

MANILA INTERNATIONAL AIRPORT AUTHORITY



MIAA CORPORATE REPORT 2014

Vision & Mission

Vision

Manila International Airport Authority, by 2020, will be the leading organization in airport development and management pursuing excellence in customer service, world-class facilities, high quality security and safety standards, to encourage and promote international and domestic air traffic in the Country as a means of making the Philippines a center of international trade and tourism.

Mission

MIAA commits to uplift the Philippines by providing exceptional airport services through professionalism, unity and commitment of the management, ensured customer security and continuous development that suits evolving global standards at the service of international and local market.

About the Cover

The Cover features the four terminals of the Manila International Airport Authority (MIAA) - the Ninoy Aquino International Airport Terminals 1, 2, 3, and 4 - all functioning under the overall management and supervision of MIAA General Manager Jose Angel A. Honrado with the technical and operational oversight of the managers and executives of the different departments, offices, and terminals of the Authority. Plans are underway to transform NAIA Terminal 1 into a Southeast Asian portal of excellence in compliance to international aviation standards. NAIA Terminal 2, the gateway of the Philippines' flagship carrier, is maximizing the use of its land and physical resources to keep abreast with the pace of international and domestic air travel and tourism. NAIA Terminal 3 is the MIAA's response to the demands of the global aviation industry and travelers from all originating points and destinations as it completes in July 2014 its 23 systems. NAIA Terminal 4, in parallel, is turning its challenges into strengths, being the only walk-in airport in Manila with all the expected conveniences of a connecting facility. We invite the reader to view our journey in this 2013 Corporate Report, to see how far we have come, and how distant into the future we aim to go, all in allegiance to our sworn duty, mandate, and commitment to our Filipino partners, stakeholders, and friends worldwide.

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MESSAGE

The Chairman of the Board

The Manila International Airport Authority (MIAA) Corporate Report has been conceived to provide useful information and updates with regard to the country's premier gateway. It showcases the agency's meaningful gains and milestones, as it responds to the President's call for transparency, accountability and quality service. Further, it highlights MIAA's plans, programs and projects to make the Ninoy Aquino International Airport (NAIA) Complex at par, and even competitive as an international hub.

Hence, I would like to congratulate the officials and personnel of the MIAA on the completion of its 2014 Corporate Report.

We, at the Department of Transportation and Communications, share your enthusiasm and wish for continued success in the coming year.

Again, my congratulations! Mabuhay!



Joseph Emilio Aguinaldo B. Abaya
Secretary
Department of Transportation and
Communications

“This Corporate Report showcases meaningful gains and milestones as the Manila International Airport Authority responds to the President's call for transparency, accountability and quality service.”

MANILA INTERNATIONAL AIRPORT AUTHORITY BOARD OF DIRECTORS



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PILOTING THE MIAA: Berthing Aircraft of Many Colors

MGen Jose Angel A. Honrado, AFP (Ret)

Piloting the Manila International Airport Authority is a job that calls for the best managerial, technical, and relational skills needed to maneuver the organization toward the attainment of its vision, mission, and goals.

These are the qualities acquired by MIAA General Manager MGen Jose Angel A. Honrado, AFP (Ret) from three decades of public service. For more than 30 years as a career officer of the Philippine Air Force, Armed Forces of the Philippines, he had commanded the movement of men and machines, and flown innumerable missions in the quest for peace and regional development.

For the MIAA, the skies are in a constant flux with the movement of aircrafts of many colors enroute to destinations across the continents. “We deal with peoples of diverse cultures, needs, peculiar customs, and traditions. Their numbers ran up to 32 million passengers in 2012 that swelled to 33 million passengers in 2013. We do not work behind closed doors. We step out of the board room to meet them, note down their comments, look into their needs, and address these in the best way possible,” the GM described the current Board of Directors’ governance style.

Activities under Wing

“Port activities are places of high overdrive,” the GM continued. “To keep up with the pace and standards of international aviation, the MIAA, by end of 2016, will have all the systems and technological competencies to match counterpart authorities in the region.”



MGen Jose Angel A. Honrado, AFP (Ret)
General Manager

“ We deal with people of diverse cultures, needs, customs, and traditions. We do not work behind closed doors. We step out of the board room to meet them, note down their comments, look into their needs, and address these in the best way possible. ”



The GM has, under his wing, 6,000 personnel positioned in the four NAIA terminals. He transacts business with 16 government agencies, and interfaces with thousands of airport-based workers public and private, to include domestic and international users. Harnessing these human resources is an expectation that must be satisfactorily met, on a 24/7 frequency.

One of the benchmarks set by the Authority during his term was the opening of NAIA Terminal 3 that would replace and assume the burden of Terminal 1. In the course of building the third terminal, however, the high-level verdict handed down by the Department of Transportation and Communications (DOTC) and other policy makers to the Board was not to de-commission Terminal 1 but to hand over some of its load, such as hosting wider, taller jetliners, to the younger entity.

This experience has peeled the eyes of MIAA's governance to undeniable facts, that Terminal 1, completed in 1981, had seen the best of its times and that Terminal 3 had suffered

a roofing setback. These kinds of images, according to the GM, have lingering effects on the public mind no matter how much and how well corrective retro-fitting measures are undertaken.

“People’s impressions are difficult to debunk in the short term,” GM Honrado pointed out. “The common tendency of frequent leisure and business travelers is to compare airports they have been through with one another. We are keenly driven to transform negative perceptions of Philippine airports. For this reason, 2014 is a banner year for the MIAA since this is when we should be able to start functioning aided by state-of-the-art airport technologies. This is our light at the end of the tunnel.

Meanwhile, he said, “both Terminals 1 and 3 will continue to take center spot on the MIAA planning board in the near term. The goal is to work up both terminals to their maximum operating efficiencies by the end of 2014 and beyond.”

A Contributor to the National Economy

The MIAA is mandated to turn over 20% of its Gross Revenue to the national government as well as to pay other taxes. This is its commitment to the nation's anti-hijacking agenda, implemented by the anti-hijacking committee. This committee networks with neighboring countries to battle international hijacking and terrorism. Fifty percent of the MIAA's savings is farmed out as dividends to stakeholders at the end of the fiscal year.

The MIAA also spends what it earns. Examples of the Authority's project expenditure items for 2013 were the asphalt overlay of the 4000-meter Runway 06/24 and the 600-meter Taxiway November.

The Challenges Forward

With international air travel incrementally picking up speed and volume, the prospect of transferring Manila's bundle of four different airports to one contiguous place with illimitable spaces for development and expansion has been discussed with agency and funding partners. Offhand, the Clark International Airport seems to be the next indicative port of choice. Not only is it a dream site where structures are ideally suited to aircraft of jumbo proportions. Its runways are superior in quality, material strength, and specifications. Its only drawback lies in its distance from Metro-Manila, even with the prospective presence of a fast railway system.

The only reality left for acceptance is that the 4-terminal NAIA complex will have to exhaust its physical and technological limits before any more transfer plans are mulled and implemented. Another shadow of possibility is for development planners to scout for alternative gateways that will complement NAIA services.

