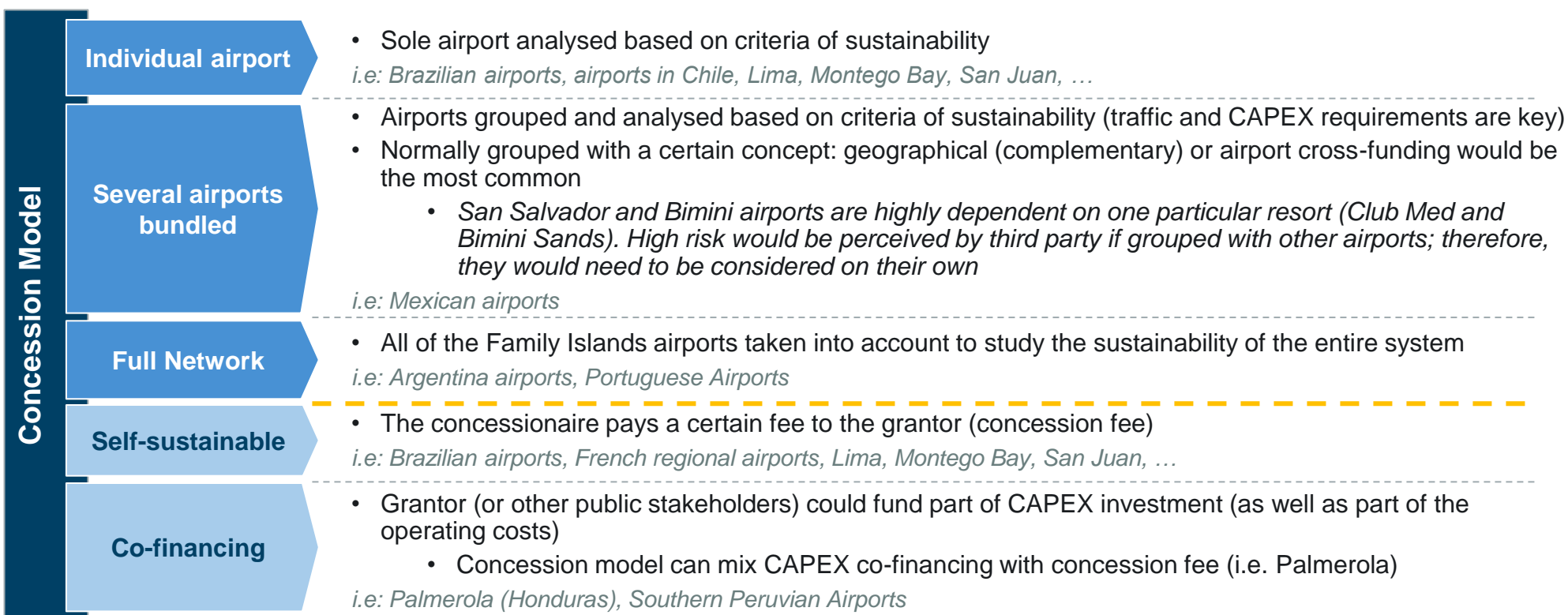
Increase in the initial phase due to the expansion of the terminal and commercial areas, renegotiation of contracts, change of layouts, etc. Subsequent increase in parallel with volume of pax. and progressive improvements

OPEX

Unitary Opex tends to fall over the years thanks to economies of scale, improvement in conditions in service contracts,... Sudden rises occur when new expansions enter into service: increase in floor area (electricity, cleaning,...).

INCREASE IN UNITARY PROFIT EBITDA/pax

Concession model options

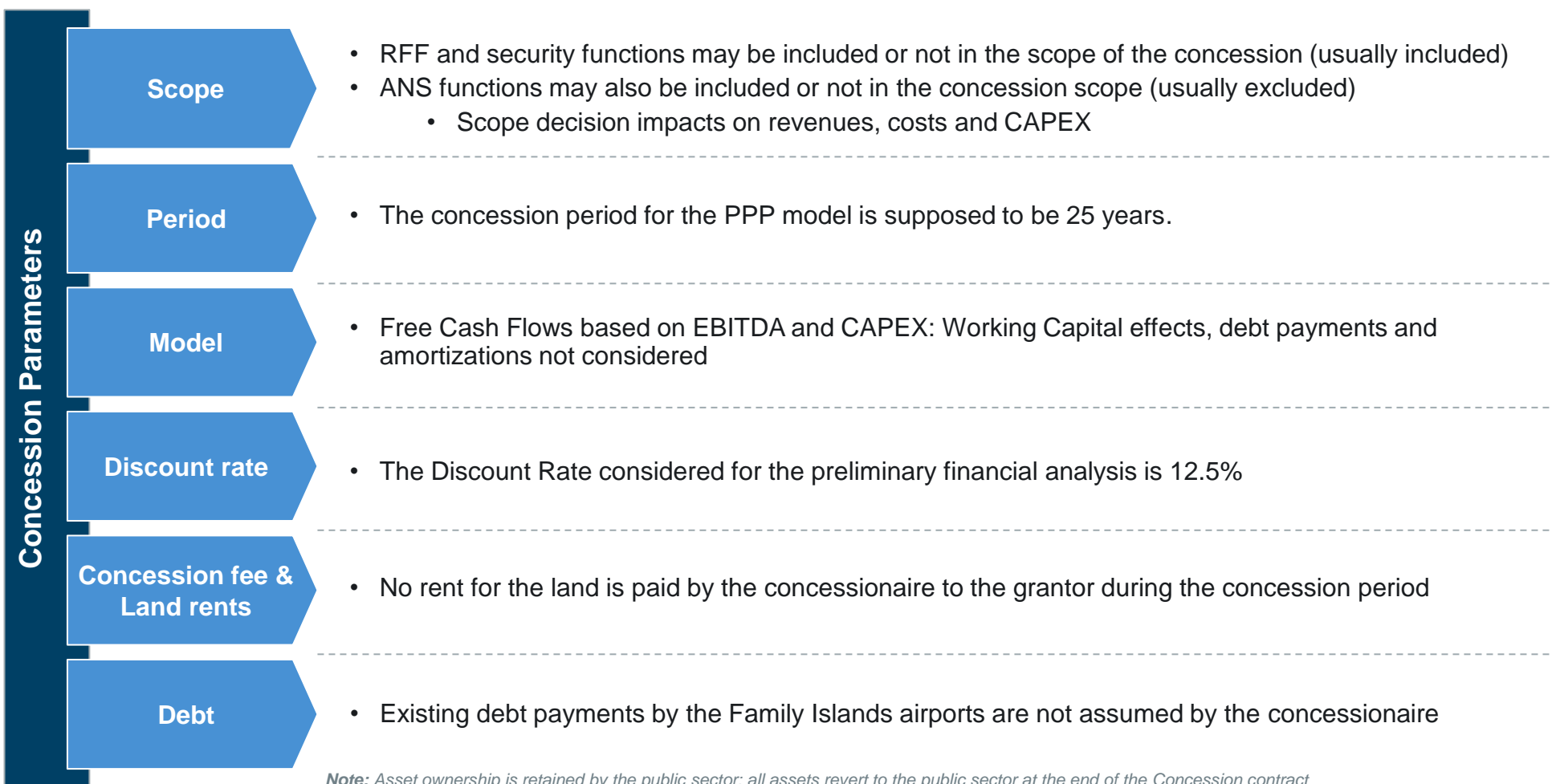


Open questions for discussion

- Self-sustainable in order to obtain a concession fee from the private investor ?
 - i.e. tender process based on highest concession fee offering*
- Or co-financed in order to pass the maximum number of airports to the private investor (efficiency gains expected) ?
 - i.e. tender process based on minimum OPEX subsidy from the grantor*
- Or mixed ?
 - i.e. CAPEX could be funded by the grantor, while the private investor pays a fee which is subject to the financials*

The most suitable airport packaging options will depend on these answers

Concession parameters options



Note: Asset ownership is retained by the public sector; all assets revert to the public sector at the end of the Concession contract

Open questions for discussion

- Should the RFF and security functions be included in the scope of the concession?

The most suitable airport packaging options will depend on these answers

Individual Base Case including RFF & Security: Cumulative figures for 2017-2042

	Units	TOTAL	MHH	CGT	ELH	ZSA	BIM	GHB	RSD	LGI	TBI	ASD	IGA	GHC	SAQ	TCB
Total traffic	'000 Pax	47,239	13,950	8,225	6,538	3,352	4,389	2,085	1,596	1,459	1,315	800	336	1,196	1,343	653
Private Traffic	'000 Pax	7,127	2,131	321	1,122	31	464	183	62	58	130	800	52	324	1,343	106
Domestic Traffic	'000 Pax	21,107	5,825	3,756	1,930	715	1,863	1,695	1,535	1,402	1,184	0	284	872	0	46
International Traffic	'000 Pax	19,004	5,993	4,148	3,486	2,606	2,063	208	0	0	0	0	0	0	0	501
Share International	%	40.2%	54.2%	53.4%	65.7%	78.2%	55.0%	12.0%	1.0%	0.0%	7.7%	62.2%	4.4%	25.9%	7.1%	88.8%
Share Private	%	15.1%	15.3%	3.9%	17.2%	0.9%	10.6%	8.8%	3.9%	4.0%	9.9%	100.0%	15.5%	27.1%	100.0%	16.3%
EBITDA	Real USDk	-13,906	87,656	18,534	15,250	-1,498	7,922	-18,849	-22,675	-13,136	-13,120	-11,023	-14,234	-14,716	-20,609	-13,408
EBITDA per dep pax	Real USD	-0.6	12.6	4.5	4.7	-0.9	3.6	-18.1	-28.4	-18.0	-20.0	-27.5	-84.6	-24.6	-30.7	-41.0
EBITDA margin	%	-2.6%	47.8%	20.9%	18.2%	-3.2%	16.0%	-123.4%	-200.6%	-155.3%	-154.8%	-109.4%	-616.5%	-145.5%	-224.0%	-142.6%
Total Revenues	Real USDk	536,697	183,522	88,472	83,643	47,073	49,372	15,278	11,303	8,460	8,475	10,071	2,309	10,117	9,199	9,403
Revenues per dep pax	Real USD	22.7	26.3	21.5	25.6	28.1	22.5	14.7	14.2	11.6	12.9	25.2	13.7	16.9	13.7	28.8
Total Opex	Real USDk	550,603	95,866	69,938	68,393	48,572	41,449	34,127	33,978	21,596	21,595	21,094	16,543	24,833	29,808	22,811
Opex per dep pax	Real USD	23.3	13.7	17.0	20.9	29.0	18.9	32.7	42.6	29.6	32.8	52.7	98.4	41.5	44.4	69.8
CAPEX	Real USDk	254,430	10,968	43,405	42,134	20,262	16,989	21,316	17,677	8,115	11,647	9,796	21,475	8,395	12,141	10,110
CAPEX per dep pax	Real USD	10.8	1.6	10.6	12.9	12.1	7.7	20.4	22.1	11.1	17.7	24.5	127.7	14.0	18.1	31.0
NPV '17-'42	Real USDk	-182,858	26,249	-23,931	-27,726	-14,679	-8,100	-21,779	-19,919	-9,684	-11,726	-12,419	-16,004	-12,713	-20,080	-10,347
IRR '17-'42	%	FCF always <0	1444.4 %	-3.6%	-4.2%	FCF always <0	-6.2%	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0
Payback	Years	>25	1 st year	>25	>25	>25	>25	>25	>25	>25	>25	>25	>25	>25	>25	>25

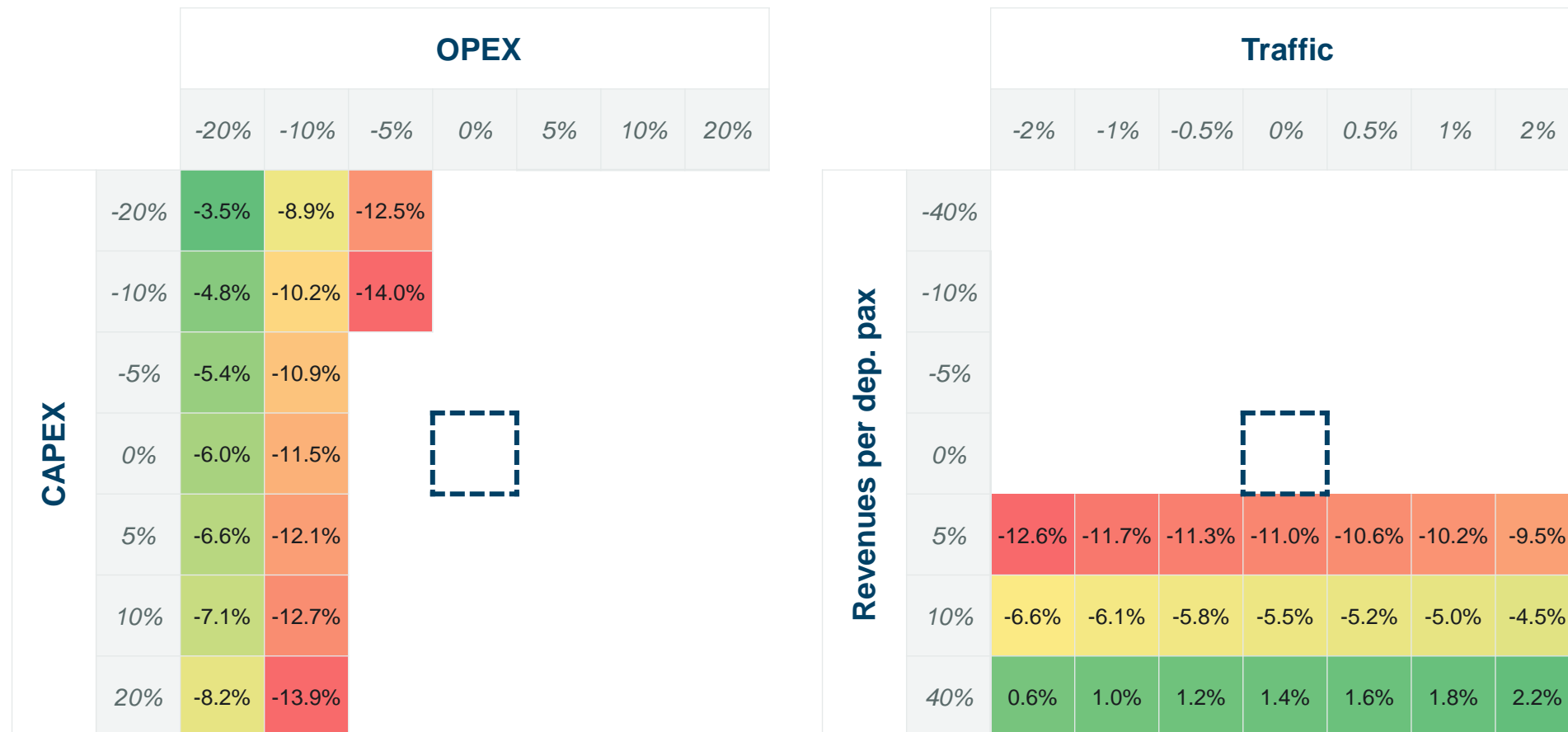
Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Individual Base Case excluding RFF & Security: Cumulative figures for 2017-2042

	Units	TOTAL	MHH	CGT	ELH	ZSA	BIM	GHB	RSD	LGI	TBI	ASD	IGA	GHC	SAQ	TCB
Total traffic	'000 Pax	47,239	13,950	8,225	6,538	3,352	4,389	2,085	1,596	1,459	1,315	800	336	1,196	1,343	653
Private Traffic	'000 Pax	7,127	2,131	321	1,122	31	464	183	62	58	130	800	52	324	1,343	106
Domestic Traffic	'000 Pax	21,107	5,825	3,756	1,930	715	1,863	1,695	1,535	1,402	1,184	0	284	872	0	46
International Traffic	'000 Pax	19,004	5,993	4,148	3,486	2,606	2,063	208	0	0	0	0	0	0	0	501
Share International	%	40.2%	54.2%	53.4%	65.7%	78.2%	55.0%	12.0%	1.0%	0.0%	7.7%	62.2%	4.4%	25.9%	7.1%	88.8%
Share Private	%	15.1%	15.3%	3.9%	17.2%	0.9%	10.6%	8.8%	3.9%	4.0%	9.9%	100.0%	15.5%	27.1%	100.0%	16.3%
EBITDA	Real USDk	78,766	77,596	22,731	25,048	10,998	10,231	-9,988	-12,684	-7,154	-6,714	-3,005	-6,707	-6,349	-10,816	-4,422
EBITDA per dep pax	Real USD	3.3	11.1	5.5	7.7	6.6	4.7	-9.6	-15.9	-9.8	-10.2	-7.5	-39.9	-10.6	-16.1	-13.5
EBITDA margin	%	21.1%	57.3%	37.8%	41.0%	31.0%	29.9%	-123.6%	-219.0%	-209.1%	-170.6%	-41.1%	-584.4%	-106.0%	-237.1%	-61.9%
Total Revenues	Real USDk	373,602	135,361	60,076	61,070	35,501	34,217	8,078	5,791	3,421	3,935	7,308	1,148	5,987	4,561	7,147
Revenues per dep pax	Real USD	15.8	19.4	14.6	18.7	21.2	15.6	7.7	7.3	4.7	6.0	18.3	6.8	10.0	6.8	21.9
Total Opex	Real USDk	294,836	57,765	37,345	36,021	24,503	23,986	18,066	18,475	10,575	10,649	10,313	7,855	12,337	15,378	11,570
Opex per dep pax	Real USD	12.5	8.3	9.1	11.0	14.6	10.9	17.3	23.1	14.5	16.2	25.8	46.7	20.6	22.9	35.4
CAPEX	Real USDk	211,108	8,001	36,790	35,031	14,299	12,933	15,212	16,638	6,968	9,491	8,613	20,437	7,332	10,816	8,545
CAPEX per dep pax	Real USD	8.9	1.1	8.9	10.7	8.5	5.9	14.6	20.8	9.5	14.4	21.5	121.5	12.3	16.1	26.2
NPV '17-'42	Real USDk	-108,674	25,251	-16,429	-17,485	-4,691	-4,125	-13,052	-14,936	-6,579	-7,533	-8,201	-12,163	-8,441	-14,948	-5,342
IRR '17-'42	%	-6.3%	FCF always >0	-0.8%	0.8%	1.4%	0.4%	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0
Payback	Years	>25	1 st year	>25	24.2	23.9	24.8	>25	>25	>25	>25	>25	>25	>25	>25	>25

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

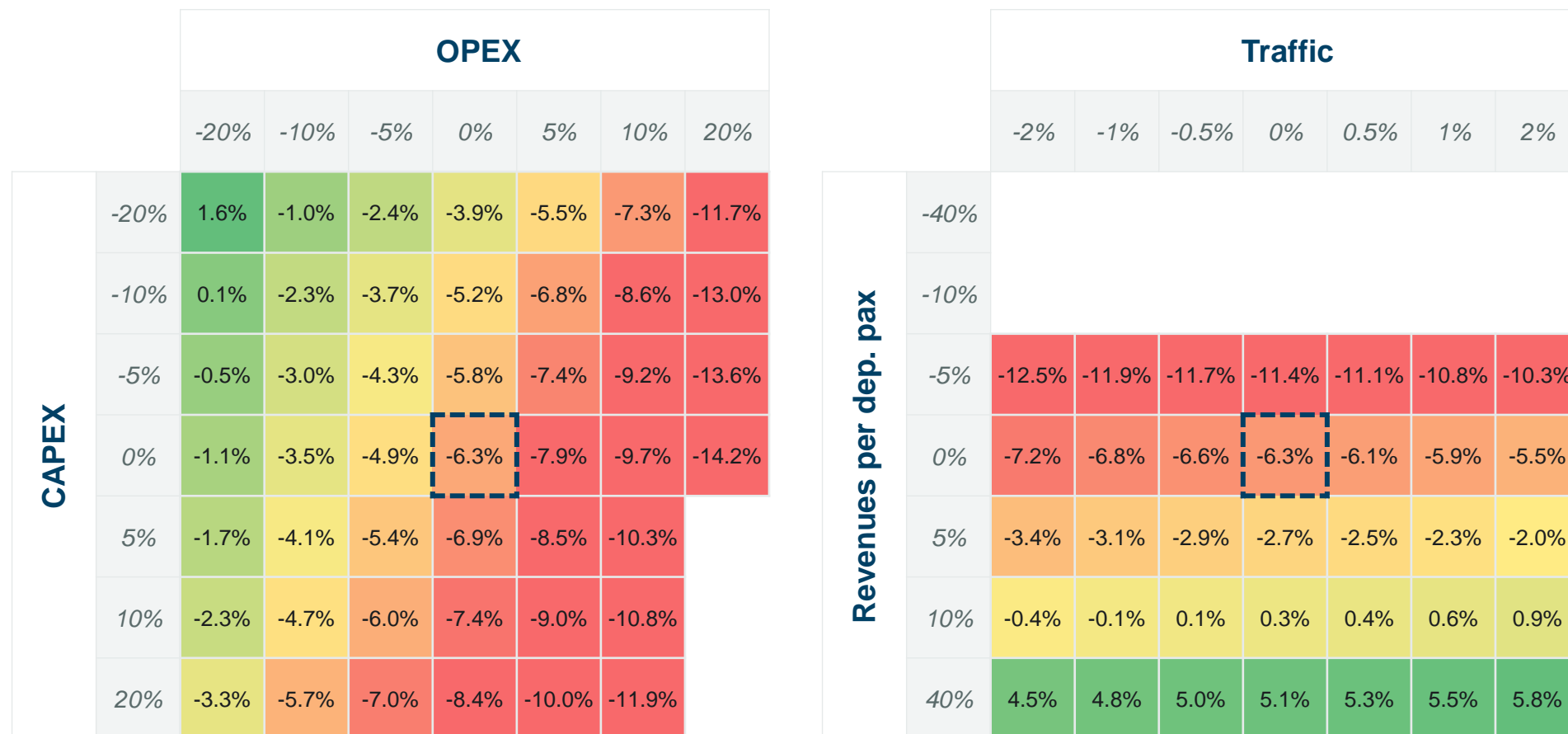
Sensitivity Analysis for the whole Family Islands airports network, RFF and security included – IRR 2017-2042



Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Sensitivity analysis excluding RFF & Security

Sensitivity Analysis for the whole Family Islands airports network, RFF and security excluded – IRR 2017-2042



Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Three scenarios are presented in order to assess the feasibility of each option

	Low Case	Base Case	High Case
CAPEX	Same CAPEX assumptions considered for the three scenarios ⁽¹⁾		
Traffic	Base case growth -0.5% CAGR	2.7% CAGR	Base case growth +0.5% CAGR
Aeronautical Charges	Fee per dep. pax (VAT excl.): • DOM: USD 0 per dep pax • INT: USD 10 per dep pax	Fee per dep. pax (VAT excl.): • DOM: USD 0 per dep pax • INT: USD 17.5 per dep pax	Fee per dep. pax (VAT excl.): • DOM: USD 2 per dep pax • INT: USD 25 per dep pax
Security & RFF	Included in the concession scope	Both scenarios analysed: Included or not included in the concession scope	Not included in the concession scope

Note: (1) CAPEX for the Project varies depending on whether RFF and security s included or excluded in concession scope

Individual High Case excluding RFF & Security: Cumulative figures for 2017-2042

	Units	TOTAL	MHH	CGT	ELH	ZSA	BIM	GHB	RSD	LGI	TBI	ASD	IGA	GHC	SAQ	TCB
Total traffic	'000 Pax	51,059	15,078	8,896	7,068	3,624	4,744	2,254	1,723	1,575	1,420	864	363	1,292	1,450	706
Private Traffic	'000 Pax	7,687	2,297	346	1,209	33	500	198	66	62	141	864	56	350	1,450	114
Domestic Traffic	'000 Pax	22,814	6,298	4,062	2,088	773	2,013	1,832	1,657	1,513	1,279	0	307	942	0	50
International Traffic	'000 Pax	20,557	6,482	4,488	3,771	2,818	2,231	224	0	0	0	0	0	0	0	542
Share International	%	40.3%	54.2%	53.4%	65.7%	78.2%	55.0%	12.0%	1.0%	0.0%	7.7%	62.2%	4.4%	25.9%	7.1%	88.8%
Share Private	%	15.1%	15.2%	3.9%	17.1%	0.9%	10.5%	8.8%	3.9%	4.0%	9.9%	100.0%	15.4%	27.1%	100.0%	16.2%
EBITDA	Real USDk	220,561	123,847	48,384	48,727	24,654	24,196	-6,754	-10,841	-5,531	-4,925	-294	-6,340	-3,900	-9,030	-1,634
EBITDA per dep pax	Real USD	8.6	16.4	10.9	13.8	13.6	10.2	-6.0	-12.6	-7.0	-6.9	-0.7	-34.9	-6.0	-12.5	-4.6
EBITDA margin	%	42.4%	67.8%	56.0%	57.0%	49.7%	49.7%	-58.1%	-136.2%	-105.9%	-83.3%	-2.9%	-390.5%	-45.1%	-136.6%	-16.1%
Total Revenues	Real USDk	520,713	182,723	86,440	85,417	49,593	48,640	11,632	7,962	5,221	5,913	10,178	1,624	8,638	6,611	10,121
Revenues per dep pax	Real USD	20.4	24.2	19.4	24.2	27.4	20.5	10.3	9.2	6.6	8.3	23.6	8.9	13.4	9.1	28.7
Total Opex	Real USDk	300,152	58,876	38,055	36,690	24,939	24,444	18,386	18,802	10,752	10,838	10,472	7,964	12,538	15,640	11,755
Opex per dep pax	Real USD	11.8	7.8	8.6	10.4	13.8	10.3	16.3	21.8	13.7	15.3	24.2	43.9	19.4	21.6	33.3
CAPEX	Real USDk	211,108	8,001	36,790	35,031	14,299	12,933	15,212	16,638	6,968	9,491	8,613	20,437	7,332	10,816	8,545
CAPEX per dep pax	Real USD	8.3	1.1	8.3	9.9	7.9	5.5	13.5	19.3	8.8	13.4	19.9	112.6	11.3	14.9	24.2
NPV '17-'42	Real USDk	-57,443	41,829	-7,302	-9,048	165	936	-11,823	-14,209	-5,935	-6,826	-7,169	-12,012	-7,518	-14,240	-4,292
IRR '17-'42	%	4.7%	FCF always >0	7.4%	7.4%	12.9%	14.6%	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0
Payback	Years	>25	1 st year	18.0	17.3	4.3	10.7	>25	>25	>25	>25	>25	>25	>25	>25	>25

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Individual Low Case including RFF & Security: Cumulative figures for 2017-2042

	Units	TOTAL	MHH	CGT	ELH	ZSA	BIM	GHB	RSD	LGI	TBI	ASD	IGA	GHC	SAQ	TCB
Total traffic	'000 Pax	43,746	12,917	7,610	6,053	3,103	4,065	1,932	1,480	1,353	1,219	742	312	1,108	1,246	605
Private Traffic	'000 Pax	6,615	1,980	298	1,042	29	430	170	57	54	121	742	48	300	1,246	99
Domestic Traffic	'000 Pax	19,546	5,393	3,475	1,786	663	1,725	1,569	1,423	1,300	1,098	0	264	808	0	42
International Traffic	'000 Pax	17,584	5,545	3,837	3,226	2,411	1,909	192	0	0	0	0	0	0	0	464
Share International	%	40.2%	54.2%	53.4%	65.7%	78.2%	54.9%	12.0%	1.0%	0.0%	7.7%	62.2%	4.4%	25.8%	7.1%	88.8%
Share Private	%	15.1%	15.3%	3.9%	17.2%	0.9%	10.6%	8.8%	3.9%	4.0%	9.9%	100.0%	15.5%	27.1%	100.0%	16.3%
EBITDA	Real USDk	-122,664	50,439	-1,735	-4,379	-13,162	-3,177	-20,225	-22,964	-13,395	-13,704	-13,140	-14,225	-16,133	-21,112	-15,751
EBITDA per dep pax	Real USD	-5.6	7.8	-0.5	-1.4	-8.5	-1.6	-20.9	-31.0	-19.8	-22.5	-35.4	-91.2	-29.1	-33.9	-52.1
EBITDA margin	%	-29.3%	34.9%	-2.6%	-7.0%	-38.0%	-8.5%	-151.6%	-219.5%	-170.2%	-181.7%	-171.7%	-675.6%	-193.8%	-256.7%	-234.3%
Total Revenues	Real USDk	418,967	144,625	67,017	62,880	34,655	37,546	13,343	10,460	7,868	7,541	7,652	2,106	8,325	8,225	6,723
Revenues per dep pax	Real USD	19.2	22.4	17.6	20.8	22.3	18.5	13.8	14.1	11.6	12.4	20.6	13.5	15.0	13.2	22.2
Total Opex	Real USDk	541,631	94,186	68,753	67,259	47,817	40,723	33,568	33,424	21,262	21,246	20,793	16,331	24,458	29,337	22,475
Opex per dep pax	Real USD	24.8	14.6	18.1	22.2	30.8	20.0	34.8	45.2	31.4	34.9	56.1	104.7	44.1	47.1	74.3
CAPEX	Real USDk	254,430	10,968	43,405	42,134	20,262	16,989	21,316	17,677	8,115	11,647	9,796	21,475	8,395	12,141	10,110
CAPEX per dep pax	Real USD	11.6	1.7	11.4	13.9	13.1	8.4	22.1	23.9	12.0	19.1	26.4	137.7	15.2	19.5	33.4
NPV '17-'42	Real USDk	-222,275	12,828	-31,184	-34,813	-18,907	-12,147	-22,276	-20,018	-9,770	-11,951	-13,246	-16,009	-13,246	-20,272	-11,263
IRR '17-'42	%	FCF always <0	122.5%	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0	FCF always <0
Payback	Years	>25	0.9	>25	>25	>25	>25	>25	>25	>25	>25	>25	>25	>25	>25	>25

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Several strategic options have been evaluated (1/2)

More likely to be sustainable

Less likely to be sustainable

Concept

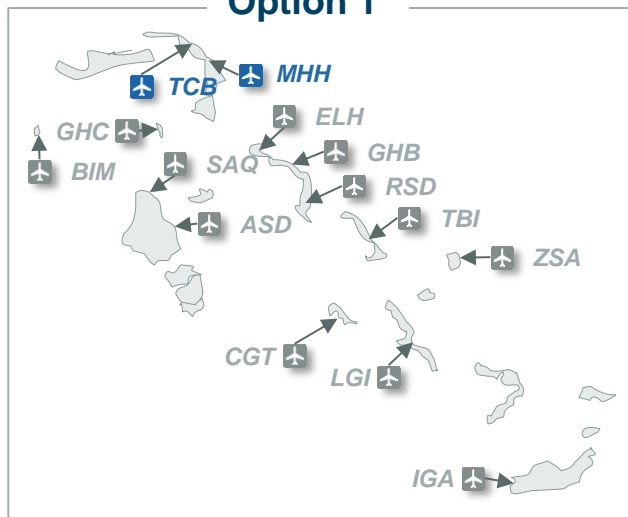
		Option 1	Option 2a	Option 2b ⁽²⁾	Option 3	Option 4	Option 5
		Two airports at Abaco Island	Airports with highest traffic of the FI		Airports with highest traffic requiring significant expansion CapEx	Airports with highest traffic with the rest of the airports in the same islands	Full network: All the Family Islands airports
Tier 1	Airport						
	Marsh Harbour (MHH)	✓	✓	✓		✓	✓
	Exuma - George Town (CGT)		✓	✓	✓	✓	✓
	North Eleuthera (ELH)		✓	✓	✓	✓	✓
	San Salvador (ZSA) ⁽¹⁾						✓
	South Bimini (BIM) ⁽¹⁾						✓
	Governor's Harbour (GHB)			✓		✓	✓
Tier 2	Rock Sound (RSD)					✓	✓
	Deadman's Cay (LGI)						✓
	New Bight (TBI)						✓
	Andros Town (ASD)						✓
	Matthew Town (IGA)						✓
	Great Harbour Cay (GHC)						✓
	San Andros (SAQ)						✓
	Treasure Cay (TCB)	✓				✓	✓

(1) Not included in groups as their strong dependence on a sole hotel/resort would be seen as a risk for a 3rd party

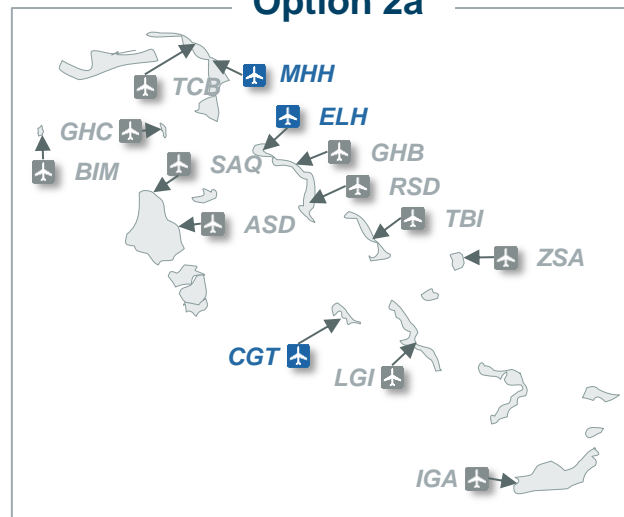
(2) Not presented in the executive summary

Several strategic options have been evaluated (2/2)

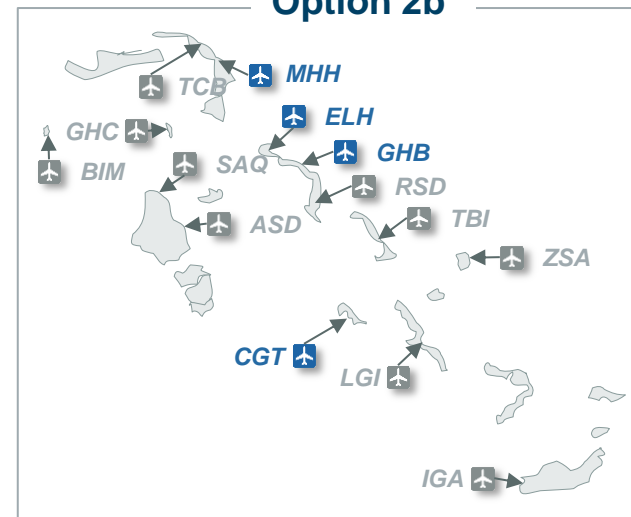
Option 1



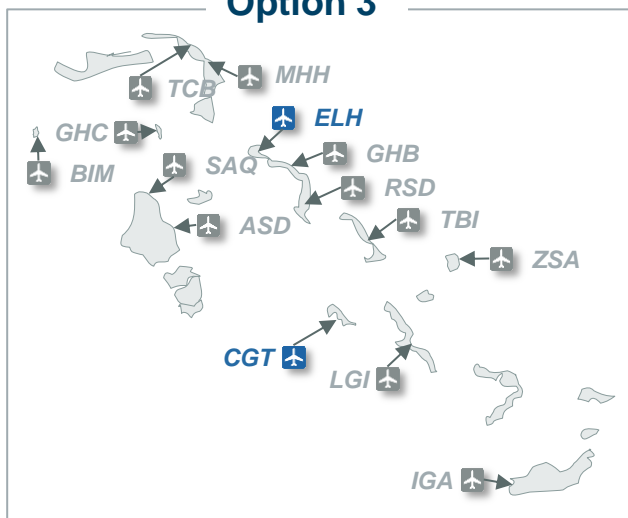
Option 2a



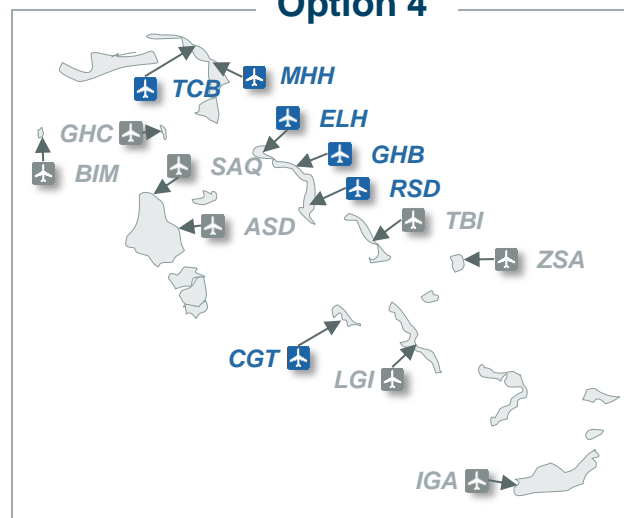
Option 2b



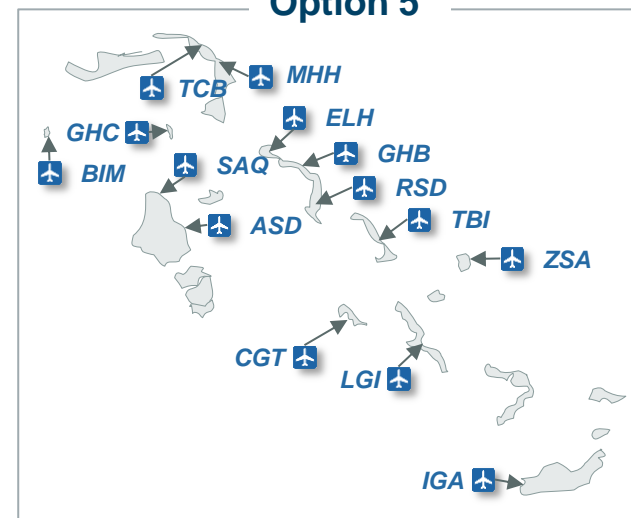
Option 3



Option 4



Option 5



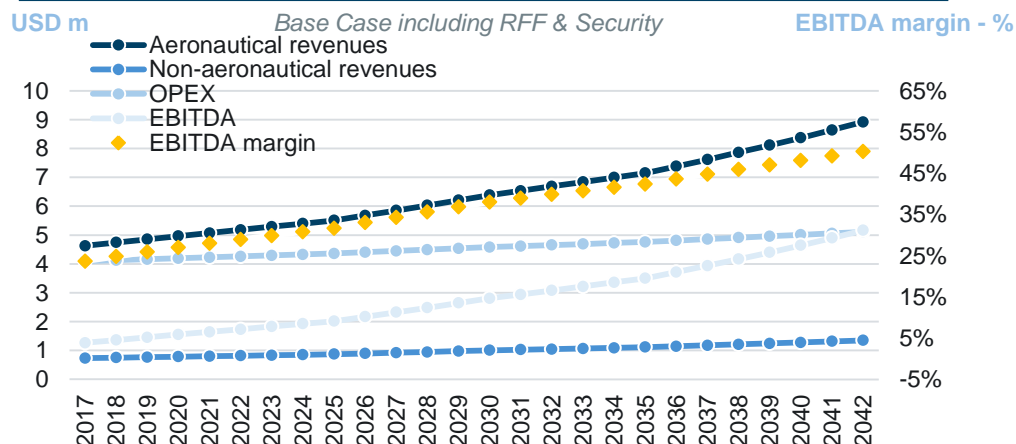
Option 1 (Marsh Harbour & Treasure Cay): NPV between USD 16m and USD 20m for the base case scenario

- Marsh Harbour and Treasure Cay are grouped because of their geographical proximity: synergies expected because of complementary landing runways (MHH's shorter than TCB. Therefore, the largest aircrafts land at TCB)
- Preliminary financials could be interesting for private investors even though traffic figures would be low (account for 30% of the FI traffic)
 - CAPEX always lower than EBITDA, thus FCF always positive
- Interest seems limited for the Grantor as expansion investments on the long term. Main CAPEX are:

1) Regulatory CAPEX for ICAO compliance

2) Airside recurrent CAPEX on both MHH and TCB

Free cash-flow breakdown – real USD m 2016 base



Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Option preliminary financials – real USD m 2016

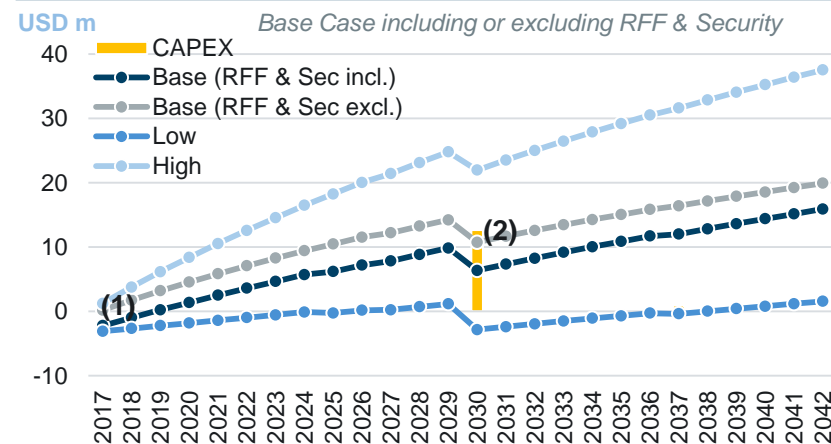
	CAPEX	Payback	NPV ⁽¹⁾	IRR
Base ⁽²⁾	21.1	1.8	15.9	70.8%
Base ⁽³⁾	16.5	1 st year ⁽⁴⁾	19.9	FCF always > 0
High	16.5	1 st year ⁽⁴⁾	37.5	FCF always > 0
Low	21.1	8.6	1.6	16.9%

(1) In million USD with Discount rate: 12.5% for 25 years concession

(2) Base Case including RFF & Security (3) Base Case excluding RFF & Security

(4) Positive Cash Flow in the first year due to the lack of significant initial investment

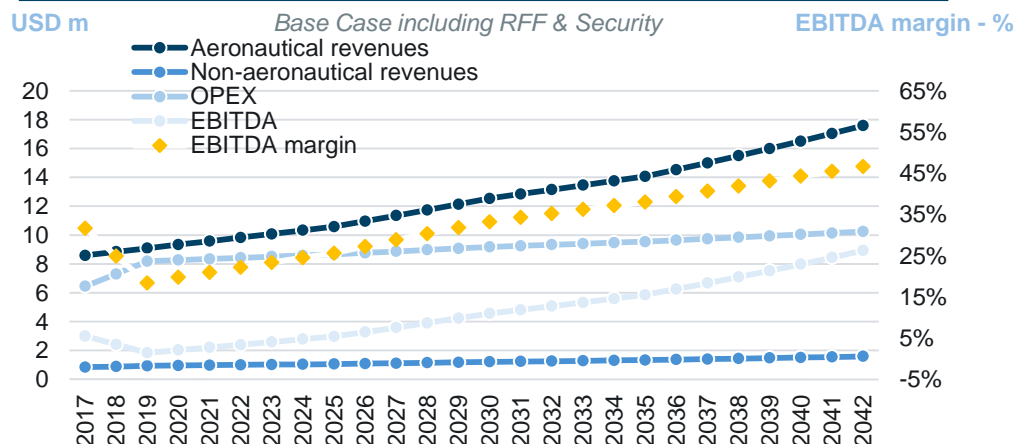
Cumulative free cash-flow – real USD m 2016



Option 2a (Marsh Harbour, Exuma & North Eleuthera): NPV between USD -25m and USD -9m for the base case scenario

- MHH, CGT and ELH are the three largest airports in the Family Islands, accounting for 57% of the FI traffic
- Large investments in the short term. Main CAPEX:
 - 1) Regulatory CAPEX for ICAO compliance and new ELH terminal
 - 2) Terminal expansion in CGT
 - 3) Recurrent CAPEX in CGT & ELH
 - 4) Airside (CGT & ELH) and landside (MHH) recurrent CAPEX
- High risk would be perceived by a private investor due to substantial initial CAPEX (NPV close to 0 only by end of concession).
 - Feasibility could improve under a co-financing scheme (CAPEX)

