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10 September 2013

Report of KPMG on the Irish Aviation Authority's compliance with the aviation terminal service charges price cap established by the Commission for Aviation Regulation

We refer to our report, dated 1 July 2013, in our capacity as statutory auditor to the Irish Aviation Authority ("IAA"), with respect to IAA's compliance with the Aviation Terminal Service Charges ("ATSCs") price cap established by the Commission for Aviation Regulation ("CAR") for the year ended 31 December 2012.

Total 2012 terminal turnover has been accurately and properly extracted from the books and records and audited financial statements of IAA for the year ended 31 December 2012, as set forth below. Our audit was conducted in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practice Board and our opinion was unqualified:

Billed terminal turnover	€20,770,967
Volume risk sharing adjustment	<u>€698,088</u>
Total terminal turnover	€21,469,055
Total chargeable service units	129,598

The 2012 ATSCs price cap of €160.24 was calculated using estimated tonnage for aircraft landings and departures in October, November and December 2011. Had actual tonnage for these three months been used, the 2012 ATSCs price cap would have been €159.77. Accordingly, we understand that ATSCs of €60,991 [(€160.24 - €159.77)*129,598] will be rebated to terminal customers through a reduced ATSCs price cap for September 2013.

Our report is solely for the purposes of confirming IAA's compliance with the ATSCs price cap established by CAR for the year ended 31 December 2012 and for your information and is not to be used for any other purpose or to be distributed to any other parties without our prior written consent. This report relates only to the items specified above and does not extend to any financial statements of IAA taken as a whole.

KPMG
Chartered Accountants
10 September 2013

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