Piloting the MIAA is equally creating and building on a canvas of relationships

with various performing agencies. These agencies execute their respective platforms independently, but all consider the GM as some sort of a 'landlord', being physically located on MIAA properties. There is a vibrant connectivity among the public sector bureaus of immigration, foreign affairs, customs, overseas employment, and the private sector civil aviation, traffic control, travel associations, the total of 32 international airlines using the nation's airports of call, and global aviation industries.

The MIAA is a member of the ASEAN Airport Association and attends the summits that the regional body convenes, the latest of which was held in Cambodia in November 2013. "We at the MIAA give all the personalities represented by our public-private partners their due respect and courtesy," the GM added. "We are open to their suggestions that are tabled for resolution if these are appropriate for Board action."

The MIAA keeps its arm outstretched to new partners up close and far out in the frontiers of air travel. He stressed that, "the fact that 32 international airlines are berthing here is proof enough that they are enjoying every nook and niche of our country."

His outlook is visionary: "The legacy I would like to leave behind is a MIAA that talks and walks the straight road, able to dismantle all obstacles that lie in its path. All public servants should be worth the people's trust. They should prove that they are doing their fair share in propelling the country forward. So that at the end of the day, I, for one, will not be afraid to say that once upon a lifetime, I was here."

In the performance of the MIAA mandate, the GM is assisted by the offices of the assistant general managers for operations, engineering, security-emergency-safety, finance and airport development and corporate affairs.



SUPPORTING MIAA ACTION PLANS AND INITIATIVES:

Senior Assistant General Manager Mgen Vicente L. Guerzon, Jr., AFP (Ret)

In all aspects of managing MIAA affairs and activities, the Office of the Senior Assistant General Manager (SAGM) rises up to its calling as a pillar of support, an advisory group, and an open door to the solution of all issues and concerns that may confront the Authority. As its task order so mandates, it offers advice and recommendations to the MIAA governance and leadership in the management and supervision of internal affairs, be this in the areas of general or terminal operations.

It plays its role as overseer and coordinator when it comes to implementing policies, rules, and regulations issued by the Board of Directors. It likewise sees that plans and programs conceived at the corporate planning level are carried out according to targets and agreed timetables. It also hovers over the offices of finance and administration, operations, engineering, security and emergency services, airport development and corporate affairs, and all passenger terminals to lend its arm of support and back-stop decision-making as the need arises. And when it comes to external affairs, it serves as the alter-ego of the GM, representing him in national and international gatherings so that insights and learning could be culled and made contributory to the improvement and effectiveness of Philippine airports.



MGen Vicente L. Guerzon, Jr. AFP (Ret)
Senior Assistant General Manager

“In all aspects of managing MIAA affairs and activities, the Office of the Senior Assistant General Manager rises up to its calling as a pillar of support, an advisory group, and an open door to the solution of all issues and concerns affecting the Authority.”

2014

CORPORATE REPORT





ASSISTANT GENERAL MANAGERS



Herminia D. Castillo
Assistant General Manager
for Finance and Administration

AGM for Finance and Administration

The Office of the Assistant General Manager for Finance and Administration (AGMFA) renders oversight to the management of MIAA's collective financial and human resources. Its activities in financial management entail the judicious budgeting, accounting and optimization of monetary resources for the effective day-to-day functioning and service delivery of Authority's departmental offices and units. Closely related to these are its programs in human resource administration that include training and development for building up the core competencies of Authority's management and staff, salary administration, performance monitoring and evaluation, and the provision of logistical requirements of the MIAA in general.

Under the direction of AGMFA Herminia D. Castillo, headways were reached in Finance and Administration in 2014 when the Authority joined other Government-Owned and Controlled Corporations (GOCCs) in remitting a total of PhP36.36 billion to the National Treasury. This amount represents the share of the National Government on the net earnings of the GOCCs.

Another significant financial milestone achieved by the MIAA in 2014 was the integration of the International Passenger Service Charge (IPSC or the terminal fee of international passengers) into the cost of airline tickets. A total of 34 international airlines are expected to abide by the regulations. By October 2015, it is expected that the airlines shall have reconfigured their systems and adjusted to the integration. This will lead to the permanent removal of all terminal fee counters at the international passenger terminals and the long queues they normally bring, thus expediting the boarding process.

The Finance and Administration office is on top of activities to implement the government-mandated rationalization program at the Authority's level. One of the activities is a human resource development program that aims to bring about a better-trained and efficient workforce with the competence to deliver improved airport services. In 2014, AGM Castillo joined peer AGMs to plan, strategize, and focus resources on improvement projects in priority areas of the airports. Rationalization, according to the AGM, will result in a trim and capable workforce, facilitate the adoption of structural technological changes, remove duplicating functions, and effect positive changes in working systems and processes.

The Finance and Administration likewise paid due diligence to its core competence—the continued upgrading and maintenance of automated information technology systems in accounts and audit management thru the MIA Authority's Management Information System unit for a more efficient delivery and monitoring of financial and administrative services.



AGM for Airport Development and Corporate Affairs

The Office of the Airport Development and Corporate Affairs (ADCA) is the think tank of the Authority in the planning, review, and monitoring of priority development programs and projects across the terminals. This office is now headed by Atty. Cecilio A. Bobila, former Terminal Manager of the NAIA Terminal 2.

In 2014, the ADCA took charge of the planning, review, monitoring and of keeping management informed of the progress of all projects. This bloc was also tasked to undertake the Authority's projection of passengers and flights which is deemed vital for airport planning and development. It provided technical assistance to studies conducted by the Korea International Cooperation Agency (KOICA). As of 2014, the ADCA provided oversight to the design of the Presidential Dignitaries and VIP Lounges of the NAIA terminal 3 which will provide comfortable and convenient accommodations for dignitaries and heads of states.

Other projects to which the AGM for ADCA rendered management oversight in 2014 included the provision of vital hard and soft information technology (IT) structures and systems, customer feedback monitoring system, concessionaire information system and QMS-ISO document change monitoring system. These included the main and back-up industrial and true servers comprising the FIDS equipment, internet server, IT software, the Finger-scan Biometric Encoder and fiber optic. These systems and structures facilitate the timely and efficient discharge of bloc's functions.

ADCA, likewise, ensures that the NAIA terminals' overall service quality is at par with the Perceived Service Quality of international airports in general through regular Quality Assurance monitoring to check for the compliance of government partner agencies and frontline services with their Service Level Agreement and Service Excellence Standards, respectively. The conduct of airport satisfaction surveys and motion and time study is done yearly to measure up to the effectiveness of services provided to various clients.

Under the leadership of Atty. Bobila as Corporate Management Services Department in his concurrent capacity and as the Overall-QMS Head, the MIAA Quality Management Systems which has been certified for over (5) years for the Management of Passenger Facilitation Processes for NAIA Terminals 1, 2, 3 and 4 are being sustained to consistently provide positive airport experiences to diverse airport users.