Free cash-flow breakdown – real USD m 2016 base



Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

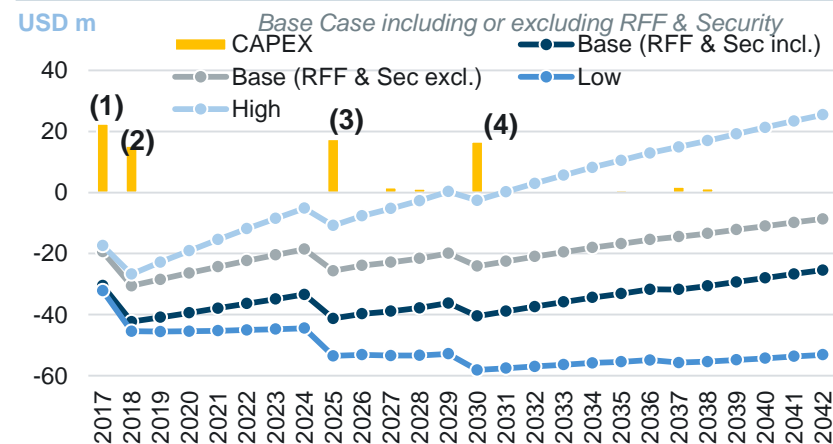
Option preliminary financials – real USD m 2016

	CAPEX	Payback	NPV ⁽¹⁾	IRR
Base⁽²⁾	96.5	>25	-25.4	6.6%
Base⁽³⁾	79.8	>25	-8.7	9.9%
High	79.8	11.9	25.5	19.8%
Low	96.5	>25	-53.2	-3.3%

(1) In million USD with Discount rate: 12.5% for 25 years concession

(2) Base Case including RFF & Security (3) Base Case excluding RFF & Security

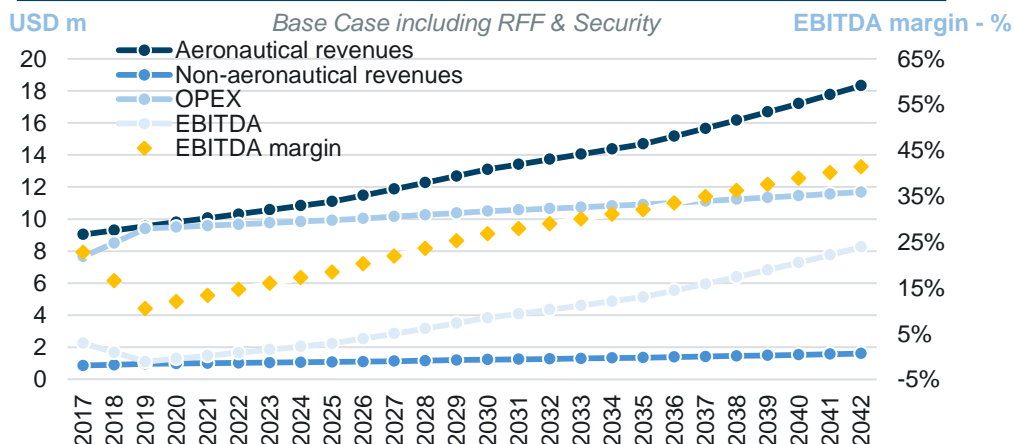
Cumulative free cash-flow – real USD m 2016



Option 2b (Marsh Harbour, Exuma, North Eleuthera & Governor's Harbour): NPV between USD -47m and USD -22m for the base case scenario

- Group of the largest airports, accounting for 62% of the FI traffic
- Significant levels of CAPEX throughout the concession period. Main CAPEX are:
 - 1) Regulatory CAPEX for ICAO compliance and new ELH terminal
 - 2) Terminal expansion in CGT
 - 3) Recurrent CAPEX in CGT, ELH & GHB
 - 4) Airside (CGT & ELH) and landside (MHH) recurrent CAPEX. Recurrent CAPEX
 - 5) Recurrent CAPEX in GHB
- Negative NPV values with substantial initial CAPEX
 - Feasibility could improve under a co-financing scheme (CAPEX)

Free cash-flow breakdown – real USD m 2016 base



Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

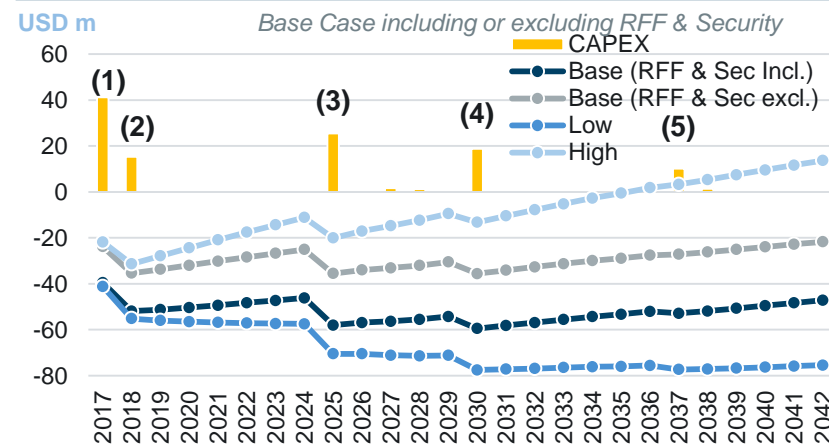
Option financials – real USD m 2016

	CAPEX	Payback	NPV ⁽¹⁾	IRR
Base ⁽²⁾	117.8	>25	-47.2	2.7%
Base ⁽³⁾	95.0	>25	-21.7	6.5%
High	95.0	18.2	13.7	15.9%
Low	117.8	>25	-75.4	-9.5%

(1) In million USD with Discount rate: 12.5% for 25 years concession

(2) Base Case including RFF & Security (3) Base Case excluding RFF & Security

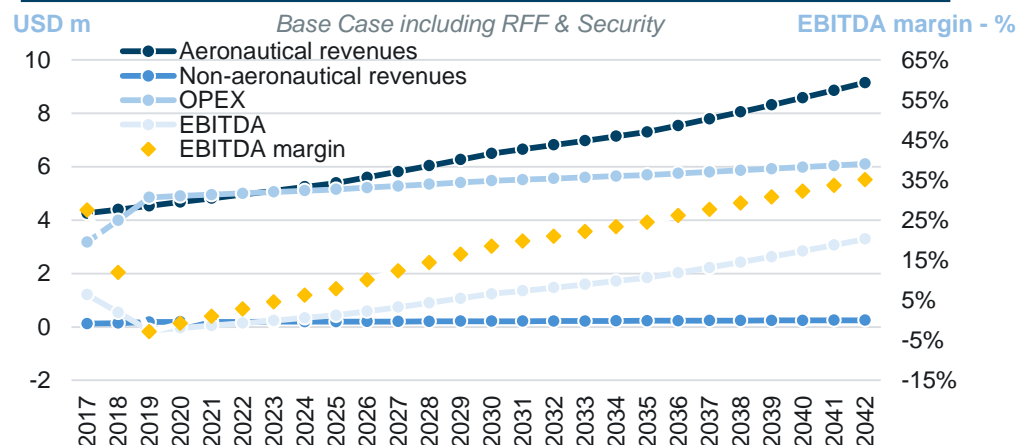
Cumulative free cash-flow – real USD m 2016



Option 3 (Exuma and North Eleuthera): NPV between USD -52m and USD -34m for the base case scenario

- Group of airports based on largest traffic (account for 29% of the FI traffic), excluding MHH that it does not have short-term expansion CAPEX
- Large investments in the short term. Main CAPEX:
 - 1) Regulatory CAPEX for ICAO compliance and new ELH terminal
 - 2) Terminal expansion in CGT
 - 3) Recurrent CAPEX in CGT & ELH
 - 4) Airside (CGT & ELH) recurrent CAPEX
- Negative NPV values with substantial initial CAPEX
 - Feasibility could improve under a co-financing scheme (CAPEX)

Free cash-flow breakdown – real USD m 2016 base



Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Option preliminary financials – real USD m 2016

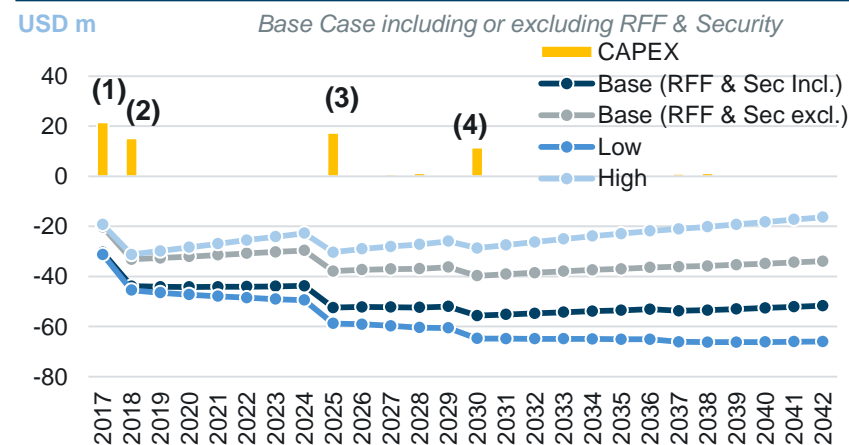
	CAPEX	Payback	NPV ⁽¹⁾	IRR
Base ⁽²⁾	85.5	>25	-51.7	-3.9%
Base ⁽³⁾	71.8	>25	-33.9	0.0%
High	71.8	>25	-16.3	7.4%
Low	85.8	>25	-66.0	FCF always<0

(1) In million USD with Discount rate: 12.5% for 25 years concession

(2) Base Case including RFF & Security

(3) Base Case excluding RFF & Security

Cumulative free cash-flow – real USD m 2016



Option 4 (MHH, CGT, ELH, GHB, Rock Sound & Treasure Cay): NPV between USD -77m and USD -42m for the base case scenario

- MHH, CGT and ELH are the three largest airports in the FI. TCB, GHB & RSD are in the same island as MHH and ELH (in total, they account for 68% of the FI traffic)
- Large investments in the short term. Main CAPEX:
 - 1) Regulatory CAPEX for ICAO compliance and new ELH terminal
 - 2) Terminal expansion in CGT
 - 3) Recurrent CAPEX in CGT & ELH
 - 4) Airside (CGT & ELH) and landside (MHH & TCB) rec. CAPEX
 - 5) Recurrent CAPEX in GHB
- Negative NPV values with substantial initial CAPEX
 - Feasibility could improve under a co-financing scheme (CAPEX)
 - However, large number of airports could be perceived as an additional risk by the private operator

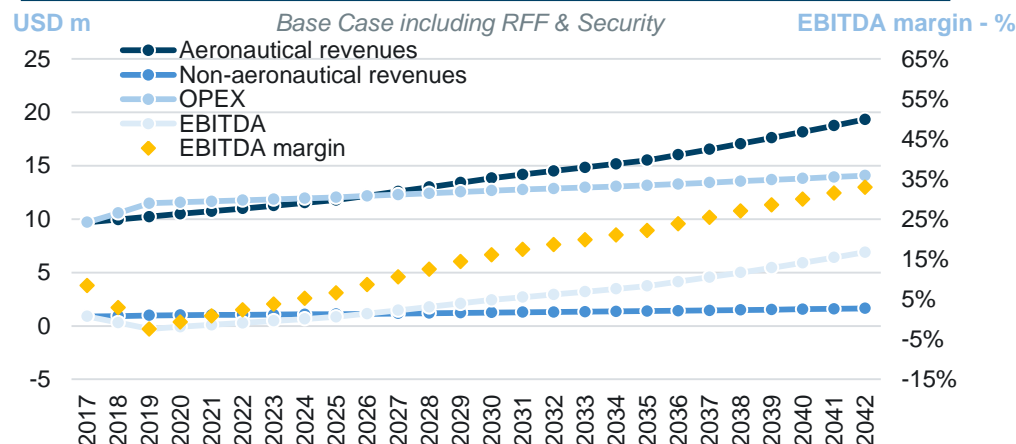
Option preliminary financials – real USD m 2016

	CAPEX	Payback	NPV ⁽¹⁾	IRR
Base⁽²⁾	145.6	>25	-77.5	-3.6%
Base⁽³⁾	120.2	>25	-42.0	1.6%
High	120.2	>25	-4.8	11.4%
Low	145.6	>25	-106.7	FCF always<0

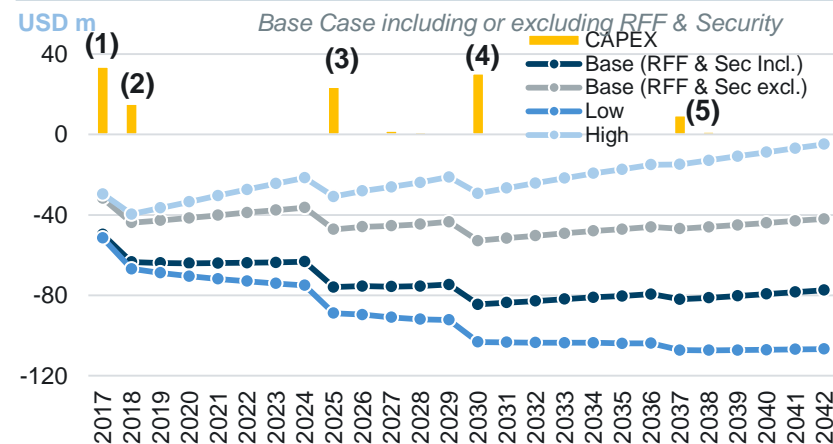
(1) In million USD with Discount rate: 12.5% for 25 years concession

(2) Base Case including RFF & Security (3) Base Case excluding RFF & Security

Free cash-flow breakdown – real USD m 2016 base



Cumulative free cash-flow – real USD m 2016



Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Option 5 (Full network):

NPV between USD -183m and USD -109m for the base case scenario

- The full network is analysed in order to assess the sustainability of the Family Islands Airports network
- Large investments in the short term. Main CAPEX:
 - 1) Regulatory CAPEX for ICAO compliance and new ELH terminal
 - 2) Terminal expansion in CGT
 - 3) Recurrent CAPEX and terminal expansion at IGA
 - 4) Recurrent CAPEX
 - 5) Recurrent CAPEX
- High level of CAPEX and low EBITDA margins; This option would probably require co-financing of CAPEX and operation

Option preliminary financials – real USD m 2016

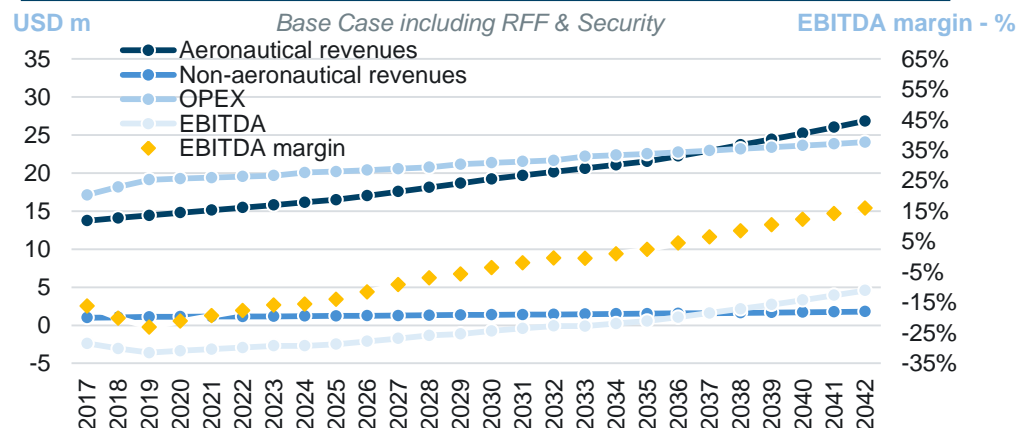
	CAPEX	Payback	NPV ⁽¹⁾	IRR
Base⁽²⁾	254.4	>25	-182.9	FCF always<0
Base⁽³⁾	211.1	>25	-108.7	-6.3%
High	211.1	>25	-57.4	4.7%
Low	254.4	>25	-222.2	FCF always<0

(1) In million USD with Discount rate: 12.5% for 25 years concession

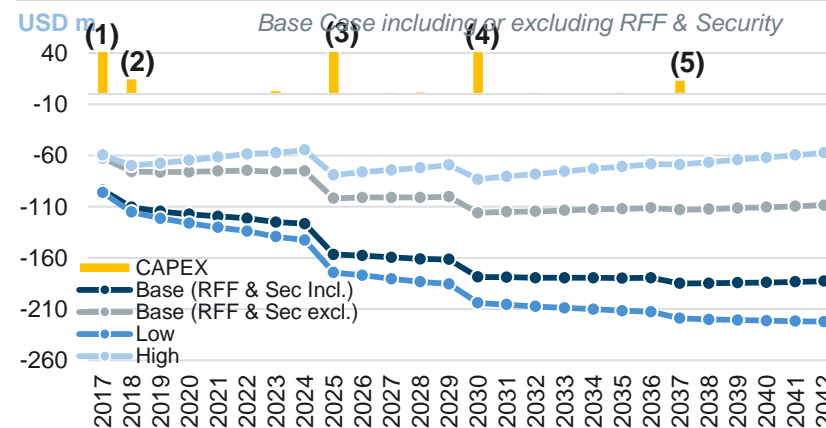
(2) Base Case including RFF & Security

(3) Base Case excluding RFF & Security

Free cash-flow breakdown – real USD m 2016 base



Cumulative free cash-flow – real USD m 2016



Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Selection of the option to be developed in Phase 2

Base Case
preliminary
financial
figures
summary

Adding largest Tier 1

+ Traffic
+ ICAO compliance
CapEx
+ Expansion CapEx
≈ Complexity and
risk

Adding secondary airport

Marsh Harbour		Treasure Cay	
Short-term CAPEX (USD m)	1.0 to 1.9	Short-term CAPEX (USD m)	0.5 to 1.6
NPV 2017-2042 (USD m)	25.3 to 26.2	NPV 2017-2042 (USD m)	-10.3 to -5.3
Avg. EBITDA margin (%)	48% to 57%	Avg. EBITDA margin (%)	-143% to -62%
IRR (%)	FCF always > 0	IRR (%)	FCF always < 0
North Eleuthera		Governor's Harbour & Rock Sound	
Short-term CAPEX (USD m)	20 to 25	Short-term CAPEX (USD m)	11 to 16
NPV 2017-2042 (USD m)	-27.7 to -17.5	NPV 2017-2042 (USD m)	-41.7 to -28.0
Avg. EBITDA margin (%)	18% to 41%	Avg. EBITDA margin (%)	-163% to -156%
IRR (%)	-4.2% to 0.8%	IRR (%)	FCF always < 0
Exuma		—	
Short-term CAPEX (USD m)	17 to 22		
NPV 2017-2042 (USD m)	-23.9 to -16.4		
Avg. EBITDA margin (%)	21% to 38%		
IRR (%)	-3.6% to -0.8%		
San Salvador & South Bimini (2)		Other Tier 2 airports	
		Short-term CAPEX (USD m)	24 to 28
		NPV 2017-2042 (USD m)	-82.6 to -57.9
		Avg. EBITDA margin (%)	-179% to -155%
		IRR (%)	FCF always < 0

≈ Traffic
+ ICAO compliance
CapEx
≈ Expansion CapEx
+ Complexity and
risk (1)

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2. Non accounting data available for FI airports regarding revenues and costs. Discount rate considered 12.5%

(1) Including smaller airports would be perceived as additional complexity and risk by a private operator rather than an upside

(2) San Salvador and South Bimini airports are highly dependent on one particular resort (Club Med and Bimini Sands). High risk would be perceived by a third party if grouped with other airports; would need to be considered on their own (or including some Tier 2)

The most suitable airport packaging option will depend on the answers to open questions for discussion

Model available allowing to evaluate any relevant option

Main general BP inputs

Concession period year (max 30 years)	25	
Concession starting and ending years	2017	2042
WACC	12.5%	
Scenario	Base	
Security and ARFF included	No	

PPP packages

Airport	Option 1	Option 2	Option 3	Option 4	Option 5
Marsh Harbour (MHH)	Yes	Yes			
Exuma - George Town (CGT)	No	Yes			
North Eleuthera (ELH)	No	Yes			
San Salvador (ZSA)	No	No			
South Bimini (BIM)	No	No			
Governor's Harbour (GHB)	No	No			
Rock Sound (RSD)	No	No			
Deadman's Cay (LGI)	No	No			
New Bight (TBI)	No	No			
Andros Town (ASD)	No	No			
Matthew Town (IGA)	No	No			
Great Harbour Cay (GHC)	No	No			
San Andros (SAQ)	No	No			
Treasure Cay (TCB)	Yes	No			

		Low		Base		High	
International	Driver	USD	Growth Factor (CPI based)	USD	Growth Factor (CPI based)	USD	Growth Factor (CPI based)
Processing fee - Commercial	arriving aircraft	0.0	100%	0.0	100%	0.0	100%
Processing fee - Private	arriving aircraft	0.0	100%	0.0	100%	0.0	100%
Processing fee - Per pax	dep.pax	10.0	100%	17.5	100%	25.0	100%
Departure fee (Immigration)	dep.pax	0.0	100%	0.0	100%	0.0	100%
Security fee	dep.pax	7.0	100%	7.0	100%	7.0	100%
Extra hours fee	aircraft/hour [1]	50.0	100%	50.0	100%	50.0	100%
Parking Fee	aircraft/day	6.7	100%	6.7	100%	6.7	100%

Domestic	Driver	USD	Growth Factor (CPI based)	USD	Growth Factor (CPI based)	USD	Growth Factor (CPI based)
Processing fee - Per pax	dep.pax	0.0	100%	0.0	100%	2.0	100%
Departure fee	dep.pax	0.0	100%	0.0	100%	0.0	100%
Security fee	dep.pax	7.0	100%	7.0	100%	7.0	100%
Parking Fee	aircraft	6.7	100%	6.7	100%	6.7	100%

Landing Fees	USD	Growth Factor (CPI based)	USD	Growth Factor (CPI based)	USD	Growth Factor (CPI based)
6,000	18.0	100%	18.0	100%	18.0	100%
9,000	27.0	100%	27.0	100%	27.0	100%
14,000	49.0	100%	49.0	100%	49.0	100%
17,000	59.5	100%	59.5	100%	59.5	100%
29,000	101.5	100%	101.5	100%	101.5	100%
43,000	150.5	100%	150.5	100%	150.5	100%
50,000	175.0	100%	175.0	100%	175.0	100%
80,000	280.0	100%	280.0	100%	280.0	100%
115,000	460.0	100%	460.0	100%	460.0	100%
165,000	660.0	100%	660.0	100%	660.0	100%
520,000	2,080.0	100%	2,080.0	100%	2,080.0	100%

	CAPEX	Payback Year	NPV	IRR
Option 1	16.5	0.0	22.1	
Option 2	79.8	>25	-2.9	11.6%
Option 3	95.0	>25	-15.7	8.2%
Option 4	71.8	>25	-30.3	1.8%
Option 5	211.1	>25	-104.6	-5.0%

0. Executive Summary

1. Introduction

2. Caribbean market assessment

3. Bahamas market assessment

4. Demand projections

5. Airport development plans and Capex

6. Preliminary financial assumptions

7. Selection of most feasible options for airports PPP

8. Details by airport

Marsh Harbour

Deadman's Cay

Exuma

New Bight

North Eleuthera

Andros Town

San Salvador

Matthew Town

South Bimini

Great Harbour Cay

Governor's Harbour

San Andros

Rock Sound

Treasure Cay

This chapter is structured in 4 sections for each one of the 14 airports included in the scope of the project



All the results shown correspond to the Base Case Scenario
(not including and including RFF & Security in the concession scope)

0. Executive Summary

1. Introduction

2. Caribbean market assessment

3. Bahamas market assessment

4. Demand projections

5. Airport development plans and Capex

6. Preliminary financial assumptions

7. Selection of most feasible options for airports PPP

8. Details by airport

Marsh Harbour

Deadman's Cay

Exuma

New Bight

North Eleuthera

Andros Town

San Salvador

Matthew Town

South Bimini

Great Harbour Cay

Governor's Harbour

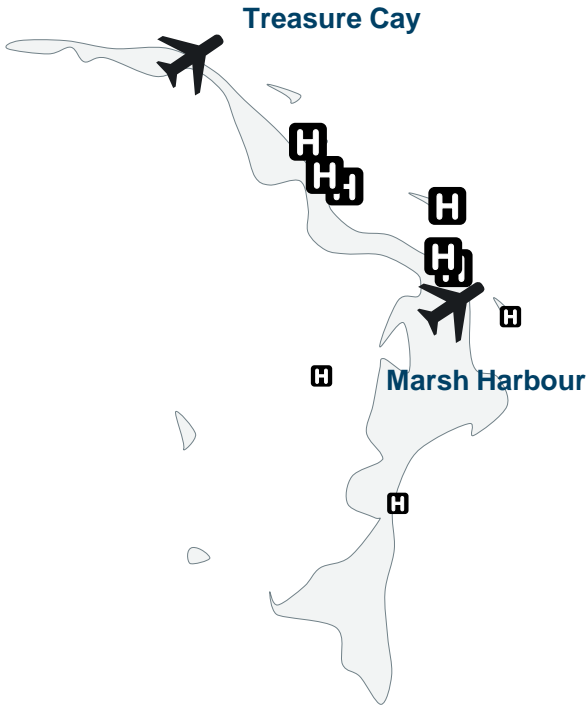
San Andros

Rock Sound

Treasure Cay

Abaco island economic overview

Abaco map



Abaco facts

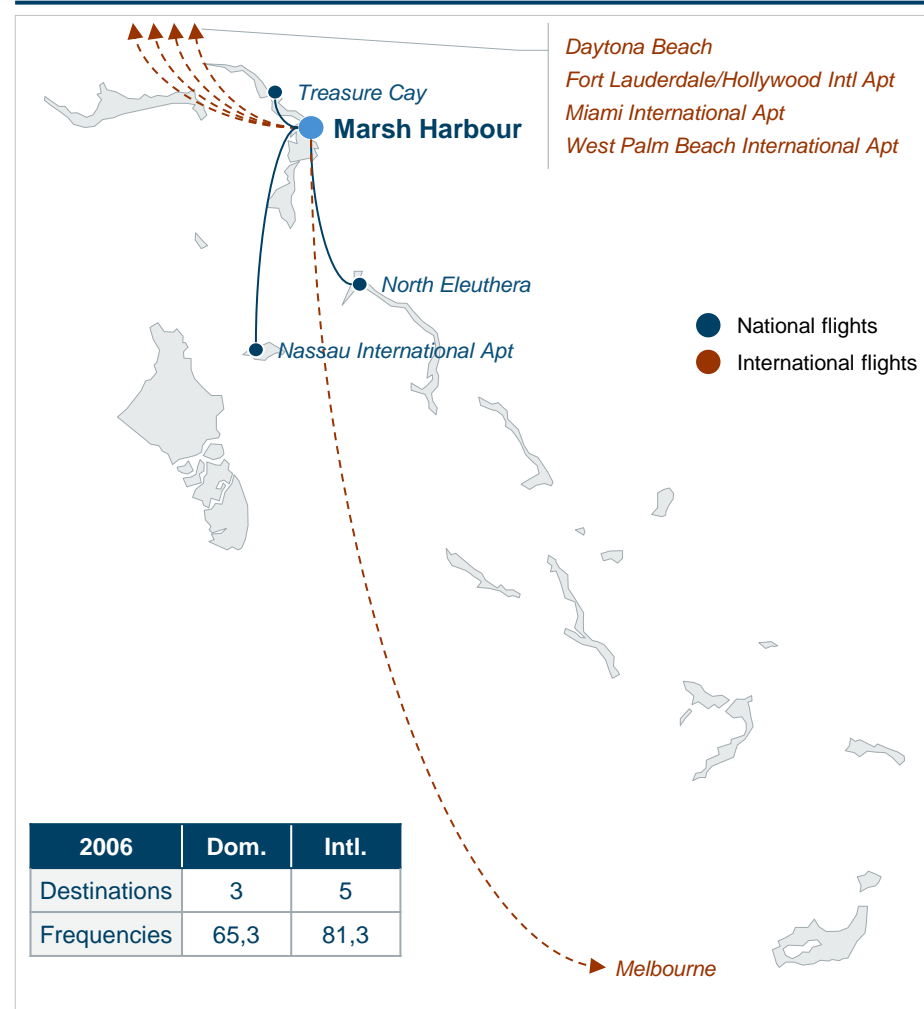
Abaco	
Population (2014)	17,097 (4.5%)
Main airports seats supply (2015)	
Marsh Harbour	340,910 (4.96%)
Total hotel rooms (2013)	921 (6.2%)
Stopover Visitors (2013)	91,804 (6.7%)
Average length of stay (2013)	10.1

- Tourism is the main economic sector in Abaco Islands
- Tourists visit Abaco because of its world famous natural parks and beaches
- Tourists in Abaco Islands stay longer than in almost all the rest of the islands

Source: TourismToday

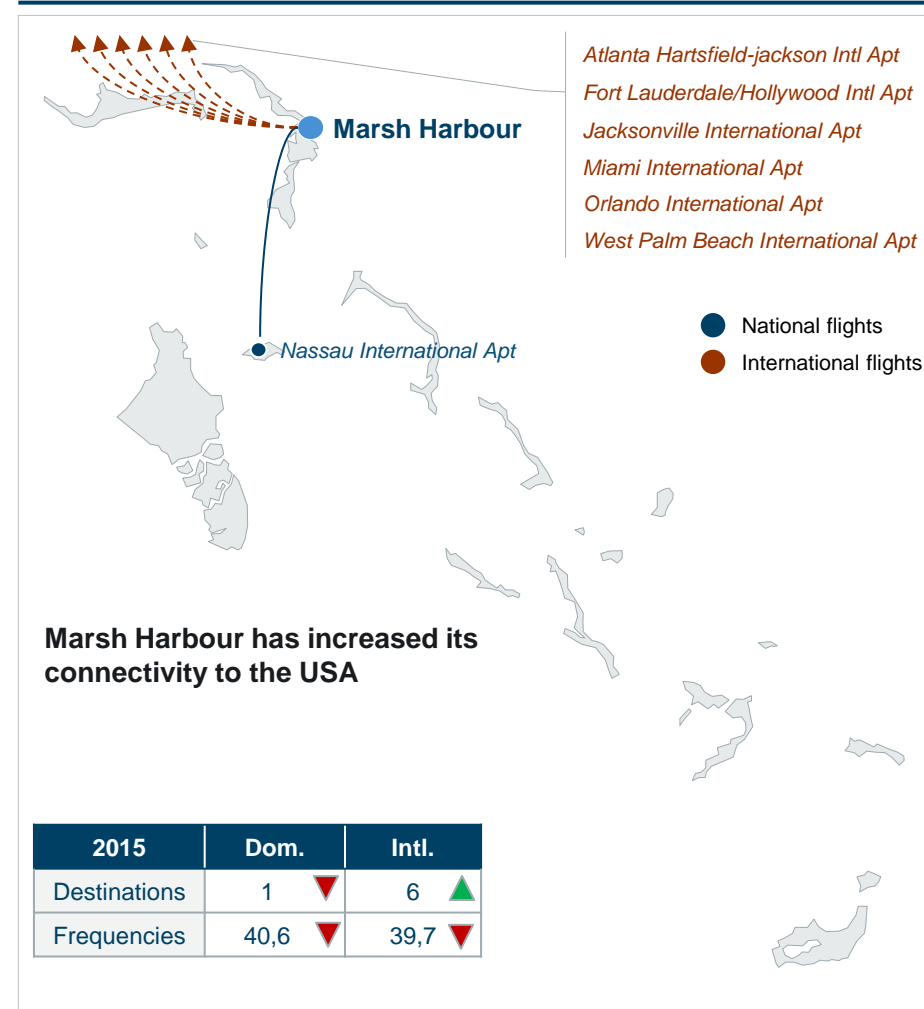
Marsh Harbour airport route development

MHH destinations offer (2006)



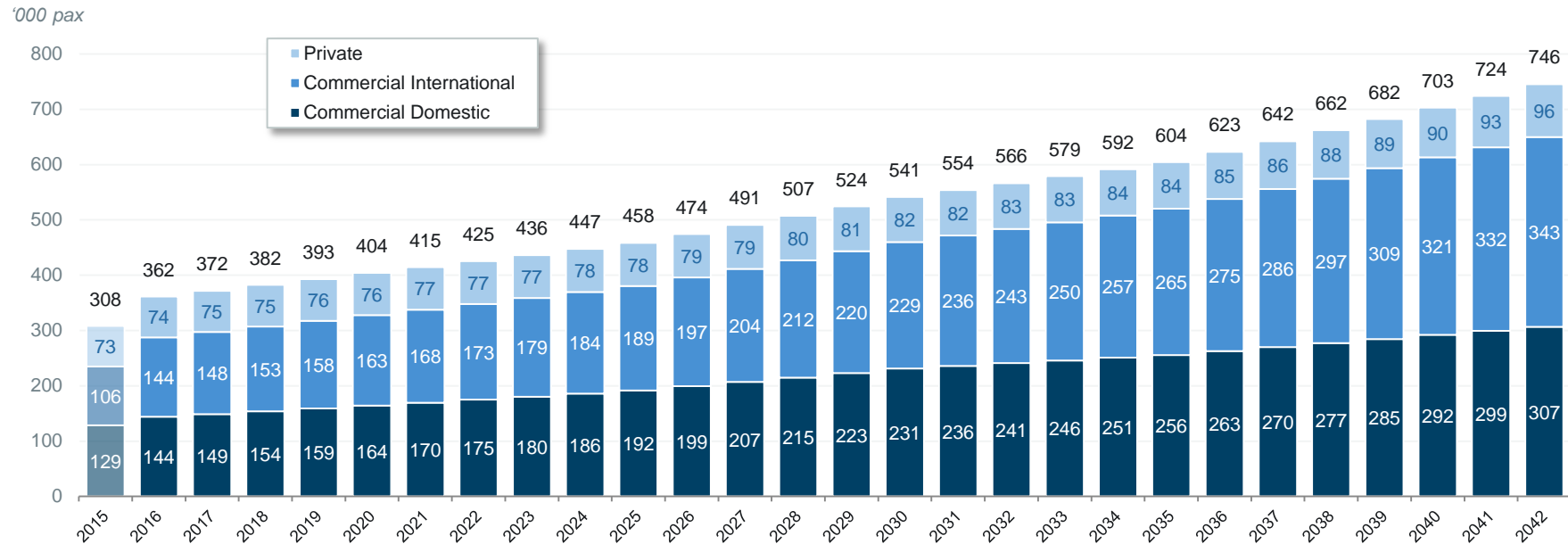
Source: OAG

MHH destinations offer (2015)



Marsh Harbour airport traffic projections

Marsh Harbour demand projection (2015-2042)



		2015	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Total traffic	'000 Pax	308	362	372	382	393	404	458	541	703	2.7%	2.9%	2.8%	2.8%	2.8%
Private	'000 Pax	73	74	75	75	76	76	78	82	90	0.6%	0.7%	1.5%	0.7%	1.0%
Commercial Domestic	'000 Pax	129	144	149	154	159	164	192	231	292	3.3%	3.3%	2.4%	3.3%	2.9%
Commercial Intl'	'000 Pax	106	144	148	153	158	163	189	229	321	3.2%	3.4%	3.5%	3.3%	3.4%
Total ATMs	'000 ATMs	37	39	40	40	41	41	43	46	55	1.1%	1.3%	2.0%	1.2%	1.6%
Private	'000 ATMs	24	25	25	25	25	25	25	26	28	0.2%	0.3%	1.3%	0.3%	0.7%
Commercial Domestic	'000 ATMs	7	7	7	7	8	8	9	10	13	2.6%	2.6%	2.3%	2.6%	2.5%
Commercial Intl'	'000 ATMs	6	8	8	8	8	8	9	11	15	2.3%	2.7%	3.4%	2.5%	2.9%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Marsh Harbour airport infrastructure development

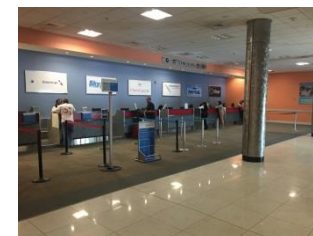
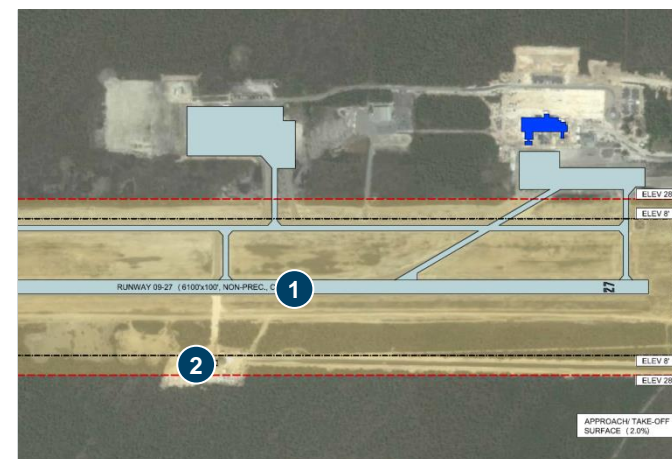
Marsh Harbour Airport – Infrastructure development

Airside enhancement to comply with ICAO SARPs

- 1 Manoeuvring area enhancement: Small amendments in the runway pavement, windsocks and aerodrome beacon
- 2 Provide obstacle lights on the new tower building
 - Procurement of firefighting vehicle in compliance with ICAO Cat -6 (1 existing vehicle in acceptable conditions, 1 more to be provided)

Expansion needs

- Additional firefighting vehicle will be required in the mid-term to replace the existing vehicle
- Existing terminal inaugurated in 2013 has sufficient capacity to accommodate all expected traffic in the long term
- Runway expansion proposed by Stantec has not been considered as required given that Treasure Cay Airport provides a long runway that enables unconstrained operation of large narrow bodies (A320 & B737)

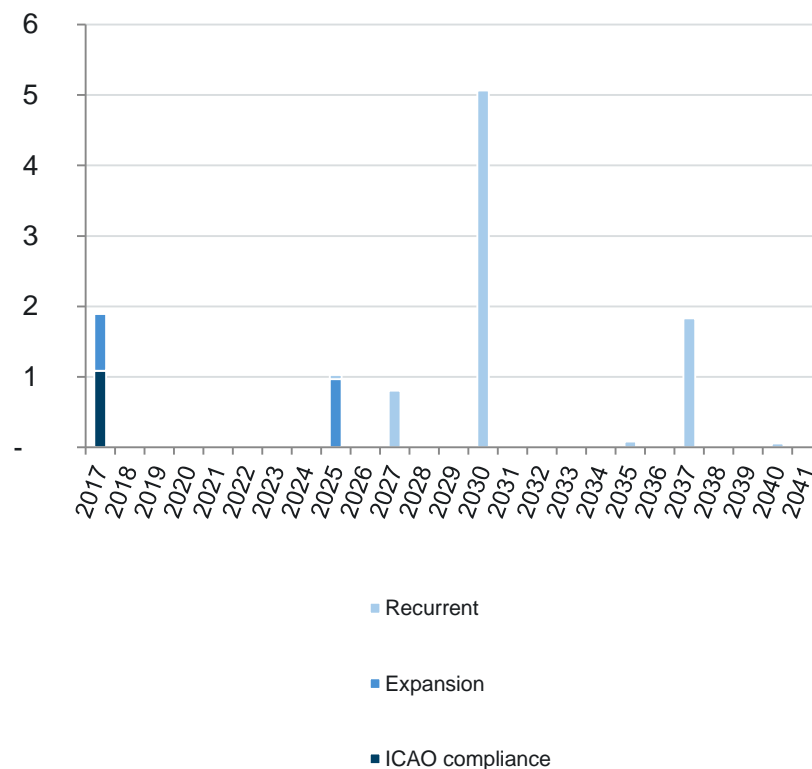


Marsh Harbour airport required capital expenditure

Marsh Harbour Airport – Investment Breakdown (constant prices 2016)

	Item	CAPEX Stantec (USD m)	CAPEX review ALG (USD m)			
			Short-term	Mid-term	Long-term	TOTAL
ICAO Compliance	Airside enhancement	0.08	0.04	-	-	0.04
	Fire Fighting Equipment	0.87	0.73	-	-	0.73
	Obstacle lights	0.04	0.04	-	-	0.04
	Subtotal	1.0	0.8	-	-	0.8
Expansion	Terminal Repairs/upgrades	-	0.61	-	-	0.61
	Airport Mobile Equipment	0.18	-	0.73	-	0.73
	Subtotal	0.2	0.6	0.7	-	1.3
Recurrent	Recurrent airside works	-	-	0.04	3.89	3.94
	Recurrent landside works	-	-	0.61	0.61	1.21
	Recurrent equipment	-	0.04	0.04	0.87	0.95
	Subtotal	-	0.0	0.7	5.4	6.1
	Contingencies	0.39	0.48	0.47	1.77	2.72
	Total	1.6	1.9	1.9	7.1	11.0

Investment Profile (constant USD m)



