



Traffic Forecasts for 33 Airports Argentine Airport System

LEIGH FISHER ASSOCIATES was selected to assist the private consortium Aeropuertos Argentina 2000 (AA2000) that won the concession to operate 33 Argentine airports—the largest airport privatization awarded to date. Our assistance was related to the securing of financing for the US\$2.1 billion capital expenditure program and other funding needs. The tasks performed by Leigh Fisher Associates related to airline traffic forecasts included:

- Compilation of information provided to Argentine and international financial institutions to solicit interest in investment that would be used for various purposes, including financing of the capital investment and working capital needs of AA2000
- Assistance in formulating assumptions regarding future airline traffic and a review and assessment of certain financial projections, associated information, and assumptions provided by AA2000 and Merrill Lynch & Co., the Consortium's financial advisor

Leigh Fisher Associates reviewed and analyzed various information sources during the airline traffic assessment, including the following:

- Data regarding scheduled aircraft departures, seats, and fleet mix at the airports and information regarding the general outlook for airline traffic growth in Argentina and South America, including information gathered in interviews with representatives of 13 of the top 20 airlines serving the airports
- Information regarding operation of the airports as provided by AA2000 management during interviews and site visits at eight of the largest airports in the system
- Information received during discussions with Argentine Air Force officials responsible for the prior operation of the airports; with Organismo Regulador del Sistema Nacional de Aeropuertos, created by the Government to



Airport Locations in Argentina

review aeronautical tariffs and compliance with the contract; and with Transport Ministry representatives to discuss plans for regulation of the airports and deregulation of the airline industry in Argentina

Leigh Fisher Associates also reviewed recent changes in economic circumstances and outlooks for certain Latin American nations and the potential effect on future airline traffic at the airports and prepared "sensitivity test" projections of the Consortium's financial results.

Client: Aeropuertos Argentina 2000

Services: Forecasting and Economics