Atty. Cecilio A. Bobila
Assistant General Manager for Airport Development and Corporate Affairs





Engr. Carlos B. Lozada
Assistant General Manager for Engineering

AGM for Engineering

The Office of the Assistant General Manager for Engineering (AGME) provides technical expertise and supervision for the detailed engineering design, construction and retrofitting of major airport infrastructure, both vertical and horizontal, at the four NAIA terminals and the whole NAIA complex.

The year 2014 was a busy one as the office took on priority projects which aim to boost the quality of structures, systems, and services to meet international standards. Major projects were implemented such as the rehabilitation of NAIA Terminal 1, architectural upgrading of parapet wall, eaves and elevated roadway; re-waterproofing of roof deck slab; canopy level 5 and boarding bridges; replacement of weighing and feeder conveyor; replacement of check-in counter and upgrading of ceilings and walls.

In addition to these, the Engineering Office also implemented other related tasks such as general housekeeping that involved degreasing, and vacuum-sweeping of runways, aprons and taxiways. The office implemented other related tasks such as the painting of pavements with reflectorized paints and installations of lighted signage in order to provide and sustain high-visibility for the safety flights going in and out of the terminals.

In pursuit of its mandate to support the Authority in its aspiration to meet international standards and be a globally competitive airport, the Office of Engineering is continuously expanding its knowledge and acquiring expert technologies to cost-effectively use the government's resources, in the end, providing the riding public a world-class quality of service they deserve.



AGM for Operations

The Office of the Assistant General Manager for Operations (AGMO) implements programs and projects designed to promote the functional operation of the four terminals of the Ninoy Aquino International Airport. Airport operations involves the maintenance of a diverse range of operating systems, facilities, and infrastructure that enable the four NAIA terminals to function at their peak level of effectiveness and meet the international standards set by the IATA and ICAO, which categorized NAIA as a Level 3 airport. The office is currently headed by Ricardo L. Medalla, Jr.

During the year, the AGMO dedicated its manpower capabilities to the safety and orderly flow of operations at the aircraft movement area that is vital to the safety and convenience of passengers. It was tasked to monitor safe operations during aircraft landing and take-off such as the de-rubberizing of the runways which was turned over to the care of the AGMO in the fourth quarter of 2014.

In 2012, an independent airport slot coordinator was hired to attend to the crucial task of synchronizing the movement of landing and departing aircraft especially during peak traffic periods, and to regulate aircraft flow so as to avoid incidences of massive congestion and malfunction along the runways.

Equally in 2014, projects were undertaken to maintain the airport greeneries and clear zone areas and to review, update and revise the detailed engineering design of the taxiway November extension project including construction management supervision which was sought for the implementation of this project. Another project in 2014 involved the adoption of independent laboratory testing for supplies and materials involved in operations.

The upgrading and maintenance of taxiways is necessary since an increasing number of aircraft utilize these facilities to transition from parking areas to the runway or from the runway to passenger disembarking stations. Equally throughout the year, the Office closely monitored the operating efficiencies of other airport infrastructure such as control room and communications systems, lighting systems, markings and signage visibilities. Five units of regular low-floored bus were purchased and introduced and are now in operation.



Engr. Ricardo L. Medalla, Jr.
Assistant General Manager for Operations



AGM for Security and Emergency Services



MGEN Vicente L Guerzon Jr AFP (Ret)
Assistant General Manager
for Security and Emergency Services

The Office of the Assistant General Manager for Security and Emergency Services (AGMSES) provides management and supervision over the MIAA's programs and projects vital to the security and safety of aircraft and their boarding and disembarking passengers and cargo at the Ninoy Aquino International Airport (NAIA). It is also responsible for the provision of emergency and risk management services for passengers, flight crew, personnel and other users of the terminals in the event of natural or manmade disasters at the four hubs. The office is headed by MGen Vicente L. Guerzon, Jr., AFP (Ret).

In the accomplishment of its security mission in 2014, the Office supplied and installed mobile x-ray screening systems and explosive detection systems in the four terminals for the screening of luggage prior to loading at the designated departure and arrival check points. The installation of these critical security systems not just ensure the safety of the terminals but equally shortens the screening queue and the time it takes for passengers to board or exit their flights.

To further tighten airport security, 13 units of hydraulic security vehicle barriers were supplied and installed at the airside gates, while a secondary fence along Runway 06/24 and the Terminal 3 apron area was constructed in order to prevent unauthorized entries into the airport runways.

In the accomplishment of its twin mission to provide prompt and reliable emergency services to passengers needing assistance, the Office continuously provided oversight to its Fire and Rescue Division and Medical Division in the different terminals. In 2014, the Office of the AGMSES provided for the supply and delivery of fire trucks, a roving vehicle, a wrecker for the towing of incapacitated aircraft, and medical tents for set-up in designated locations for passenger assistance in the event of the occurrence of natural or man-made disasters.



THE TERMINALS

Ninoy Aquino International Airport

The competency and competitiveness of the aviation industry continued to rank foremost on the scale of priorities of the Authority. It is for this reason that in 2014, MIAA's initiatives to deliver programs and services that are responsive, precise and on target were pursued to raise Philippine gateway terminals on par with their global counterparts. These were on the levels of human resources, physical infrastructure, technology development, asset management, safety, security, and emergency that capacitates terminals to handle projected volumes of flight, passenger, and cargo traffic.

In the area of infrastructure development in particular, the desired outcome of improved and constantly upgraded airport systems, facilities, and support structures is quality airport service delivery—of a kind that is not just accessible but highly acceptable and equal to the expectations of the flying public that include businesses, entrepreneurs, investors, industry leaders, agriculturists, and technology experts among other travelers so they could connect with their respective destinations and upscale the pace of their own productivity and that of the country's as a consequence.

MIAA's air transportation projects implemented in tandem with the Department of Transportation and Communications (DOTC) in 2014.



1 TERMINAL

Terminal 1 airport improvement projects implemented in 2014 included the architectural upgrading of the parapet walls, eaves, and elevated roadway that were started in October 2013.

Terminal rehabilitation projects involved the structural retrofitting, architectural improvements, plumbing, construction of hotel/travel tours and transport lounges, and electro-mechanical works. These were awarded to D.M. Consunji, Inc. through the Department of Transportation and Communications (DOTC).

Comfort rooms in Terminal 1 were likewise renovated to provided optimum personal conveniences to airport users.



Mr. Dante B. Basanta
Terminal 1 Manager

The Ninoy Aquino International Airport Terminal 1 has been retrofitted and its architecture and technological capabilities upgraded to conform with global standards in airport services.









2 TERMINAL

A number of projects were undertaken in the year that included the supply and installation of additional escalators to facilitate the vertical movements of passengers and the repair and re-waterproofing of the main roof to eliminate water leaks and generally improve the comfort and well-being of passengers at the terminal. Equally in 2014, the public address system in this terminal was upgraded utilizing an innovative and advanced digital technology. Improving the system will make it more responsive in reaching out to the growing number of passengers who need fast and first hand information on flight change or status details.