Marsh Harbour airport preliminary financial projections results if RFF & security is included in the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	87,656	5,396	1,786	1,881	1,975	2,073	2,545	3,332	5,135	4.8%	4.8%	4.6%	4.8%	4.7%
EBITDA margin			75%	35%	36%	37%	38%	42%	47%	56%	-	-	-	-	-
Total Revenues	Real USDk	183,522	7,163	5,063	5,188	5,313	5,442	6,061	7,044	9,192	2.3%	2.6%	2.9%	2.5%	2.7%
Total Aeronautical	Real USDk	157,722	6,459	4,338	4,446	4,555	4,666	5,197	6,048	7,924	2.4%	2.7%	2.9%	2.6%	2.7%
Private	Real USDk	10,584	848	383	385	387	388	387	400	442	0.3%	0.4%	1.5%	0.4%	0.8%
Domestic	Real USDk	36,559	960	976	1,005	1,035	1,066	1,223	1,449	1,791	2.9%	2.9%	2.3%	2.9%	2.7%
International	Real USDk	110,578	4,651	2,978	3,056	3,133	3,212	3,587	4,199	5,691	2.4%	2.8%	3.2%	2.7%	2.9%
Total Non-Aeronautical	Real USDk	25,801	704	725	742	759	776	863	996	1,268	2.2%	2.5%	2.6%	2.4%	2.5%
Shops	Real USDk	13,575	365	372	381	391	401	450	524	677	2.4%	2.7%	2.7%	2.6%	2.7%
Counters & offices	Real USDk	1,072	36	36	37	37	37	38	43	46	0.5%	1.6%	0.5%	1.2%	0.9%
Land & Fuel	Real USDk	4,646	133	144	146	149	151	162	178	215	1.5%	1.7%	2.0%	1.6%	1.8%
Others Non-Aeronautical	Real USDk	6,507	169	173	178	182	188	213	251	331	2.7%	2.9%	2.9%	2.9%	2.9%
Total Opex	Real USDk	95,866	1,768	3,277	3,308	3,338	3,369	3,516	3,712	4,057	0.9%	1.0%	0.9%	0.9%	0.9%
Manpower	Real USDk	49,785	596	1,708	1,724	1,739	1,755	1,829	1,926	2,101	0.9%	0.9%	0.9%	0.9%	0.9%
Utilities	Real USDk	13,892	463	463	469	474	479	504	539	599	1.1%	1.2%	1.1%	1.1%	1.1%
Others Opex	Real USDk	32,189	708	1,105	1,115	1,125	1,135	1,183	1,247	1,357	0.9%	0.9%	0.9%	0.9%	0.9%
CAPEX	Real USD	10,967,644													
NPV '17-'42	Real USD	26,249,354													
IRR '17-'42		Free Cash Flow always > 0													
Payback	Years	1 st year													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	26.8	39.6	27.2	27.1	27.0	26.9	26.4	26.0	26.2	-0.4%	-0.3%	0.1%	-0.3%	-0.1%
Aeronautical Rev per private landing	Real USD	32.7	68.8	31.0	31.0	31.0	31.1	31.2	31.3	32.1	0.1%	0.1%	0.2%	0.1%	0.1%
Aeronautical Rev per dom landing	Real USD	280.2	274.0	271.2	272.1	273.0	274.0	278.7	283.6	282.8	0.3%	0.3%	0.0%	0.3%	0.2%
Aeronautical Rev per int dep pax	Real USD	29.8	46.7	29.2	29.2	29.2	29.2	29.2	29.3	29.3	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	3.7	3.9	3.9	3.9	3.9	3.8	3.8	3.7	3.6	-0.5%	-0.4%	-0.2%	-0.4%	-0.3%
Opex per dep pax	Real USD	13.4	9.8	17.6	17.3	17.0	16.7	15.3	13.7	11.5	-1.8%	-1.9%	-1.8%	-1.9%	-1.8%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Marsh Harbour airport preliminary financial projections results if RFF & security is excluded of the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	77,596	5,396	1,808	1,878	1,947	2,020	2,361	2,937	4,317	3.6%	3.9%	4.1%	3.8%	3.9%
EBITDA margin			75%	48%	49%	49%	50%	53%	57%	64%	-	-	-	-	-
Total Revenues	Real USDk	135,361	7,163	3,779	3,868	3,956	4,047	4,478	5,175	6,765	2.2%	2.5%	2.9%	2.4%	2.6%
Total Aeronautical	Real USDk	109,560	6,459	3,054	3,126	3,197	3,271	3,615	4,179	5,497	2.2%	2.5%	3.0%	2.4%	2.6%
Private	Real USDk	10,584	848	383	385	387	388	387	400	442	0.3%	0.4%	1.5%	0.4%	0.8%
Domestic	Real USDk	14,491	960	397	408	419	430	488	571	704	2.7%	2.7%	2.2%	2.7%	2.5%
International	Real USDk	84,486	4,651	2,274	2,333	2,392	2,452	2,740	3,208	4,350	2.4%	2.8%	3.2%	2.7%	2.9%
Total Non-Aeronautical	Real USDk	25,801	704	725	742	759	776	863	996	1,268	2.2%	2.5%	2.6%	2.4%	2.5%
Shops	Real USDk	13,575	365	372	381	391	401	450	524	677	2.4%	2.7%	2.7%	2.6%	2.7%
Counters & offices	Real USDk	1,072	36	36	37	37	37	38	43	46	0.5%	1.6%	0.5%	1.2%	0.9%
Land & Fuel	Real USDk	4,646	133	144	146	149	151	162	178	215	1.5%	1.7%	2.0%	1.6%	1.8%
Others Non-Aeronautical	Real USDk	6,507	169	173	178	182	188	213	251	331	2.7%	2.9%	2.9%	2.9%	2.9%
Total Opex	Real USDk	57,765	1,768	1,971	1,990	2,009	2,028	2,117	2,237	2,448	0.9%	1.0%	0.9%	1.0%	1.0%
Manpower	Real USDk	15,783	596	545	549	554	559	581	610	663	0.8%	0.9%	0.9%	0.9%	0.9%
Utilities	Real USDk	13,892	463	463	469	474	479	504	539	599	1.1%	1.2%	1.1%	1.1%	1.1%
Others Opex	Real USDk	28,089	708	964	972	981	990	1,032	1,088	1,185	0.9%	0.9%	0.9%	0.9%	0.9%
CAPEX	Real USD	8,001,051													
NPV '17-'42	Real USD	25,250,837													
IRR '17-'42		Free Cash Flow always > 0													
Payback	Years	1 st year													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	20.1	39.6	20.3	20.2	20.1	20.0	19.5	19.1	19.2	-0.5%	-0.4%	0.1%	-0.4%	-0.2%
Aeronautical Rev per private landing	Real USD	32.7	68.8	31.0	31.0	31.0	31.1	31.2	31.3	32.1	0.1%	0.1%	0.2%	0.1%	0.1%
Aeronautical Rev per dom landing	Real USD	116.3	274.0	110.3	110.4	110.5	110.6	111.1	111.7	111.2	0.1%	0.1%	0.0%	0.1%	0.0%
Aeronautical Rev per int dep pax	Real USD	23.1	46.7	22.3	22.3	22.3	22.3	22.3	22.4	22.4	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	3.7	3.9	3.9	3.9	3.9	3.8	3.8	3.7	3.6	-0.5%	-0.4%	-0.2%	-0.4%	-0.3%
Opex per dep pax	Real USD	8.2	9.8	10.6	10.4	10.2	10.0	9.2	8.3	7.0	-1.8%	-1.9%	-1.8%	-1.8%	-1.8%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

0. Executive Summary

1. Introduction

2. Caribbean market assessment

3. Bahamas market assessment

4. Demand projections

5. Airport development plans and Capex

6. Preliminary financial assumptions

7. Selection of most feasible options for airports PPP

8. Details by airport

Marsh Harbour

Deadman's Cay

Exuma

New Bight

North Eleuthera

Andros Town

San Salvador

Matthew Town

South Bimini

Great Harbour Cay

Governor's Harbour

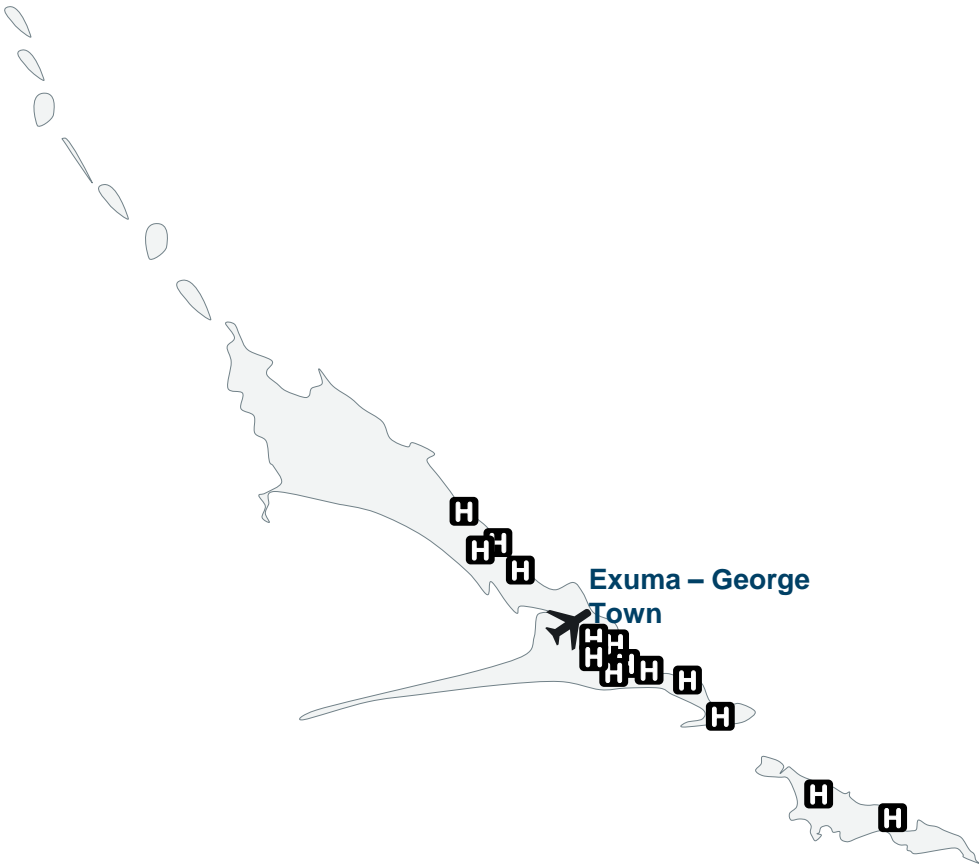
San Andros

Rock Sound

Treasure Cay

Exuma island economic overview

Exuma map



Exuma facts

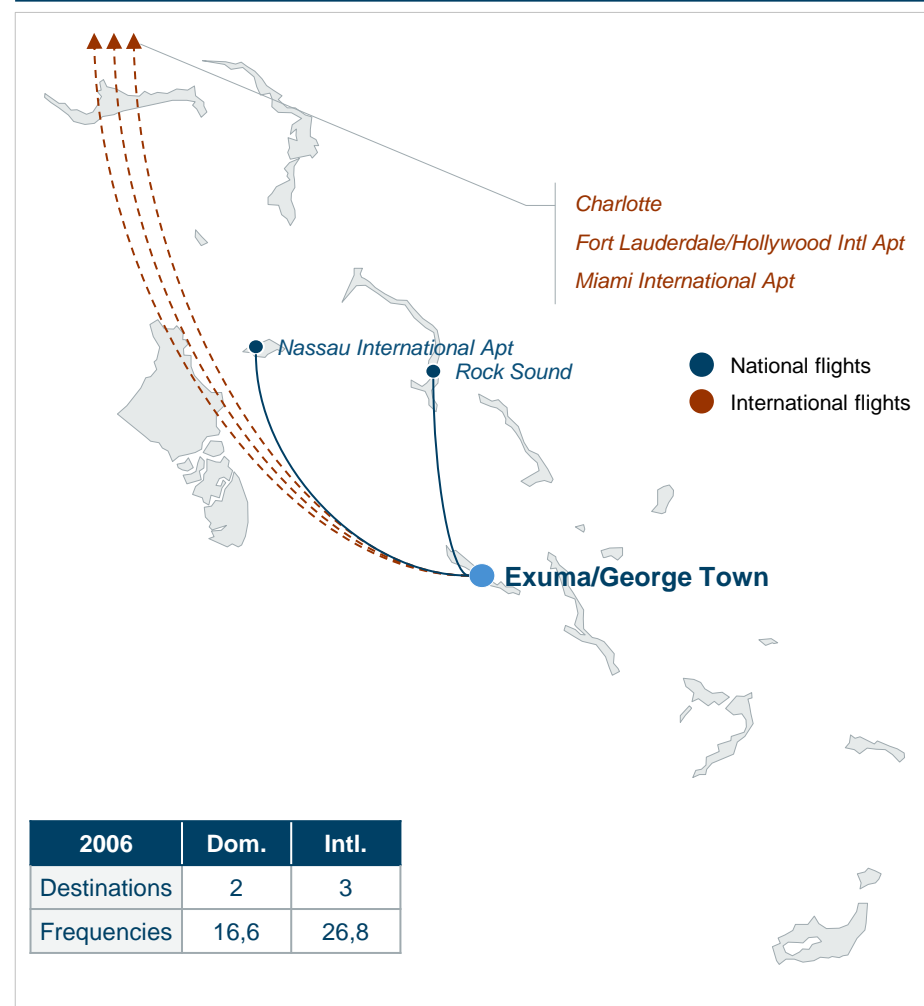
Exuma	
Population (2014)	6,928 (1.8%)
Main airports seats supply (2015)	
Exuma – George Town	256,794 (3.74%)
Total hotel rooms (2013)	755 (5.1%)
Stopover Visitors (2013)	41,062 (3%)
Average length of stay (2013)	8.2

- Most of the Exuma cays are private, some operated as exclusive private islands and others belonging to the “rich and famous”
- Considered to be one of the most beautiful islands in the Caribbean

Source: TourismToday

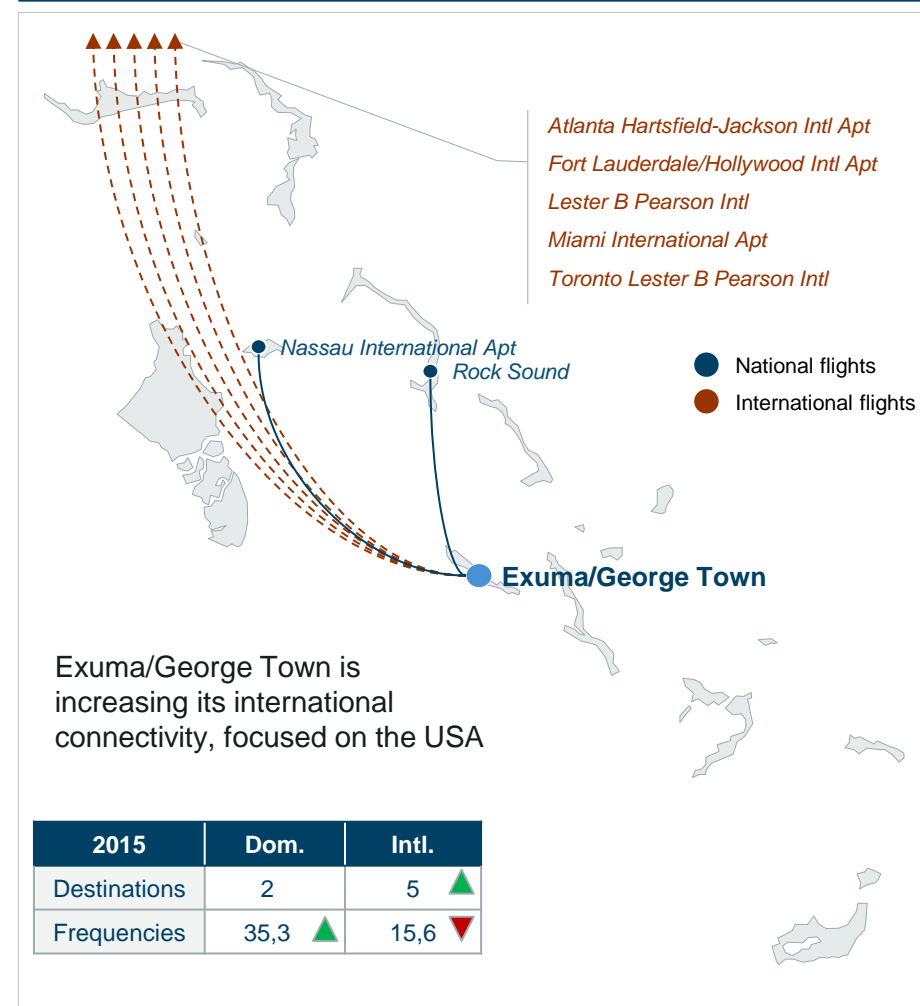
Exuma airport route development

GGT destinations offer (2006)



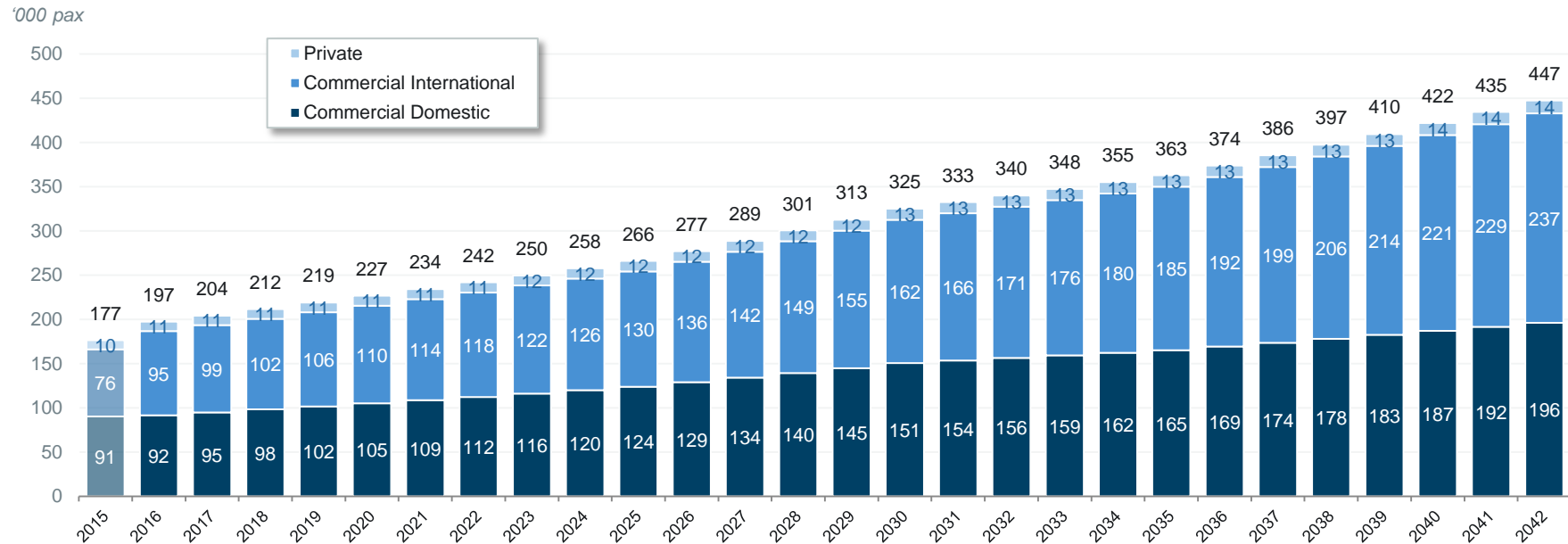
Source: OAG

GGT destinations offer (2015)



Exuma airport traffic projections

Exuma demand projection (2015-2042)



		2015	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Total traffic	'000 Pax	177	197	204	212	219	227	266	325	422	3.4%	3.5%	2.8%	3.5%	3.2%
Private	'000 Pax	10	11	11	11	11	11	12	13	14	1.2%	1.1%	1.3%	1.1%	1.2%
Commercial Domestic	'000 Pax	91	92	95	98	102	105	124	151	187	3.4%	3.4%	2.3%	3.4%	2.9%
Commercial Intl'	'000 Pax	76	95	99	102	106	110	130	162	221	3.6%	3.8%	3.3%	3.7%	3.6%
Total ATMs	'000 ATMs	9	10	10	10	11	11	12	13	16	2.0%	2.2%	2.2%	2.1%	2.2%
Private	'000 ATMs	4	4	5	5	5	5	5	5	5	1.0%	0.9%	1.3%	0.9%	1.0%
Commercial Domestic	'000 ATMs	3	3	3	3	4	4	4	5	6	2.7%	2.8%	2.3%	2.8%	2.6%
Commercial Intl'	'000 ATMs	2	2	2	2	2	3	3	3	5	3.1%	3.4%	3.3%	3.3%	3.3%

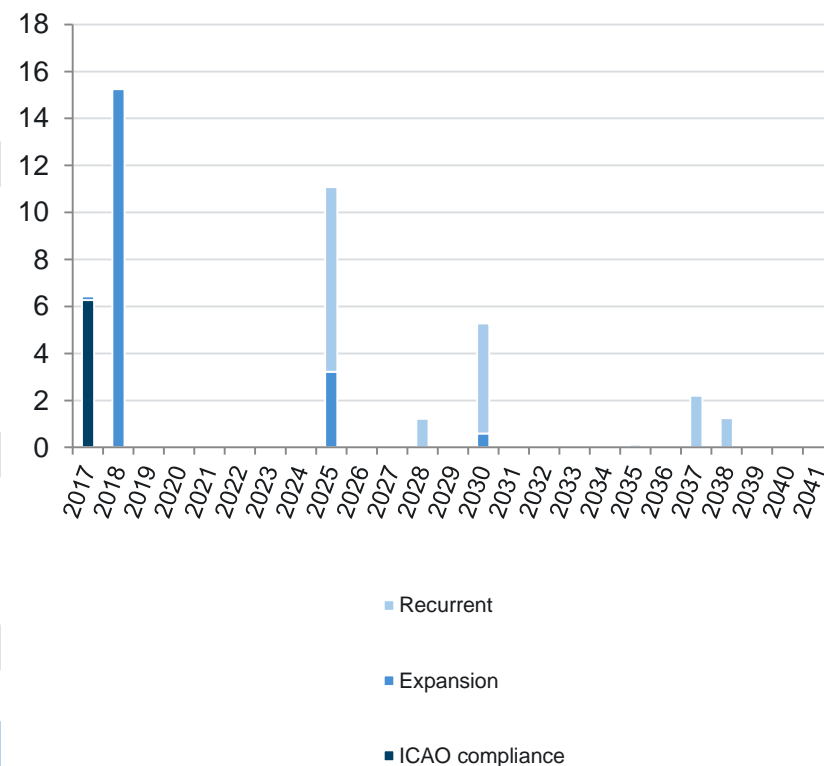
Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Exuma airport required capital expenditure

Exuma Airport – Investment Breakdown (constant prices 2016)

	Item	CAPEX Stantec (USD m)	CAPEX review ALG (USD m)			
			Short-term	Mid-term	Long-term	TOTAL
ICAO Compliance	Airside enh. (incl. RWY Repav.)	7.66	0.92	-	-	0.92
	Drain wetland area	0.13	-	-	-	-
	FF Facilities + Equipment	2.49	2.70	-	-	2.70
	Security Fence	-	0.75	-	-	0.75
	Trees & Vegetation	0.17	0.35	-	-	0.35
	Subtotal	10.5	4.7	-	-	4.7
Expansion	New Taxiway & apron expansion	0.97	-	0.97	-	0.97
	Existing FBO apron & TWY repav.	3.13	2.82	0.44	-	3.26
	New Terminal & related items	13.37	8.65	0.70	-	9.35
	Tower & Fire Hall renovation	-	-	0.31	0.45	0.76
	Airport Mobile Equipment	0.14	0.12	-	-	0.12
	Subtotal	17.6	11.6	2.4	0.4	14.5
Recurrent	Recurrent airside works	-	-	5.91	3.65	9.57
	Recurrent landside works	-	-	0.91	0.91	1.83
	Recurrent equipment	-	0.04	0.04	1.75	1.83
	Subtotal	-	0.04	6.9	6.3	13.2
	Contingencies	9.26	5.39	3.06	2.23	10.69
	Total	37.3	21.7	12.3	9.0	43.1

Investment Profile (constant USD m)



Exuma airport preliminary financial projections results if RFF & security is included in the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	18,534	1,749	582	640	-78	-23	244	682	1,516	-33.1%	26.3%	8.1%	2.2%	4.5%
EBITDA margin			59%	27%	28%	-3%	-1%	9%	20%	33%	-	-	-	-	-
Total Revenues	Real USDk	88,472	2,980	2,187	2,262	2,380	2,462	2,861	3,469	4,559	3.6%	3.3%	2.9%	3.4%	3.2%
Total Aeronautical	Real USDk	85,981	2,934	2,140	2,215	2,290	2,368	2,765	3,371	4,452	3.3%	3.4%	3.0%	3.4%	3.2%
Private	Real USDk	1,455	127	49	49	50	51	53	57	62	1.2%	1.1%	1.4%	1.1%	1.2%
Domestic	Real USDk	21,155	532	542	561	580	599	701	847	1,048	3.3%	3.2%	2.3%	3.3%	2.9%
International	Real USDk	63,371	2,275	1,549	1,604	1,660	1,718	2,011	2,467	3,342	3.4%	3.6%	3.2%	3.5%	3.4%
Total Non-Aeronautical	Real USDk	2,491	47	47	47	90	93	96	98	108	15.1%	0.5%	1.0%	5.1%	3.4%
Shops	Real USDk	1,320	8	8	8	51	51	53	54	57	44.0%	0.5%	0.5%	13.3%	8.0%
Counters & offices	Real USDk	610	18	18	18	18	21	22	22	28	3.4%	0.5%	2.4%	1.5%	1.8%
Land & Fuel	Real USDk	562	20	20	20	20	21	21	22	23	0.5%	0.5%	0.5%	0.5%	0.5%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	69,938	1,231	1,605	1,622	2,458	2,485	2,617	2,787	3,043	9.6%	1.1%	0.9%	3.9%	2.7%
Manpower	Real USDk	39,839	713	991	1,001	1,397	1,412	1,486	1,579	1,725	7.8%	1.1%	0.9%	3.3%	2.3%
Utilities	Real USDk	5,222	71	76	77	181	183	196	212	236	19.8%	1.4%	1.1%	7.2%	4.7%
Others Opex	Real USDk	24,877	447	537	543	880	889	935	995	1,082	11.1%	1.1%	0.9%	4.3%	2.9%
CAPEX	Real USD	43,405,127													
NPV '17-'42	Real USD	-23,931,230													
IRR '17-'42		-3.6%													
Payback	Years	>25													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	21.8	30.2	21.4	21.4	21.7	21.7	21.5	21.3	21.6	0.2%	-0.1%	0.1%	0.0%	0.1%
Aeronautical Rev per private landing	Real USD	23.3	57.2	21.6	21.7	21.7	21.8	22.0	22.3	22.5	0.2%	0.2%	0.1%	0.2%	0.2%
Aeronautical Rev per dom landing	Real USD	340.5	324.5	322.0	323.8	325.7	327.6	337.2	347.3	346.2	0.6%	0.5%	0.0%	0.5%	0.3%
Aeronautical Rev per int dep pax	Real USD	29.4	44.2	29.0	29.0	29.0	29.0	28.9	28.8	28.8	-0.1%	0.0%	0.0%	-0.1%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.6	0.5	0.5	0.4	0.8	0.8	0.7	0.6	0.5	11.2%	-2.9%	-1.8%	1.6%	0.2%
Opex per dep pax	Real USD	16.6	12.5	15.7	15.3	22.4	21.9	19.7	17.1	14.4	6.0%	-2.3%	-1.8%	0.4%	-0.5%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Exuma airport preliminary financial projections results if RFF & security is excluded of the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	22,731	1,749	702	743	312	352	542	851	1,466	-9.6%	8.3%	5.7%	2.0%	3.4%
EBITDA margin			59%	47%	49%	19%	21%	28%	36%	47%	-	-	-	-	-
Total Revenues	Real USDk	60,076	2,980	1,481	1,531	1,624	1,679	1,942	2,346	3,103	3.7%	3.3%	3.0%	3.4%	3.3%
Total Aeronautical	Real USDk	57,585	2,934	1,435	1,484	1,534	1,586	1,846	2,248	2,995	3.3%	3.4%	3.1%	3.4%	3.3%
Private	Real USDk	1,455	127	49	49	50	51	53	57	62	1.2%	1.1%	1.4%	1.1%	1.2%
Domestic	Real USDk	7,916	532	205	212	219	226	263	316	392	3.2%	3.2%	2.3%	3.2%	2.8%
International	Real USDk	48,214	2,275	1,181	1,223	1,265	1,309	1,531	1,876	2,542	3.4%	3.6%	3.2%	3.5%	3.4%
Total Non-Aeronautical	Real USDk	2,491	47	47	47	90	93	96	98	108	15.1%	0.5%	1.0%	5.1%	3.4%
Shops	Real USDk	1,320	8	8	8	51	51	53	54	57	44.0%	0.5%	0.5%	13.3%	8.0%
Counters & offices	Real USDk	610	18	18	18	18	21	22	22	28	3.4%	0.5%	2.4%	1.5%	1.8%
Land & Fuel	Real USDk	562	20	20	20	20	21	21	22	23	0.5%	0.5%	0.5%	0.5%	0.5%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	37,345	1,231	779	788	1,312	1,327	1,400	1,495	1,637	11.7%	1.1%	1.0%	4.5%	3.1%
Manpower	Real USDk	10,676	713	234	237	373	378	399	426	468	10.5%	1.2%	1.0%	4.2%	2.9%
Utilities	Real USDk	5,222	71	76	77	181	183	196	212	236	19.8%	1.4%	1.1%	7.2%	4.7%
Others Opex	Real USDk	21,447	447	469	474	757	766	805	857	933	10.7%	1.1%	0.9%	4.2%	2.9%
CAPEX	Real USD	36,790,300													
NPV '17-'42	Real USD	-16,428,988													
IRR '17-'42		-0.8%													
Payback	Years	>25													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	15.1	30.2	14.5	14.5	14.8	14.8	14.6	14.4	14.7	0.3%	-0.2%	0.2%	0.0%	0.1%
Aeronautical Rev per private landing	Real USD	23.3	57.2	21.6	21.7	21.7	21.8	22.0	22.3	22.5	0.2%	0.2%	0.1%	0.2%	0.2%
Aeronautical Rev per dom landing	Real USD	133.8	324.5	121.8	122.4	123.0	123.5	126.5	129.5	129.3	0.5%	0.4%	0.0%	0.4%	0.2%
Aeronautical Rev per int dep pax	Real USD	22.7	44.2	22.1	22.1	22.1	22.1	22.0	21.9	21.9	-0.1%	-0.1%	0.0%	-0.1%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.6	0.5	0.5	0.4	0.8	0.8	0.7	0.6	0.5	11.2%	-2.9%	-1.8%	1.6%	0.2%
Opex per dep pax	Real USD	9.0	12.5	7.6	7.4	12.0	11.7	10.5	9.2	7.8	8.0%	-2.2%	-1.8%	1.1%	-0.1%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

0. Executive Summary

1. Introduction

2. Caribbean market assessment

3. Bahamas market assessment

4. Demand projections

5. Airport development plans and Capex

6. Preliminary financial assumptions

7. Selection of most feasible options for airports PPP

8. Details by airport

Marsh Harbour

Deadman's Cay

Exuma

New Bight

North Eleuthera

Andros Town

San Salvador

Matthew Town

South Bimini

Great Harbour Cay

Governor's Harbour

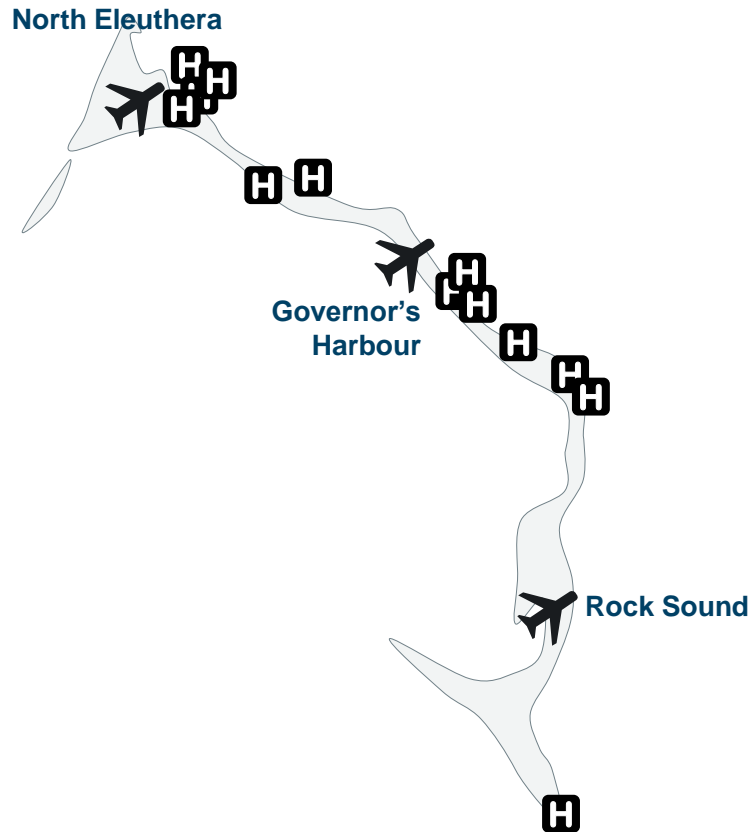
San Andros

Rock Sound

Treasure Cay

Eleuthera and Harbour Island economic overview

Eleuthera and Harbour Island map



Eleuthera and Harbour Island facts

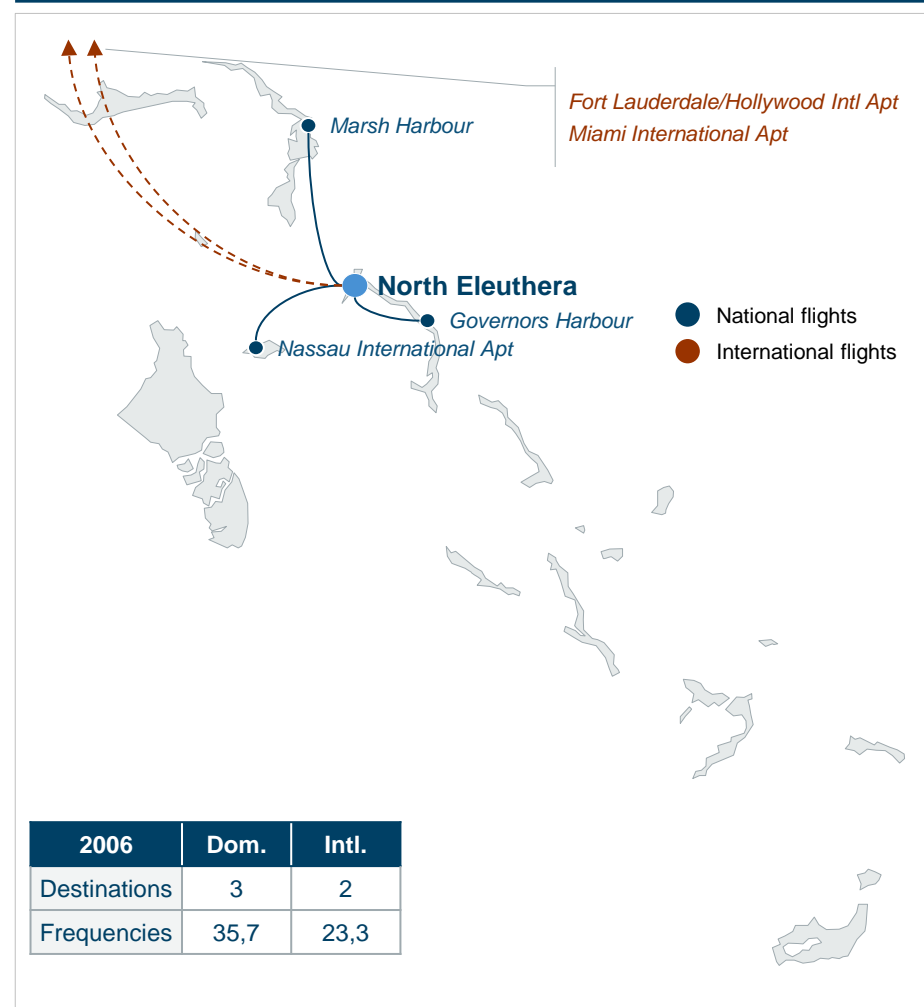
Eleuthera and Harbour Island	
Population (2014)	11,515 (3%)
Main airports seats supply (2015)	
North Eleuthera	180,278 (2.63%)
Governor's Harbour	111,928 (1.63%)
Rock Sound	150,184 (2.19%)
Total hotel rooms (2013)	563 (3.8%)
Stopover Visitors (2013)	35,510 (2.6%)
Average length of stay (2013)	8.8

- One of the islands in the Caribbean with greatest tourist appeal. Ranked as "The Best Island in the Caribbean" by Travel Leisure magazine
- A vacation magnet for the rich and famous
- Famous for its pink beach located on Harbour Island

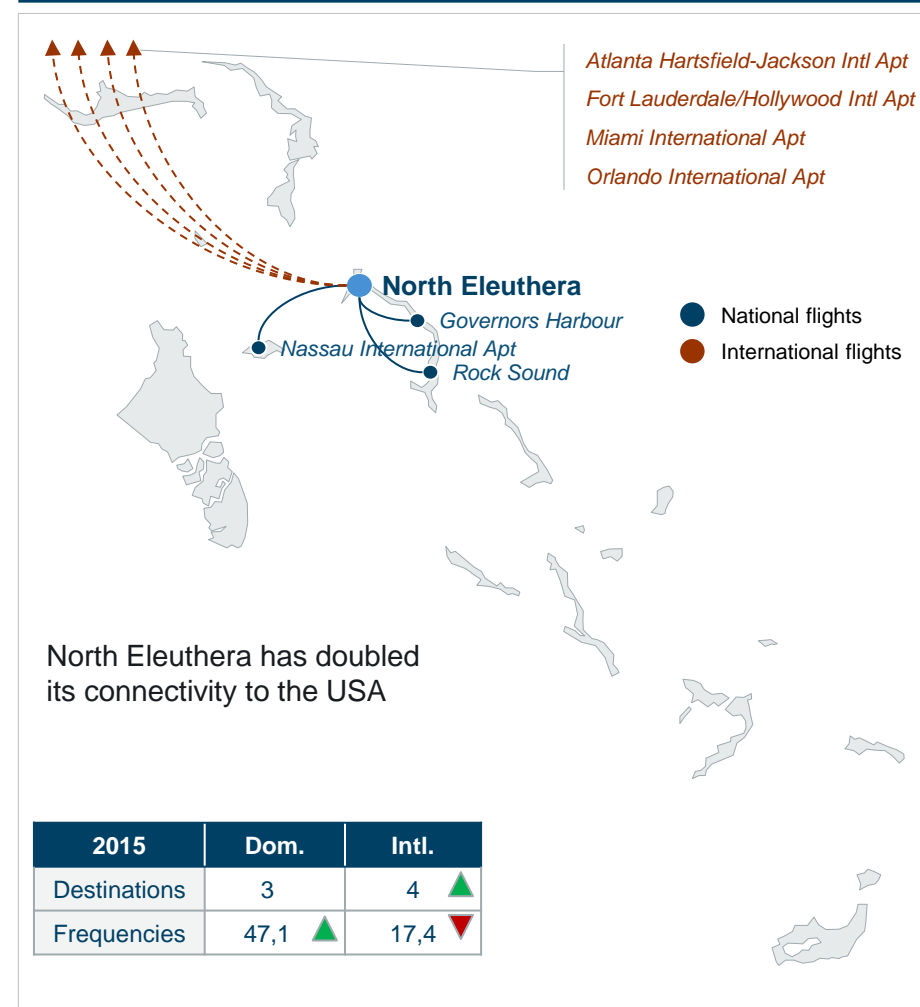
Source: TourismToday

North Eleuthera airport route development

ELH destinations offer (2006)



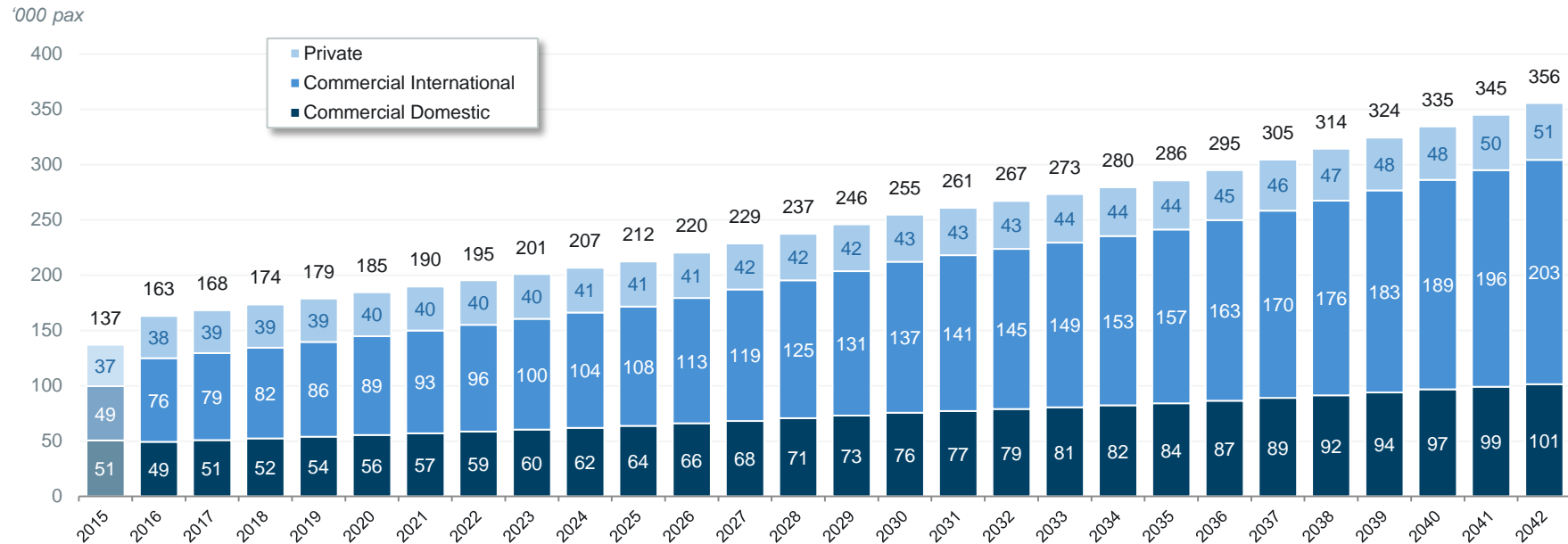
ELH destinations offer (2015)



Source: OAG

North Eleuthera airport traffic projections

North Eleuthera demand projection (2015-2042)



		2015	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Total traffic	'000 Pax	137	163	168	174	179	185	212	255	335	3.0%	3.2%	2.9%	3.1%	3.0%
Private	'000 Pax	37	38	39	39	39	40	41	43	48	0.8%	0.8%	1.7%	0.8%	1.2%
Commercial Domestic	'000 Pax	51	49	51	52	54	56	64	76	97	2.9%	3.0%	2.5%	3.0%	2.8%
Commercial Intl'	'000 Pax	49	76	79	82	86	89	108	137	189	4.1%	4.2%	3.4%	4.1%	3.9%
Total ATMs	'000 ATMs	23	24	24	24	25	25	26	28	34	1.2%	1.4%	2.2%	1.3%	1.7%
Private	'000 ATMs	16	16	16	16	16	16	16	17	19	0.5%	0.5%	1.7%	0.5%	1.0%
Commercial Domestic	'000 ATMs	5	5	5	5	5	5	6	7	9	2.1%	2.3%	2.5%	2.2%	2.4%
Commercial Intl'	'000 ATMs	2	3	3	3	3	3	4	5	6	3.3%	3.5%	3.4%	3.4%	3.4%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

North Eleuthera airport infrastructure development

North Eleuthera Airport – Infrastructure development

Airside enhancement to comply with ICAO SARPs

- 1 Manoeuvring area enhancement: Windsocks, pavement repairs, PAPI & approach lights installation, aerodrome beacon and visual aids repairs
- 2 Commercial apron displacement to provide clearance from runway strip. Proposed relocation 500 – 700 m northeast of the current apron (within the airport boundaries)
- 3 Existing commercial apron to be dedicated to FBO traffic
- 4 Visual aids in the new apron and taxiway
- 5 Runway strip and transition obstacle surface to be cleared from trees and vegetation
- 6 Perimeter fence repairs around 25% of airside boundary
- 7 New airport fire station and combined service building
 - Procurement of firefighting vehicles in compliance with ICAO Cat -6 (2 vehicle)
 - Procurement of handling and airport operations' vehicles

Landside relocation to comply with ICAO SARPs and terminal expansion

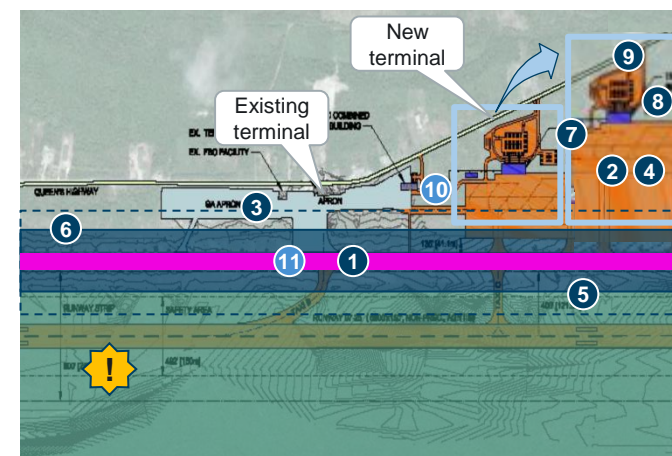
- 8 New commercial terminal building (21,000 ft²) to be re-located 500-700 m northwest of the current terminal, providing clearance from runway strip and transition surface
- 9 New car parking, access road and landside facilities to be carried out in the new terminal

Expansion needs

- 10 Commercial apron expansion and taxiway connection between existing and future aprons in the mid-term
- 11 Full re-pavement of movement area will be required in the medium term



New runway in North Eleuthera is not considered to be required because the new terminal and apron already provide enough lateral separation to runway strip and transition surface, savings ~25 MUSD while complying with ICAO SARPs

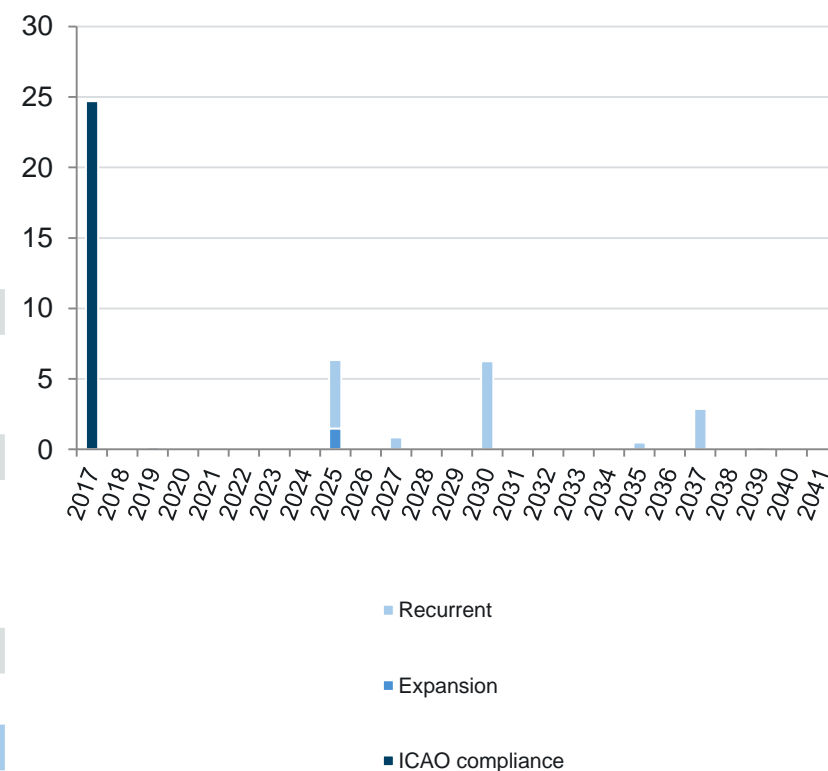


North Eleuthera airport required capital expenditure

North Eleuthera Airport – Investment Breakdown (constant prices 2016)

