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26 March 2014

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

KPMG has prepared this report 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 2013.

Total 2013 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 2013, 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	€21,040,465
Volume risk sharing adjustment	€399,689
Rebate re 2012 ATSCs price cap ⁽¹⁾	<u>(€60,911)</u>
Total terminal turnover	€21,379,243
Total chargeable service units	136,935

(1) 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, ATSCs of €60,991 [(€160.24 - €159.77) 129,598 total chargeable service units for 2012] were rebated to terminal customers during the year ended 31 December 2013.*

Based on billed terminal turnover and total chargeable service units, we confirm IAA's compliance with the 2013 ATSCs price cap of €153.72 for the year ended 31 December 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 2013 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
26 March 2014

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