Engr. Enrico Francisco B. Gonzalez
Terminal 2 Manager

The Ninoy Aquino International Airport Terminal 2 is known as the Centennial Airport. It is the exclusive hub of the Philippine Air Lines that services domestic flights to local destinations and international flights to key cities across the continents. This terminal is now headed by Enrico B. Gonzalez, former Terminal 4 Manager.









3 TERMINAL



Engr. Octavio F. Lina
Terminal 3 Manager

The Ninoy Aquino International Airport Terminal 3 located near the headquarters of the Philippine Air Force at the Villamor Air Base is now Metro-Manila's biggest airport that now serves domestic airlines and international flag carriers. A total of 23 airport systems and technical facilities are now fully operational.



A cause for celebration in 2014 was the near completion of the installation of airport systems and facilities that were fully installed, commissioned and operational. These consisted of the following:

1. Flight Information Display System (FIDS)
2. Common User Terminal Equipment (CUTE)
3. Airport Operation Data Base (AODB)
4. Baggage Reconciliation System (BRS)
5. Terminal Management System (TMS)
6. Gate Allocation System (GAS)
7. Aircraft Docking Guidance System (ADGS)
8. PABX System
9. Hotline System
10. Local Area Network (LAN)
11. Public Address System (PAS)
12. Fire Detection and Protection System
13. CCTV System

14. Car Park System
15. Master Antenna TV System (MATV)
16. Access Door Control System (ADCS)
17. Building Management System (BMS)
18. UPS System
19. Structured Cabling System (SCS)
20. Mechanical Works (Elevator, Escalators and Walkway);
Passenger Boarding Bridges 101-108 (project undertaken by MIAA)
21. Passenger Boarding Bridges 109-120
22. Baggage Handling System (BHS)
23. Master Clock System





Other airport improvements undertaken in 2014 were:

Structural Retrofitting that aims to strengthen the structures through the introduction of additional shear walls and the application of fiber-reinforced polymer and thickening of shear walls and footings. This ensures and enhances the safety of the terminal users.





Construction refurbishment of the Presidential Lounge and Dignitaries Lounge, both of which were completed during the year, and the VIP Room whose completion is targeted in 2015.



4 TERMINAL

The Ninoy Aquino International Airport Terminal 4, known as the domestic or budget airport, continued to deal with its challenges in size and space, and to measure up to the expectations of airlines and air travelers alike. In 2014, projects were undertaken to make the airport more responsive to the demands of its users.



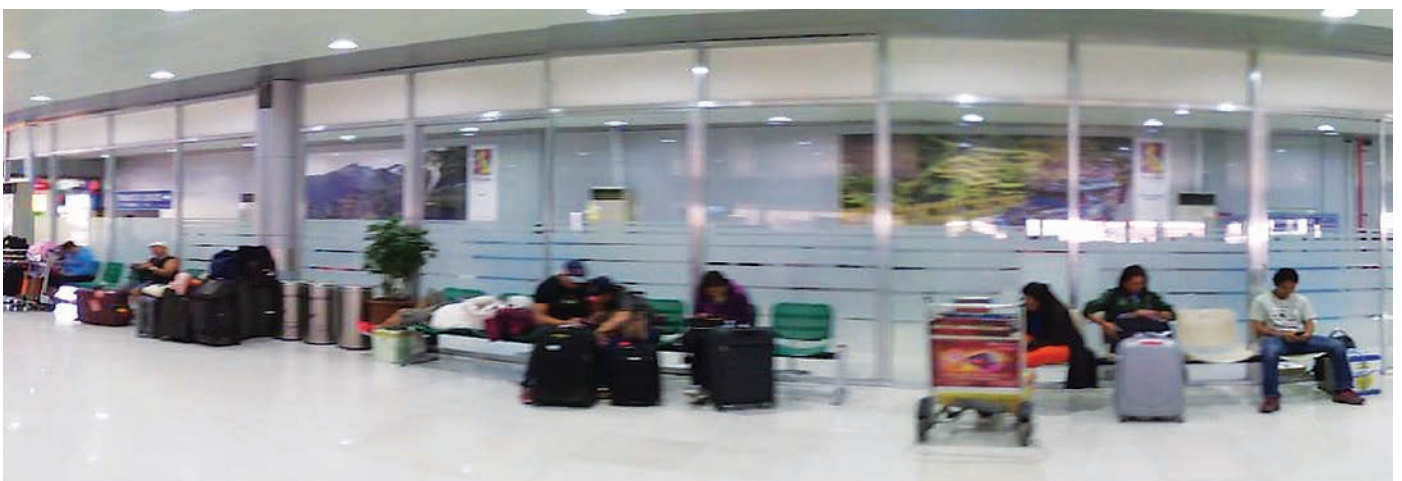
Joycelyn B. Mapanao
Terminal 4 Manager

The Ninoy Aquino International Airport Terminal 4, though the smallest of four NAIA terminals, connects to different destinations in the Philippines and overseas, having accommodated Asian and Pacific regional airlines. Terminal 4 is headed by Ms. Joycelyn B. Mapanao, former Manager of Accounting Division.



These projects included the refurbishment of old check-in counters and their replacement with new ones. The new counters were equipped with synthetic stone countertops and acrylic glass and stainless steel accents for greater functionality as workstations for airline personnel.

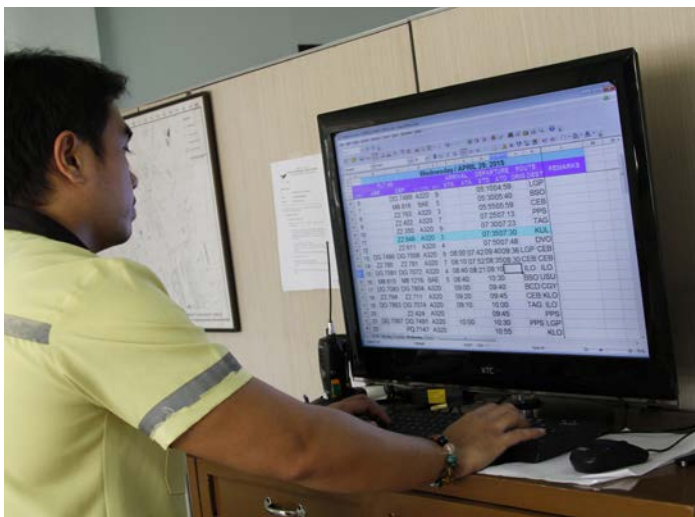
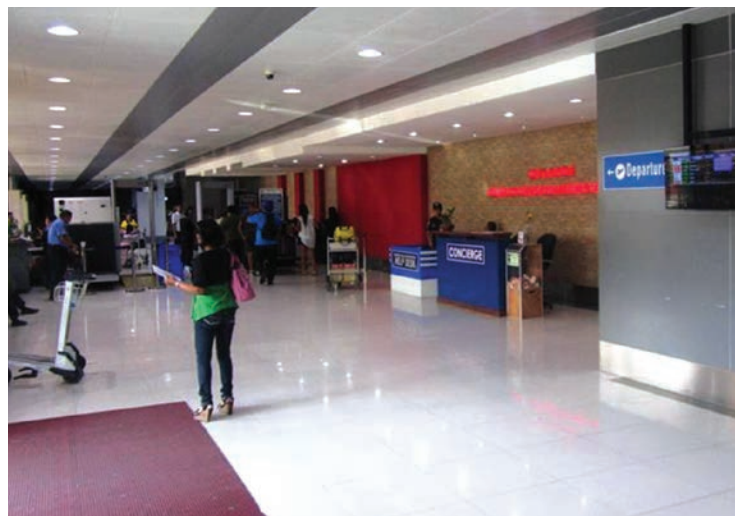
Other projects involved the supply and installation of split-type airconditioning units at the arrival and departure areas. Completed in July 2014, this project led to improved cooling and greater passenger comfort within the terminal even during peak flight hours and the summer months.