	Item	CAPEX Stantec (USD m)	CAPEX review ALG (USD m)			
			Short-term	Mid-term	Long-term	TOTAL
ICAO Compliance	Airside enhancement	3.54	1.03	-	-	1.03
	Runway displacement	25.00	-	-	-	-
	Commercial apron displacement	2.99	3.93	-	-	3.93
	New Terminal & related items	16.30	9.59	-	-	9.59
	Fire Fighting Facilities	2.16	2.18	-	-	2.18
	Fire Fighting Equipment	0.65	1.49	-	-	1.49
	Security Fence	-	0.15	-	-	0.15
	Trees & Vegetation	0.82	0.23	-	-	0.23
	Subtotal	51.5	18.6	-	-	18.6
Expansion	Apron expansion	1.10	-	1.12	-	1.12
	Airport Mobile Equipment	0.14	0.12	-	-	0.12
	Subtotal	1.2	0.1	1.1	-	1.2
Recurrent	Recurrent airside works	-	-	3.36	4.83	8.19
	Recurrent landside works	-	-	0.91	0.91	1.83
	Recurrent equipment	-	0.04	0.04	1.75	1.83
	Subtotal	-	0.0	4.3	7.5	11.8
Contingencies		17.39	6.19	1.79	2.47	10.45
Total		70.1	24.9	7.2	10.0	42.1

Investment Profile (constant USD m)



North Eleuthera airport preliminary financial projections results if RFF & security is included in the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	15,250	2,609	623	-99	-59	-16	194	553	1,326	-36.5%	26.3%	8.8%	0.5%	3.7%
EBITDA margin			80%	28%	-4%	-3%	-1%	7%	17%	31%	-	-	-	-	-
Total Revenues	Real USDk	83,643	3,250	2,193	2,271	2,335	2,401	2,725	3,236	4,264	2.9%	3.0%	3.0%	3.0%	3.0%
Total Aeronautical	Real USDk	80,696	3,190	2,115	2,178	2,241	2,306	2,624	3,120	4,127	2.8%	3.0%	3.0%	3.0%	3.0%
Private	Real USDk	6,654	534	235	237	238	240	240	247	289	0.5%	0.5%	2.0%	0.5%	1.1%
Domestic	Real USDk	14,029	380	385	395	406	417	470	549	687	2.6%	2.7%	2.4%	2.7%	2.5%
International	Real USDk	60,012	2,276	1,495	1,546	1,597	1,649	1,913	2,324	3,151	3.2%	3.4%	3.2%	3.3%	3.3%
Total Non-Aeronautical	Real USDk	2,948	59	78	93	94	95	102	116	137	4.7%	2.0%	1.8%	2.9%	2.4%
Shops	Real USDk	405	4	4	15	15	15	16	16	17	33.8%	0.5%	0.5%	10.5%	6.4%
Counters & offices	Real USDk	843	26	26	28	28	29	29	35	36	2.1%	1.9%	0.5%	2.0%	1.4%
Land & Fuel	Real USDk	1,700	29	48	49	50	51	57	65	84	2.1%	2.4%	2.7%	2.3%	2.5%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	68,393	640	1,570	2,370	2,393	2,417	2,532	2,683	2,938	9.4%	1.0%	1.0%	3.7%	2.6%
Manpower	Real USDk	39,958	267	989	1,384	1,397	1,411	1,478	1,563	1,712	7.8%	1.0%	1.0%	3.2%	2.3%
Utilities	Real USDk	4,790	66	73	162	164	167	176	190	212	18.4%	1.3%	1.2%	6.7%	4.4%
Others Opex	Real USDk	23,644	307	508	824	832	840	878	929	1,014	11.0%	1.0%	0.9%	4.2%	2.9%
CAPEX	Real USD	42,134,253													
NPV '17-'42	Real USD	-27,726,088													
IRR '17-'42		-4.2%													
Payback	Years	>25													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	26.1	39.8	26.1	26.2	26.1	26.0	25.7	25.4	25.5	-0.1%	-0.2%	0.1%	-0.2%	-0.1%
Aeronautical Rev per private landing	Real USD	30.6	67.3	29.3	29.3	29.3	29.3	29.2	29.0	29.8	-0.1%	0.0%	0.2%	0.0%	0.1%
Aeronautical Rev per dom landing	Real USD	161.1	156.0	154.7	155.4	156.2	157.0	161.0	165.2	161.5	0.5%	0.4%	-0.2%	0.4%	0.2%
Aeronautical Rev per int dep pax	Real USD	28.4	43.7	27.8	27.8	27.8	27.8	27.9	28.0	28.0	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.9	0.7	0.9	1.1	1.1	1.0	1.0	0.9	0.8	1.6%	-1.2%	-1.1%	-0.3%	-0.6%
Opex per dep pax	Real USD	20.2	7.9	18.7	27.3	26.7	26.2	23.8	21.0	17.6	6.2%	-2.1%	-1.9%	0.6%	-0.4%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

North Eleuthera airport preliminary financial projections results if RFF & security is excluded of the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	25,048	2,609	864	426	459	493	659	939	1,553	-8.4%	6.3%	5.3%	1.2%	2.8%
EBITDA margin			80%	54%	25%	27%	28%	33%	40%	50%	-	-	-	-	-
Total Revenues	Real USDk	61,070	3,250	1,612	1,671	1,717	1,764	1,992	2,356	3,109	2.8%	2.9%	3.0%	2.9%	2.9%
Total Aeronautical	Real USDk	58,122	3,190	1,534	1,579	1,623	1,669	1,890	2,240	2,972	2.7%	3.0%	3.0%	2.9%	2.9%
Private	Real USDk	6,654	534	235	237	238	240	240	247	289	0.5%	0.5%	2.0%	0.5%	1.1%
Domestic	Real USDk	6,285	380	175	180	184	189	211	243	309	2.4%	2.5%	2.5%	2.5%	2.5%
International	Real USDk	45,183	2,276	1,124	1,162	1,200	1,240	1,439	1,750	2,374	3.2%	3.4%	3.3%	3.4%	3.3%
Total Non-Aeronautical	Real USDk	2,948	59	78	93	94	95	102	116	137	4.7%	2.0%	1.8%	2.9%	2.4%
Shops	Real USDk	405	4	4	15	15	15	16	16	17	33.8%	0.5%	0.5%	10.5%	6.4%
Counters & offices	Real USDk	843	26	26	28	28	29	29	35	36	2.1%	1.9%	0.5%	2.0%	1.4%
Land & Fuel	Real USDk	1,700	29	48	49	50	51	57	65	84	2.1%	2.4%	2.7%	2.3%	2.5%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	36,021	640	749	1,245	1,258	1,271	1,333	1,417	1,556	11.6%	1.1%	1.0%	4.5%	3.1%
Manpower	Real USDk	10,726	267	229	369	373	377	396	421	464	11.0%	1.1%	1.0%	4.3%	3.0%
Utilities	Real USDk	4,790	66	73	162	164	167	176	190	212	18.4%	1.3%	1.2%	6.7%	4.4%
Others Opex	Real USDk	20,505	307	447	713	720	727	761	806	880	10.6%	1.0%	0.9%	4.1%	2.8%
CAPEX	Real USD	35,031,134													
NPV '17-'42	Real USD	-17,485,010													
IRR '17-'42		0.8%													
Payback	Years	24.2													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	19.4	39.8	19.2	19.3	19.2	19.1	18.8	18.5	18.6	-0.2%	-0.3%	0.1%	-0.2%	-0.1%
Aeronautical Rev per private landing	Real USD	30.6	67.3	29.3	29.3	29.3	29.3	29.2	29.0	29.8	-0.1%	0.0%	0.2%	0.0%	0.1%
Aeronautical Rev per dom landing	Real USD	74.9	156.0	70.5	70.7	70.9	71.1	72.1	73.1	72.6	0.3%	0.2%	-0.1%	0.2%	0.1%
Aeronautical Rev per int dep pax	Real USD	21.7	43.7	20.9	20.9	20.9	20.9	21.0	21.0	21.1	0.1%	0.0%	0.0%	0.1%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.9	0.7	0.9	1.1	1.1	1.0	1.0	0.9	0.8	1.6%	-1.2%	-1.1%	-0.3%	-0.6%
Opex per dep pax	Real USD	10.8	7.9	8.9	14.3	14.1	13.8	12.6	11.1	9.3	8.3%	-2.1%	-1.9%	1.3%	0.0%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

0. Executive Summary

1. Introduction

2. Caribbean market assessment

3. Bahamas market assessment

4. Demand projections

5. Airport development plans and Capex

6. Preliminary financial assumptions

7. Selection of most feasible options for airports PPP

8. Details by airport

Marsh Harbour

Deadman's Cay

Exuma

New Bight

North Eleuthera

Andros Town

San Salvador

Matthew Town

South Bimini

Great Harbour Cay

Governor's Harbour

San Andros

Rock Sound

Treasure Cay

San Salvador island economic overview

San Salvador map



San Salvador facts

San Salvador	
Population (2014)	940 (0.2%)
Main airports seats supply (2015)	
San Salvador	94,952 (1.38%)
Total hotel rooms (2013)	278 (1.9%)
Stopover Visitors (2013)	16,489 (1.2%)
Average length of stay (2013)	8.6

- San Salvador is believed to be the first Island on which Columbus came ashore in 1492
- The main tourism activity of San Salvador is focused around the Club Med
- Most tourists visiting the island come from Europe and not from the Americas as for the rest of the islands

Source: TourismToday

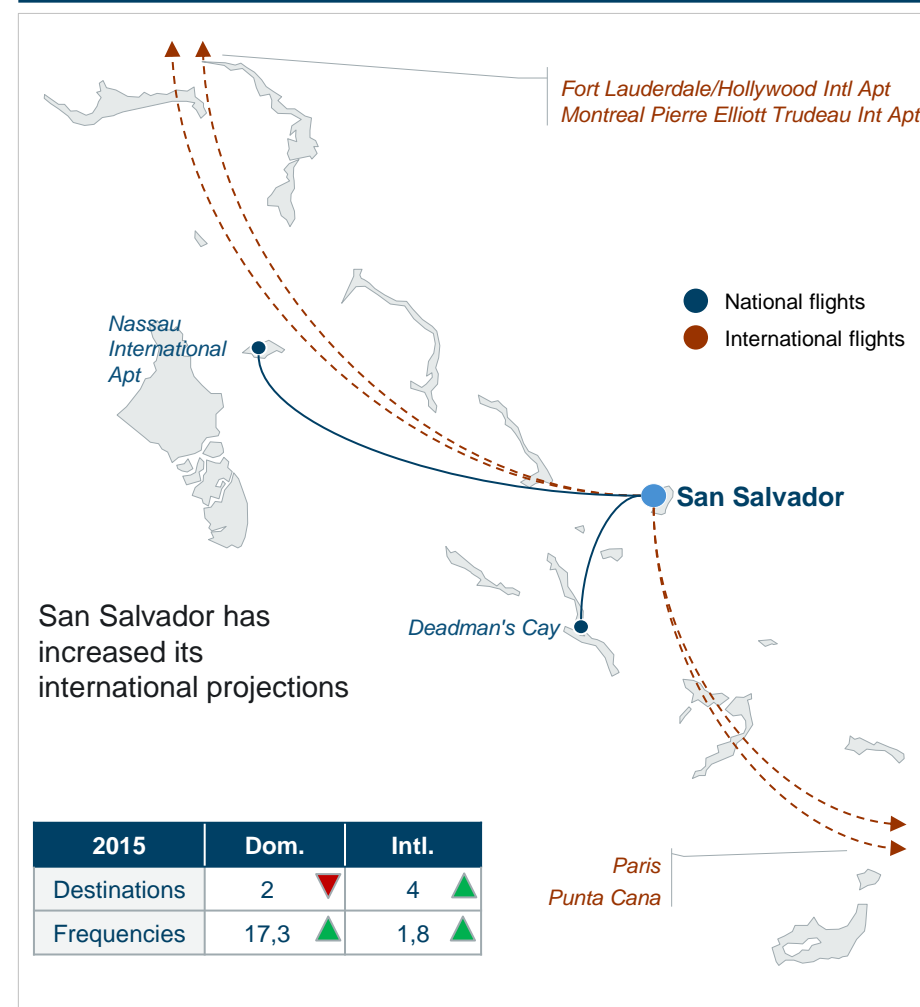
San Salvador airport route development

ZSA destinations offer (2006)



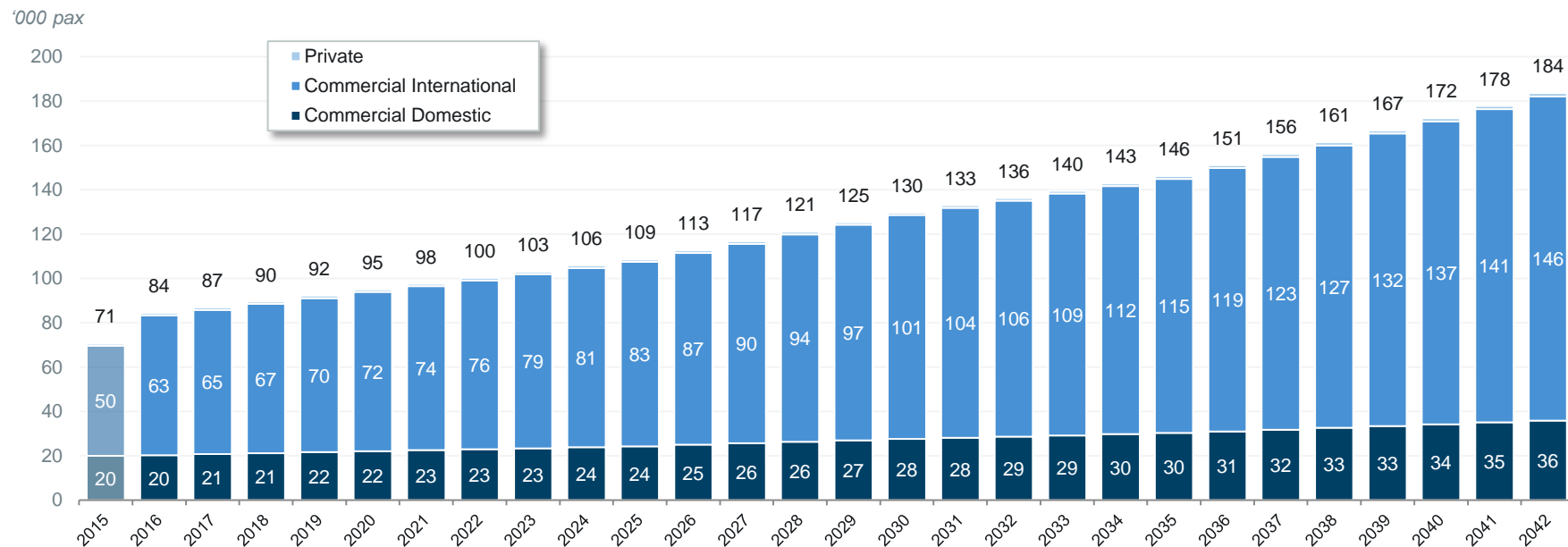
Source: OAG

ZSA destinations offer (2015)



San Salvador airport traffic projections

San Salvador demand projection (2015-2042)



		2015	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Total traffic	'000 Pax	71	84	87	90	92	95	109	130	172	2.9%	3.1%	3.0%	3.0%	3.0%
Private	'000 Pax	1	1	1	1	1	1	1	1	1	0.3%	0.6%	2.7%	0.5%	1.4%
Commercial Domestic	'000 Pax	20	20	21	21	22	22	24	28	34	2.1%	2.3%	2.3%	2.2%	2.2%
Commercial Intl'	'000 Pax	50	63	65	67	70	72	83	101	137	3.2%	3.4%	3.2%	3.3%	3.3%
Total ATMs	'000 ATMs	2	2	2	2	2	2	2	2	3	1.2%	1.6%	2.7%	1.4%	1.9%
Private	'000 ATMs	1	1	1	1	1	1	1	1	1	-0.1%	0.3%	2.7%	0.2%	1.2%
Commercial Domestic	'000 ATMs	1	1	1	1	1	1	1	1	1	1.4%	1.7%	2.3%	1.6%	1.9%
Commercial Intl'	'000 ATMs	0	1	1	1	1	1	1	1	1	2.0%	2.4%	3.2%	2.3%	2.7%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

San Salvador airport infrastructure development

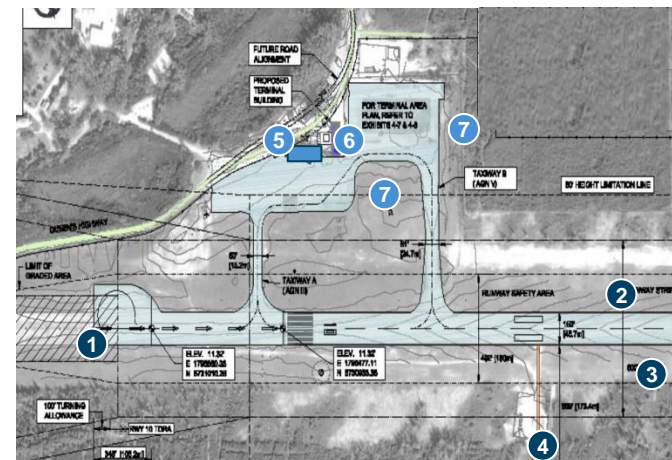
San Salvador Airport – Infrastructure development

Airside enhancement to comply with ICAO SARPs

- 1 Manoeuvring area enhancement:: Threshold displacement (including re-location of lighting), markings, aerodrome beacon,
- 2 Correct grading and slopes within runway strip and eliminate protrusions
- 3 Runway strip and transition obstacle surface to be cleared from trees and vegetation
- 4 Demolish existing fire station inside the runway strip and building a new one
 - Procurement of firefighting vehicle in compliance with ICAO Cat -8 (3 vehicle due to A330 charter operations)

Expansion needs

- 5 Terminal developments has been carried out, expanding the existing facilities and renovating the old building. The development carried out differs from the Master Plan
- 6 The only remaining investment is on a secondary power supply for the new terminal
- 7 In the long run, additional apron space may be required

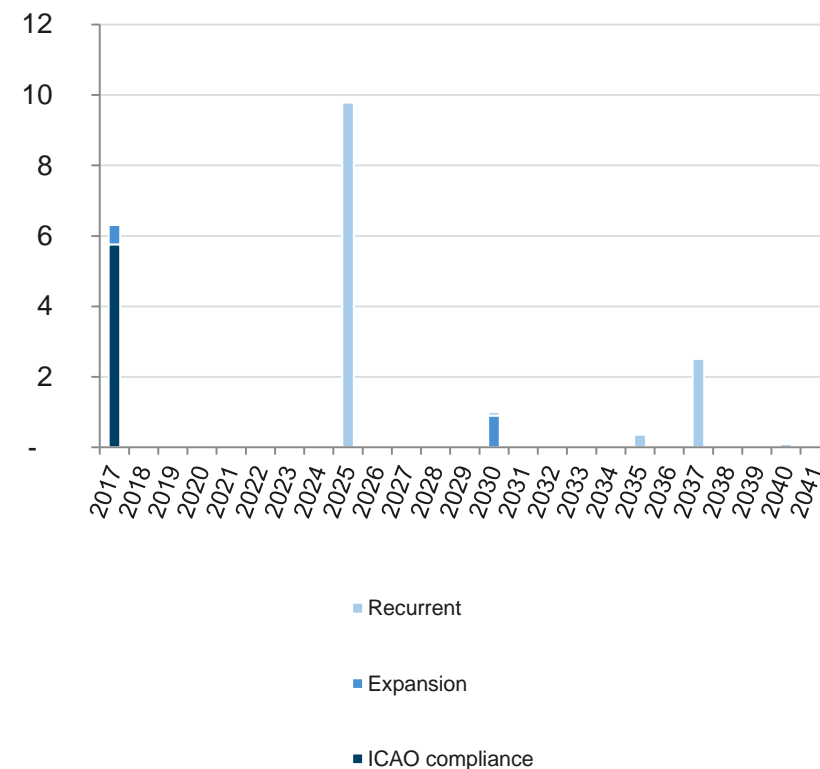


San Salvador airport required capital expenditure

San Salvador Airport – Investment Breakdown (constant prices 2016)

	Item	CAPEX Stantec (USD m)	CAPEX review ALG (USD m)			
			Short-term	Mid-term	Long-term	TOTAL
ICAO Compliance	Airside enhancement	4.02	0.81	-	-	0.81
	Fire Fighting Facilities	2.22	1.46	-	-	1.46
	Fire Fighting Equipment	0.32	1.47	-	-	1.47
	Repavement, grading & sloping	7.70	0.26	-	-	0.26
	Drainage& In-fill Wetlands	0.05	0.10	-	-	0.10
	Demolish existing fire station	0.02	0.02	-	-	0.02
	Trees & Vegetation	0.18	0.20	-	-	0.20
	Subtotal	14.5	4.3	-	-	4.3
Expansion	Apron expansion	0.68	-	-	0.68	0.68
	New Terminal & related items	10.09	0.42	-	-	0.42
	Airport mobile equipment	0.14	-	-	-	-
	Subtotal	10.9	0.4	-	0.7	1.1
Recurrent	Recurrent airside works	-	-	7.17	0.43	7.60
	Recurrent landside works	-	-	0.18	0.18	0.37
	Recurrent equipment	-	0.04	0.04	1.77	1.85
	Subtotal	-	0.04	7.39	2.38	9.8
Contingencies		8.39	1.58	2.44	1.01	5.03
Total		33.8	6.4	9.8	4.1	20.3

Investment Profile (constant USD m)



San Salvador airport preliminary financial projections results if RFF & security is included in the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	-1,498	662	-326	-431	-409	-386	-268	-65	372	0.9%	-41.1%	0.0%	-29.6%	-201.7%
EBITDA margin			41%	-27%	-34%	-32%	-29%	-18%	-4%	15%	-	-	-	-	-
Total Revenues	Real USDk	47,073	1,600	1,208	1,252	1,289	1,328	1,519	1,819	2,432	3.0%	3.2%	3.1%	3.1%	3.1%
Total Aeronautical	Real USDk	46,330	1,579	1,188	1,225	1,262	1,300	1,491	1,790	2,402	3.0%	3.2%	3.1%	3.1%	3.1%
Private	Real USDk	129	11	4	4	4	4	5	5	6	0.4%	0.7%	2.8%	0.6%	1.5%
Domestic	Real USDk	4,395	129	130	132	135	137	150	169	210	1.9%	2.1%	2.3%	2.1%	2.1%
International	Real USDk	41,806	1,439	1,054	1,088	1,123	1,158	1,337	1,616	2,187	3.1%	3.3%	3.2%	3.3%	3.2%
Total Non-Aeronautical	Real USDk	744	21	21	27	27	28	28	29	30	6.1%	0.5%	0.5%	2.3%	1.6%
Shops	Real USDk	459	11	11	17	17	17	17	18	19	9.8%	0.5%	0.5%	3.5%	2.3%
Counters & offices	Real USDk	267	9	9	10	10	10	10	10	11	1.6%	0.5%	0.5%	0.9%	0.7%
Land & Fuel	Real USDk	18	1	1	1	1	1	1	1	1	0.5%	0.5%	0.5%	0.5%	0.5%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	48,572	938	1,534	1,683	1,698	1,713	1,787	1,885	2,060	2.6%	0.9%	0.9%	1.5%	1.3%
Manpower	Real USDk	29,206	459	943	1,014	1,023	1,032	1,075	1,132	1,235	2.2%	0.9%	0.9%	1.3%	1.2%
Utilities	Real USDk	2,770	78	76	93	94	95	101	108	121	5.1%	1.2%	1.2%	2.5%	2.0%
Others Opex	Real USDk	16,595	402	515	576	581	586	611	645	704	3.0%	0.9%	0.9%	1.6%	1.3%
CAPEX	Real USD	20,262,117													
NPV '17-'42	Real USD	-14,678,798													
IRR '17-'42		-													
Payback	Years	>25													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	28.4	37.9	27.8	27.9	28.0	28.0	28.0	28.0	28.2	0.1%	0.0%	0.1%	0.1%	0.1%
Aeronautical Rev per private landing	Real USD	18.4	42.0	16.8	16.8	16.9	17.0	17.4	17.8	18.0	0.5%	0.4%	0.1%	0.4%	0.3%
Aeronautical Rev per dom landing	Real USD	365.7	350.9	347.9	349.6	351.4	353.2	362.2	371.6	371.6	0.5%	0.4%	0.0%	0.4%	0.3%
Aeronautical Rev per int dep pax	Real USD	32.3	45.3	32.1	32.1	32.1	32.0	31.9	31.9	31.9	-0.1%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.4	0.5	0.5	0.6	0.6	0.6	0.5	0.4	0.4	3.2%	-2.5%	-2.5%	-0.7%	-1.4%
Opex per dep pax	Real USD	28.4	22.2	35.3	37.6	36.8	36.1	32.9	29.1	23.9	-0.3%	-2.1%	-2.0%	-1.5%	-1.7%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

San Salvador airport preliminary financial projections results if RFF & security is excluded of the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	10,998	662	158	98	118	139	245	419	793	2.6%	10.2%	6.6%	7.6%	7.2%
EBITDA margin			41%	17%	10%	12%	14%	21%	31%	43%	-	-	-	-	-
Total Revenues	Real USDk	35,501	1,600	908	942	971	1,000	1,145	1,371	1,838	3.1%	3.2%	3.1%	3.1%	3.1%
Total Aeronautical	Real USDk	34,757	1,579	887	915	943	973	1,116	1,342	1,807	3.0%	3.2%	3.2%	3.2%	3.2%
Private	Real USDk	129	11	4	4	4	4	5	5	6	0.4%	0.7%	2.8%	0.6%	1.5%
Domestic	Real USDk	1,871	129	56	57	58	59	64	72	89	1.8%	2.0%	2.3%	1.9%	2.0%
International	Real USDk	32,757	1,439	827	854	881	909	1,048	1,266	1,713	3.1%	3.3%	3.2%	3.2%	3.2%
Total Non-Aeronautical	Real USDk	744	21	21	27	27	28	28	29	30	6.1%	0.5%	0.5%	2.3%	1.6%
Shops	Real USDk	459	11	11	17	17	17	17	18	19	9.8%	0.5%	0.5%	3.5%	2.3%
Counters & offices	Real USDk	267	9	9	10	10	10	10	10	11	1.6%	0.5%	0.5%	0.9%	0.7%
Land & Fuel	Real USDk	18	1	1	1	1	1	1	1	1	0.5%	0.5%	0.5%	0.5%	0.5%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	24,503	938	750	845	853	861	900	952	1,045	3.2%	1.0%	1.0%	1.7%	1.4%
Manpower	Real USDk	7,304	459	225	251	254	256	268	284	312	3.0%	1.0%	1.0%	1.7%	1.4%
Utilities	Real USDk	2,770	78	76	93	94	95	101	108	121	5.1%	1.2%	1.2%	2.5%	2.0%
Others Opex	Real USDk	14,428	402	450	500	505	510	531	560	612	2.9%	0.9%	0.9%	1.6%	1.3%
CAPEX	Real USD	14,299,191													
NPV '17-'42	Real USD	-4,691,272													
IRR '17-'42		1.4%													
Payback	Years	23.9													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	21.7	37.9	20.9	21.0	21.0	21.1	21.1	21.1	21.3	0.2%	0.0%	0.1%	0.1%	0.1%
Aeronautical Rev per private landing	Real USD	18.4	42.0	16.8	16.8	16.9	17.0	17.4	17.8	18.0	0.5%	0.4%	0.1%	0.4%	0.3%
Aeronautical Rev per dom landing	Real USD	162.0	350.9	150.6	151.1	151.6	152.1	154.8	157.5	157.5	0.3%	0.3%	0.0%	0.3%	0.2%
Aeronautical Rev per int dep pax	Real USD	25.6	45.3	25.2	25.2	25.2	25.1	25.0	24.9	24.9	-0.1%	-0.1%	0.0%	-0.1%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.4	0.5	0.5	0.6	0.6	0.6	0.5	0.4	0.4	3.2%	-2.5%	-2.5%	-0.7%	-1.4%
Opex per dep pax	Real USD	14.7	22.2	17.3	18.9	18.5	18.1	16.6	14.7	12.1	0.3%	-2.1%	-2.0%	-1.3%	-1.6%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

0. Executive Summary

1. Introduction

2. Caribbean market assessment

3. Bahamas market assessment

4. Demand projections

5. Airport development plans and Capex

6. Preliminary financial assumptions

7. Selection of most feasible options for airports PPP

8. Details by airport

Marsh Harbour

Deadman's Cay

Exuma

New Bight

North Eleuthera

Andros Town

San Salvador

Matthew Town

South Bimini

Great Harbour Cay

Governor's Harbour

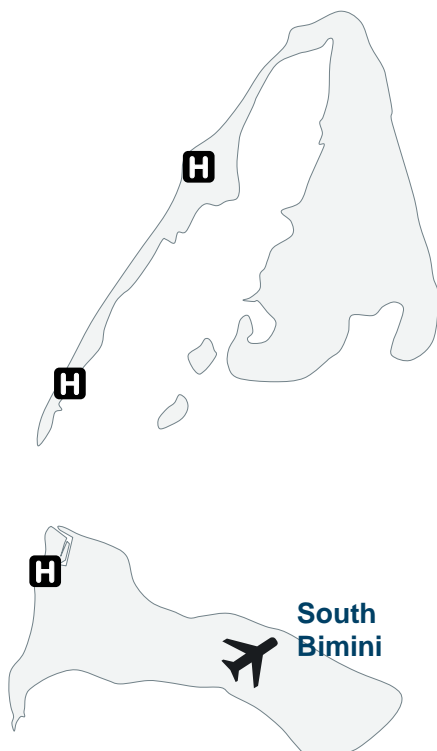
San Andros

Rock Sound

Treasure Cay

Bimini Island economic overview

Bimini map



Bimini facts

Bimini	
Population (2014)	1,988 (0.5%)
Main airports seats supply (2015)	
South Bimini	44,714 (0.65%)
Total hotel rooms (2013)	810 (5.5%)
Stopover Visitors (2013)	66,248 (4.9%)
Average length of stay (2013)	8.5

- Bimini Island is widely known because of Hemingway. It was said to be his favourite escape.
- The main tourism attractions, apart from the beaches, are fishing, scuba diving and kayaking.

Source: TourismToday

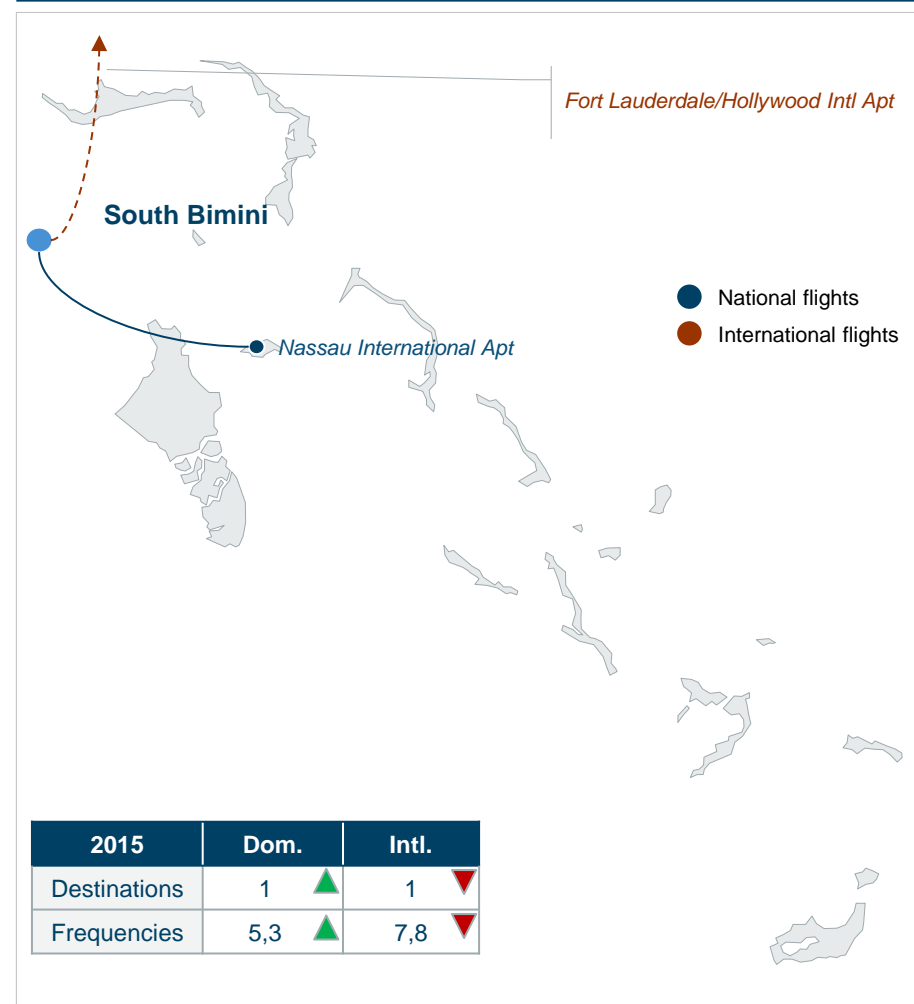
South Bimini airport route development

BIM destinations offer (2006)



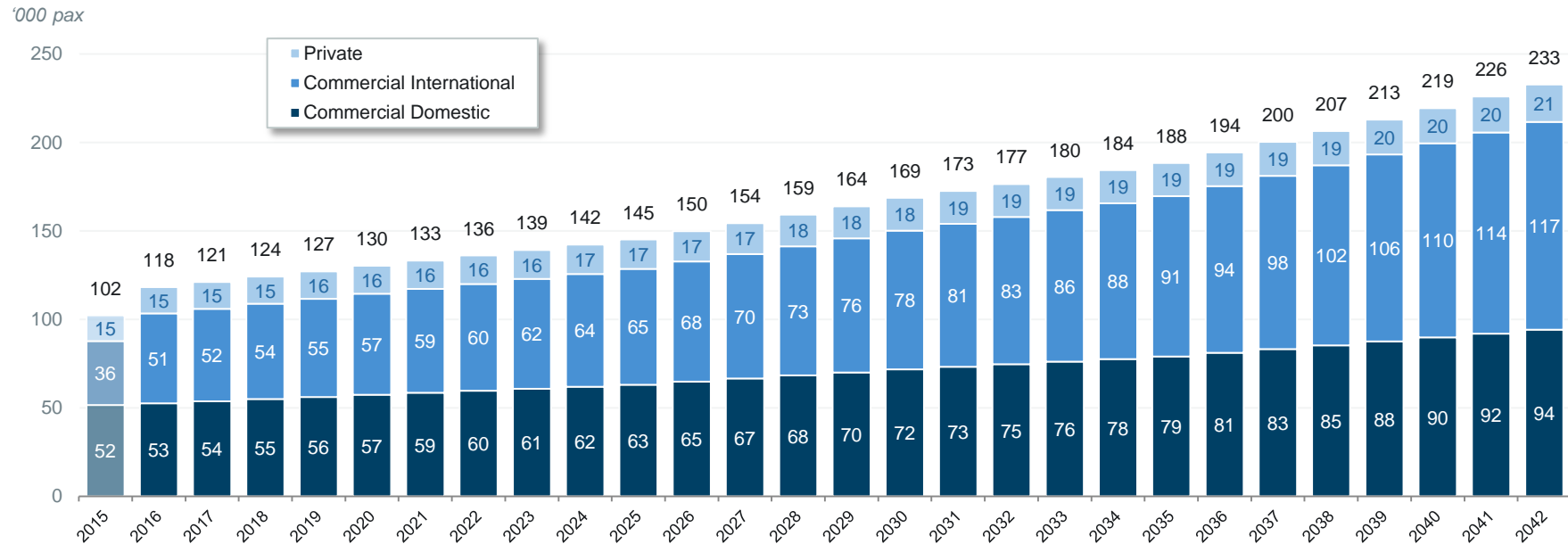
Source: OAG

BIM destinations offer (2015)



South Bimini airport traffic projections

South Bimini demand projection (2015-2042)



		2015	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Total traffic	'000 Pax	102	118	121	124	127	130	145	169	219	2.4%	2.6%	2.8%	2.5%	2.6%
Private	'000 Pax	15	15	15	15	16	16	17	18	20	1.4%	1.4%	1.2%	1.4%	1.3%
Commercial Domestic	'000 Pax	52	53	54	55	56	57	63	72	90	2.1%	2.3%	2.3%	2.2%	2.3%
Commercial Intl'	'000 Pax	36	51	52	54	55	57	65	78	110	2.9%	3.3%	3.5%	3.2%	3.3%
Total ATMs	'000 ATMs	13	14	14	14	14	14	15	17	20	1.4%	1.6%	2.0%	1.6%	1.7%
Private	'000 ATMs	7	7	7	8	8	8	8	9	9	1.1%	1.2%	1.2%	1.2%	1.2%
Commercial Domestic	'000 ATMs	4	4	4	4	4	4	5	5	6	1.4%	1.8%	2.3%	1.7%	1.9%
Commercial Intl'	'000 ATMs	2	2	2	2	2	2	3	3	4	2.2%	2.6%	3.5%	2.5%	2.9%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

South Bimini airport infrastructure development

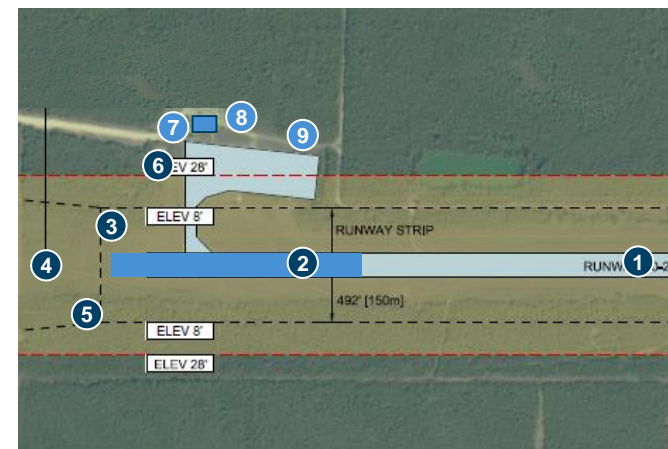
South Bimini Airport – Infrastructure development

Airside enhancement to comply with ICAO SARPs

- 1 Manoeuvring area enhancement: windsocks, taxiway & apron markings and aerodrome beacon,
- 2 Runway has been recently extended and partially re-paved around THR 09. Re-paving the old portion of the runway (~75% of overall length) should be carried out in the short term
- 3 Fill and grade runway strip and minimize flooding areas nearby runway thresholds
- 4 Re-locate fence underneath runway approach surface
- 5 Runway strip and transition obstacle surface to be cleared from trees and vegetation
- 6 New airport fire station
 - Procurement of firefighting vehicle in compliance with ICAO Cat -5 (1 vehicle)
 - Procurement of handling and airport operations' vehicles

Expansion needs

- 7 The terminal building has been recently expanded and has capacity to accommodate the expected traffic in the short term
- 8 Another expansion may be required in the medium term, specially in the checking counter's area
- 9 The apron will require an expansion in the short term to cope with FBO and commercial traffic peaks simultaneously. Re-locate 300 m of existing public roadway will be required as a result of apron expansion
 - Additional firefighting vehicle to upgrade airport category to Cat-6 will be required in the mid-term

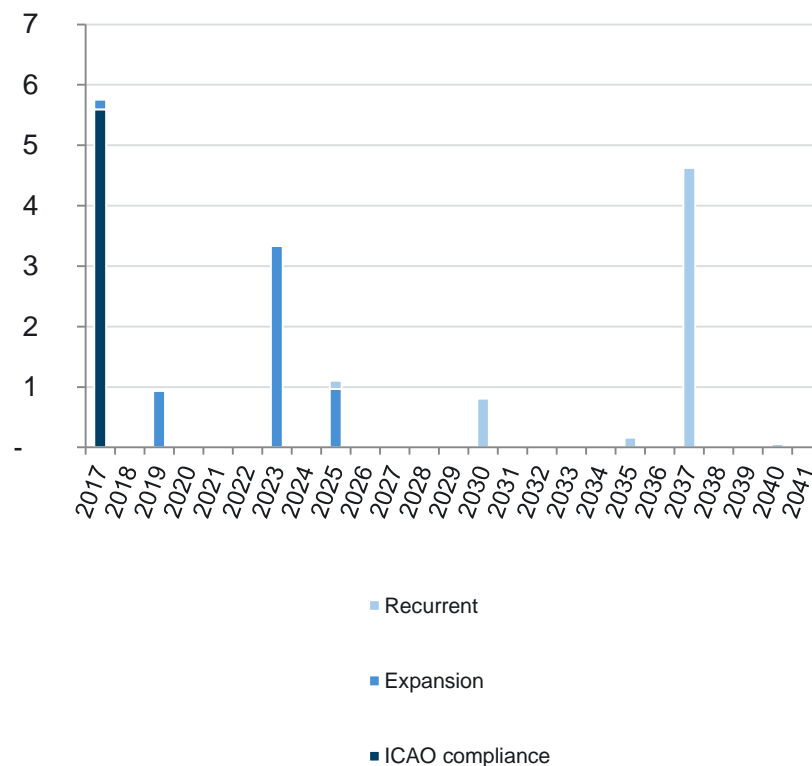


South Bimini airport required capital expenditure

South Bimini Airport – Investment Breakdown (constant prices 2016)

	Item	CAPEX Stantec (USD m)	CAPEX review ALG (USD m)			
			Short-term	Mid-term	Long-term	TOTAL
ICAO Compliance	Airside enhancement	0.07	0.03	-	-	0.03
	Fire Fighting Facilities	0.73	0.73	-	-	0.73
	Fire Fighting Equipment	0.03	0.76	-	-	0.76
	Repavement, grading & sloping	0.07	2.62	-	-	2.62
	Security Fence	0.03	0.03	-	-	0.03
	Trees & Vegetation	0.04	0.04	-	-	0.04
	Subtotal	1.0	4.2	-	-	4.2
Expansion	Apron expansion	0.59	0.59	-	-	0.59
	New Terminal & related items	-	-	2.50	-	2.50
	Terminal Repairs/upgrades	0.00	-	-	-	-
	Airport Mobile Equipment	0.14	0.12	0.73	-	0.85
	Relocate Public Roadway	0.11	0.11	-	-	0.11
	Subtotal	0.8	0.8	3.2	-	4.1
Recurrent	Recurrent airside works	-	-	0.04	3.25	3.29
	Recurrent landside works	-	-	0.06	0.06	0.12
	Recurrent equipment	-	0.04	0.04	1.02	1.10
	Subtotal	-	0.0	0.1	4.3	4.5
Contingencies		0.60	1.67	1.11	1.43	4.21
Total		2.4	6.7	4.5	5.8	17.0

Investment Profile (constant USD m)



South Bimini airport preliminary financial projections results if RFF & security is included in the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	7,922	1,518	105	128	151	175	45	229	660	16.0%	2.9%	10.3%	7.1%	8.4%
EBITDA margin			76%	8%	9%	11%	12%	3%	12%	27%	-	-	-	-	-
Total Revenues	Real USDk	49,372	2,004	1,359	1,393	1,426	1,460	1,629	1,894	2,480	2.3%	2.7%	2.9%	2.6%	2.7%
Total Aeronautical	Real USDk	48,316	1,971	1,326	1,360	1,393	1,427	1,590	1,850	2,434	2.4%	2.7%	2.9%	2.6%	2.7%
Private	Real USDk	2,128	208	69	70	72	73	77	84	91	1.3%	1.4%	1.3%	1.4%	1.3%
Domestic	Real USDk	12,664	374	376	383	390	398	433	486	604	1.8%	2.1%	2.3%	2.0%	2.1%
International	Real USDk	33,524	1,388	881	906	931	957	1,081	1,280	1,739	2.7%	3.0%	3.3%	2.9%	3.0%
Total Non-Aeronautical	Real USDk	1,056	33	33	33	33	33	39	44	46	0.5%	2.7%	0.5%	1.9%	1.4%
Shops	Real USDk	203	4	4	4	4	4	9	9	9	0.5%	7.7%	0.5%	5.3%	3.3%
Counters & offices	Real USDk	853	29	29	29	29	29	30	35	36	0.5%	1.7%	0.5%	1.3%	1.0%
Land & Fuel	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	41,449	486	1,255	1,265	1,275	1,286	1,584	1,664	1,820	0.8%	2.6%	0.9%	2.0%	1.6%
Manpower	Real USDk	23,573	193	730	736	742	749	895	940	1,029	0.8%	2.3%	0.9%	1.8%	1.5%
Utilities	Real USDk	2,793	51	73	74	75	76	109	116	129	0.9%	4.4%	1.1%	3.2%	2.4%
Others Opex	Real USDk	15,084	242	451	454	458	462	581	609	663	0.8%	2.8%	0.9%	2.1%	1.6%
CAPEX	Real USD	16,988,545													
NPV '17-'42	Real USD	-8,100,377													
IRR '17-'42		-6.2%													
Payback	Years	>25													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	22.9	33.9	22.4	22.4	22.4	22.4	22.4	22.5	22.6	0.0%	0.0%	0.1%	0.0%	0.0%
Aeronautical Rev per private landing	Real USD	20.1	56.3	18.5	18.6	18.6	18.7	18.8	19.1	19.1	0.2%	0.2%	0.0%	0.2%	0.1%
Aeronautical Rev per dom landing	Real USD	189.1	184.2	182.4	183.1	183.8	184.5	188.1	191.9	190.8	0.4%	0.3%	0.0%	0.3%	0.2%
Aeronautical Rev per int dep pax	Real USD	28.3	44.9	27.7	27.7	27.7	27.7	27.7	27.8	27.9	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.5	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.4	-1.8%	0.0%	-2.2%	-0.6%	-1.3%
Opex per dep pax	Real USD	18.2	8.2	20.7	20.4	20.1	19.7	21.8	19.7	16.6	-1.5%	0.0%	-1.8%	-0.5%	-1.0%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

South Bimini airport preliminary financial projections results if RFF & security is excluded of the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	10,231	1,518	232	249	266	284	205	342	662	6.4%	2.1%	6.8%	3.5%	4.8%
EBITDA margin			76%	25%	26%	27%	28%	18%	26%	38%	-	-	-	-	-
Total Revenues	Real USDk	34,217	2,004	941	964	987	1,011	1,127	1,311	1,722	2.3%	2.7%	2.9%	2.6%	2.7%
Total Aeronautical	Real USDk	33,161	1,971	908	931	954	977	1,088	1,268	1,677	2.4%	2.7%	3.0%	2.6%	2.7%
Private	Real USDk	2,128	208	69	70	72	73	77	84	91	1.3%	1.4%	1.3%	1.4%	1.3%
Domestic	Real USDk	5,838	374	177	180	183	186	200	222	278	1.6%	1.9%	2.3%	1.8%	2.0%
International	Real USDk	25,195	1,388	662	680	699	719	812	961	1,308	2.7%	3.0%	3.3%	2.9%	3.0%
Total Non-Aeronautical	Real USDk	1,056	33	33	33	33	33	39	44	46	0.5%	2.7%	0.5%	1.9%	1.4%
Shops	Real USDk	203	4	4	4	4	4	9	9	9	0.5%	7.7%	0.5%	5.3%	3.3%
Counters & offices	Real USDk	853	29	29	29	29	29	30	35	36	0.5%	1.7%	0.5%	1.3%	1.0%
Land & Fuel	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	23,986	486	709	715	721	727	922	969	1,060	0.8%	2.9%	0.9%	2.2%	1.7%
Manpower	Real USDk	7,128	193	215	217	219	221	272	286	313	0.8%	2.7%	0.9%	2.0%	1.6%
Utilities	Real USDk	2,793	51	73	74	75	76	109	116	129	0.9%	4.4%	1.1%	3.2%	2.4%
Others Opex	Real USDk	14,065	242	421	424	428	431	541	567	618	0.8%	2.8%	0.9%	2.1%	1.6%
CAPEX	Real USD	12,933,358													
NPV '17-'42	Real USD	-4,124,865													
IRR '17-'42		0.4%													
Payback	Years	24.8													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	16.2	33.9	15.5	15.5	15.5	15.5	15.5	15.5	15.7	-0.1%	0.1%	0.1%	0.0%	0.1%
Aeronautical Rev per private landing	Real USD	20.1	56.3	18.5	18.6	18.6	18.7	18.8	19.1	19.1	0.2%	0.2%	0.0%	0.2%	0.1%
Aeronautical Rev per dom landing	Real USD	90.3	184.2	85.9	86.0	86.2	86.3	87.0	87.7	87.7	0.2%	0.1%	0.0%	0.1%	0.1%
Aeronautical Rev per int dep pax	Real USD	21.6	44.9	20.8	20.8	20.8	20.8	20.8	20.8	21.0	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.5	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.4	-1.8%	0.0%	-2.2%	-0.6%	-1.3%
Opex per dep pax	Real USD	10.6	8.2	11.7	11.5	11.3	11.2	12.7	11.5	9.7	-1.5%	0.3%	-1.8%	-0.3%	-0.9%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

0. Executive Summary

1. Introduction

2. Caribbean market assessment

3. Bahamas market assessment

4. Demand projections

5. Airport development plans and Capex

6. Preliminary financial assumptions

7. Selection of most feasible options for airports PPP

8. Details by airport

Marsh Harbour

Deadman's Cay

Exuma

New Bight

North Eleuthera

Andros Town

San Salvador

Matthew Town

South Bimini

Great Harbour Cay

Governor's Harbour

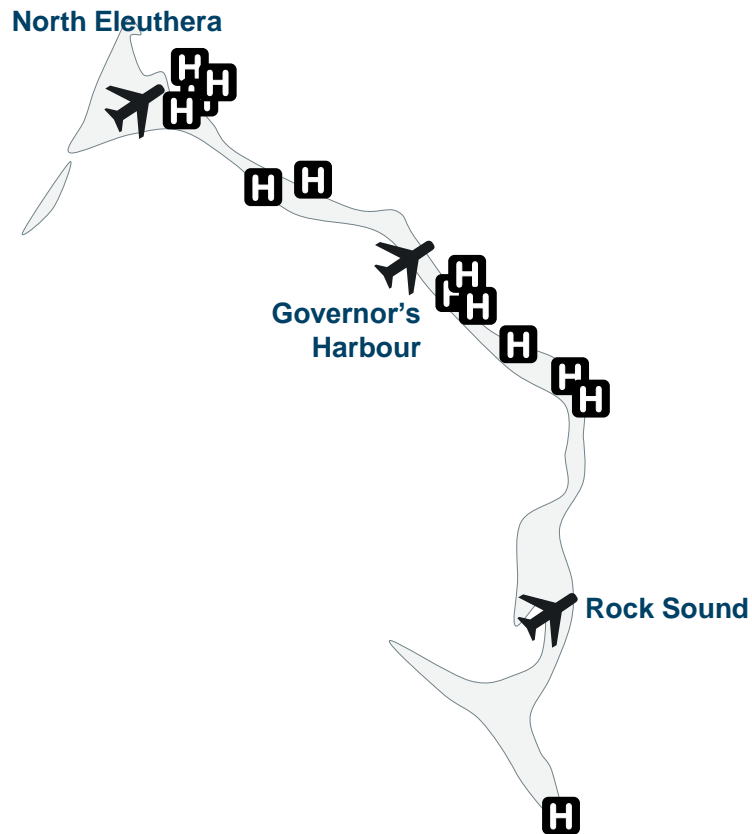
San Andros

Rock Sound

Treasure Cay

Eleuthera and Harbour Island economic overview

Eleuthera and Harbour Island map



Eleuthera and Harbour Island facts

Eleuthera and Harbour Island	
Population (2014)	11,515 (3%)
Main airports seats supply (2015)	
North Eleuthera	180,278 (2.63%)
Governor's Harbour	111,928 (1.63%)
Rock Sound	150,184 (2.19%)
Total hotel rooms (2013)	563 (3.8%)
Stopover Visitors (2013)	35,510 (2.6%)
Average length of stay (2013)	8.8

- One of the islands in the Caribbean with greatest tourist appeal. Ranked as "The Best Island in the Caribbean" by Travel Leisure magazine
- A vacation magnet for the rich and famous
- Famous for its pink beach located on Harbour Island

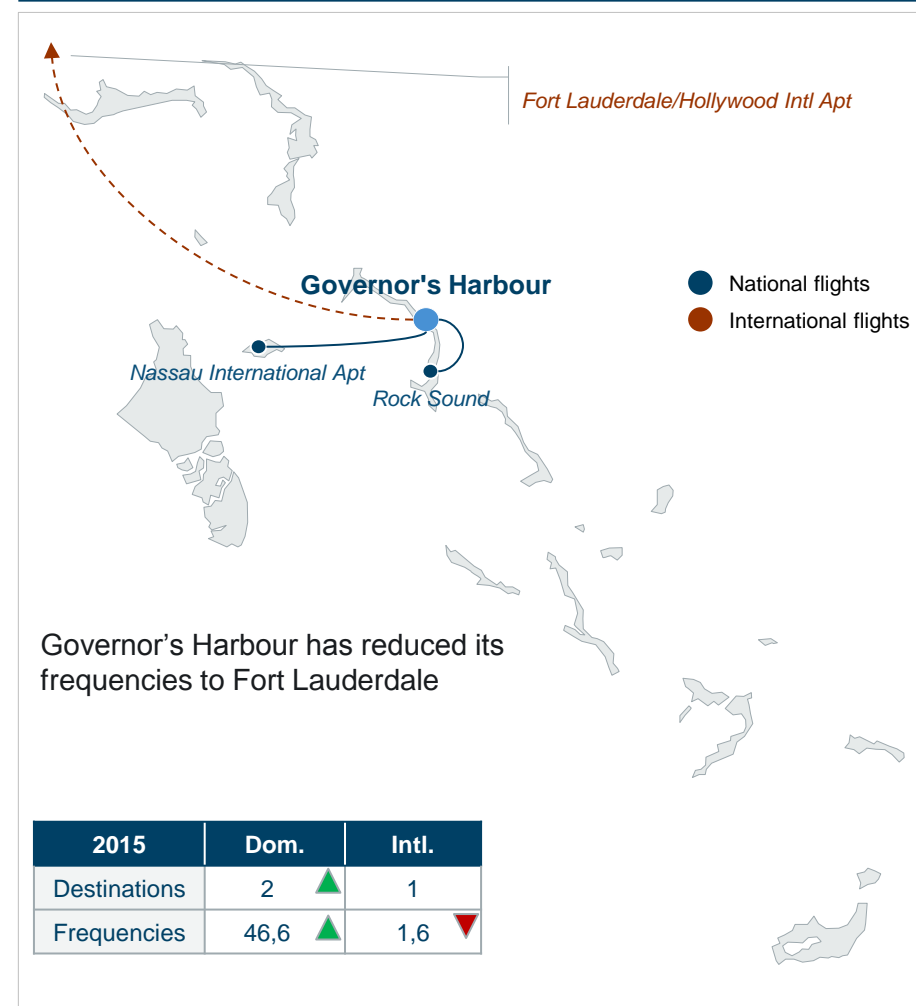
Source: TourismToday

Governor's Harbour airport route development

GHB destinations offer (2006)



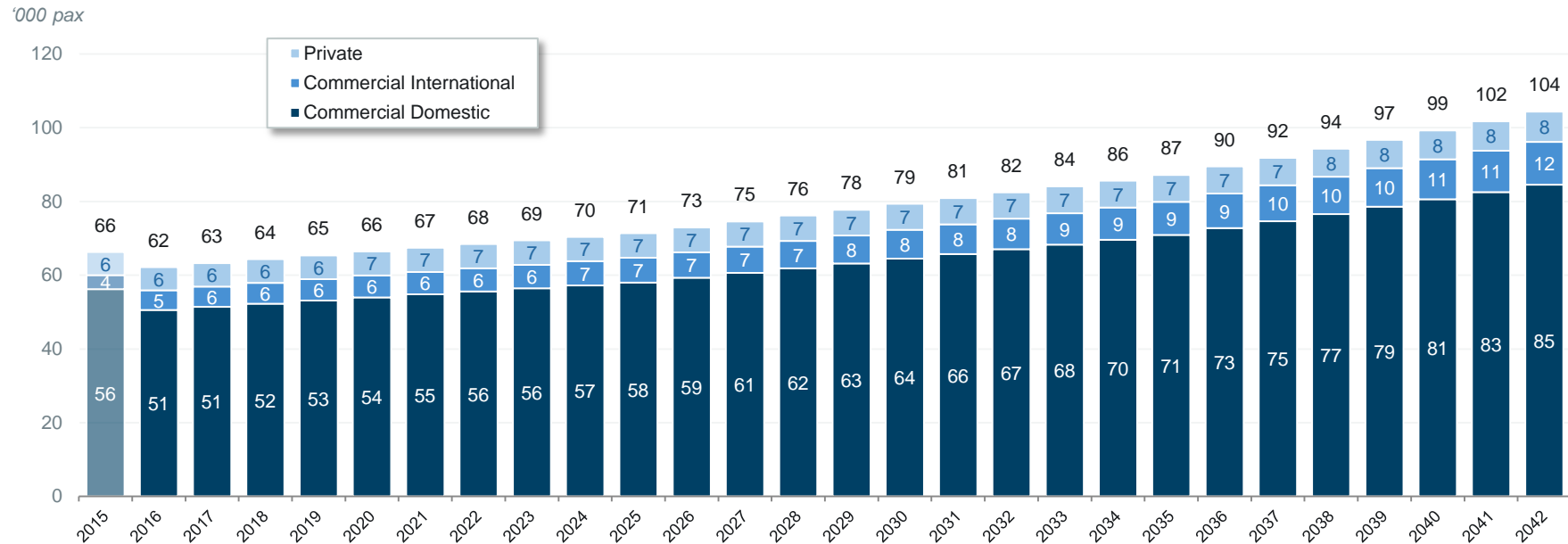
GHB destinations offer (2015)



Source: OAG

Governor's Harbour airport traffic projections

Governor's Harbour demand projection (2015-2042)



		2015	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Total traffic	'000 Pax	66	62	63	64	65	66	71	79	99	1.6%	1.9%	2.4%	1.8%	2.0%
Private	'000 Pax	6	6	6	6	6	7	7	7	8	0.7%	0.9%	1.4%	0.8%	1.0%
Commercial Domestic	'000 Pax	56	51	51	52	53	54	58	64	81	1.6%	1.9%	2.3%	1.8%	2.0%
Commercial Intl'	'000 Pax	4	5	6	6	6	6	7	8	11	2.5%	2.9%	3.4%	2.8%	3.0%
Total ATMs	'000 ATMs	7	7	7	7	7	7	7	8	9	0.5%	0.9%	2.1%	0.7%	1.3%
Private	'000 ATMs	3	3	3	3	3	3	3	3	3	0.2%	0.4%	1.4%	0.3%	0.8%
Commercial Domestic	'000 ATMs	5	4	4	4	4	4	4	5	6	0.6%	1.0%	2.3%	0.9%	1.5%
Commercial Intl'	'000 ATMs	0	0	0	0	0	0	0	0	0	1.7%	2.2%	3.4%	2.0%	2.6%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Governor's Harbour airport infrastructure development

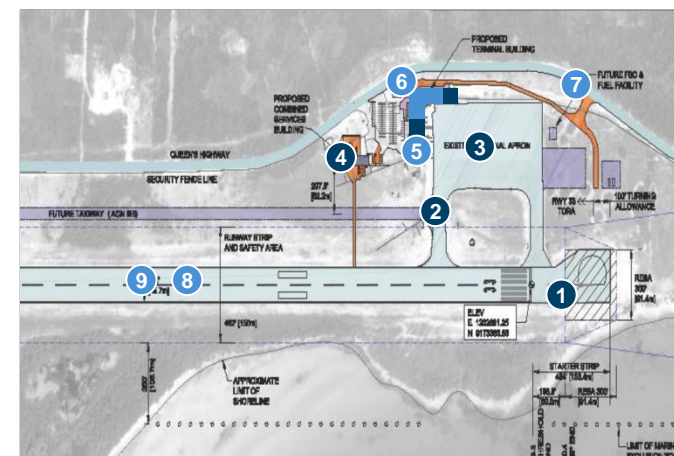
Governor's Harbour Airport – Infrastructure development

Airside enhancement to comply with ICAO SARPs

- 1 Manoeuvring area enhancement: RESAs & infilling, threshold displacement (including re-location of lighting), markings, windsocks and aerodrome beacon
- 2 Existing taxiway re-pavement, grading and sloping
- 3 Existing apron re-pavement will be required in the short term
- 4 New airport fire station and combined service building
 - Procurement of handling and airport operations' vehicles
 - X-ray machine to be provided in the domestic terminal

Expansion needs

- 5 Existing passenger terminals are split into two buildings, one for domestic and one for international. Each of them can accommodate 100-150 PHP. Sufficient for the current traffic but it need refurbishment
- 6 Terminal expansion proposed by Stantec, connecting domestic and international buildings, is not a priority taking into consideration the existing capacity and the expected demand
- 7 Landside access and car parking area to be enhanced in the short term
- 8 Drainage reconstruction and rehabilitation will be required in the short term
- 9 Runway re-pavement will be required in the mid-term
 - Additional firefighting vehicle to upgrade airport category to Cat-6 will be required in the mid-term
 - Apron expansion & parallel taxiway was not considered by Stantec nor by ALG as a required action in the long term. Nevertheless, space provision was made

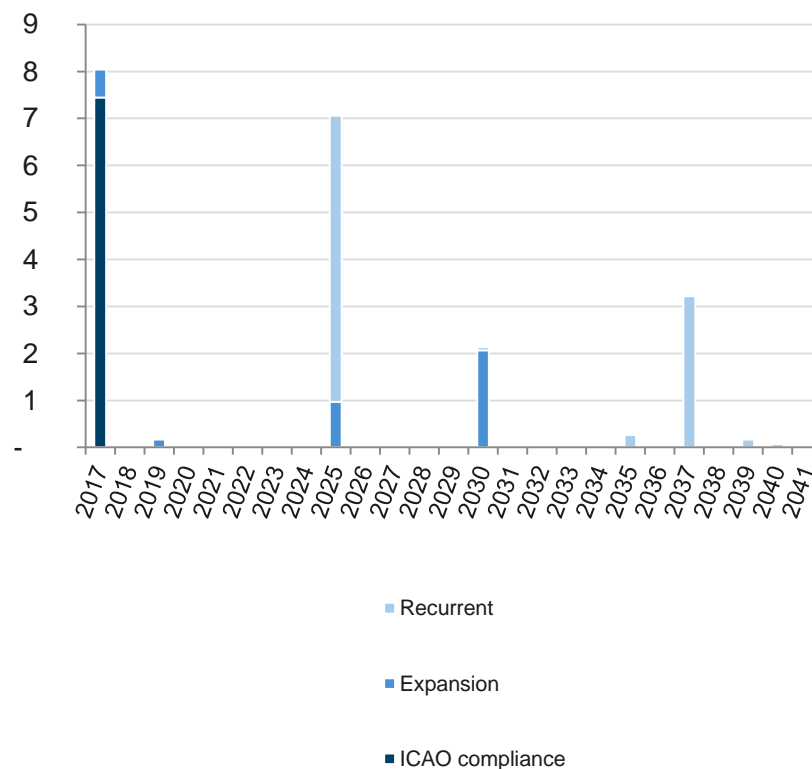


Governor's Harbour airport required capital expenditure

Governor's Harbour Airport – Investment Breakdown (constant prices 2016)

	Item	CAPEX Stantec (USD m)	CAPEX review ALG (USD m)			
			Short-term	Mid-term	Long-term	TOTAL
ICAO Compliance	Airside enhancement	3.17	0.86	-	-	0.86
	Repavement, grading & sloping	5.67	1.68	-	-	1.68
	Fire Fighting Facilities	2.26	2.26	-	-	2.26
	FF & Security Equipment	0.30	0.80	-	-	0.80
	Trees & Vegetation	0.31	-	-	-	-
	Subtotal	11.7	5.6	-	-	5.6
Expansion	Parallel taxiway	-	-	-	1.55	1.55
	Drainage & reconstruction	0.33	0.33	-	-	0.33
	Terminal Repairs/upgrades	-	0.12	-	-	0.12
	New Terminal & related items	8.15	-	-	-	-
	Airport Mobile Equipment	0.14	0.12	0.73	-	0.85
	Subtotal	8.6	0.6	0.7	1.6	2.9
Recurrent	Recurrent airside works	-	-	4.46	1.77	6.23
	Recurrent landside works	-	-	0.12	0.12	0.25
	Recurrent equipment	-	0.04	0.04	1.02	1.10
	Subtotal	-	0.0	4.6	2.9	7.6
	Contingencies	6.71	2.05	1.76	1.48	5.29
	Total	27.0	8.3	7.1	5.9	21.3

Investment Profile (constant USD m)



Governor's Harbour airport preliminary financial projections results if RFF & security is included in the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	-18,849	-201	-740	-740	-740	-740	-741	-733	-691	0.0%	-0.2%	-0.7%	-0.1%	-0.4%
EBITDA margin			-37%	-158%	-156%	-153%	-151%	-142%	-127%	-95%	-	-	-	-	-
Total Revenues	Real USDk	15,278	539	468	475	483	490	523	579	727	1.5%	1.8%	2.4%	1.7%	2.0%
Total Aeronautical	Real USDk	14,789	521	450	458	465	472	505	560	707	1.5%	1.9%	2.5%	1.7%	2.0%
Private	Real USDk	571	36	20	20	20	20	21	22	24	0.8%	0.9%	1.4%	0.9%	1.1%
Domestic	Real USDk	10,781	333	333	338	343	348	371	409	508	1.4%	1.7%	2.3%	1.6%	1.9%
International	Real USDk	3,438	153	98	100	102	104	113	129	175	1.9%	2.4%	3.2%	2.2%	2.6%
Total Non-Aeronautical	Real USDk	488	18	18	18	18	18	18	19	20	0.5%	0.5%	0.5%	0.5%	0.5%
Shops	Real USDk	216	8	8	8	8	8	8	8	9	0.5%	0.5%	0.5%	0.5%	0.5%
Counters & offices	Real USDk	125	5	5	5	5	5	5	5	5	0.5%	0.5%	0.5%	0.5%	0.5%
Land & Fuel	Real USDk	148	5	5	5	5	5	6	6	6	0.5%	0.5%	0.5%	0.5%	0.5%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	34,127	741	1,208	1,215	1,222	1,230	1,265	1,312	1,417	0.6%	0.7%	0.8%	0.6%	0.7%
Manpower	Real USDk	20,503	336	724	728	733	738	759	788	852	0.6%	0.7%	0.8%	0.7%	0.7%
Utilities	Real USDk	1,907	71	67	67	68	68	70	73	80	0.6%	0.8%	1.0%	0.7%	0.8%
Others Opex	Real USDk	11,716	334	417	419	422	424	435	450	485	0.5%	0.6%	0.8%	0.6%	0.7%
CAPEX	Real USD	21,316,393													
NPV '17-'42	Real USD	-21,778,728													
IRR '17-'42		-													
Payback	Years	>25													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	14.7	17.3	14.8	14.8	14.8	14.7	14.7	14.6	14.6	-0.1%	-0.1%	0.0%	-0.1%	0.0%
Aeronautical Rev per private landing	Real USD	16.2	27.5	14.9	15.0	15.1	15.2	15.6	16.1	16.2	0.6%	0.5%	0.1%	0.5%	0.3%
Aeronautical Rev per dom landing	Real USD	170.2	157.5	156.7	158.1	159.4	160.8	167.9	175.5	174.2	0.9%	0.7%	-0.1%	0.7%	0.4%
Aeronautical Rev per int dep pax	Real USD	28.1	44.0	27.5	27.5	27.5	27.5	27.6	27.6	27.6	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.5	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.4	-1.1%	-1.4%	-1.8%	-1.3%	-1.5%
Opex per dep pax	Real USD	31.8	23.8	38.2	37.8	37.4	37.0	35.4	33.1	28.6	-1.0%	-1.2%	-1.5%	-1.1%	-1.3%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Governor's Harbour airport preliminary financial projections results if RFF & security is excluded of the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	-9,988	-201	-390	-391	-391	-391	-393	-390	-366	0.1%	-0.1%	-0.8%	-0.1%	-0.3%
EBITDA margin			-37%	-156%	-154%	-152%	-150%	-142%	-128%	-95%	-	-	-	-	-
Total Revenues	Real USDk	8,078	539	249	253	257	260	277	305	384	1.4%	1.7%	2.5%	1.6%	2.0%
Total Aeronautical	Real USDk	7,589	521	232	235	239	243	258	286	364	1.4%	1.8%	2.6%	1.7%	2.0%
Private	Real USDk	571	36	20	20	20	20	21	22	24	0.8%	0.9%	1.4%	0.9%	1.1%
Domestic	Real USDk	4,442	333	139	141	143	145	153	168	209	1.3%	1.6%	2.3%	1.5%	1.8%
International	Real USDk	2,577	153	73	75	76	78	85	96	131	1.9%	2.4%	3.2%	2.2%	2.6%
Total Non-Aeronautical	Real USDk	488	18	18	18	18	18	18	19	20	0.5%	0.5%	0.5%	0.5%	0.5%
Shops	Real USDk	216	8	8	8	8	8	8	8	9	0.5%	0.5%	0.5%	0.5%	0.5%
Counters & offices	Real USDk	125	5	5	5	5	5	5	5	5	0.5%	0.5%	0.5%	0.5%	0.5%
Land & Fuel	Real USDk	148	5	5	5	5	5	6	6	6	0.5%	0.5%	0.5%	0.5%	0.5%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	18,066	741	640	644	648	652	669	694	750	0.6%	0.7%	0.8%	0.6%	0.7%
Manpower	Real USDk	5,983	336	211	213	214	215	222	230	249	0.6%	0.7%	0.8%	0.7%	0.7%
Utilities	Real USDk	1,907	71	67	67	68	68	70	73	80	0.6%	0.8%	1.0%	0.7%	0.8%
Others Opex	Real USDk	10,176	334	362	364	366	368	378	391	421	0.6%	0.6%	0.8%	0.6%	0.7%
CAPEX	Real USD	15,212,164													
NPV '17-'42	Real USD	-13,051,812													
IRR '17-'42		-													
Payback	Years	>25													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	8.1	17.3	7.9	7.9	7.9	7.8	7.8	7.7	7.7	-0.2%	-0.1%	0.1%	-0.2%	-0.1%
Aeronautical Rev per private landing	Real USD	16.2	27.5	14.9	15.0	15.1	15.2	15.6	16.1	16.2	0.6%	0.5%	0.1%	0.5%	0.3%
Aeronautical Rev per dom landing	Real USD	73.0	157.5	65.5	65.9	66.4	66.9	69.3	71.8	71.7	0.7%	0.6%	0.0%	0.6%	0.4%
Aeronautical Rev per int dep pax	Real USD	21.4	44.0	20.6	20.6	20.6	20.6	20.6	20.6	20.7	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.5	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.4	-1.1%	-1.4%	-1.8%	-1.3%	-1.5%
Opex per dep pax	Real USD	17.2	23.8	20.2	20.0	19.8	19.6	18.8	17.5	15.1	-1.0%	-1.2%	-1.5%	-1.1%	-1.3%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

0. Executive Summary

1. Introduction

2. Caribbean market assessment

3. Bahamas market assessment

4. Demand projections

5. Airport development plans and Capex

6. Preliminary financial assumptions

7. Selection of most feasible options for airports PPP

8. Details by airport

Marsh Harbour

Deadman's Cay

Exuma

New Bight

North Eleuthera

Andros Town

San Salvador

Matthew Town

South Bimini

Great Harbour Cay

Governor's Harbour

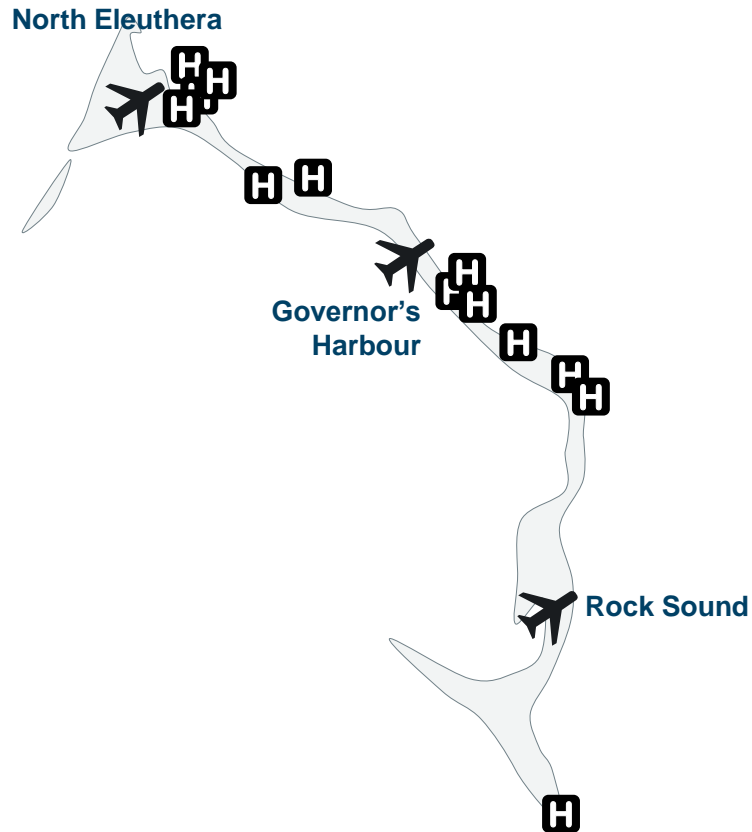
San Andros

Rock Sound

Treasure Cay

Eleuthera and Harbour island economic overview

Eleuthera and Harbour Island map



Eleuthera and Harbour Island facts

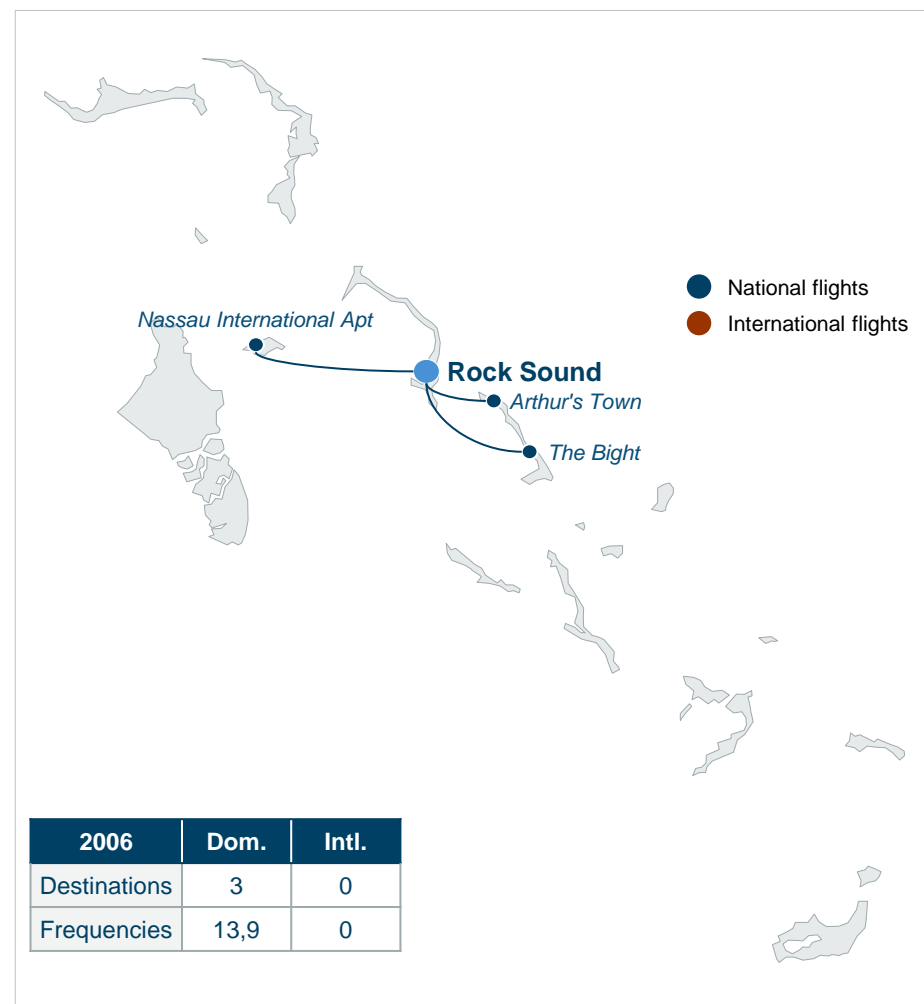
Eleuthera and Harbour Island	
Population (2014)	11,515 (3%)
Main airports seats supply (2015)	
North Eleuthera	180,278 (2.63%)
Governor's Harbour	111,928 (1.63%)
Rock Sound	150,184 (2.19%)
Total hotel rooms (2013)	563 (3.8%)
Stopover Visitors (2013)	35,510 (2.6%)
Average length of stay (2013)	8.8

- One of the islands in the Caribbean with greatest tourist appeal. Ranked as "The Best Island in the Caribbean" by Travel Leisure magazine
- A vacation magnet for the rich and famous
- Famous for its pink beach located on Harbour Island

Source: TourismToday

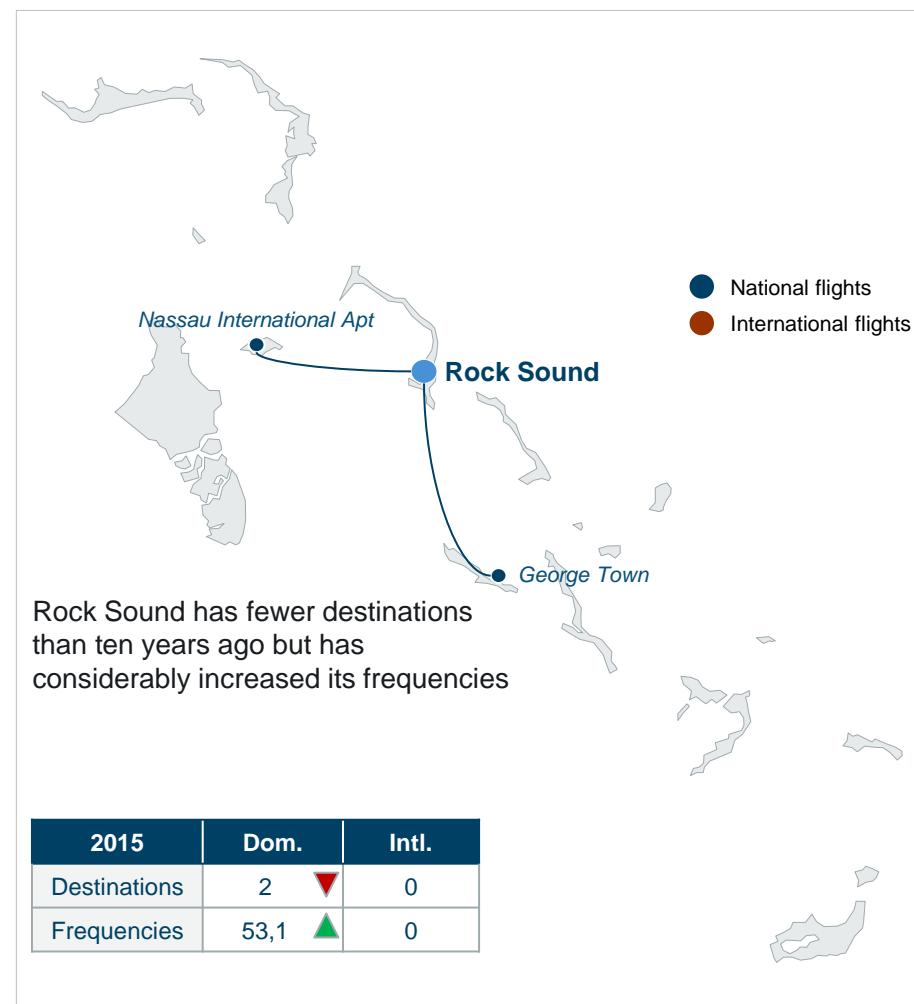
Rock Sound airport route development

RSD destinations offer (2006)



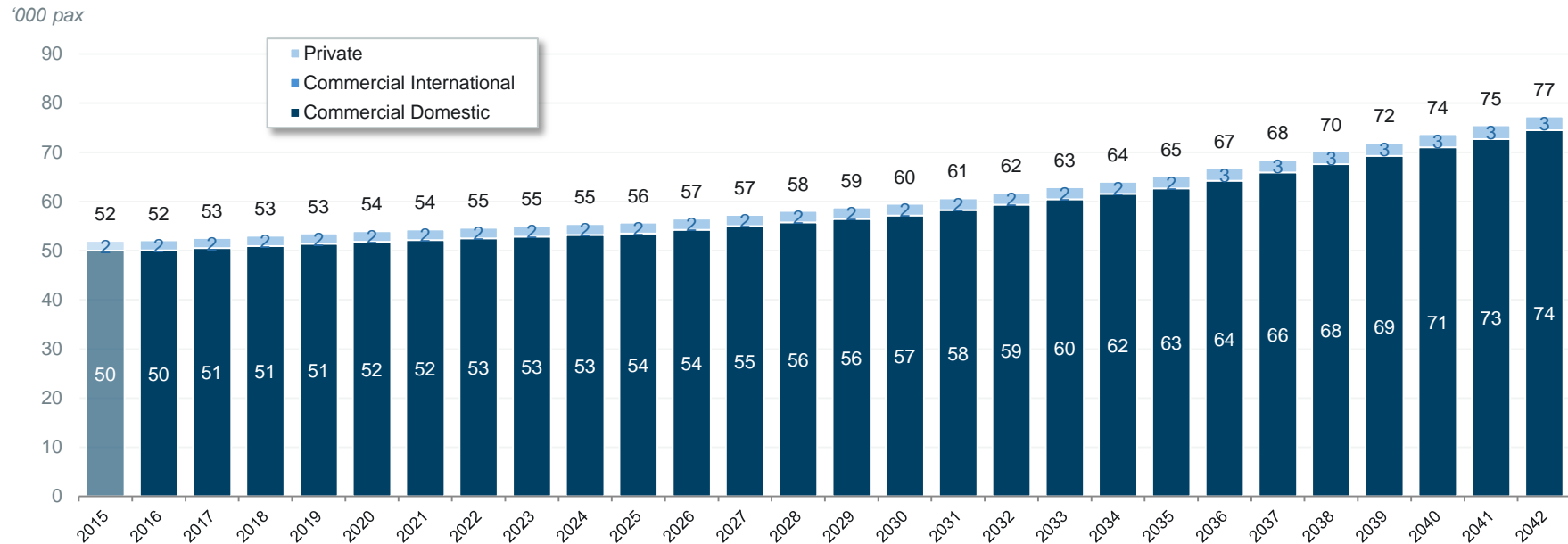
Source: OAG

RSD destinations offer (2015)



Rock Sound airport traffic projections

Rock Sound demand projection (2015-2042)



		2015	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Total traffic	'000 Pax	52	52	53	53	53	54	56	60	74	0.8%	1.2%	2.3%	1.1%	1.6%
Private	'000 Pax	2	2	2	2	2	2	2	2	3	1.0%	1.2%	1.5%	1.1%	1.3%
Commercial Domestic	'000 Pax	50	50	51	51	51	52	54	57	71	0.8%	1.2%	2.3%	1.1%	1.6%
Commercial Intl'	'000 Pax	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total ATMs	'000 ATMs	6	6	6	6	6	6	6	6	7	0.4%	0.9%	2.2%	0.7%	1.3%
Private	'000 ATMs	1	1	1	1	1	1	1	1	1	0.4%	0.7%	1.5%	0.6%	0.9%
Commercial Domestic	'000 ATMs	5	5	5	5	5	5	5	5	6	0.4%	0.9%	2.3%	0.7%	1.4%
Commercial Intl'	'000 ATMs	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Rock Sound airport infrastructure development

Rock Sound Airport – Infrastructure development

Airside enhancement to comply with ICAO SARPs

- 1 Manoeuvring area enhancement: Install PAPIs and runway end lights, turn pads, windsocks, full airside markings
- 2 Reduce the declared runway length and provide clearways
- 3 Runway pavement in poor maintenance conditions. Re-pavement required in the short term
- 4 Install perimeter fence around ~50% of the airport boundary
- 5 Build 500ft sea-wall to prevent runway strip flooding
- 6 Runway strip and transition obstacle surface to be cleared from trees and vegetation
 - Procurement of firefighting vehicle in compliance with ICAO Cat -5 (1 vehicle)

Expansion needs

- The terminal building has capacity to accommodate the expected traffic in short and medium term, but it requires refurbishment in the short term

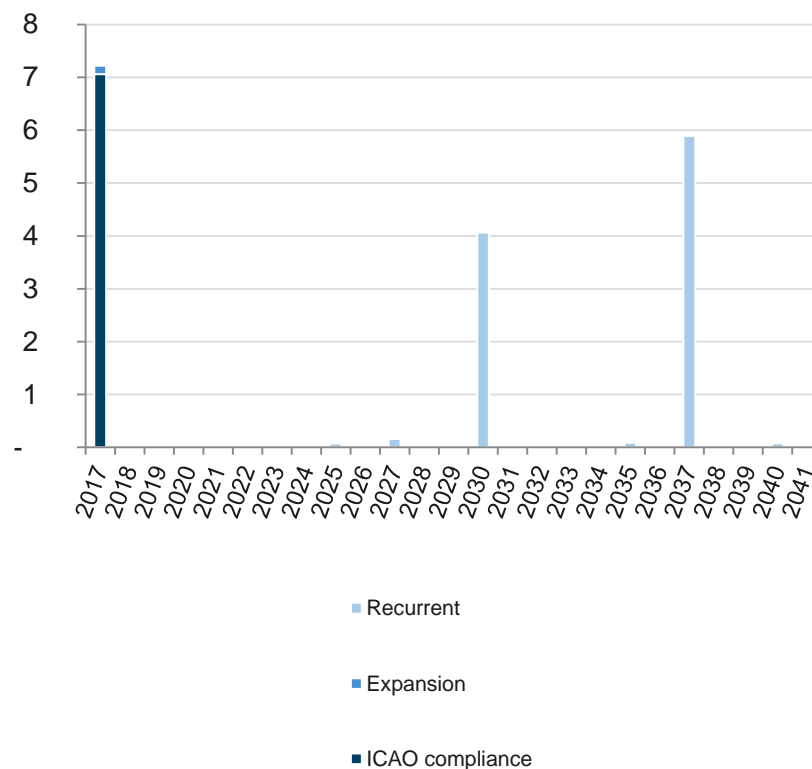


Rock Sound airport required capital expenditure

Rock Sound Airport – Investment Breakdown (constant prices 2016)