Additionally, an improved flight information display system was installed and completed in November 2014. This included the installation of 32-inch monitors at the departure and arrival areas, providing passengers with clearer and more accurate visual flight information for their guidance.

Also installed were new ceilings that led to vastly improved and well-lighted interiors and a walkway shed at the Ramp Area.





Newly constructed during the year were new restrooms, and drivers' lounge for the benefit of fetchers and well wishers and a concessionaires' room at Parking B.

Terminal 4 continues to assess its curbside management services as well as its collaborative engagements with domestic and international airlines with the aim of continually raising the quality of its services.

OPERATIONAL HIGHLIGHTS 2014

In 2014, the Manila International Airport Authority intensified efforts to scale up architectural and structural improvements in the four terminals of the Ninoy Aquino International Airport (NAIA). The objectives were to raise the quality of physical amenities and services in these hubs, and bring these up to the level of global standards and the expectations of domestic and international air travelers and users.

In 2014, the Authority looked at its own strengths and opportunities with the intent of serving airport users with the brand of excellence in flying them in and flying them out. In view of the government-wide rationalization program, the MIAA managers and task forces, during regular conferences and meetings, discussed ways of right-sizing and right-fitting the Authority to be equal to the demands of the expanding aviation industry. Continually tracked and discussed were challenges that chronically confront airport services. These lie in the increasing pace of airline flights, the rise in the volume of passengers and cargo, and the entry of wider-bodied technologically superior aircraft.

Thus, throughout 2014, we strove to focus on our core functions, enhance the efficiency of our terminal activities, refocus our resources on priority infrastructure improvement areas, and continuously anticipate advancement in systems and technologies. As a national government Authority, we crafted policies to address internal and external issues and stayed in consensual touch with our stakeholders to ensure their cooperation so that our systems and processes are at their peak usefulness.

A review of airport operations in terms of flight, passenger, and cargo movements from January to December 2014 in the areas of international, domestic, and general aviation operations revealed significant variations.

For international operations, there was a substantial increase in flight movements by 6.98%. Passenger movements went up by 5.91%, and cargo movements similarly moved up by a higher 21.39%.

Domestic operations yielded a comparatively different posture. Whereas flight movements slowed down by 4.50%, passenger movements rose by 1.87% which was echoed by cargo movements that modestly registered a slight increase of 0.24%.

In general aviation operations, on a cumulative basis, flight movements decelerated substantially by 13.36%. Passenger movements also slowed down by 26.57%, and cargo movements posted a sharper downfall of 69.65%. The NAIA operational matrix is shown on this spread.

NAIA Operational Statistics

International Operations	Jan.-Dec. 2014	Jan.-Dec. 2013	% Change
Flights	93,748	87,629	6.98
Passenger	16,074,616	15,177,101	5.91
Cargo (tons)	355,805.94	293,116.09	21.39
Domestic Operations	Jan.-Dec. 2014	Jan.-Dec. 2013	% Change
Flights	142,693	149,421	(4.50)
Passenger	18,019,543	17,689,498	1.87
Cargo (tons)	164,596.67	164,201.11	0.24
General Aviation Operations	Jan.-Dec. 2014	Jan.-Dec. 2013	% Change
Flights	29,819	34,416	(13.36)
Passenger	183,813	250,310	(26.57)
Cargo (tons)	296.97	978.42	(69.65)
Total NAIA Operations (Int'l + Domestic)	Jan.-Dec. 2014	Jan.-Dec. 2013	% Change
Flights	236,441	237,050	(0.26)
Passenger	34,094,159	32,866,599	3.73
Cargo (tons)	520,402.61	457,317.20	13.79

PER TERMINAL

2014 INTERNATIONAL OPERATIONS

TERMINAL 1

	FLIGHT			PASSENGER		
	ARRIVAL	DEPARTURE	TOTAL	ARRIVAL	DEPARTURE	TOTAL
JAN	1,817	1,816	3,633	328,239	401,931	730,170
FEB	1,607	1,605	3,212	292,816	338,561	631,377
MAR	1,783	1,785	3,568	376,070	361,319	737,389
APR	1,692	1,689	3,381	373,048	386,028	759,076
MAY	1,682	1,681	3,363	361,715	391,704	753,419
JUN	1,608	1,608	3,216	329,381	342,658	672,039
JUL	1,659	1,660	3,319	329,112	325,829	654,941
AUG	1,554	1,557	3,111	253,685	301,664	555,349
SEP	1,309	1,309	2,618	197,305	216,729	414,034
OCT	1,187	1,191	2,378	185,469	183,701	369,170
NOV	1,192	1,175	2,367	199,445	186,636	386,081
DEC	1,327	1,315	2,642	254,376	183,641	438,017
TOTAL	18,417	18,391	36,808	3,480,661	3,620,401	7,101,062

TERMINAL 2

	FLIGHT			PASSENGER		
	ARRIVAL	DEPARTURE	TOTAL	ARRIVAL	DEPARTURE	TOTAL
JAN	1,335	1,332	2,667	200,443	247,450	447,893
FEB	1,136	1,129	2,265	164,427	195,384	359,811
MAR	1,166	1,161	2,327	188,159	194,534	382,693
APR	1,294	1,298	2,592	203,464	226,273	429,737
MAY	1,279	1,268	2,547	196,556	221,339	417,895
JUN	1,182	1,182	2,364	182,754	181,169	363,923
JUL	1,186	1,187	2,373	182,941	179,150	362,091
AUG	1,232	1,226	2,458	178,314	213,987	392,301
SEP	1,179	1,171	2,350	156,770	173,099	329,869
OCT	1,178	1,181	2,359	178,593	186,531	365,124
NOV	1,198	1,195	2,393	192,589	189,525	382,114
DEC	1,276	1,285	2,561	270,571	192,328	462,899
TOTAL	14,641	14,615	29,256	2,295,581	2,400,769	4,696,350



TERMINAL 3

	FLIGHT			PASSENGER		
	ARRIVAL	DEPARTURE	TOTAL	ARRIVAL	DEPARTURE	TOTAL
JAN	806	811	1,617	112,645	127,833	240,478
FEB	725	726	1,451	96,795	113,000	209,795
MAR	804	804	1,608	113,925	116,584	230,509
APR	872	870	1,742	132,714	144,240	276,954
MAY	890	894	1,784	131,832	145,852	277,684
JUN	835	832	1,667	123,798	123,746	247,544
JUL	823	820	1,643	112,991	111,281	224,272
AUG	979	973	1,952	138,696	171,009	309,705
SEP	1,160	1,165	2,325	170,230	197,421	367,651
OCT	1,439	1,455	2,894	233,519	256,303	489,822
NOV	1,414	1,396	2,810	246,902	242,541	489,443
DEC	1,480	1,482	2,962	323,811	250,345	574,156
TOTAL	12,227	12,228	24,455	1,937,858	2,000,155	3,938,013

TERMINAL 4

	FLIGHT			PASSENGER		
	ARRIVAL	DEPARTURE	TOTAL	ARRIVAL	DEPARTURE	TOTAL
JAN	155	155	310	14,055	16,257	30,312
FEB	140	140	280	14,304	14,760	29,064
MAR	154	153	307	15,673	15,886	31,559
APR	140	141	281	16,458	17,619	34,077
MAY	166	168	334	19,011	19,560	38,571
JUN	163	163	326	18,141	18,007	36,148
JUL	183	185	368	16,289	15,908	32,197
AUG	164	164	328	14,918	17,284	32,202
SEP	119	118	237	11,075	10,959	22,034
OCT	83	82	165	8,483	9,201	17,684
NOV	73	73	146	8,955	8,159	17,114
DEC	73	75	148	10,101	8,128	18,229
TOTAL	1,613	1,617	3,230	167,463	171,728	339,191

PER TERMINAL 2014 DOMESTIC OPERATIONS



TERMINAL 2

	FLIGHT			PASSENGER		
	ARRIVAL	DEPARTURE	TOTAL	ARRIVAL	DEPARTURE	TOTAL
JAN	1,069	1,064	2,133	155,040	129,614	284,654
FEB	909	913	1,822	121,933	116,516	238,449
MAR	958	964	1,922	123,606	128,280	251,886
APR	997	994	1,991	143,808	143,643	287,451
MAY	1,003	1,005	2,008	153,300	145,337	298,637
JUN	883	851	1,734	116,116	108,603	224,719
JUL	878	848	1,726	111,388	106,413	217,801
AUG	983	914	1,897	128,677	110,039	238,716
SEP	920	850	1,770	124,688	110,584	235,272
OCT	1,006	953	1,959	136,444	130,549	266,993
NOV	1,013	936	1,949	135,179	118,387	253,566
DEC	1,117	1,011	2,128	137,038	163,171	300,209
TOTAL	11,736	11,303	23,039	1,587,217	1,511,136	3,098,353

TERMINAL 3

	FLIGHT			PASSENGER		
	ARRIVAL	DEPARTURE	TOTAL	ARRIVAL	DEPARTURE	TOTAL
JAN	4,039	4,060	8,099	518,777	480,439	999,216
FEB	3,710	3,717	7,427	436,929	463,148	900,077
MAR	4,137	4,149	8,286	518,870	528,689	1,047,559
APR	4,151	4,156	8,307	568,041	565,986	1,134,027
MAY	4,304	4,304	8,608	605,459	595,037	1,200,496
JUN	3,861	3,891	7,752	497,261	487,389	984,650
JUL	3,671	3,701	7,372	434,733	434,240	868,973
AUG	3,876	3,946	7,822	460,334	445,121	905,455
SEP	3,515	3,581	7,096	425,663	414,799	840,462
OCT	3,930	3,963	7,893	471,938	483,514	955,452
NOV	3,836	3,882	7,718	463,984	445,450	909,434
DEC	3,703	3,791	7,494	432,203	502,278	934,481
TOTAL	46,733	47,141	93,874	5,834,192	5,846,090	11,680,282

TERMINAL 4

	FLIGHT			PASSENGER		
	ARRIVAL	DEPARTURE	TOTAL	ARRIVAL	DEPARTURE	TOTAL
JAN	1,186	1,193	2,379	155,603	137,253	292,856
FEB	1,020	1,028	2,048	118,579	106,144	224,723
MAR	1,131	1,134	2,265	128,277	128,426	256,703
APR	1,242	1,247	2,489	174,777	178,696	353,473
MAY	1,304	1,307	2,611	192,461	187,386	379,847
JUN	1,088	1,088	2,176	142,501	132,705	275,206
JUL	1,054	1,055	2,109	124,113	117,861	241,974
AUG	995	993	1,988	120,576	116,325	236,901
SEP	803	800	1,603	96,580	91,385	187,965
OCT	898	903	1,801	114,132	114,734	228,866
NOV	962	967	1,929	127,762	120,979	248,741
DEC	1,175	1,207	2,382	144,182	169,471	313,653
TOTAL	12,858	12,922	25,780	1,639,543	1,601,365	3,240,908

FINANCIAL HIGHLIGHTS, 2014

MANILA INTERNATIONAL AIRPORT AUTHORITY

DETAILED STATEMENT OF INCOME AND EXPENSES

(for the year ended December 31, 2014)

Account Title	Account Code	Amount
OPERATING INCOME		
Toll and Terminal Fees	623	3,505,621,791
Other Service Income	628	385,348,849
Landing and Parking Fees	640	2,748,437,230
Rent Income	642	1,501,939,328
Other Business Income	648	1,149,755,809
TOTAL OPERATING INCOME		9,291,103,006
Share of the National Government	877	1,084,773,358
OPERATING INCOME AFTER SHARE OF THE NATIONAL GOVERNMENT		8,206,329,648
OPERATING EXPENSES		
Personal Services		709,647,930
Salaries and Wages - Regular	701	274,073,410
Salaries and Wages - Casual	705	41,807,428
Other Compensation		
- PERA	711	29,738,133
- Representation Allowance	713	16,760,981
- Subsistence Allowance	716	64,725
- Productivity Incentive Allowance Subsistence Allowance	717	2,628,000
- Other Bonuses and Allowances	719	72,580,281
- Hazard Pay	721	9,882,479
- Overtime and Night Differential	723	108,348,355
- Cash Gift	724	6,131,250
- Year-End Bonus	725	26,043,152
Personnel Benefits Contribution		
- Life and Retirement Insurance Contribution	731	38,203,596
- Pag-ibig Contribution	732	1,487,700
- Philhealth Contribution	733	3,522,425
- ECC Contribution	734	1,487,800
Other Personnel Benefits		
- Retirement Benefits	740	986,392
- Terminal Leave	742	5,465,283
- Other Personnel Benefits	749	70,436,540
		709,647,930