	Item	CAPEX Stantec (USD m)	CAPEX review ALG (USD m)			
			Short-term	Mid-term	Long-term	TOTAL
ICAO Compliance	Airside enhancement	0.59	0.58	-	-	0.58
	Runway Repavement	1.55	3.96	-	-	3.96
	Relocate Taxiway Connection	0.40	-	-	-	-
	Fire Fighting Equipment	0.03	0.35	-	-	0.35
	Other equipments	0.03	-	-	-	-
	Construct Sea Wall	0.20	0.20	-	-	0.20
	Security Fence	-	0.08	-	-	0.08
	Trees & Vegetation	0.13	0.13	-	-	0.13
	Subtotal	2.9	5.3	-	-	5.3
Expansion	Terminal Repairs/upgrades	0.07	0.12	-	-	0.12
	Subtotal	0.1	0.1	-	-	0.1
Recurrent	Recurrent airside works	-	-	0.06	7.12	7.18
	Recurrent landside works	-	-	0.12	0.12	0.24
	Recurrent equipment	-	0.02	0.02	0.40	0.43
	Subtotal	-	0.0	0.2	7.6	7.9
	Contingencies	0.99	1.80	0.07	2.52	4.39
	Total	4.0	7.2	0.3	10.2	17.7

Investment Profile (constant USD m)



Rock Sound airport preliminary financial projections results if RFF & security is included in the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	-22,675	-388	-846	-848	-851	-854	-867	-879	-883	0.3%	0.3%	0.0%	0.3%	0.2%
EBITDA margin			-96%	-223%	-222%	-221%	-220%	-219%	-209%	-171%	-	-	-	-	-
Total Revenues	Real USDk	11,303	403	380	382	385	388	397	420	517	0.6%	1.1%	2.2%	0.9%	1.4%
Total Aeronautical	Real USDk	10,846	387	363	366	368	371	380	402	498	0.6%	1.1%	2.3%	0.9%	1.5%
Private	Real USDk	175	11	6	6	6	6	6	7	8	1.5%	1.6%	1.5%	1.5%	1.5%
Domestic	Real USDk	10,473	367	351	354	356	359	367	388	481	0.6%	1.1%	2.3%	0.9%	1.5%
International	Real USDk	198	9	6	6	6	6	7	7	10	0.9%	1.6%	3.2%	1.4%	2.1%
Total Non-Aeronautical	Real USDk	457	17	17	17	17	17	17	18	19	0.5%	0.5%	0.5%	0.5%	0.5%
Shops	Real USDk	83	3	3	3	3	3	3	3	3	0.5%	0.5%	0.5%	0.5%	0.5%
Counters & offices	Real USDk	374	14	14	14	14	14	14	14	15	0.5%	0.5%	0.5%	0.5%	0.5%
Land & Fuel	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	33,978	791	1,225	1,231	1,236	1,241	1,264	1,299	1,400	0.4%	0.5%	0.8%	0.5%	0.6%
Manpower	Real USDk	21,637	318	778	781	785	788	804	827	893	0.4%	0.5%	0.8%	0.5%	0.6%
Utilities	Real USDk	1,844	140	67	67	67	67	68	70	76	0.3%	0.5%	0.9%	0.4%	0.6%
Others Opex	Real USDk	10,496	333	381	383	384	385	391	401	431	0.3%	0.5%	0.7%	0.4%	0.6%
CAPEX	Real USD	17,677,332													
NPV '17-'42	Real USD	-19,919,453													
IRR '17-'42		-													
Payback	Years	>25													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	14.2	15.5	14.4	14.4	14.4	14.4	14.2	14.1	14.0	-0.2%	-0.2%	-0.1%	-0.2%	-0.1%
Aeronautical Rev per private landing	Real USD	14.9	25.6	13.1	13.2	13.4	13.5	14.3	15.0	15.0	1.1%	0.8%	0.0%	0.9%	0.6%
Aeronautical Rev per dom landing	Real USD	150.8	154.8	147.7	148.0	148.3	148.6	150.1	151.7	151.3	0.2%	0.2%	0.0%	0.2%	0.1%
Aeronautical Rev per int dep pax	Real USD	24.6	36.5	24.2	24.2	24.2	24.2	24.2	24.2	24.2	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	-0.3%	-0.7%	-1.7%	-0.6%	-1.0%
Opex per dep pax	Real USD	41.3	30.4	46.6	46.4	46.2	46.0	45.4	43.6	38.0	-0.4%	-0.7%	-1.4%	-0.6%	-0.9%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Rock Sound airport preliminary financial projections results if RFF & security is excluded of the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	-12,684	-388	-469	-471	-472	-474	-483	-492	-499	0.4%	0.3%	0.1%	0.3%	0.3%
EBITDA margin			-96%	-236%	-236%	-236%	-235%	-236%	-230%	-190%	-	-	-	-	-
Total Revenues	Real USDk	5,791	403	198	199	200	201	204	214	262	0.4%	0.9%	2.2%	0.8%	1.3%
Total Aeronautical	Real USDk	5,334	387	182	183	184	185	187	196	244	0.4%	0.9%	2.3%	0.8%	1.4%
Private	Real USDk	175	11	6	6	6	6	6	7	8	1.5%	1.6%	1.5%	1.5%	1.5%
Domestic	Real USDk	5,018	367	172	173	173	174	176	184	229	0.4%	0.9%	2.3%	0.7%	1.4%
International	Real USDk	142	9	4	4	5	5	5	5	7	0.9%	1.6%	3.2%	1.4%	2.1%
Total Non-Aeronautical	Real USDk	457	17	17	17	17	17	17	18	19	0.5%	0.5%	0.5%	0.5%	0.5%
Shops	Real USDk	83	3	3	3	3	3	3	3	3	0.5%	0.5%	0.5%	0.5%	0.5%
Counters & offices	Real USDk	374	14	14	14	14	14	14	14	15	0.5%	0.5%	0.5%	0.5%	0.5%
Land & Fuel	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	18,475	791	667	670	673	675	687	706	761	0.4%	0.5%	0.8%	0.5%	0.6%
Manpower	Real USDk	7,300	318	262	263	265	266	271	279	302	0.4%	0.6%	0.8%	0.5%	0.6%
Utilities	Real USDk	1,844	140	67	67	67	67	68	70	76	0.3%	0.5%	0.9%	0.4%	0.6%
Others Opex	Real USDk	9,331	333	338	340	341	342	348	356	383	0.4%	0.5%	0.8%	0.4%	0.6%
CAPEX	Real USD	16,638,279													
NPV '17-'42	Real USD	-14,936,195													
IRR '17-'42		-													
Payback	Years	>25													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	7.5	15.5	7.5	7.5	7.5	7.5	7.3	7.2	7.1	-0.4%	-0.3%	-0.1%	-0.3%	-0.2%
Aeronautical Rev per private landing	Real USD	14.9	25.6	13.1	13.2	13.4	13.5	14.3	15.0	15.0	1.1%	0.8%	0.0%	0.9%	0.6%
Aeronautical Rev per dom landing	Real USD	74.7	154.8	72.2	72.2	72.2	72.2	72.2	72.2	72.2	0.0%	0.0%	0.0%	0.0%	0.0%
Aeronautical Rev per int dep pax	Real USD	17.9	36.5	17.3	17.3	17.3	17.3	17.3	17.3	17.3	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	-0.3%	-0.7%	-1.7%	-0.6%	-1.0%
Opex per dep pax	Real USD	22.9	30.4	25.4	25.3	25.2	25.0	24.7	23.7	20.7	-0.4%	-0.7%	-1.4%	-0.6%	-0.9%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

0. Executive Summary

1. Introduction

2. Caribbean market assessment

3. Bahamas market assessment

4. Demand projections

5. Airport development plans and Capex

6. Preliminary financial assumptions

7. Selection of most feasible options for airports PPP

8. Details by airport

Marsh Harbour

Exuma

North Eleuthera

San Salvador

South Bimini

Governor's Harbour

Rock Sound

Deadman's Cay

New Bight

Andros Town

Matthew Town

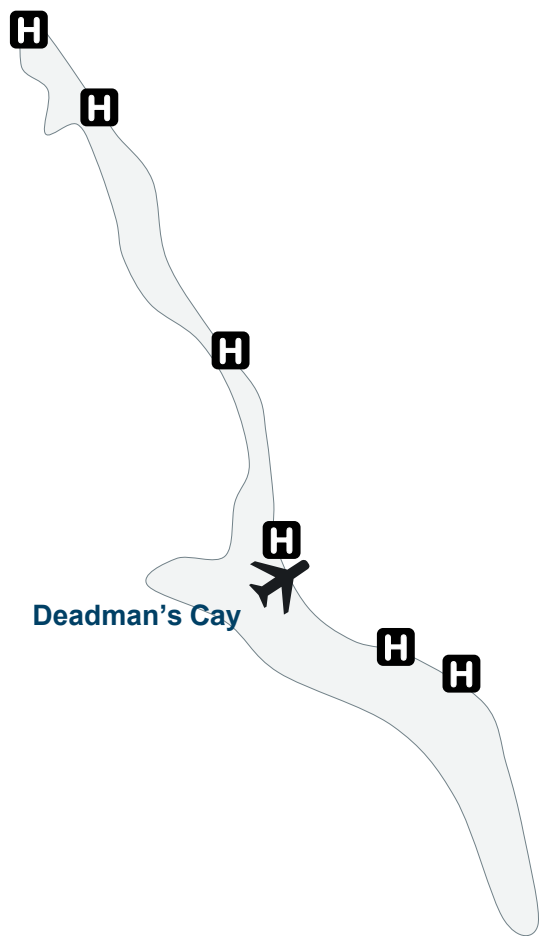
Great Harbour Cay

San Andros

Treasure Cay

Long Island economic overview

Long Island map



Source: TourismToday

Long Island facts

Long Island	
Population (2014)	3,094 (0.8%)
Main airports seats supply (2015)	
Deadman's Cay	77,540 (1.13%)
Total hotel rooms (2013)	201 (1.4%)
Stopover Visitors (2013)	No data available
Average length of stay (2013)	No data available

- The Long Island economy is driven by tourism
- The main tourist attraction is scuba diving

Deadman's Cay airport route development

LGI destinations offer (2006)



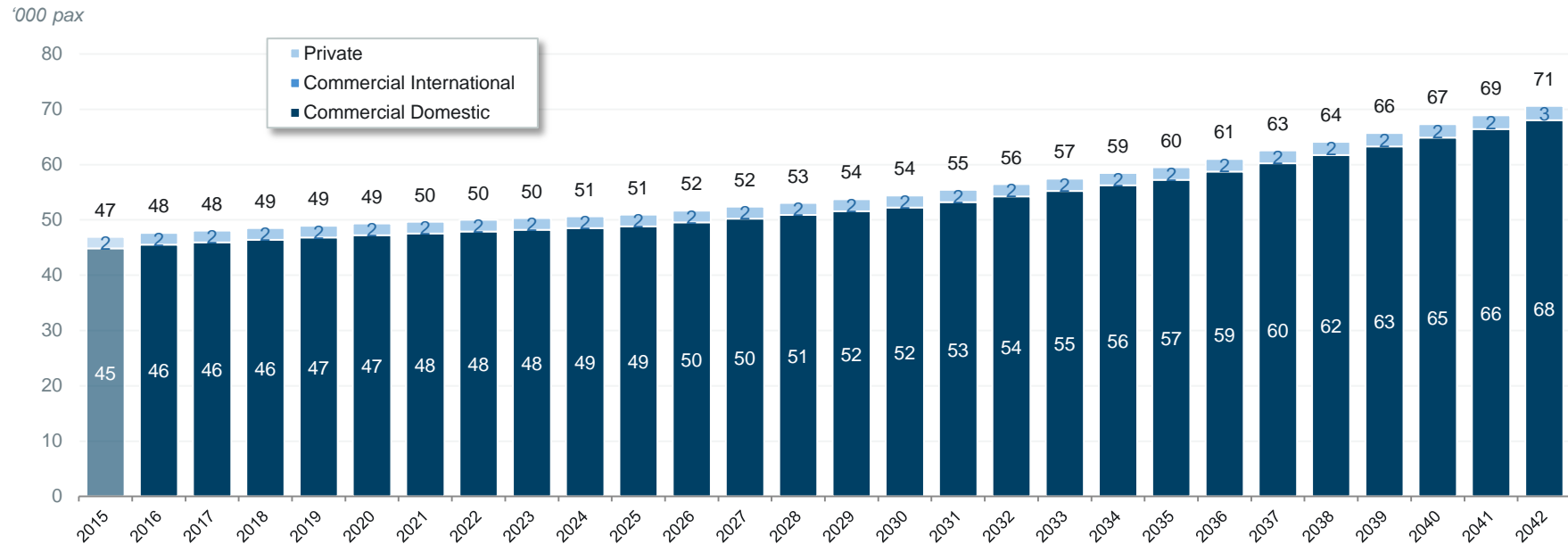
Source: OAG

LGI destinations offer (2015)



Deadman's Cay airport traffic projections

Deadman's Cay demand projection (2015-2042)



		2015	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Total traffic	'000 Pax	47	48	48	49	49	49	51	54	67	0.8%	1.2%	2.3%	1.1%	1.5%
Private	'000 Pax	2	2	2	2	2	2	2	2	2	0.1%	0.5%	1.4%	0.3%	0.8%
Commercial Domestic	'000 Pax	45	46	46	46	47	47	49	52	65	0.8%	1.3%	2.3%	1.1%	1.6%
Commercial Intl'	'000 Pax	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total ATMs	'000 ATMs	3	3	3	3	3	3	3	3	4	-0.3%	0.3%	2.0%	0.1%	0.9%
Private	'000 ATMs	1	1	1	1	1	1	1	1	1	-0.5%	-0.1%	1.4%	-0.2%	0.4%
Commercial Domestic	'000 ATMs	2	2	2	2	2	2	2	2	3	-0.1%	0.5%	2.3%	0.3%	1.1%
Commercial Intl'	'000 ATMs	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Deadman's Cay airport infrastructure development

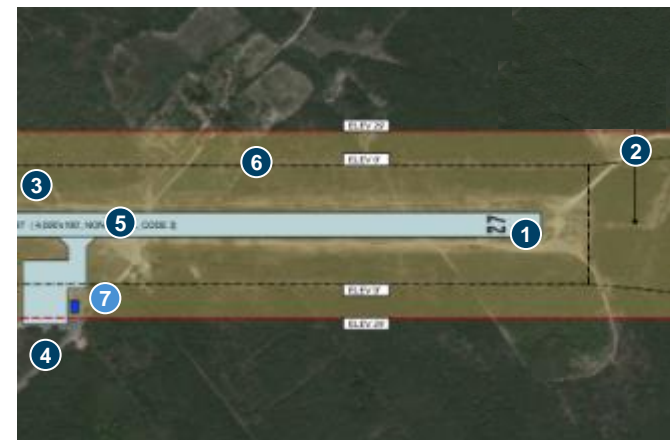
Deadman's Cay Airport – Infrastructure development

Airside enhancement to comply with ICAO SARPs

- 1 Manoeuvring area enhancement: PAPIs, turn pads, windsocks and full airside markings
- 2 Relocate public road beyond runway threshold. The current public road crosses the runway
- 3 Demolishment of old buildings inside the runway strip
- 4 Install perimeter fence around ~80% of the airport boundary
- 5 Localized repairs in runway and apron pavement
- 6 Runway strip and transition obstacle surface to be cleared from trees and vegetation
 - Procurement of X-ray and arc metal detector
 - Procurement of firefighting vehicle in compliance with ICAO Cat 4 (1 vehicle)

Expansion needs

- 7 Refurbishment of existing terminal building should be considered in the short run and a terminal expansion will need to be carried of 2620 sq.ft. will have to be executed by 2028 to ensure capacity

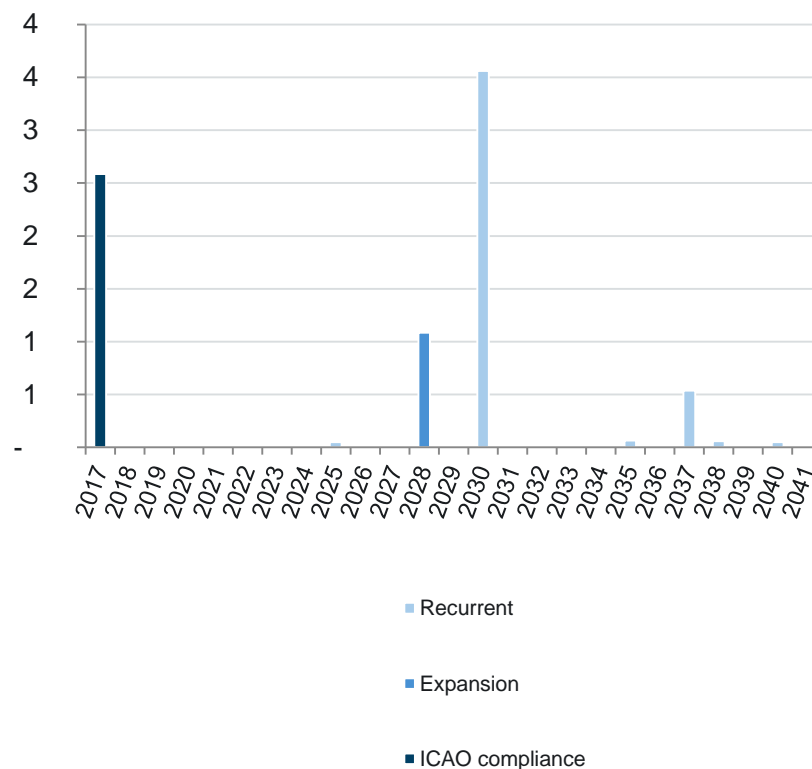


Deadman's Cay airport required capital expenditure

Deadman's Cay Airport – Investment Breakdown (constant prices 2016)

	Item	CAPEX Stantec (USD m)	CAPEX review ALG (USD m)			
			Short-term	Mid-term	Long-term	TOTAL
ICAO Compliance	Airside enhancement	0.48	1.12	-	-	1.12
	Runway repairs	0.23	0.23	-	-	0.23
	Fire Fighting Equipment	0.03	0.35	-	-	0.35
	Other equipments	0.03	0.04	-	-	0.04
	Demolishments	0.04	0.04	-	-	0.04
	Relocate Public Roadway	0.67	-	-	-	-
	Security Fence	0.23	0.08	-	-	0.08
	Trees & Vegetation	0.08	0.08	-	-	0.08
	Subtotal	1.8	1.9	-	-	1.9
Expansion	Expansion terminal	0.82	-	0.82	-	0.82
	Terminal Repairs/upgrades	0.00	0.01	-	-	0.01
	Subtotal	0.8	0.0	0.8	-	0.8
Recurrent	Recurrent airside works	-	-	0.04	2.75	2.79
	Recurrent landside works	-	-	0.01	0.05	0.06
	Recurrent equipment	-	0.02	0.02	0.44	0.47
	Subtotal	-	0.0	0.1	3.2	3.3
	Contingencies	0.86	0.65	0.29	1.07	2.01
	Total	3.5	2.6	1.2	4.3	8.1

Investment Profile (constant USD m)



Deadman's Cay airport preliminary financial projections results if RFF & security is included in the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	-13,136	-246	-386	-386	-387	-387	-390	-607	-603	0.1%	4.6%	-0.1%	3.1%	1.8%
EBITDA margin			-215%	-138%	-137%	-136%	-135%	-132%	-192%	-155%	-	-	-	-	-
Total Revenues	Real USDk	8,460	114	280	282	285	287	296	316	388	0.8%	1.2%	2.2%	1.0%	1.5%
Total Aeronautical	Real USDk	8,240	106	272	274	277	279	288	307	380	0.8%	1.2%	2.3%	1.1%	1.5%
Private	Real USDk	195	7	7	7	7	7	7	7	8	0.5%	0.8%	1.4%	0.7%	1.0%
Domestic	Real USDk	8,045	100	265	267	270	272	281	300	371	0.8%	1.2%	2.3%	1.1%	1.6%
International	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Non-Aeronautical	Real USDk	220	8	8	8	8	8	8	8	9	0.5%	0.5%	0.5%	0.5%	0.5%
Shops	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Counters & offices	Real USDk	220	8	8	8	8	8	8	8	9	0.5%	0.5%	0.5%	0.5%	0.5%
Land & Fuel	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	21,596	361	666	669	671	674	686	923	992	0.4%	3.2%	0.8%	2.3%	1.7%
Manpower	Real USDk	15,091	124	475	477	479	481	490	636	684	0.4%	2.9%	0.8%	2.1%	1.5%
Utilities	Real USDk	688	69	17	17	17	17	17	33	36	0.3%	6.9%	0.9%	4.7%	3.2%
Others Opex	Real USDk	5,817	167	174	175	175	176	179	254	272	0.4%	3.8%	0.7%	2.6%	1.9%
CAPEX	Real USD	8,115,108													
NPV '17-'42	Real USD	-9,684,035													
IRR '17-'42		-													
Payback	Years	>25													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	11.4	4.8	11.6	11.6	11.6	11.6	11.6	11.6	11.5	0.0%	0.0%	0.0%	0.0%	0.0%
Aeronautical Rev per private landing	Real USD	14.5	13.1	13.1	13.2	13.4	13.5	14.2	15.0	15.0	1.0%	0.8%	0.0%	0.9%	0.5%
Aeronautical Rev per dom landing	Real USD	258.3	90.3	240.5	242.6	244.9	247.1	258.7	271.1	270.4	0.9%	0.7%	0.0%	0.8%	0.5%
Aeronautical Rev per int dep pax	Real USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-0.3%	-0.7%	-1.7%	-0.6%	-1.0%
Opex per dep pax	Real USD	28.7	15.1	27.7	27.6	27.4	27.3	26.9	33.9	29.5	-0.4%	2.0%	-1.5%	1.2%	0.1%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Deadman's Cay airport preliminary financial projections results if RFF & security is excluded of the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	-7,154	-246	-204	-204	-205	-205	-207	-331	-337	0.2%	4.9%	0.2%	3.3%	2.0%
EBITDA margin			-215%	-179%	-178%	-177%	-176%	-172%	-259%	-216%	-	-	-	-	-
Total Revenues	Real USDk	3,421	114	114	115	116	117	120	128	156	0.7%	1.1%	2.1%	1.0%	1.5%
Total Aeronautical	Real USDk	3,201	106	106	107	108	109	112	119	147	0.8%	1.2%	2.2%	1.0%	1.5%
Private	Real USDk	195	7	7	7	7	7	7	7	8	0.5%	0.8%	1.4%	0.7%	1.0%
Domestic	Real USDk	3,006	100	99	100	101	102	105	112	139	0.8%	1.2%	2.3%	1.1%	1.6%
International	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Non-Aeronautical	Real USDk	220	8	8	8	8	8	8	8	9	0.5%	0.5%	0.5%	0.5%	0.5%
Shops	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Counters & offices	Real USDk	220	8	8	8	8	8	8	8	9	0.5%	0.5%	0.5%	0.5%	0.5%
Land & Fuel	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	10,575	361	318	319	321	322	327	459	493	0.4%	3.7%	0.8%	2.6%	1.8%
Manpower	Real USDk	4,541	124	140	141	141	142	144	194	208	0.4%	3.2%	0.8%	2.3%	1.7%
Utilities	Real USDk	688	69	17	17	17	17	17	33	36	0.3%	6.9%	0.9%	4.7%	3.2%
Others Opex	Real USDk	5,345	167	161	162	162	163	166	232	249	0.4%	3.6%	0.7%	2.5%	1.8%
CAPEX	Real USD	6,967,993													
NPV '17-'42	Real USD	-6,579,424													
IRR '17-'42		-													
Payback	Years	>25													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	4.7	4.8	4.7	4.7	4.7	4.7	4.7	4.7	4.6	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%
Aeronautical Rev per private landing	Real USD	14.5	13.1	13.1	13.2	13.4	13.5	14.2	15.0	15.0	1.0%	0.8%	0.0%	0.9%	0.5%
Aeronautical Rev per dom landing	Real USD	98.3	90.3	89.9	90.7	91.5	92.4	96.6	101.1	101.1	0.9%	0.7%	0.0%	0.8%	0.5%
Aeronautical Rev per int dep pax	Real USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	-0.3%	-0.7%	-1.7%	-0.6%	-1.0%
Opex per dep pax	Real USD	14.3	15.1	13.2	13.2	13.1	13.0	12.9	16.9	14.7	-0.4%	2.4%	-1.5%	1.5%	0.3%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

0. Executive Summary

1. Introduction

2. Caribbean market assessment

3. Bahamas market assessment

4. Demand projections

5. Airport development plans and Capex

6. Preliminary financial assumptions

7. Selection of most feasible options for airports PPP

8. Details by airport

Marsh Harbour

Deadman's Cay

Exuma

New Bight

North Eleuthera

Andros Town

San Salvador

Matthew Town

South Bimini

Great Harbour Cay

Governor's Harbour

San Andros

Rock Sound

Treasure Cay

Cat Island economic overview

Cat Island map



Cat Island facts

Cat Island	
Population (2014)	1,522 (0.4%)
Main airports seats supply (2015)	
New Bight	61,024 (0.89%)
Total hotel rooms (2013)	181 (1.2%)
Stopover Visitors (2013)	No data available
Average length of stay (2013)	No data available

- Tourism is mainly attracted by the culture and history of the Island
- Its main tourist attractions are the ruins of cotton plantations and slave hunts, and the medieval-style monastery, The Hermitage, featuring carvings in stone

Source: TourismToday

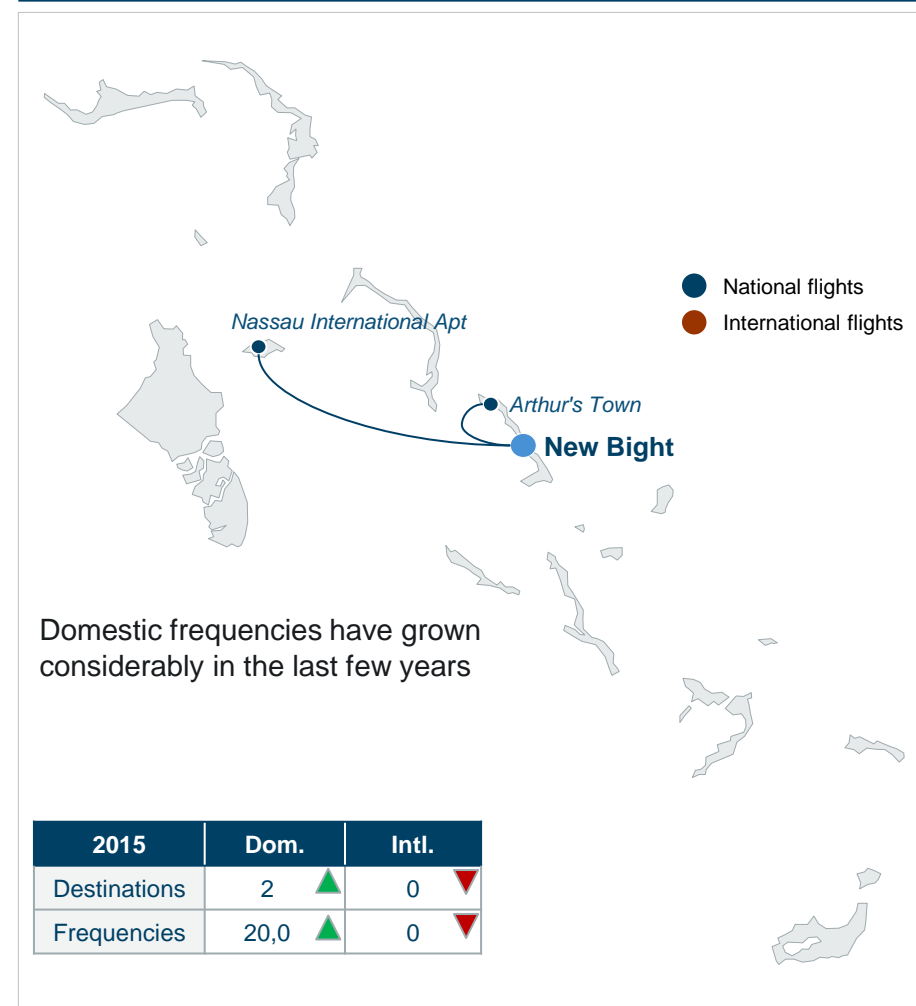
New Bight airport route development

TBI destinations offer (2006)



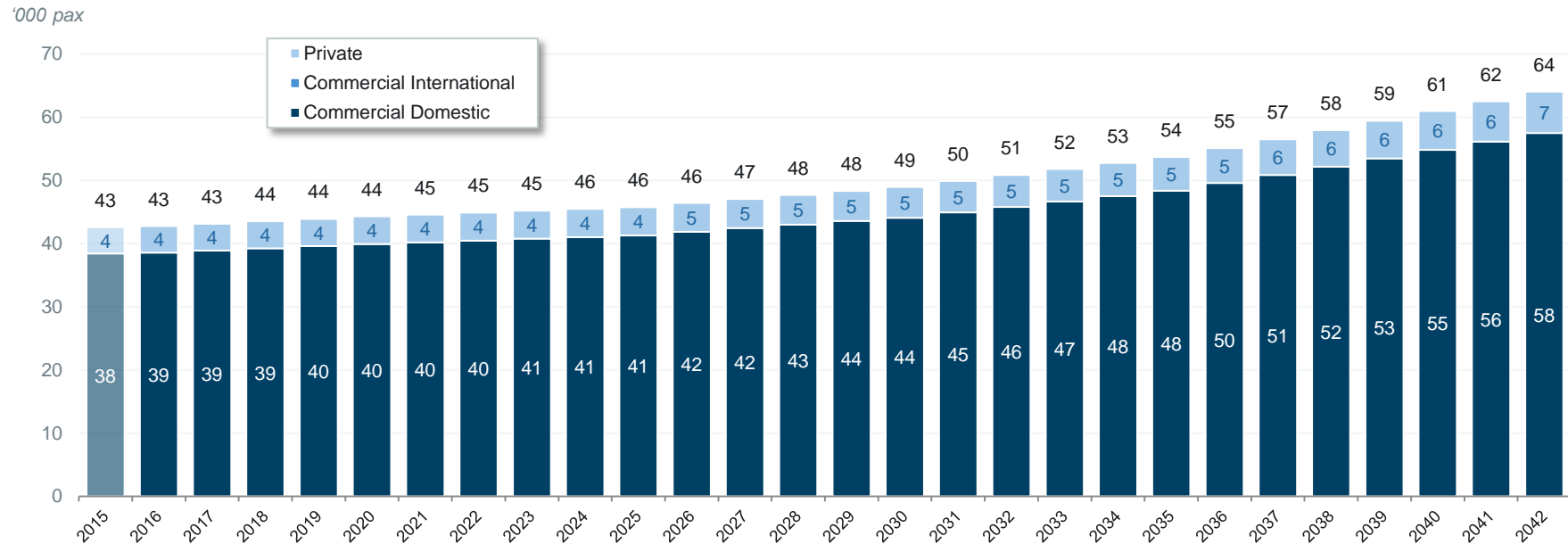
Source: OAG

TBI destinations offer (2015)



New Bight airport traffic projections

New Bight demand projection (2015-2042)



		2015	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Total traffic	'000 Pax	43	43	43	44	44	44	46	49	61	0.8%	1.2%	2.3%	1.1%	1.6%
Private	'000 Pax	4	4	4	4	4	4	4	5	6	0.8%	1.3%	2.7%	1.2%	1.7%
Commercial Domestic	'000 Pax	38	39	39	39	40	40	41	44	55	0.8%	1.2%	2.3%	1.1%	1.6%
Commercial Intl'	'000 Pax	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total ATMs	'000 ATMs	4	4	4	4	4	4	4	4	5	0.2%	0.8%	2.5%	0.6%	1.4%
Private	'000 ATMs	2	2	2	2	2	2	2	2	3	0.2%	0.8%	2.7%	0.6%	1.4%
Commercial Domestic	'000 ATMs	1	1	1	1	1	1	1	2	2	0.2%	0.8%	2.3%	0.6%	1.3%
Commercial Intl'	'000 ATMs	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

New Bight airport infrastructure development

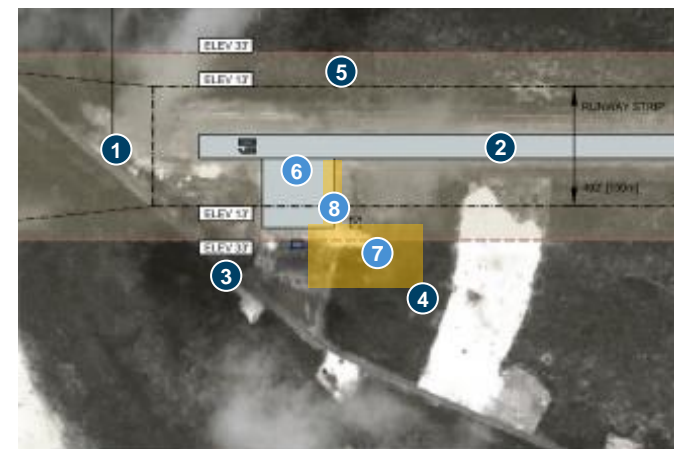
New Bight Airport – Infrastructure development

Airside enhancement to comply with ICAO SARPs

- 1 Manoeuvring area enhancement: Threshold displacement (including re-location of lighting), turn pads, windsocks and full airside markings
- 2 Selective repairs to runway pavement
- 3 Install perimeter fence around ~90% of the airport boundary
- 4 New airport fire station
- 5 Runway strip and transition obstacle surface to be cleared from trees and vegetation
 - Procurement of X-ray and arc metal detector
 - Procurement of firefighting vehicle in compliance with ICAO Cat -5 (1 vehicle)

Expansion needs

- 6 Half of the existing apron is within the runway strip, and therefore its capacity is restricted by apron-runway distance. Without using the portion of the apron that is inside the runway strip, the airport still has capacity to handle the current traffic
- 7 Apron expansion would be required to absorb peak traffic in the mid-term without infringing the runway strip
- 8 Taxiways' expansions proposed by Stantec should be considered in long term
 - Terminal expansion of 4290 sq.ft. will have to be executed by 2032 to ensure capacity

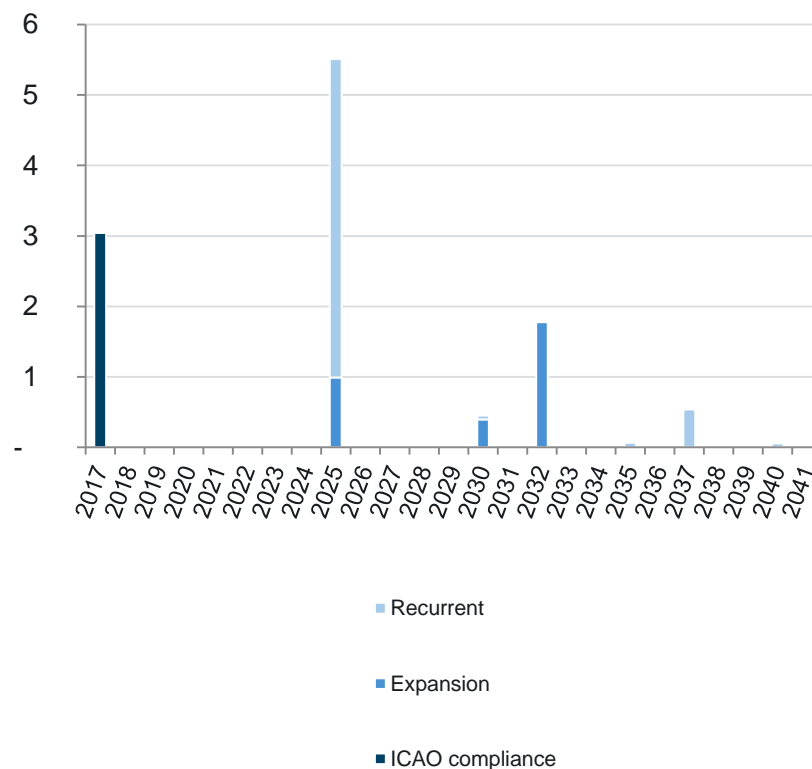


New Bight airport required capital expenditure

New Bight Airport – Investment Breakdown (constant prices 2016)

	Item	CAPEX Stantec (USD m)	CAPEX review ALG (USD m)			
			Short-term	Mid-term	Long-term	TOTAL
ICAO Compliance	Airside enhancement	0.35	0.73	-	-	0.73
	Fire Fighting Facilities	0.73	0.73	-	-	0.73
	Fire Fighting Equipment	0.03	0.35	-	-	0.35
	Other equipments	0.01	0.04	-	-	0.04
	Runway selective repairs	0.25	0.25	-	-	0.25
	Security Fence	-	0.11	-	-	0.11
	Trees & Vegetation	0.08	0.08	-	-	0.08
	Subtotal	1.4	2.3	-	-	2.3
Expansion	New Apron	1.49	-	0.75	-	0.75
	New taxiway connection	0.30	-	-	0.30	0.30
	Terminal expansion	1.34	0.01	-	1.34	1.35
	Subtotal	3.1	0.0	0.7	1.6	2.4
Recurrent &	Recurrent airside works	-	-	3.40	0.12	3.52
	Recurrent landside works	-	-	0.01	0.01	0.03
	Recurrent equipment	-	0.02	0.02	0.44	0.47
	Subtotal	-	0.0	3.4	0.6	4.0
	Contingencies	1.51	0.77	1.38	0.73	2.87
	Total	6.1	3.1	5.6	2.9	11.6

Investment Profile (constant USD m)



New Bight airport preliminary financial projections results if RFF & security is included in the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	-13,120	-140	-372	-372	-372	-372	-375	-371	-716	0.1%	-0.2%	6.9%	-0.1%	2.6%
EBITDA margin			-42%	-137%	-136%	-135%	-134%	-130%	-120%	-177%	-	-	-	-	-
Total Revenues	Real USDk	8,475	330	271	274	276	279	288	309	404	0.8%	1.3%	2.8%	1.1%	1.8%
Total Aeronautical	Real USDk	8,101	323	264	267	269	271	281	301	378	0.8%	1.3%	2.4%	1.1%	1.7%
Private	Real USDk	440	53	14	14	14	14	15	17	21	1.2%	1.6%	2.7%	1.5%	2.0%
Domestic	Real USDk	6,434	213	212	214	216	217	225	240	297	0.8%	1.2%	2.3%	1.1%	1.6%
International	Real USDk	1,226	57	38	39	39	40	41	45	60	0.9%	1.6%	3.2%	1.4%	2.1%
Total Non-Aeronautical	Real USDk	374	7	7	7	7	7	7	8	26	0.5%	0.5%	12.9%	0.5%	5.3%
Shops	Real USDk	275	4	4	4	4	4	4	4	22	0.5%	0.5%	18.9%	0.5%	7.5%
Counters & offices	Real USDk	100	4	4	4	4	4	4	4	4	0.5%	0.5%	0.5%	0.5%	0.5%
Land & Fuel	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	21,595	469	643	646	648	651	663	680	1,120	0.4%	0.5%	5.2%	0.5%	2.3%
Manpower	Real USDk	14,995	215	458	460	462	464	473	485	757	0.4%	0.5%	4.6%	0.5%	2.1%
Utilities	Real USDk	708	67	16	16	16	16	16	17	46	0.3%	0.5%	10.6%	0.4%	4.4%
Others Opex	Real USDk	5,892	188	169	169	170	171	173	178	317	0.4%	0.5%	6.0%	0.4%	2.6%
CAPEX	Real USD	11,646,827													
NPV '17-'42	Real USD	-11,725,932													
IRR '17-'42		-													
Payback	Years	>25													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	13.0	15.4	12.6	12.6	12.6	12.6	12.6	12.6	13.3	0.0%	0.0%	0.5%	0.0%	0.2%
Aeronautical Rev per private landing	Real USD	15.7	50.6	13.1	13.2	13.4	13.5	14.2	15.0	15.0	1.0%	0.8%	0.0%	0.9%	0.5%
Aeronautical Rev per dom landing	Real USD	306.5	293.0	290.6	292.2	293.9	295.5	303.8	312.3	311.2	0.6%	0.4%	0.0%	0.5%	0.3%
Aeronautical Rev per int dep pax	Real USD	24.5	36.0	24.2	24.2	24.2	24.2	24.2	24.2	24.2	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.6	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.8	-0.3%	-0.7%	10.3%	-0.6%	3.6%
Opex per dep pax	Real USD	32.3	22.0	29.8	29.7	29.5	29.4	29.0	27.8	36.8	-0.4%	-0.8%	2.8%	-0.6%	0.7%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

New Bight airport preliminary financial projections results if RFF & security is excluded of the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	-6,714	-140	-185	-185	-185	-185	-186	-185	-376	0.1%	-0.1%	7.4%	-0.1%	2.9%
EBITDA margin			-42%	-151%	-150%	-149%	-147%	-143%	-132%	-194%	-	-	-	-	-
Total Revenues	Real USDk	3,935	330	122	123	125	126	130	140	194	0.9%	1.3%	3.4%	1.2%	2.1%
Total Aeronautical	Real USDk	3,561	323	115	116	117	118	123	132	168	0.9%	1.4%	2.6%	1.2%	1.7%
Private	Real USDk	440	53	14	14	14	14	15	17	21	1.2%	1.6%	2.7%	1.5%	2.0%
Domestic	Real USDk	2,245	213	74	74	75	76	78	84	104	0.8%	1.2%	2.3%	1.1%	1.6%
International	Real USDk	876	57	27	28	28	28	29	32	43	0.9%	1.6%	3.2%	1.4%	2.1%
Total Non-Aeronautical	Real USDk	374	7	7	7	7	7	7	8	26	0.5%	0.5%	12.9%	0.5%	5.3%
Shops	Real USDk	275	4	4	4	4	4	4	4	22	0.5%	0.5%	18.9%	0.5%	7.5%
Counters & offices	Real USDk	100	4	4	4	4	4	4	4	4	0.5%	0.5%	0.5%	0.5%	0.5%
Land & Fuel	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	10,649	469	307	309	310	311	316	324	569	0.4%	0.5%	5.8%	0.4%	2.6%
Manpower	Real USDk	4,544	215	135	136	136	137	140	143	236	0.4%	0.5%	5.2%	0.5%	2.3%
Utilities	Real USDk	708	67	16	16	16	16	16	17	46	0.3%	0.5%	10.6%	0.4%	4.4%
Others Opex	Real USDk	5,396	188	156	157	157	158	161	165	288	0.4%	0.5%	5.8%	0.4%	2.5%
CAPEX	Real USD	9,491,073													
NPV '17-'42	Real USD	-7,532,766													
IRR '17-'42		-													
Payback	Years	>25													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	6.3	15.4	5.7	5.7	5.7	5.7	5.7	5.7	6.4	0.1%	0.1%	1.1%	0.1%	0.5%
Aeronautical Rev per private landing	Real USD	15.7	50.6	13.1	13.2	13.4	13.5	14.2	15.0	15.0	1.0%	0.8%	0.0%	0.9%	0.5%
Aeronautical Rev per dom landing	Real USD	112.9	293.0	101.3	101.8	102.4	103.0	105.9	108.8	108.8	0.6%	0.4%	0.0%	0.5%	0.3%
Aeronautical Rev per int dep pax	Real USD	17.8	36.0	17.3	17.3	17.3	17.3	17.3	17.3	17.3	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.6	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.8	-0.3%	-0.7%	10.3%	-0.6%	3.6%
Opex per dep pax	Real USD	16.3	22.0	14.2	14.2	14.1	14.0	13.8	13.3	18.7	-0.4%	-0.8%	3.4%	-0.6%	1.0%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

0. Executive Summary

1. Introduction

2. Caribbean market assessment

3. Bahamas market assessment

4. Demand projections

5. Airport development plans and Capex

6. Preliminary financial assumptions

7. Selection of most feasible options for airports PPP

8. Details by airport

Marsh Harbour

Deadman's Cay

Exuma

New Bight

North Eleuthera

Andros Town

San Salvador

Matthew Town

South Bimini

Great Harbour Cay

Governor's Harbour

San Andros

Rock Sound

Treasure Cay

Andros island economic overview

Andros map



Andros facts

Andros	
Population (2014)	7,490 (2%)
Main airports seats supply (2015)	
San Andros	No data available
Andros Town	No data available
Total hotel rooms (2013)	393 (2.6%)
Stopover Visitors (2013)	6,913 (0.5%)
Average length of stay (2013)	9.9

- Andros is the largest island of The Bahamas
- The third-largest barrier reef in the world lies adjacent to its shore and is one of the main tourism attractions
- The University of Miami has a Campus on Andros Island because of its natural environment