**DETAILED STATEMENT OF INCOME AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Maintenance and Other Operating Expenses			
Traveling Expenses - Local	751		808,998
Traveling Expenses - Foreign	752		877,806
Training Expenses	753		2,863,854
Supplies and Materials Expenses			129,412,673
- Office Supplies Expense	755	22,447,137	
- Accountable Forms Expenses	756	8,499,365	
- Drugs and Medicine Expenses	759	613,295	
- Medical, Dental, and Laboratory Supplies Expenses	760	28,080	
- Gasoline, Oil and Lubricants Expenses	761	18,251,939	
- Textbooks and Instructional Materials Expense	763	15,000	
- Military and Police Supplies Expense	764	2,056,268	
- Other Supplies Expense	765	77,501,589	
		<u>129,412,673</u>	
Utility Expenses			779,776,803
- Water	766	59,427,039	
- Electricity Expenses	767	720,349,764	
		<u>779,776,803</u>	
Communication Expenses			9,374,329
- Postage and Deliveries	771	42,279	
- Telephone Expenses - Landline	772	6,087,581	
- Telephone Expenses - Mobile	773	2,550,457	
- Internet Expenses	774	659,652	
- Cable, Satellite, Telegraph & Radio Expenses	775	34,359	
		<u>9,374,329</u>	
Membership Dues and Contribution To Organizations	778		1,979,145
Advertising Expenses	780		1,343,048
Rent Expenses	782		187,078,451
Representation Expenses	783		1,399,880
Subscription Expenses	786		894,661
Professional Services			1,190,083,749
- Legal Expenses	791	230,896,655	
- Auditing Expenses	792	7,420,890	
- Consultancy Services	793	11,414,287	
- Janitorial Services	796	216,244,245	
- Security Services	797	271,855,738	
- Other Professional Services	799	452,251,934	
		<u>1,190,083,749</u>	
- Repairs and Maintenance			532,398,163
- Land Improvements	802	59,946,388	
- Runways and Taxiways	803	56,676,358	
- Office Buildings	811	243,900,116	
- Other Structures	815	34,340	
- Office Equipment	821	49,214	

**DETAILED STATEMENT OF INCOME AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014**

- Furnitures and Fixtures	822	1,374,492	
- IT Equipment and Software	823	2,092,491	
- Machineries	826	63,188,831	
- Airport Equipment	828	96,886,018	
- Communication Equipment	829	2,448,070	
- Firefighting Equipment	831	505,071	
- Motor Vehicles	841	4,037,855	
- Other Property, Plant and Equipment	850	1,258,921	
		<u>532,398,163</u>	
Donations	878		108,420
Confidential, Intelligence, Extraordinary and Miscellaneous Expenses			34,721,866
- Intelligence Fund	882	19,000,000	
- Extraordinary Expenses	883	845,672	
- Miscellaneous Expenses	884	14,876,194	
		<u>34,721,866</u>	
Taxes, Insurance Premiums and Other Fees			71,349,677
- Taxes, Duties and Licenses	891	2,730,442	
- Fidelity Bond Premiums	892	1,250,363	
- Insurance Expenses	893	67,368,872	
		<u>71,349,677</u>	
Bad Debts Expenses	901		17,307,834
Depreciation			596,435,725
- Land Improvements	902	98,926,998	
- Runways and Taxiways	903	77,373,151	
- Office Buildings	911	239,387,201	
- Investment Property	911 A	2,619,385	
- Office Equipment	921	2,645,635	
- Furnitures and Fixtures	922	8,599,428	
- IT Equipment and Software	923	8,449,116	
- Library Books	924	106,819	
- Machineries	926	19,005,154	
- Airport Equipment	928	79,820,793	
- Communication Equipment	929	9,446,196	
- Firefighting Equipment	931	25,002,773	
- Medical Equipment	933	1,036,087	
- Military and Police Equipment	934	1,371,674	
- Motor Vehicles	941	11,623,038	
- Other Property, Plant and Equipment	950	11,022,278	
		<u>596,435,725</u>	
Other Maintenance & Operating Expense - Service Fee			<u>54,865,156</u>
Total Maintenance and Other Operating Expenses			<u>3,613,080,235</u>
Total Operating Expenses			<u>4,322,728,164</u>
NET INCOME FROM OPERATIONS			<u>3,883,601,484</u>

DETAILED STATEMENT OF INCOME AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2014

OTHER INCOME (EXPENSES)			
Interest Income	664	98,099,741	
Miscellaneous Income	678	54,242,026	
Other Fines and Penalties	679	3,113,488	
Gain (Loss) on Foreign Exchange	681	(7,896,815)	
Gain (Loss) on Foreign Exchange Revaluation	681A	451,656,765	
Gain (Loss) on Sale of Disposed Assets	682	(4,549,199)	
Financial Expenses			
Bank Charges	971	(76,758)	
Interest Expenses	975	(317,068,558)	
Other Financial Charges	979	(2,787,365)	
			<u>274,733,325</u>
INCOME BEFORE INCOME TAX			4,158,334,809
INCOME TAX	891		<u>1,098,909,838</u>
NET INCOME AFTER TAX			PH P 3,059,424,971

MANILA INTERNATIONAL AIRPORT AUTHORITY

DETAILED BALANCE SHEET

(As of December 31, 2014)

ASSETS

CURRENT ASSETS

Cash			
Cash - Collecting Officers		49,089,383	
Petty Cash Fund		308,438	
Cash In Bank - Local Currency, Current Account		738,479,316	
Cash In Bank - Local Currency, Savings Account		33,010,500	
Cash In Bank - Local Currency, Time Deposits		3,336,718,867	
Cash In Bank - Foreign Currency, Current Account		434,921	
Cash In Bank - Foreign Currency, Savings Account		275,257,546	
Cash In Bank - Foreign Currency, Time Deposits		5,730,026,785	10,163,325,755
Receivables			
Receivable Accounts			
Accounts Receivable	3,303,917,638		
Allowance for Doubtful Accounts	(1,696,095,824)	1,607,821,814	
Due from Officers and Employees		311,722	
Interests Receivable		14,542,470	
Inter-Agency Receivables			
Due from National Treasury	69,555		
Due from NGAs	23,005,999		
Due from LGUs	100,004,438	123,079,992	
Other Receivables			
Receivables - Disallowances	11,113,981		
Advances to Officers and Employees	5,065,818		
Other Receivables	380,435,605	396,615,404	2,142,371,402
Inventories			
Supplies			
Accountable Forms Inventory		110,000	
Office Supplies Inventory		3,948,466	
Gasoline, Oil and Lubricants Inventory		865,362	
Military and Police Supplies Inventory		93,698	
Other Supplies Inventory		3,392,920	
Spare Parts Inventory		5,212,483	
Construction Materials Inventory		5,395,181	19,018,111
Prepayments			
Prepaid Insurance		16,174,982	
Deposit on Letters of Credit		288,558	
Advances to Contractors		139,364,366	
Deferred Charges		82,848,579	
Other Prepaid Expenses		125,506,042	364,182,527
Other Current Assets			
Guaranty Deposits		3,827,782	
Other Current Assets		201,189,642	205,017,424
TOTAL CURRENT ASSETS			12,893,915,219