Source: TourismToday

Andros Town airport route development

ASD destinations offer (2006)



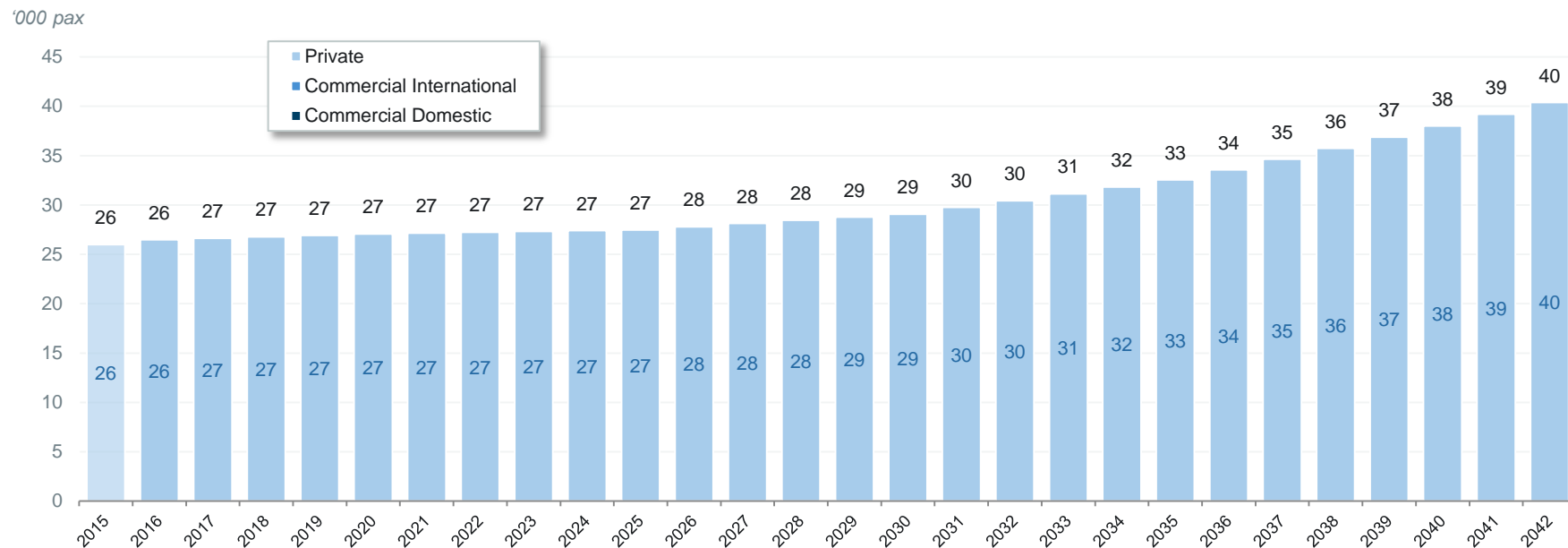
Source: OAG

ASD destinations offer (2015)



Andros Town airport traffic projections

Andros Town demand projection (2015-2042)



		2015	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Total traffic	'000 Pax	26	26	27	27	27	27	27	29	38	0.5%	1.1%	2.9%	0.9%	1.7%
Private	'000 Pax	26	26	27	27	27	27	27	29	38	0.5%	1.1%	2.9%	0.9%	1.7%
Commercial Domestic	'000 Pax	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Commercial Intl'	'000 Pax	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total ATMs	'000 ATMs	11	11	11	11	11	11	11	12	15	0.3%	1.0%	2.7%	0.8%	1.5%
Private	'000 ATMs	11	11	11	11	11	11	11	12	15	0.3%	1.0%	2.7%	0.8%	1.5%
Commercial Domestic	'000 ATMs	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Commercial Intl'	'000 ATMs	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Andros Town airport infrastructure development

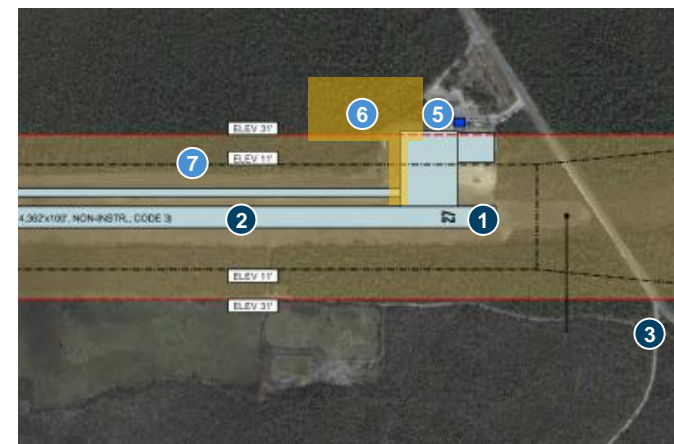
Andros Town “Fresh Creek” Airport – Infrastructure development

Airside enhancement to comply with ICAO SARPs

- 1 Manoeuvring area enhancement: Turn pads, threshold displacement, new runway lighting system, PAPIs, windsocks and full airside markings
- 2 Full rehabilitation of runway & taxiway pavement
- 3 Install complete perimeter fence
 - Procurement of X-ray and arc metal detector
 - Procurement of firefighting vehicle in compliance with ICAO Cat -3 (1 vehicle)

Expansion needs

- 5 Refurbishment of existing terminal building should be considered in the short run
- 6 Runway expansions proposed by Stantec should be considered in the long run
- 7 Runway strip could be enhanced to ICAO-Code 3 (150 m wide) by clearing trees and vegetation if larger aircraft traffic consolidates in the mid or long run

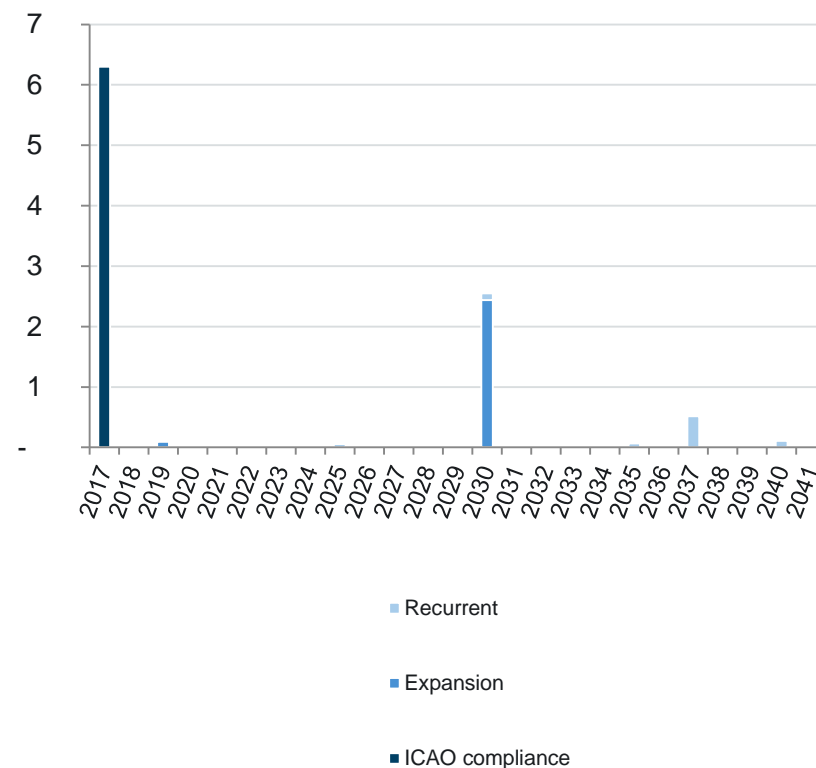


Andros Town airport required capital expenditure

Andros Town “Fresh Creek” Airport – Investment Breakdown (constant prices 2016)

	Item	CAPEX Stantec (USD m)	CAPEX review ALG (USD m)			
			Short-term	Mid-term	Long-term	TOTAL
ICAO Compliance	Airside enhancement	0.22	0.22	-	-	0.22
	Repavements	4.02	4.02	-	-	4.02
	Fire Fighting Equipment	0.03	0.35	-	-	0.35
	Other equipments	0.03	0.04	-	-	0.04
	Decommissions	0.05	-	-	-	-
	Security Fence	0.11	0.11	-	-	0.11
	Subtotal	4.5	4.7	-	-	4.7
Expansion	Runway Extend	0.61	-	-	0.61	0.61
	Trees & Vegetation	0.27	-	-	0.13	0.13
	New Apron and taxiway connection	1.09	-	-	1.09	1.09
	Terminal expansion & upgrades	0.31	0.07	-	-	0.07
	Subtotal	2.3	0.1	-	1.8	1.9
Recurrent	Recurrent airside works	-	-	0.04	0.12	0.16
	Recurrent landside works	-	-	-	0.09	0.09
	Recurrent equipment	-	0.02	0.02	0.44	0.47
	Subtotal	-	0.0	0.1	0.6	0.7
	Contingencies	2.23	1.59	0.02	0.82	2.43
	Total	9.0	6.4	0.1	3.3	9.8

Investment Profile (constant USD m)



Andros Town airport preliminary financial projections results if RFF & security is included in the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	-11,023	132	-429	-430	-431	-431	-439	-438	-392	0.3%	0.0%	-1.4%	0.1%	-0.5%
EBITDA margin			30%	-128%	-127%	-127%	-126%	-127%	-120%	-82%	-	-	-	-	-
Total Revenues	Real USDk	10,071	433	336	338	339	341	345	364	480	0.4%	1.1%	2.9%	0.9%	1.7%
Total Aeronautical	Real USDk	9,739	421	324	326	327	329	332	351	466	0.4%	1.1%	3.0%	0.9%	1.7%
Private	Real USDk	2,679	91	91	91	91	92	92	97	126	0.3%	1.0%	2.8%	0.8%	1.6%
Domestic	Real USDk	1,045	36	35	35	36	36	37	39	48	0.5%	1.0%	2.3%	0.9%	1.4%
International	Real USDk	6,015	294	198	199	200	201	204	216	292	0.4%	1.2%	3.2%	0.9%	1.8%
Total Non-Aeronautical	Real USDk	332	12	12	12	12	12	12	13	13	0.5%	0.5%	0.5%	0.5%	0.5%
Shops	Real USDk	116	4	4	4	4	4	4	4	5	0.5%	0.5%	0.5%	0.5%	0.5%
Counters & offices	Real USDk	216	8	8	8	8	8	8	8	9	0.5%	0.5%	0.5%	0.5%	0.5%
Land & Fuel	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	21,094	301	765	767	770	773	784	802	872	0.3%	0.5%	0.9%	0.4%	0.6%
Manpower	Real USDk	14,691	92	532	534	536	537	546	559	607	0.3%	0.5%	0.9%	0.4%	0.6%
Utilities	Real USDk	665	61	24	24	24	24	24	25	28	0.2%	0.4%	1.1%	0.4%	0.7%
Others Opex	Real USDk	5,738	147	209	210	210	211	213	218	237	0.3%	0.4%	0.9%	0.4%	0.6%
CAPEX	Real USD	9,796,319													
NPV '17-'42	Real USD	-12,418,768													
IRR '17-'42		-													
Payback	Years	>25													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	25.4	32.7	25.2	25.2	25.2	25.2	25.1	25.1	25.2	-0.1%	0.0%	0.1%	0.0%	0.0%
Aeronautical Rev per private landing	Real USD	16.6	16.8	16.6	16.6	16.6	16.6	16.5	16.5	16.7	0.0%	0.0%	0.1%	0.0%	0.0%
Aeronautical Rev per dom landing	Real USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%	0.0%	0.0%
Aeronautical Rev per int dep pax	Real USD	24.5	36.0	24.2	24.2	24.2	24.2	24.2	24.2	24.2	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.7	0.0%	-0.6%	-2.3%	-0.4%	-1.2%
Opex per dep pax	Real USD	50.5	22.7	57.5	57.3	57.2	57.1	57.1	55.2	45.9	-0.1%	-0.6%	-1.9%	-0.5%	-1.1%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Andros Town airport preliminary financial projections results if RFF & security is excluded of the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	-3,005	132	-130	-130	-130	-130	-133	-128	-78	0.2%	-0.8%	-6.3%	-0.5%	-2.8%
EBITDA margin			30%	-53%	-53%	-53%	-53%	-53%	-49%	-22%	-	-	-	-	-
Total Revenues	Real USDk	7,308	433	244	245	247	248	250	264	348	0.4%	1.1%	3.0%	0.8%	1.7%
Total Aeronautical	Real USDk	6,976	421	232	233	234	236	238	251	335	0.4%	1.1%	3.1%	0.9%	1.7%
Private	Real USDk	2,679	91	91	91	91	92	92	97	126	0.3%	1.0%	2.8%	0.8%	1.6%
Domestic	Real USDk	0	36	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
International	Real USDk	4,296	294	142	142	143	144	145	154	209	0.4%	1.2%	3.2%	0.9%	1.8%
Total Non-Aeronautical	Real USDk	332	12	12	12	12	12	12	13	13	0.5%	0.5%	0.5%	0.5%	0.5%
Shops	Real USDk	116	4	4	4	4	4	4	4	5	0.5%	0.5%	0.5%	0.5%	0.5%
Counters & offices	Real USDk	216	8	8	8	8	8	8	8	9	0.5%	0.5%	0.5%	0.5%	0.5%
Land & Fuel	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	10,313	301	374	376	377	378	383	392	426	0.3%	0.5%	0.9%	0.4%	0.6%
Manpower	Real USDk	4,388	92	159	159	160	161	163	167	181	0.3%	0.5%	0.9%	0.4%	0.6%
Utilities	Real USDk	665	61	24	24	24	24	24	25	28	0.2%	0.4%	1.1%	0.4%	0.7%
Others Opex	Real USDk	5,259	147	191	192	193	193	195	200	217	0.3%	0.4%	0.9%	0.4%	0.6%
CAPEX	Real USD	8,613,462													
NPV '17-'42	Real USD	-8,200,630													
IRR '17-'42		-													
Payback	Years	>25													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	18.7	32.7	18.3	18.3	18.3	18.3	18.2	18.2	18.3	-0.1%	0.0%	0.1%	-0.1%	0.0%
Aeronautical Rev per private landing	Real USD	16.6	16.8	16.6	16.6	16.6	16.6	16.5	16.5	16.7	0.0%	0.0%	0.1%	0.0%	0.0%
Aeronautical Rev per dom landing	Real USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%	0.0%	0.0%
Aeronautical Rev per int dep pax	Real USD	17.8	36.0	17.3	17.3	17.3	17.3	17.3	17.3	17.3	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.7	0.0%	-0.6%	-2.3%	-0.4%	-1.2%
Opex per dep pax	Real USD	25.0	22.7	28.1	28.0	28.0	27.9	27.9	27.0	22.4	-0.2%	-0.6%	-1.9%	-0.5%	-1.1%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

0. Executive Summary

1. Introduction

2. Caribbean market assessment

3. Bahamas market assessment

4. Demand projections

5. Airport development plans and Capex

6. Preliminary financial assumptions

7. Selection of most feasible options for airports PPP

8. Details by airport

Marsh Harbour

Deadman's Cay

Exuma

New Bight

North Eleuthera

Andros Town

San Salvador

Matthew Town

South Bimini

Great Harbour Cay

Governor's Harbour

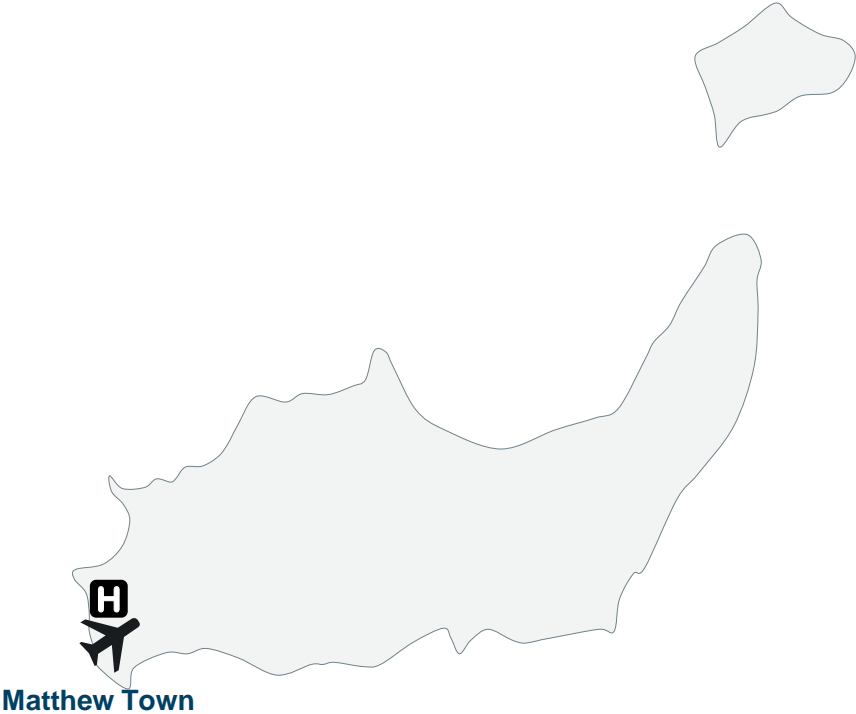
San Andros

Rock Sound

Treasure Cay

Inagua island economic overview

Inagua map



Inagua facts

Inagua	
Population (2014)	913 (0.2%)
Main airports seats supply (2015)	
Matthew Town	16,080 (0.23%)
Total hotel rooms (2013)	27 (0.2%)
Stopover Visitors (2013)	No data available
Average length of stay (2013)	No data available

- 45% of the island is a national park and is home to over 80,000 flamingos
- The main tourism drivers are birdwatching and eco tourism
- The smaller island, Little Inagua, is a protected habitat for endangered sea turtles.

Source: TourismToday

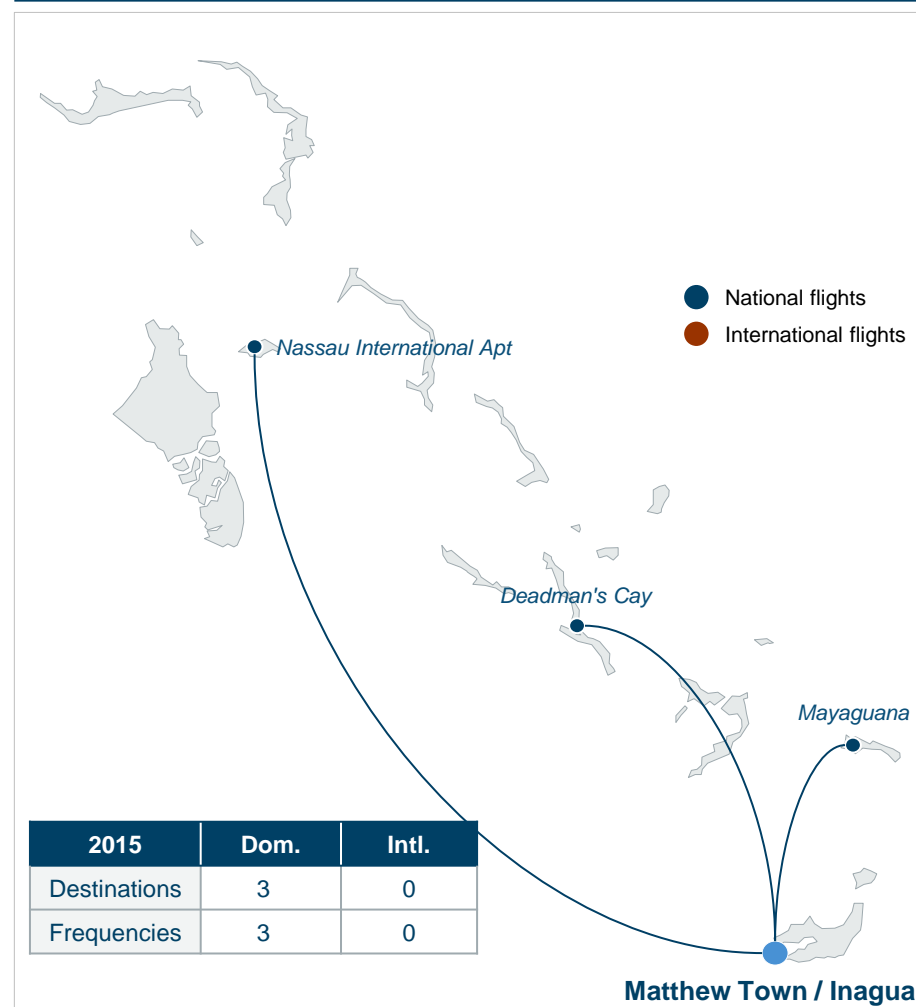
Matthew Town airport route development

IGA destinations offer (2006)



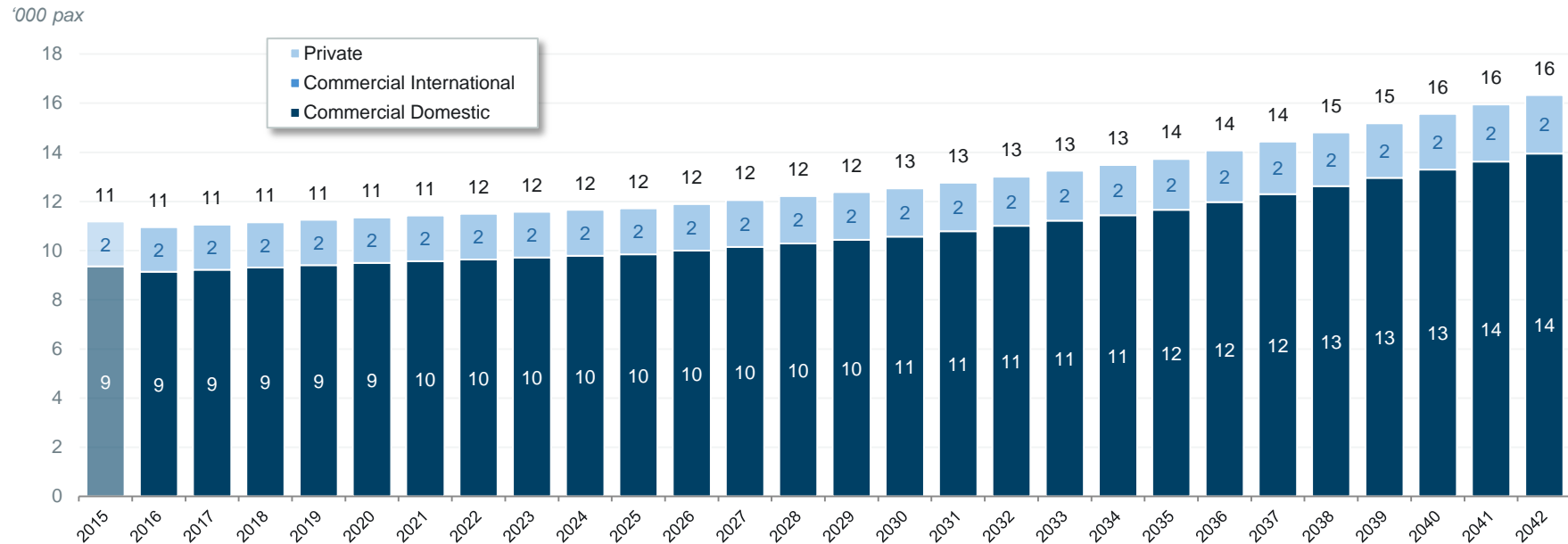
Source: OAG

IGA destinations offer (2015)



Matthew Town airport traffic projections

Matthew Town demand projection (2015-2042)



		2015	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Total traffic	'000 Pax	11	11	11	11	11	11	12	13	16	0.8%	1.2%	2.3%	1.1%	1.6%
Private	'000 Pax	2	2	2	2	2	2	2	2	2	0.3%	0.7%	1.8%	0.6%	1.1%
Commercial Domestic	'000 Pax	9	9	9	9	9	9	10	11	13	0.9%	1.3%	2.4%	1.2%	1.7%
Commercial Intl'	'000 Pax	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total ATMs	'000 ATMs	1	1	1	1	1	1	1	1	1	0.0%	0.5%	2.0%	0.3%	1.0%
Private	'000 ATMs	1	1	1	1	1	1	1	1	1	-0.2%	0.3%	1.8%	0.1%	0.8%
Commercial Domestic	'000 ATMs	0	0	0	0	0	0	0	0	0	0.5%	1.0%	2.4%	0.8%	1.5%
Commercial Intl'	'000 ATMs	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Matthew Town airport infrastructure development

Matthew Town Airport – Infrastructure development

Airside enhancement to comply with ICAO SARPs

- 1 Manoeuvring area enhancement: PAPIs, windsocks, threshold lights, and full airside markings
- 2 New runway clearway to be provided in both runway ends
- 3 Runway strip and transition obstacle surface to be cleared from trees and vegetation
 - Procurement of X-ray and arc metal detector
 - Procurement of firefighting vehicle in compliance with ICAO Cat 4 (1 vehicle)

Expansion needs

- 4 The existing runway will require full re-pavement in the short or mid-term
- 5 Stantec proposes expansions at the aircraft apron, which should be considered in the long run

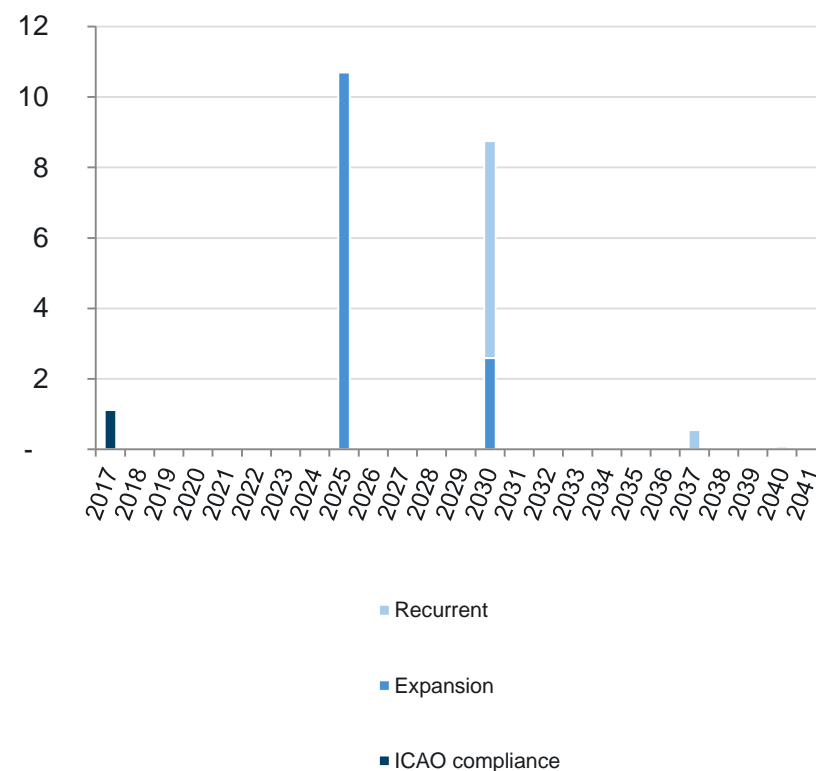


Matthew Town airport required capital expenditure

Matthew Town Airport – Investment Breakdown (constant prices 2016)

	Item	CAPEX Stantec (USD m)	CAPEX review ALG (USD m)			
			Short-term	Mid-term	Long-term	TOTAL
ICAO Compliance	Airside enhancement	0.25	0.26	-	-	0.26
	Repavements	-	-	-	-	-
	Fire Fighting Equipment	0.03	0.35	-	-	0.35
	Other equipments	0.03	0.04	-	-	0.04
	Security Fence	-	-	-	-	-
	Trees & Vegetation	0.19	0.19	-	-	0.19
	Subtotal	0.5	0.8	-	-	0.8
Expansion	Runway repavement	8.05	-	8.05	-	8.05
	New Apron & TWY connection	1.45	-	-	1.95	1.95
	Parkings and access roads	0.17	-	-	-	-
	Terminal expansion	0.79	-	-	-	-
	Subtotal	10.5	-	8.0	2.0	10.0
Recurrent	Recurrent airside works	-	-	0.07	4.69	4.75
	Recurrent landside works	-	-	-	0.06	0.06
	Recurrent equipment	-	0.02	0.02	0.44	0.47
	Subtotal	-	0.0	0.1	5.2	5.3
Contingencies		3.62	0.29	2.68	2.35	5.32
Total		14.6	1.2	10.8	9.5	21.4

Investment Profile (constant USD m)



Matthew Town airport preliminary financial projections results if RFF & security is included in the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	-14,234	-333	-523	-525	-526	-528	-537	-547	-571	0.3%	0.4%	0.4%	0.4%	0.4%
EBITDA margin			-381%	-678%	-675%	-673%	-670%	-663%	-637%	-541%	-	-	-	-	-
Total Revenues	Real USDk	2,309	87	77	78	78	79	81	86	106	0.7%	1.1%	2.2%	1.0%	1.5%
Total Aeronautical	Real USDk	2,101	80	70	70	71	71	73	78	97	0.7%	1.2%	2.4%	1.0%	1.6%
Private	Real USDk	142	9	5	5	5	5	5	5	6	0.8%	1.1%	1.8%	1.0%	1.3%
Domestic	Real USDk	1,782	62	59	60	60	61	62	66	82	0.7%	1.1%	2.3%	1.0%	1.5%
International	Real USDk	177	8	6	6	6	6	6	6	9	0.9%	1.6%	3.2%	1.4%	2.1%
Total Non-Aeronautical	Real USDk	208	8	8	8	8	8	8	8	8	0.5%	0.5%	0.5%	0.5%	0.5%
Shops	Real USDk	100	4	4	4	4	4	4	4	4	0.5%	0.5%	0.5%	0.5%	0.5%
Counters & offices	Real USDk	108	4	4	4	4	4	4	4	4	0.5%	0.5%	0.5%	0.5%	0.5%
Land & Fuel	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	16,543	420	600	602	605	607	618	633	677	0.4%	0.5%	0.7%	0.4%	0.5%
Manpower	Real USDk	11,734	215	425	427	428	430	438	449	480	0.4%	0.5%	0.7%	0.5%	0.5%
Utilities	Real USDk	402	46	15	15	15	15	15	15	17	0.3%	0.5%	0.9%	0.4%	0.6%
Others Opex	Real USDk	4,407	159	160	161	162	162	165	169	180	0.3%	0.4%	0.7%	0.4%	0.5%
CAPEX	Real USD	21,474,666													
NPV '17-'42	Real USD	-16,003,700													
IRR '17-'42		-													
Payback	Years	>25													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	13.8	15.9	13.9	13.9	13.9	13.9	13.8	13.7	13.6	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%
Aeronautical Rev per private landing	Real USD	14.9	25.6	13.1	13.2	13.4	13.5	14.3	15.0	15.0	1.1%	0.8%	0.0%	0.9%	0.6%
Aeronautical Rev per dom landing	Real USD	394.6	410.1	388.2	389.0	389.7	390.4	394.2	398.0	393.8	0.2%	0.1%	-0.1%	0.2%	0.1%
Aeronautical Rev per int dep pax	Real USD	24.6	36.5	24.2	24.2	24.2	24.2	24.2	24.2	24.2	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	1.2	1.4	1.4	1.4	1.3	1.3	1.3	1.3	1.1	-0.3%	-0.7%	-1.8%	-0.6%	-1.1%
Opex per dep pax	Real USD	95.6	76.6	108.5	108.0	107.5	107.0	105.4	101.1	87.0	-0.4%	-0.8%	-1.6%	-0.6%	-1.0%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Matthew Town airport preliminary financial projections results if RFF & security is excluded of the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	-6,707	-333	-246	-247	-248	-249	-253	-258	-269	0.3%	0.4%	0.4%	0.4%	0.4%
EBITDA margin			-381%	-633%	-631%	-629%	-627%	-623%	-604%	-519%	-	-	-	-	-
Total Revenues	Real USDk	1,148	87	39	39	39	40	41	43	52	0.6%	1.0%	2.1%	0.9%	1.3%
Total Aeronautical	Real USDk	940	80	31	32	32	32	33	35	44	0.6%	1.1%	2.4%	0.9%	1.5%
Private	Real USDk	142	9	5	5	5	5	5	5	6	0.8%	1.1%	1.8%	1.0%	1.3%
Domestic	Real USDk	671	62	23	23	23	23	23	25	31	0.5%	1.0%	2.4%	0.8%	1.5%
International	Real USDk	126	8	4	4	4	4	4	5	6	0.9%	1.6%	3.2%	1.4%	2.1%
Total Non-Aeronautical	Real USDk	208	8	8	8	8	8	8	8	8	0.5%	0.5%	0.5%	0.5%	0.5%
Shops	Real USDk	100	4	4	4	4	4	4	4	4	0.5%	0.5%	0.5%	0.5%	0.5%
Counters & offices	Real USDk	108	4	4	4	4	4	4	4	4	0.5%	0.5%	0.5%	0.5%	0.5%
Land & Fuel	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	7,855	420	285	286	287	288	293	301	321	0.4%	0.5%	0.7%	0.4%	0.5%
Manpower	Real USDk	3,392	215	123	123	124	124	127	130	139	0.4%	0.5%	0.7%	0.4%	0.5%
Utilities	Real USDk	402	46	15	15	15	15	15	15	17	0.3%	0.5%	0.9%	0.4%	0.6%
Others Opex	Real USDk	4,061	159	148	148	149	149	152	155	166	0.4%	0.5%	0.7%	0.4%	0.5%
CAPEX	Real USD	20,437,266													
NPV '17-'42	Real USD	-12,162,588													
IRR '17-'42		-													
Payback	Years	>25													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	7.1	15.9	7.0	7.0	7.0	7.0	6.9	6.8	6.7	-0.2%	-0.2%	-0.2%	-0.2%	-0.2%
Aeronautical Rev per private landing	Real USD	14.9	25.6	13.1	13.2	13.4	13.5	14.3	15.0	15.0	1.1%	0.8%	0.0%	0.9%	0.6%
Aeronautical Rev per dom landing	Real USD	156.6	410.1	148.5	148.5	148.5	148.5	148.5	148.5	148.5	0.0%	0.0%	0.0%	0.0%	0.0%
Aeronautical Rev per int dep pax	Real USD	17.9	36.5	17.3	17.3	17.3	17.3	17.3	17.3	17.3	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	1.2	1.4	1.4	1.4	1.3	1.3	1.3	1.3	1.1	-0.3%	-0.7%	-1.8%	-0.6%	-1.1%
Opex per dep pax	Real USD	46.6	76.6	51.6	51.3	51.1	50.8	50.0	48.0	41.3	-0.4%	-0.8%	-1.6%	-0.7%	-1.0%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

0. Executive Summary

1. Introduction

2. Caribbean market assessment

3. Bahamas market assessment

4. Demand projections

5. Airport development plans and Capex

6. Preliminary financial assumptions

7. Selection of most feasible options for airports PPP

8. Details by airport

Marsh Harbour

Deadman's Cay

Exuma

New Bight

North Eleuthera

Andros Town

San Salvador

Matthew Town

South Bimini

Great Harbour Cay

Governor's Harbour

San Andros

Rock Sound

Treasure Cay

Berry Islands economic overview

Berry Islands map



Berry Islands facts

Berry Islands	
Population (2014)	807 (0.2%)
Main airports seats supply (2015)	
Great Harbour	No data available
Total hotel rooms (2013)	34 (0.2%)
Stopover Visitors (2013)	No data available
Average length of stay (2013)	No data available

- It is formed by 30 cays
- Famous for its fishing tournaments
- Most tourists arrive by sea. Royal Caribbean has a private island and it makes a one-day stopover

Source: TourismToday

Great Harbour Cay airport route development

GHC destinations offer (2006)



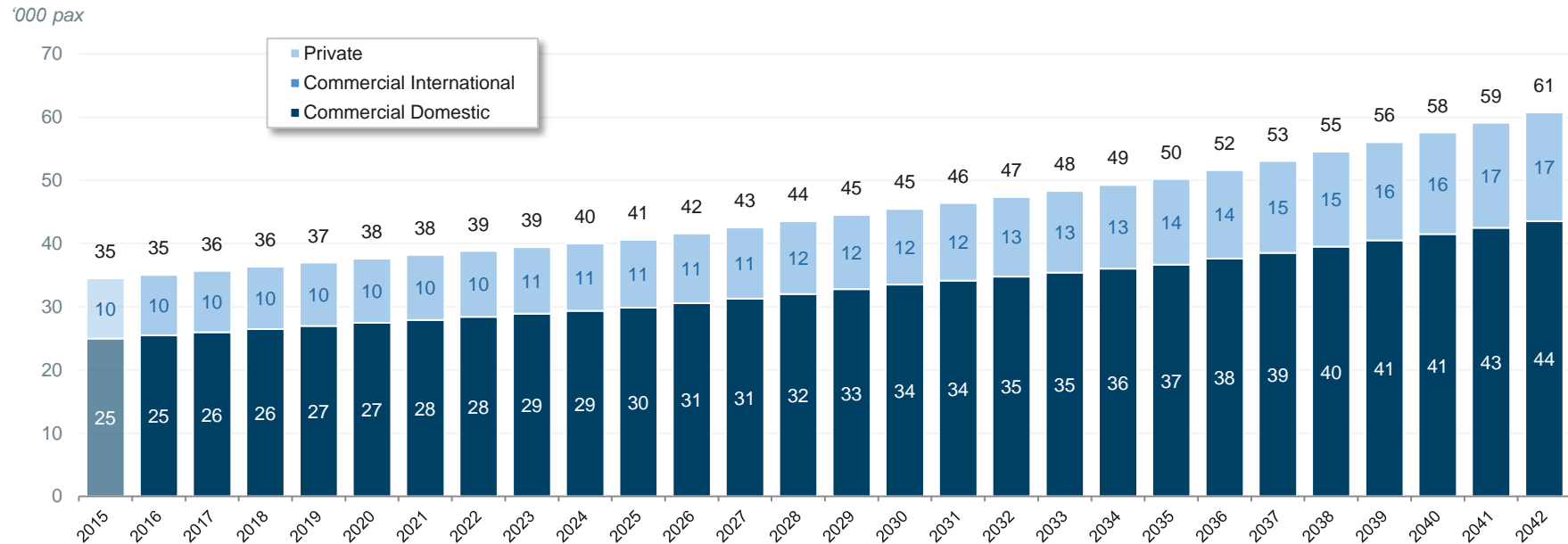
Source: OAG

GHC destinations offer (2015)



Great Harbour Cay airport traffic projections

Great Harbour Cay demand projection (2015-2042)



		2015	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Total traffic	'000 Pax	35	35	36	36	37	38	41	45	58	1.7%	2.0%	2.5%	1.9%	2.1%
Private	'000 Pax	10	10	10	10	10	10	11	12	16	1.4%	1.9%	3.2%	1.7%	2.3%
Commercial Domestic	'000 Pax	25	25	26	26	27	27	30	34	41	1.8%	2.0%	2.3%	2.0%	2.1%
Commercial Intl'	'000 Pax	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total ATMs	'000 ATMs	5	5	5	5	5	5	6	6	8	0.9%	1.4%	2.9%	1.2%	1.9%
Private	'000 ATMs	4	4	4	4	4	4	4	4	6	0.8%	1.4%	3.2%	1.2%	2.0%
Commercial Domestic	'000 ATMs	1	1	1	1	1	1	2	2	2	1.0%	1.4%	2.3%	1.3%	1.7%
Commercial Intl'	'000 ATMs	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Great Harbour Cay airport infrastructure development

Great Harbour Cay Airport – Infrastructure development

Airside enhancement to comply with ICAO SARPs

- 1 Manoeuvring area enhancement: runway declared distances to be reduced, providing clearways and stopways, PAPIs, turn pads, windsocks and full airside markings
- 2 The current apron does not provide sufficient clearance to the runway strip. Aircraft park in proximity to the runway most of the time. Thus, apron relocation should be considered in the short term.
- 3 Terminal building does not infringe runway strip, but the re-location of the apron would drive a demolition and re-location of the terminal as well
- 4 Install perimeter fence around the new terminal area
- 5 Runway strip and transition obstacle surface to be cleared from trees and vegetation
 - Procurement of firefighting vehicle in compliance with ICAO Cat -4 (1 vehicle)

Expansion needs

- N/A

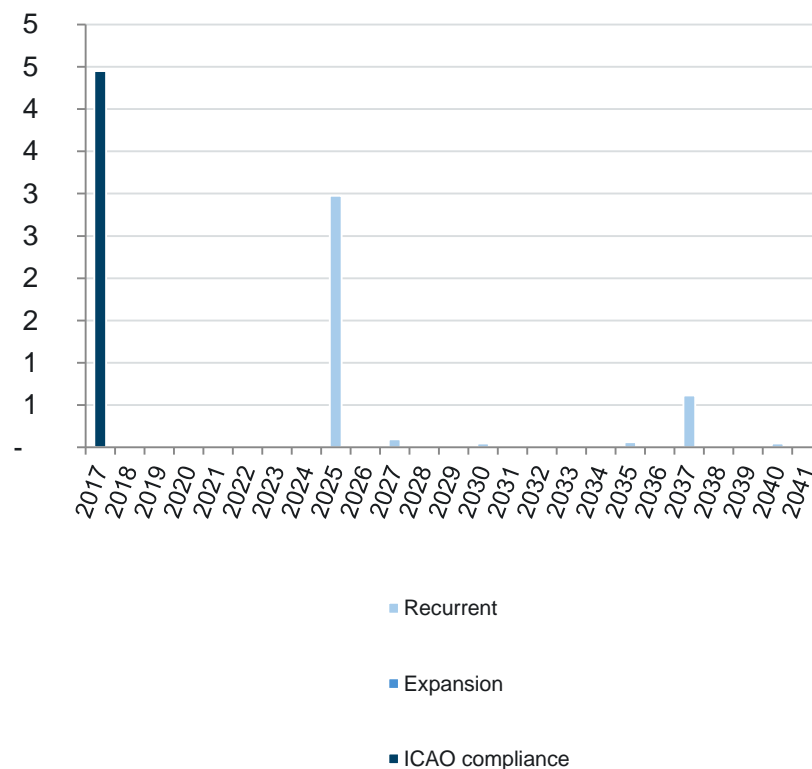


Great Harbour Cay airport required capital expenditure

Great Harbour Cay Airport – Investment Breakdown (constant prices 2016)

	Item	CAPEX Stantec (USD m)	CAPEX review ALG (USD m)			
			Short-term	Mid-term	Long-term	TOTAL
ICAO Compliance	Airside enhancement	0.40	0.41	-	-	0.41
	New Apron and taxiway connection	0.77	0.39	-	-	0.39
	Fire Fighting Equipment	0.03	0.35	-	-	0.35
	Other equipments	0.03	0.04	-	-	0.04
	Relocate Public Roadway	0.19	0.19	-	-	0.19
	New Terminal & related items	1.80	1.80	-	-	1.80
	Demolitions	0.08	0.02	-	-	0.02
	Security Fence	0.11	0.02	-	-	0.02
	Trees & Vegetation	0.13	0.13	-	-	0.13
	Subtotal	3.5	3.3	-	-	3.3
Expansion	-	-	-	-	-	-
	Subtotal	-	-	-	-	-
Recurrent	Recurrent airside works	-	-	2.24	0.11	2.35
	Recurrent landside works	-	-	0.07	0.07	0.15
	Recurrent equipment	-	0.02	0.02	0.44	0.47
	Subtotal	-	0.0	2.3	0.6	3.0
	Contingencies	1.17	1.11	0.77	0.20	2.08
	Total	4.7	4.5	3.1	0.8	8.4

Investment Profile (constant USD m)



Great Harbour Cay airport preliminary financial projections results if RFF & security is included in the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	-14,716	-186	-573	-574	-574	-575	-577	-573	-542	0.1%	-0.1%	-0.7%	0.0%	-0.3%
EBITDA margin			-42%	-189%	-186%	-183%	-180%	-169%	-150%	-110%	-	-	-	-	-
Total Revenues	Real USDk	10,117	447	303	309	314	319	342	382	491	1.6%	2.0%	2.7%	1.8%	2.2%
Total Aeronautical	Real USDk	9,990	442	299	304	309	314	337	377	486	1.6%	2.0%	2.7%	1.9%	2.2%
Private	Real USDk	896	117	26	26	27	27	30	34	45	1.9%	2.3%	3.2%	2.2%	2.6%
Domestic	Real USDk	5,357	161	162	165	167	170	184	205	254	1.7%	1.9%	2.3%	1.8%	2.0%
International	Real USDk	3,737	164	112	113	115	117	124	138	187	1.4%	2.0%	3.2%	1.8%	2.4%
Total Non-Aeronautical	Real USDk	127	5	5	5	5	5	5	5	5	0.5%	0.5%	0.5%	0.5%	0.5%
Shops	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Counters & offices	Real USDk	127	5	5	5	5	5	5	5	5	0.5%	0.5%	0.5%	0.5%	0.5%
Land & Fuel	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	24,833	633	877	882	888	894	920	955	1,033	0.6%	0.7%	0.8%	0.7%	0.7%
Manpower	Real USDk	17,104	327	604	607	611	615	633	658	711	0.6%	0.7%	0.8%	0.7%	0.7%
Utilities	Real USDk	923	81	32	32	33	33	34	35	39	0.7%	0.8%	1.0%	0.8%	0.9%
Others Opex	Real USDk	6,807	225	241	243	244	245	252	262	282	0.6%	0.7%	0.8%	0.6%	0.7%
CAPEX	Real USD	8,394,740													
NPV '17-'42	Real USD	-12,713,327													
IRR '17-'42		-													
Payback	Years	>25													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	17.2	25.5	17.0	17.0	17.0	16.9	16.8	16.8	17.0	-0.1%	0.0%	0.2%	-0.1%	0.0%
Aeronautical Rev per private landing	Real USD	16.0	60.4	13.1	13.2	13.4	13.5	14.3	15.0	15.0	1.1%	0.8%	0.0%	0.9%	0.6%
Aeronautical Rev per dom landing	Real USD	247.4	234.3	232.6	234.0	235.5	237.0	244.5	252.4	252.2	0.6%	0.5%	0.0%	0.5%	0.3%
Aeronautical Rev per int dep pax	Real USD	24.5	36.0	24.2	24.2	24.2	24.2	24.2	24.2	24.2	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.2	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	-1.2%	-1.5%	-2.0%	-1.4%	-1.6%
Opex per dep pax	Real USD	40.6	36.1	49.1	48.5	48.0	47.5	45.3	42.0	35.9	-1.1%	-1.3%	-1.7%	-1.2%	-1.4%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Great Harbour Cay airport preliminary financial projections results if RFF & security is excluded of the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	-6,349	-186	-255	-255	-255	-255	-255	-250	-221	0.0%	-0.3%	-1.5%	-0.2%	-0.7%
EBITDA margin			-42%	-142%	-139%	-137%	-135%	-126%	-111%	-76%	-	-	-	-	-
Total Revenues	Real USDk	5,987	447	180	183	186	189	202	225	292	1.5%	1.9%	2.8%	1.8%	2.2%
Total Aeronautical	Real USDk	5,860	442	176	179	181	184	197	220	287	1.5%	2.0%	2.8%	1.8%	2.2%
Private	Real USDk	896	117	26	26	27	27	30	34	45	1.9%	2.3%	3.2%	2.2%	2.6%
Domestic	Real USDk	2,295	161	70	71	73	74	79	87	108	1.5%	1.8%	2.3%	1.7%	1.9%
International	Real USDk	2,669	164	80	81	82	83	89	99	133	1.4%	2.0%	3.2%	1.8%	2.4%
Total Non-Aeronautical	Real USDk	127	5	5	5	5	5	5	5	5	0.5%	0.5%	0.5%	0.5%	0.5%
Shops	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Counters & offices	Real USDk	127	5	5	5	5	5	5	5	5	0.5%	0.5%	0.5%	0.5%	0.5%
Land & Fuel	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	12,337	633	435	438	441	444	457	474	513	0.6%	0.7%	0.8%	0.7%	0.7%
Manpower	Real USDk	5,187	327	183	184	185	187	192	199	216	0.6%	0.7%	0.8%	0.7%	0.7%
Utilities	Real USDk	923	81	32	32	33	33	34	35	39	0.7%	0.8%	1.0%	0.8%	0.9%
Others Opex	Real USDk	6,227	225	220	222	223	224	231	239	259	0.6%	0.7%	0.8%	0.6%	0.7%
CAPEX	Real USD	7,332,405													
NPV '17-'42	Real USD	-8,440,564													
IRR '17-'42		-													
Payback	Years	>25													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	10.5	25.5	10.1	10.1	10.1	10.0	9.9	9.9	10.1	-0.2%	-0.1%	0.3%	-0.1%	0.0%
Aeronautical Rev per private landing	Real USD	16.0	60.4	13.1	13.2	13.4	13.5	14.3	15.0	15.0	1.1%	0.8%	0.0%	0.9%	0.6%
Aeronautical Rev per dom landing	Real USD	110.1	234.3	101.1	101.6	102.0	102.5	105.0	107.6	107.6	0.5%	0.4%	0.0%	0.4%	0.3%
Aeronautical Rev per int dep pax	Real USD	17.8	36.0	17.3	17.3	17.3	17.3	17.3	17.3	17.3	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.2	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	-1.2%	-1.5%	-2.0%	-1.4%	-1.6%
Opex per dep pax	Real USD	20.7	36.1	24.4	24.1	23.8	23.6	22.5	20.9	17.8	-1.1%	-1.3%	-1.6%	-1.2%	-1.4%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

0. Executive Summary

1. Introduction

2. Caribbean market assessment

3. Bahamas market assessment

4. Demand projections

5. Airport development plans and Capex

6. Preliminary financial assumptions

7. Selection of most feasible options for airports PPP

8. Details by airport

Marsh Harbour

Deadman's Cay

Exuma

New Bight

North Eleuthera

Andros Town

San Salvador

Matthew Town

South Bimini

Great Harbour Cay

Governor's Harbour

San Andros

Rock Sound

Treasure Cay

Andros island economic overview

Andros map



Andros facts

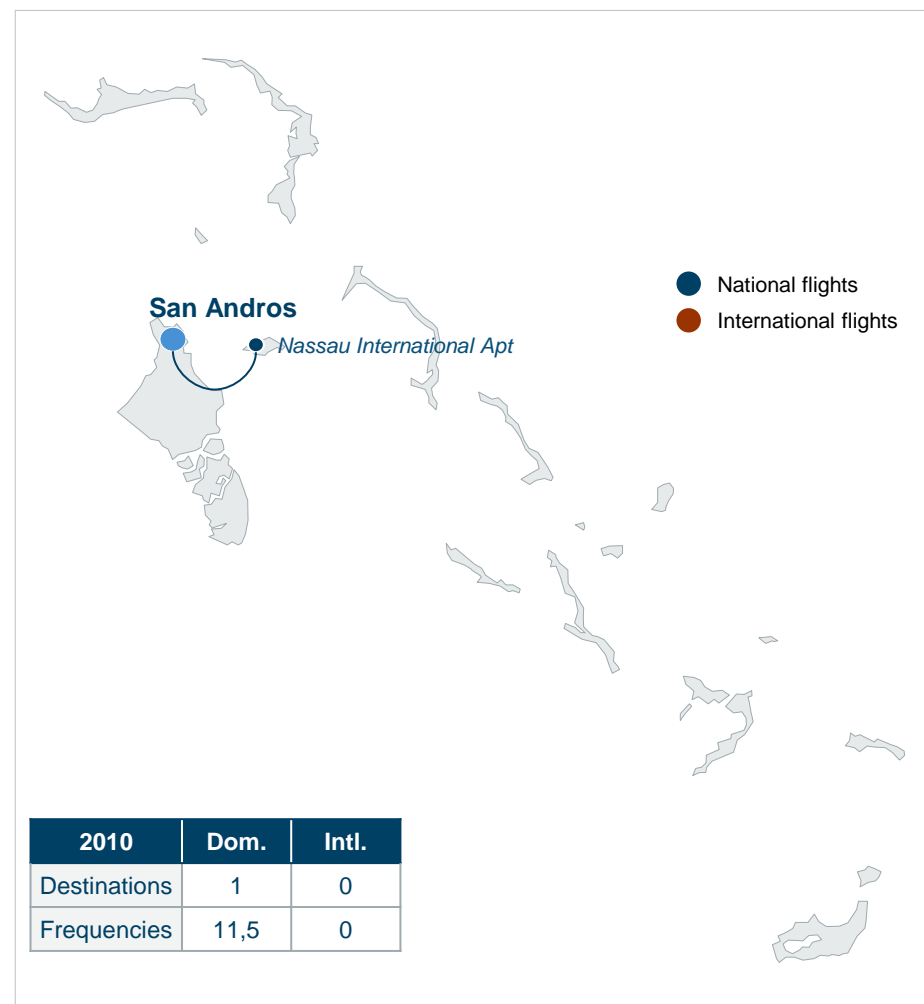
Andros	
Population (2014)	7,490 (2%)
Main airports seats supply (2015)	
San Andros	No data available
Andros Town	No data available
Total hotel rooms (2013)	393 (2.6%)
Stopover Visitors (2013)	6,913 (0.5%)
Average length of stay (2013)	9.9

- Andros is the largest island of The Bahamas
- The third-largest barrier reef in the world lies adjacent to its shore and is one of the main tourism attractions
- The University of Miami has a Campus on Andros Island because of its natural environment

Source: TourismToday

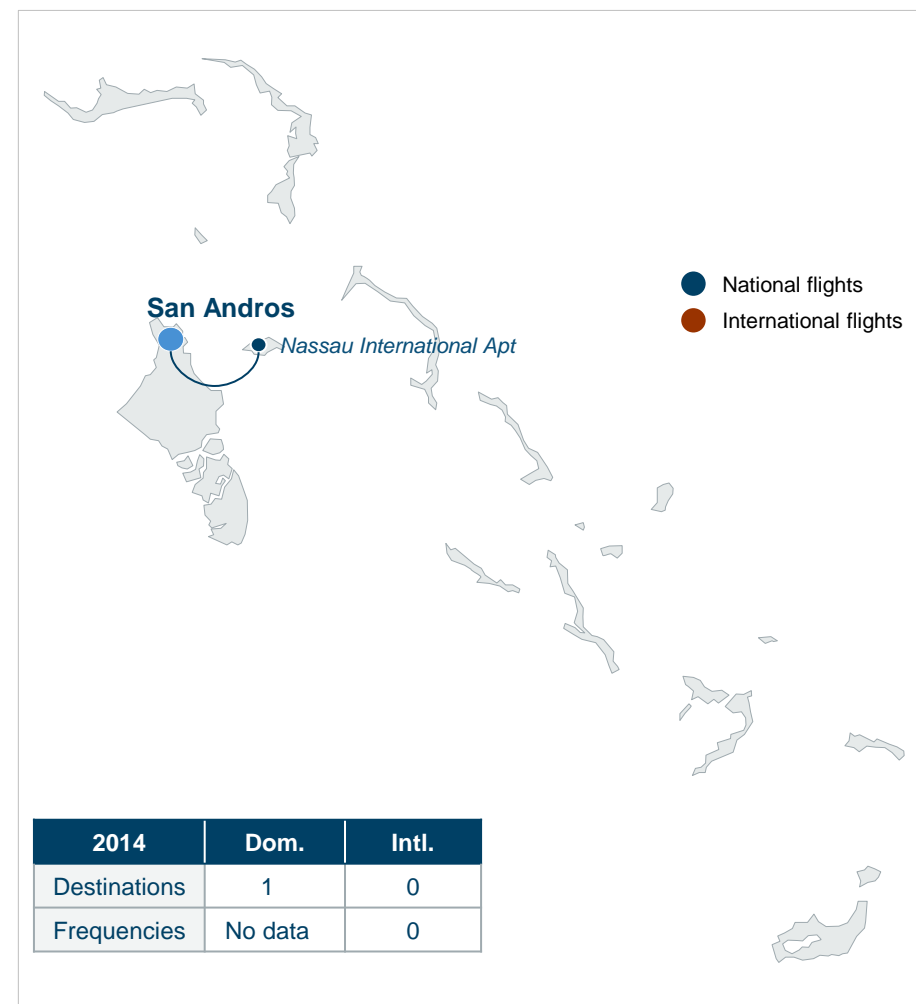
San Andros airport route development

SAQ destinations offer (2006)



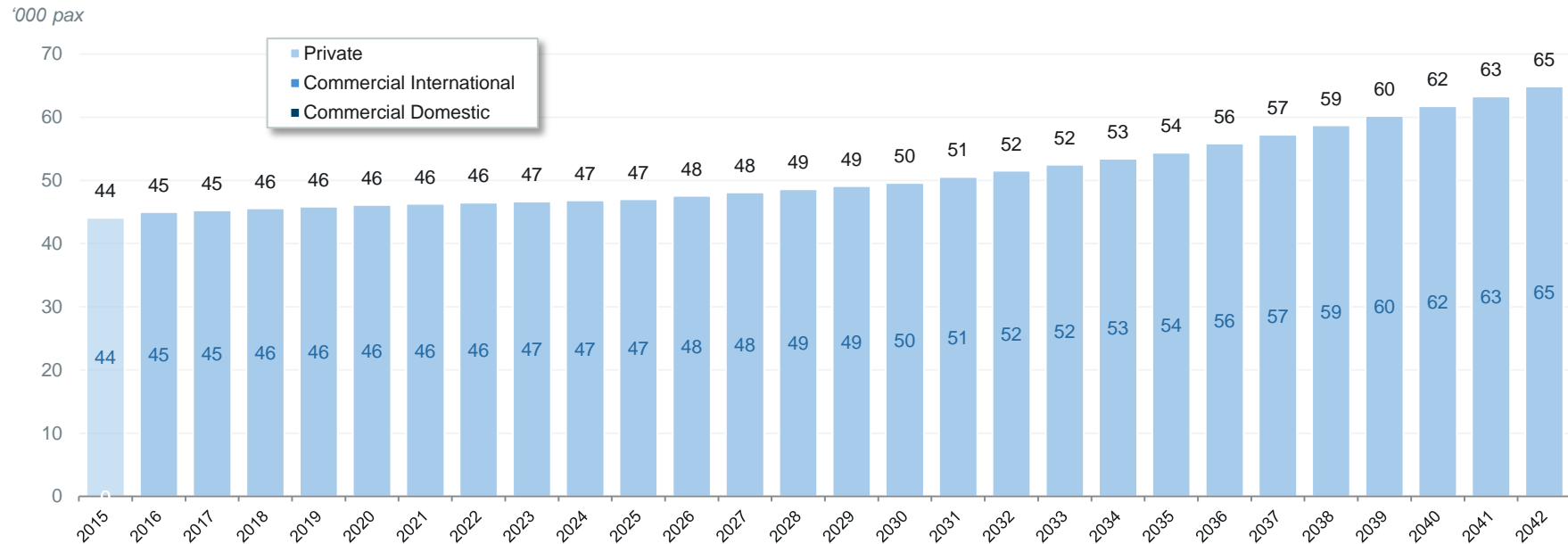
Source: OAG

SAQ destinations offer (2015)



San Andros airport traffic projections

San Andros demand projection (2015-2042)



		2015	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Total traffic	'000 Pax	44	45	45	46	46	46	47	50	62	0.5%	1.0%	2.3%	0.9%	1.4%
Private	'000 Pax	44	45	45	46	46	46	47	50	62	0.5%	1.0%	2.3%	0.9%	1.4%
Commercial Domestic	'000 Pax	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Commercial Intl'	'000 Pax	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total ATMs	'000 ATMs	10	10	10	10	10	10	10	11	13	0.4%	0.9%	2.3%	0.7%	1.4%
Private	'000 ATMs	10	10	10	10	10	10	10	11	13	0.4%	0.9%	2.3%	0.7%	1.4%
Commercial Domestic	'000 ATMs	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Commercial Intl'	'000 ATMs	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

San Andros airport infrastructure development

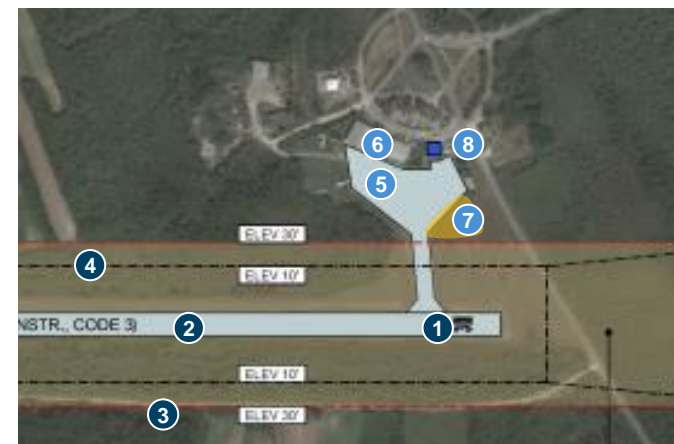
San Andros Airport – Infrastructure development

Airside enhancement to comply with ICAO SARPs

- 1 Manoeuvring area enhancement: Turn pads, PAPI, windsocks and full airside markings
- 2 Full rehabilitation of runway & taxiway pavement and infilling wetland areas
- 3 Install perimeter fence around ~30% of the airport boundary and full reinforcement of the fence with wildlife control strands
- 4 Runway strip and transition obstacle surface to be cleared from trees and vegetation
 - Procurement of X-ray and arc metal detector
 - Procurement of firefighting vehicle in compliance with ICAO Cat -5 (1 vehicle)

Expansion needs

- 5 The current apron is at capacity during peak days, specially due to private jets. Expansion should be considered in the mid-term
- 6 Regular flights by Western Air are handled in the FBO . The airline has presented a proposal to build and operate its own terminal – not considered in this CAPEX
- 7 Existing terminal building is at capacity during peak time due to charter flights. However, peak hour demand is expected to remain stagnant
- 8 Nevertheless, refurbishment of existing terminal building should be considered in the short run

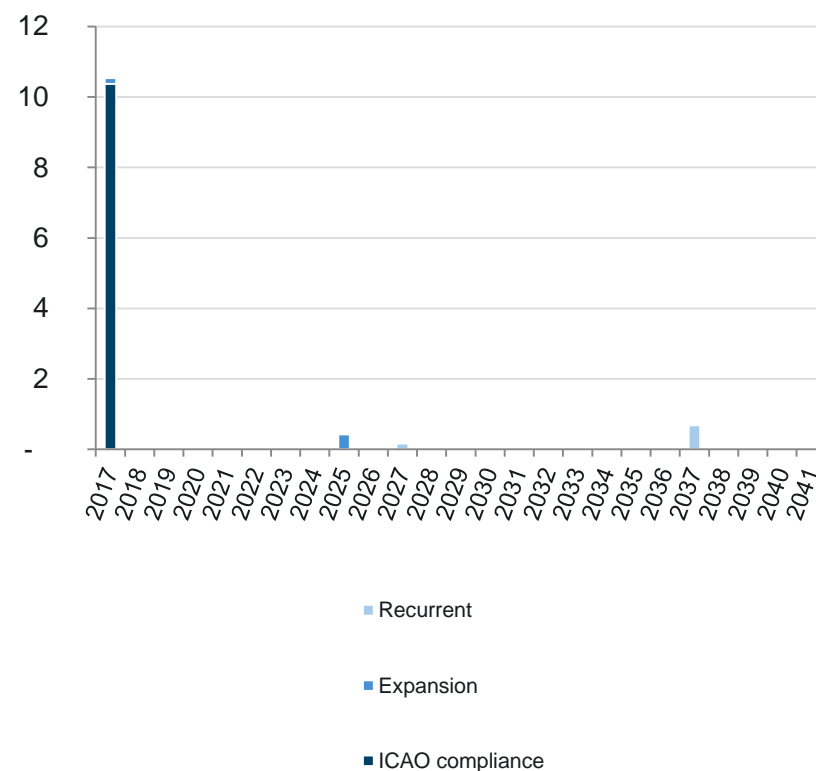


San Andros airport required capital expenditure

San Andros Airport – Investment Breakdown (constant prices 2016)

	Item	CAPEX Stantec (USD m)	CAPEX review ALG (USD m)			
			Short-term	Mid-term	Long-term	TOTAL
ICAO Compliance	Airside enhancement	0.63	0.54	-	-	0.54
	Re-pavement	6.29	6.29	-	-	6.29
	Fire Fighting Equipment	0.03	0.35	-	-	0.35
	Other equipment	0.03	0.04	-	-	0.04
	In-fill Wetland Area Encroaching Runway Strip	0.06	0.06	-	-	0.06
	Security Fence	0.22	0.22	-	-	0.22
	Trees & Vegetation	0.30	0.30	-	-	0.30
	Subtotal	7.6	7.8	-	-	7.8
Expansion	Terminal Repairs/upgrades	-	0.12	-	-	0.12
	Apron expansion	0.33	-	0.33	-	0.33
	Terminal expansion	0.97	-	-	-	-
	Subtotal	1.3	0.1	0.3	-	0.5
Recurrent	Recurrent airside works	-	-	0.04	0.12	0.16
	Recurrent landside works	-	-	0.12	0.12	0.25
	Recurrent equipment	-	0.02	0.02	0.44	0.47
	Subtotal	-	0.0	0.2	0.7	0.9
	Contingencies	2.92	2.62	0.17	0.22	3.01
	Total	11.8	10.6	0.7	0.9	12.1

Investment Profile (constant USD m)



San Andros airport preliminary financial projections results if RFF & security is included in the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	-20,609	-72	-769	-772	-774	-776	-788	-798	-804	0.3%	0.2%	0.0%	0.3%	0.2%
EBITDA margin			-20%	-247%	-246%	-246%	-245%	-245%	-236%	-190%	-	-	-	-	-
Total Revenues	Real USDk	9,199	366	312	314	315	317	322	339	423	0.5%	1.0%	2.4%	0.8%	1.4%
Total Aeronautical	Real USDk	8,908	355	301	303	305	306	311	327	411	0.5%	1.0%	2.4%	0.8%	1.5%
Private	Real USDk	3,444	141	118	118	119	119	121	126	158	0.4%	0.9%	2.3%	0.7%	1.4%
Domestic	Real USDk	4,307	157	145	146	147	148	151	159	197	0.5%	1.0%	2.3%	0.9%	1.4%
International	Real USDk	1,156	57	38	38	39	39	39	41	56	0.4%	1.2%	3.2%	0.9%	1.8%
Total Non-Aeronautical	Real USDk	291	11	11	11	11	11	11	11	12	0.5%	0.5%	0.5%	0.5%	0.5%
Shops	Real USDk	233	8	8	8	8	9	9	9	9	0.5%	0.5%	0.5%	0.5%	0.5%
Counters & offices	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Land & Fuel	Real USDk	59	2	2	2	2	2	2	2	2	0.5%	0.5%	0.5%	0.5%	0.5%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	29,808	438	1,081	1,085	1,089	1,093	1,110	1,137	1,227	0.3%	0.5%	0.8%	0.4%	0.6%
Manpower	Real USDk	19,934	95	721	724	726	729	742	761	821	0.4%	0.5%	0.8%	0.5%	0.6%
Utilities	Real USDk	1,364	117	50	50	50	50	51	52	56	0.2%	0.4%	0.9%	0.3%	0.6%
Others Opex	Real USDk	8,511	226	311	312	312	313	317	324	349	0.3%	0.4%	0.8%	0.4%	0.5%
CAPEX	Real USD	12,140,819													
NPV '17-'42	Real USD	-20,079,925													
IRR '17-'42		-													
Payback	Years	>25													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	13.8	16.3	13.8	13.8	13.8	13.7	13.7	13.7	13.7	-0.1%	0.0%	0.0%	-0.1%	0.0%
Aeronautical Rev per private landing	Real USD	23.6	28.3	23.5	23.5	23.5	23.5	23.5	23.5	23.5	0.0%	0.0%	0.0%	0.0%	0.0%
Aeronautical Rev per dom landing	Real USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%	0.0%	0.0%
Aeronautical Rev per int dep pax	Real USD	24.6	36.5	24.2	24.2	24.2	24.2	24.2	24.2	24.2	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.0%	-0.5%	-1.8%	-0.4%	-0.9%
Opex per dep pax	Real USD	42.7	19.5	47.8	47.6	47.5	47.4	47.2	45.8	39.7	-0.2%	-0.6%	-1.5%	-0.4%	-0.9%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

San Andros airport preliminary financial projections results if RFF & security is excluded of the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	-10,816	-72	-403	-404	-405	-407	-413	-419	-423	0.3%	0.3%	0.1%	0.3%	0.2%
EBITDA margin			-20%	-259%	-259%	-258%	-258%	-259%	-250%	-202%	-	-	-	-	-
Total Revenues	Real USDk	4,561	366	155	156	157	158	160	167	210	0.4%	0.9%	2.4%	0.8%	1.4%
Total Aeronautical	Real USDk	4,270	355	145	146	146	147	149	156	198	0.4%	1.0%	2.5%	0.8%	1.5%
Private	Real USDk	3,444	141	118	118	119	119	121	126	158	0.4%	0.9%	2.3%	0.7%	1.4%
Domestic	Real USDk	0	157	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
International	Real USDk	826	57	27	27	28	28	28	30	40	0.4%	1.2%	3.2%	0.9%	1.8%
Total Non-Aeronautical	Real USDk	291	11	11	11	11	11	11	11	12	0.5%	0.5%	0.5%	0.5%	0.5%
Shops	Real USDk	233	8	8	8	8	9	9	9	9	0.5%	0.5%	0.5%	0.5%	0.5%
Counters & offices	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Land & Fuel	Real USDk	59	2	2	2	2	2	2	2	2	0.5%	0.5%	0.5%	0.5%	0.5%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	15,378	438	559	561	562	564	572	586	633	0.3%	0.5%	0.8%	0.4%	0.6%
Manpower	Real USDk	6,306	95	228	229	230	231	235	241	260	0.4%	0.5%	0.8%	0.5%	0.6%
Utilities	Real USDk	1,364	117	50	50	50	50	51	52	56	0.2%	0.4%	0.9%	0.3%	0.6%
Others Opex	Real USDk	7,708	226	281	282	283	284	287	294	316	0.3%	0.4%	0.8%	0.4%	0.5%
CAPEX	Real USD	10,815,623													
NPV '17-'42	Real USD	-14,948,135													
IRR '17-'42		-													
Payback	Years	>25													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	7.1	16.3	6.9	6.9	6.9	6.8	6.8	6.7	6.8	-0.1%	-0.1%	0.1%	-0.1%	0.0%
Aeronautical Rev per private landing	Real USD	23.6	28.3	23.5	23.5	23.5	23.5	23.5	23.5	23.5	0.0%	0.0%	0.0%	0.0%	0.0%
Aeronautical Rev per dom landing	Real USD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	0.0%	0.0%	0.0%	0.0%
Aeronautical Rev per int dep pax	Real USD	17.9	36.5	17.3	17.3	17.3	17.3	17.3	17.3	17.3	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.0%	-0.5%	-1.8%	-0.4%	-0.9%
Opex per dep pax	Real USD	22.3	19.5	24.7	24.6	24.5	24.5	24.4	23.6	20.5	-0.2%	-0.6%	-1.5%	-0.5%	-0.9%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

0. Executive Summary

1. Introduction

2. Caribbean market assessment

3. Bahamas market assessment

4. Demand projections

5. Airport development plans and Capex

6. Preliminary financial assumptions

7. Selection of most feasible options for airports PPP

8. Details by airport

Marsh Harbour

Deadman's Cay

Exuma

New Bight

North Eleuthera

Andros Town

San Salvador

Matthew Town

South Bimini

Great Harbour Cay

Governor's Harbour

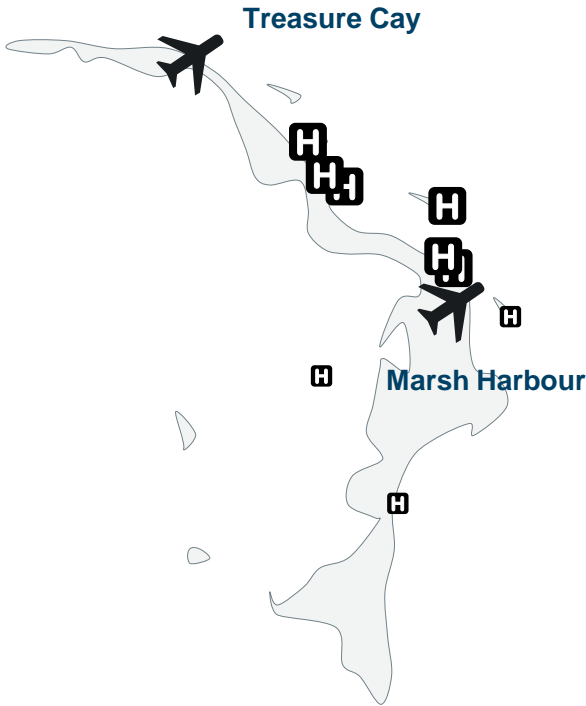
San Andros

Rock Sound

Treasure Cay

Abaco island economic overview

Abaco map



Abaco facts

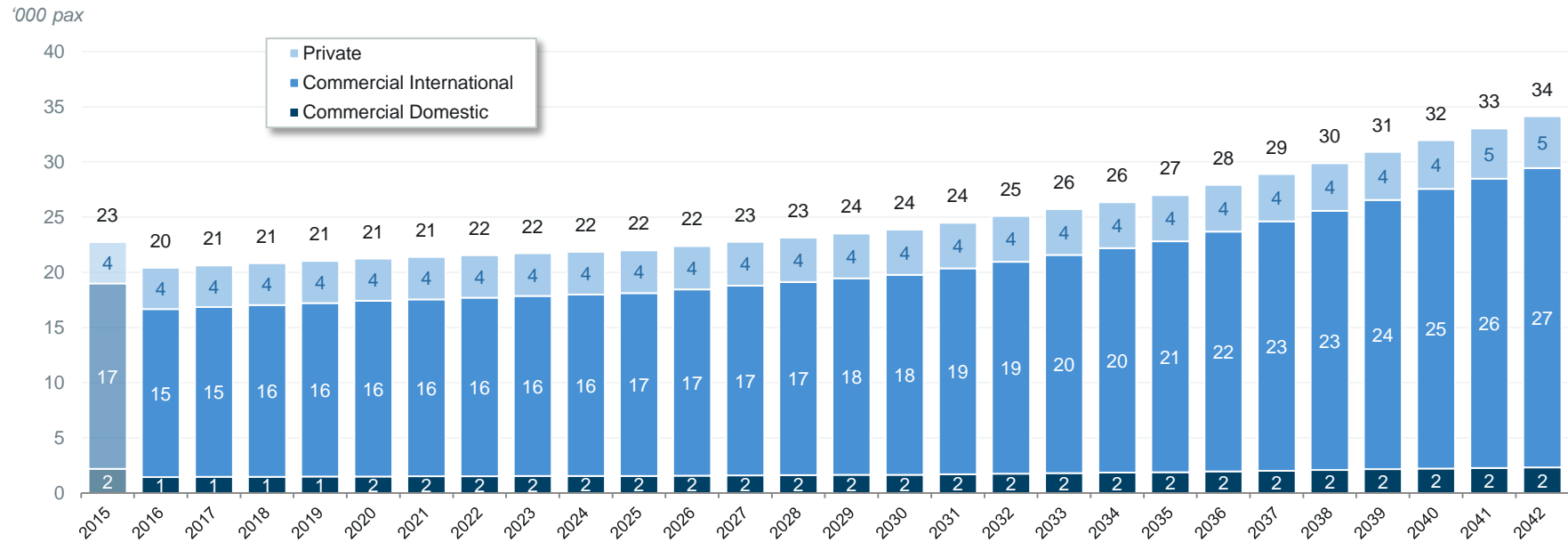
Abaco	
Population (2014)	17,097 (4.5%)
Main airports seats supply (2015)	
Marsh Harbour	340,910 (4.96%)
Total hotel rooms (2013)	921 (6.2%)
Stopover Visitors (2013)	91,804 (6.7%)
Average length of stay (2013)	10.1

- Tourism is the main economic sector in Abaco Islands
- Tourists visit Abaco because of its world famous natural parks and beaches
- Tourists in Abaco Islands stay longer than in almost all the rest of the islands

Source: TourismToday

Treasure Cay airport traffic projections

Treasure Cay demand projection (2015-2042)



		2015	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Total traffic	'000 Pax	23	20	21	21	21	21	22	24	32	0.9%	1.5%	3.1%	1.3%	2.0%
Private	'000 Pax	4	4	4	4	4	4	4	4	4	0.5%	0.7%	1.2%	0.6%	0.9%
Commercial Domestic	'000 Pax	2	1	1	1	1	2	2	2	2	0.8%	1.4%	2.9%	1.2%	1.9%
Commercial Intl'	'000 Pax	17	15	15	16	16	16	17	18	25	1.0%	1.7%	3.5%	1.5%	2.3%
Total ATMs	'000 ATMs	2	2	2	2	2	2	2	3	3	0.2%	0.7%	2.1%	0.6%	1.2%
Private	'000 ATMs	2	2	2	2	2	2	2	2	2	0.2%	0.5%	1.2%	0.4%	0.7%
Commercial Domestic	'000 ATMs	0	0	0	0	0	0	0	0	0	-0.2%	0.6%	2.9%	0.3%	1.4%
Commercial Intl'	'000 ATMs	1	1	1	1	1	1	1	1	1	0.4%	1.2%	3.5%	0.9%	2.0%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Treasure Cay airport infrastructure development

Treasure Cay Airport – Infrastructure development

Airside enhancement to comply with ICAO SARPs

- 1 Manoeuvring area enhancement: Windssocks, threshold lights and full airside markings
- 2 Install perimeter fence around ~80% of the airport boundary and full reinforcement of the fence with wildlife control strands
- 3 Runway strip and transition obstacle surface to be cleared from trees and vegetation
 - Procurement of X-ray and arc metal detector
 - Procurement of firefighting vehicle in compliance with ICAO Cat 6 (2 vehicle due to A320 charter flights)

Expansion needs

- 4 Refurbishment of existing terminal building should be considered in the short run

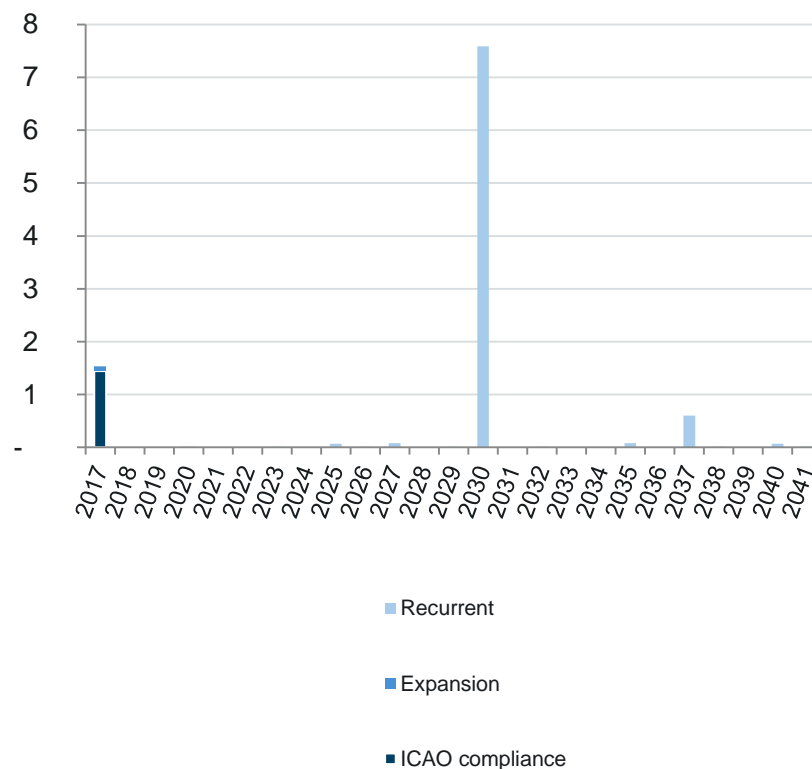


Treasure Cay airport required capital expenditure

Treasure Cay Airport – Investment Breakdown (constant prices 2016)

	Item	CAPEX Stantec (USD m)	CAPEX review ALG (USD m)			
			Short-term	Mid-term	Long-term	TOTAL
ICAO Compliance	Airside enhancement	0.05	0.08	-	-	0.08
	Fire Fighting Equipment	0.00	0.35	-	-	0.35
	Other equipment	0.01	0.04	-	-	0.04
	Security Fence	0.38	0.40	-	-	0.40
	Trees & Vegetation	0.22	0.22	-	-	0.22
	Runway repairs	0.03	-	-	-	-
	Decommissions	0.06	-	-	-	-
	Subtotal	0.8	1.1	-	-	1.1
Expansion	Terminal Repairs/upgrades	0.06	0.06	-	-	0.06
	Subtotal	0.1	0.1	-	-	0.1
Recurrent	Recurrent airside works	-	-	0.05	5.81	5.86
	Recurrent landside works	-	-	0.06	0.06	0.12
	Recurrent equipment	-	0.02	0.02	0.44	0.47
	Subtotal	-	0.0	0.1	6.3	6.5
	Contingencies	0.27	0.38	0.04	2.08	2.51
	Total	1.1	1.6	0.2	8.4	10.1

Investment Profile (constant USD m)



Treasure Cay airport preliminary financial projections results if RFF & security is included in the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	-13,408	-72	-518	-519	-520	-521	-526	-526	-492	0.2%	0.0%	-0.8%	0.1%	-0.3%
EBITDA margin			-15%	-173%	-172%	-170%	-169%	-166%	-153%	-108%	-	-	-	-	-
Total Revenues	Real USDk	9,403	482	299	302	305	308	317	343	458	0.8%	1.5%	3.1%	1.3%	2.0%
Total Aeronautical	Real USDk	9,179	475	292	295	298	300	310	335	447	0.8%	1.5%	3.1%	1.3%	2.0%
Private	Real USDk	674	54	24	24	24	25	25	26	28	0.3%	0.6%	1.3%	0.5%	0.8%
Domestic	Real USDk	398	13	13	13	13	13	14	15	19	0.7%	1.2%	2.5%	1.0%	1.6%
International	Real USDk	8,106	409	255	257	260	262	271	295	400	0.9%	1.6%	3.3%	1.3%	2.1%
Total Non-Aeronautical	Real USDk	224	7	7	7	7	7	7	8	11	0.8%	1.5%	3.7%	1.3%	2.2%
Shops	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Counters & offices	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Land & Fuel	Real USDk	224	7	7	7	7	7	7	8	11	0.8%	1.5%	3.7%	1.3%	2.2%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	22,811	555	817	821	825	828	844	869	950	0.4%	0.6%	0.9%	0.5%	0.7%
Manpower	Real USDk	15,404	259	551	554	556	559	570	587	642	0.4%	0.6%	0.9%	0.5%	0.7%
Utilities	Real USDk	849	76	30	30	30	31	31	32	36	0.4%	0.6%	1.2%	0.5%	0.8%
Others Opex	Real USDk	6,558	220	236	237	238	239	243	250	273	0.4%	0.5%	0.9%	0.5%	0.7%
CAPEX	Real USD	10,109,853													
NPV '17-'42	Real USD	-10,346,862													
IRR '17-'42		-													
Payback	Years	>25													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	29.4	47.3	29.0	29.0	29.0	29.0	28.9	28.8	28.7	-0.1%	-0.1%	0.0%	-0.1%	0.0%
Aeronautical Rev per private landing	Real USD	32.6	68.9	31.0	31.0	31.1	31.1	31.3	31.5	31.4	0.1%	0.1%	0.0%	0.1%	0.1%
Aeronautical Rev per dom landing	Real USD	194.6	183.7	182.7	184.2	185.7	187.3	195.4	203.9	194.0	0.8%	0.6%	-0.4%	0.7%	0.2%
Aeronautical Rev per int dep pax	Real USD	28.5	45.4	28.0	28.0	28.0	28.0	27.9	27.9	28.0	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	-0.1%	0.0%	0.5%	-0.1%	0.2%
Opex per dep pax	Real USD	67.7	54.4	79.3	78.8	78.4	78.0	76.7	72.8	59.5	-0.5%	-1.0%	-2.1%	-0.8%	-1.3%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2

Treasure Cay airport preliminary financial projections results if RFF & security is excluded of the scope

		Total	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
EBITDA	Real USDk	-4,422	-72	-187	-186	-186	-186	-186	-180	-135	-0.1%	-0.7%	-3.6%	-0.5%	-1.7%
EBITDA margin			-15%	-82%	-81%	-80%	-79%	-77%	-69%	-39%	-	-	-	-	-
Total Revenues	Real USDk	7,147	482	228	230	232	234	241	261	348	0.8%	1.4%	3.1%	1.2%	2.0%
Total Aeronautical	Real USDk	6,923	475	221	223	225	227	234	253	336	0.8%	1.4%	3.1%	1.2%	2.0%
Private	Real USDk	674	54	24	24	24	25	25	26	28	0.3%	0.6%	1.3%	0.5%	0.8%
Domestic	Real USDk	146	13	5	5	5	5	5	5	7	0.4%	1.1%	2.9%	0.9%	1.7%
International	Real USDk	6,104	409	192	194	196	198	204	222	302	0.9%	1.6%	3.3%	1.3%	2.1%
Total Non-Aeronautical	Real USDk	224	7	7	7	7	7	7	8	11	0.8%	1.5%	3.7%	1.3%	2.2%
Shops	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Counters & offices	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Land & Fuel	Real USDk	224	7	7	7	7	7	7	8	11	0.8%	1.5%	3.7%	1.3%	2.2%
Others Non-Aeronautical	Real USDk	0	0	0	0	0	0	0	0	0	0.0%	0.0%	0.0%	0.0%	0.0%
Total Opex	Real USDk	11,570	555	415	416	418	420	428	440	483	0.4%	0.6%	1.0%	0.5%	0.7%
Manpower	Real USDk	4,792	259	171	172	173	174	177	183	200	0.4%	0.6%	0.9%	0.5%	0.7%
Utilities	Real USDk	849	76	30	30	30	31	31	32	36	0.4%	0.6%	1.2%	0.5%	0.8%
Others Opex	Real USDk	5,929	220	213	214	215	216	219	226	247	0.4%	0.5%	0.9%	0.5%	0.7%
CAPEX	Real USD	8,544,654													
NPV '17-'42	Real USD	-5,342,402													
IRR '17-'42		-													
Payback	Years	>25													

		Average	2016	2017	2018	2019	2020	2025	2030	2040	CAGR '17-'22	CAGR '22-'32	CAGR '32-'42	CAGR '17-'32	CAGR '17-'42
Revenues per dep pax	Real USD	22.7	47.3	22.1	22.1	22.1	22.1	21.9	21.9	21.8	-0.1%	-0.1%	0.0%	-0.1%	-0.1%
Aeronautical Rev per private landing	Real USD	32.6	68.9	31.0	31.0	31.1	31.1	31.3	31.5	31.4	0.1%	0.1%	0.0%	0.1%	0.1%
Aeronautical Rev per dom landing	Real USD	74.9	183.7	67.0	67.4	67.9	68.3	70.5	72.7	72.7	0.6%	0.5%	0.0%	0.5%	0.3%
Aeronautical Rev per int dep pax	Real USD	21.8	45.4	21.1	21.1	21.1	21.1	21.0	21.0	21.1	0.0%	0.0%	0.0%	0.0%	0.0%
Non-Aeronautical Rev per dep pax	Real USD	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	-0.1%	0.0%	0.5%	-0.1%	0.2%
Opex per dep pax	Real USD	35.2	54.4	40.2	40.0	39.8	39.6	38.9	36.9	30.2	-0.5%	-1.0%	-2.1%	-0.8%	-1.3%

Note: Preliminary figures based on currently available data that will need to be validated in Phase 2



Joan Rojas

jrojas@alg-global.com

Roger Argilés

rargiles@alg-global.com

www.alg-global.com

BARCELONA
Tánger 98, 6ª planta
08018 Barcelona (España)
Tel: (+34) 93 463 2312
Fax: (+34) 93 463 2318
alg@alg-global.com

BEIJING

BILBAO

BUENOS AIRES

CARACAS

DUBÁI

LIMA

LISBOA

LONDRES

MADRID

MÉXICO D.F.

MILÁN

PARÍS

RABAT

SAO PAULO