INVESTMENTS

Other Investments and Marketable Securities

12,505,000

PROPERTY, PLANT AND EQUIPMENT

Land and Land Improvements

Land

6,645,886,033

Land Improvements

4,142,845,064

Accumulated Depreciation - Land Improvements

(3,872,107,755)

270,737,309

Runways and Taxiways

2,577,467,668

Accumulated Depreciation - Runways/Taxiways

(1,522,720,795)

1,054,746,872

7,971,370,214

Buildings

Office Buildings

8,805,435,237

Accumulated Depreciation - Office Buildings

(3,844,789,451)

4,960,645,786

Leasehold Improvements

Leasehold Improvement

122,381,872

Accumulated Depreciation - Leasehold Improvement

(110,143,685)

12,238,187

Office Equipment, Furnitures and Fixtures

Office Equipment

37,867,839

Accumulated Depreciation - Office Equipment

(28,709,184)

9,158,655

Furnitures and Fixtures

399,378,960

Accumulated Depreciation - Furnitures and Fixtures

(284,528,021)

114,850,939

IT Equipment and Software

170,731,373

Accumulated Depreciation - IT Equipment

(139,534,875)

31,196,498

Library Books

1,216,220

Accumulated Depreciation - Library books

(921,275)

294,945

155,501,036

Machineries and Equipment

Machineries

1,521,468,314

Accumulated Depreciation - Machineries

(1,114,251,776)

407,216,538

Airport Equipment

3,771,939,985

Accumulated Depreciation - Airport Equipment

(2,459,231,390)

1,312,708,596

Communication Equipment

279,528,428

Accumulated Depreciation - Communication Equipment

(225,694,432)

53,833,996

Firefighting Equipment

317,902,788

Accumulated Depreciation - Firefighting Equipment

(172,131,216)

145,771,572

Medical, Dental and Laboratory Equipment

18,520,570

Accumulated Depreciation - Medical, Dental and

Laboratory Equipment

(13,806,489)

4,714,081

Military and Police Equipment

28,862,993

Accumulated Depreciation - Military & Police Equipment

(21,899,490)

6,963,503

1,931,208,287

Transportation Equipment

Motor Vehicles

237,926,614

Accumulated Depreciation - Motor Vehicles

(153,621,238)

84,305,376

DETAILED BALANCE SHEET
AS OF DECEMBER 31, 2014

Other Property, Plant and Equipment			
Other Property, Plant and Equipment	145,583,639		
Accumulated Depreciation - Other Property, Plant and Equipment	<u>(93,245,886)</u>	52,337,754	
Construction In Progress			
Construction In Progress - Agency Assets		<u>223,771,371</u>	
TOTAL PROPERTY, PLANT AND EQUIPMENT			15,391,378,011
INVESTMENT PROPERTY			
Investment Property		334,126,026	
Accumulated Depreciation - Investment Property		<u>(287,616,500)</u>	46,509,526
OTHER ASSETS			
Work/Other Animals		14,347,828	
Restricted Fund Assets		4,927,364,960	
Other Assets		<u>175,191,762</u>	
TOTAL OTHER ASSETS			<u>5,116,904,550</u>
TOTAL ASSETS			<u><u>33,461,212,306</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Payable Accounts			
Accounts Payable		836,191,957	
Due to Officers and Employees		27,128,074	
Dividend Payable		1,312,538,020	
Interest Payable		<u>90,866,827</u>	2,266,724,877
Inter - Agency Payables			
Due to National Treasury		425,859,744	
Due to BIR		441,827,869	
Due to GSIS		9,702,028	
Due to PAG-IBIG		1,377,162	
Due to Philhealth		639,825	
Due to Other NGAs		<u>55,396,597</u>	934,803,225
Other Liability Accounts			
Guaranty Deposits Payable		300,336,293	
Performance/Bidders/Bail Bonds Payable		26,405,867	
Tax Refund Payable		24,779,892	
Other Payables		532,688,935	
Current Portion of Loans Payable - Domestic		488,227,800	
Current Portion of Loans Payable - Foreign		<u>333,737,508</u>	1,706,176,294

DETAILED BALANCE SHEET
AS OF DECEMBER 31, 2014

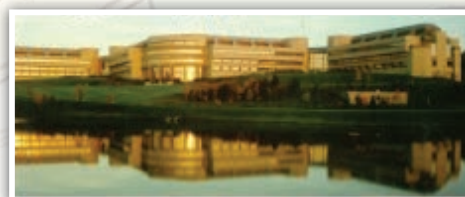
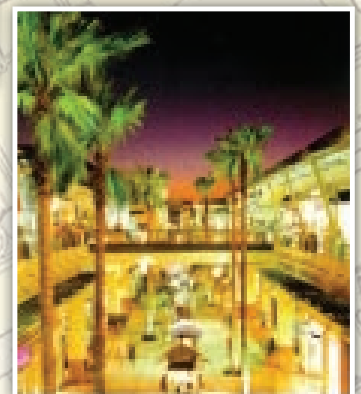
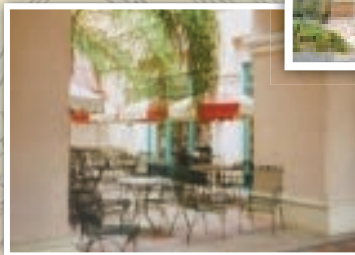
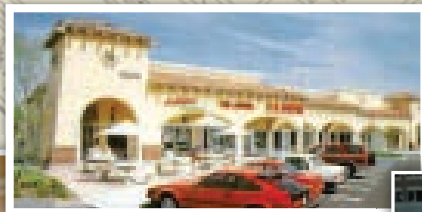
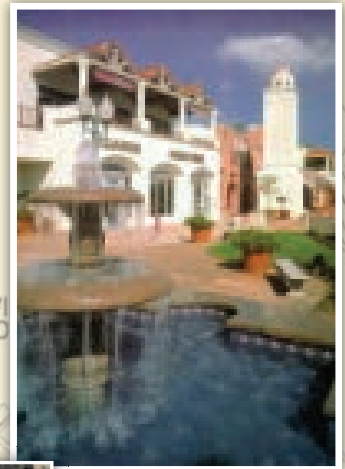
LONG-TERM LIABILITIES				
Loans Payable - Domestic			3,173,480,700	
Loans Payable - Foreign			2,648,822,875	
Other Long Term Liabilities			434,517	5,822,738,092
				<hr/>
TOTAL LIABILITIES				10,730,442,488
DEFERRED CREDITS				
Other Deferred Credits				428,022,255
EQUITY				
GOVERNMENT EQUITY			7,191,934,321	
DONATED CAPITAL			221,200	
RETAINED EARNINGS				
Beginning Balance		13,436,368,717		
Deduct : CY 2004 Dividend Adjustment		(15,453,550)		
: CY 2014 Dividend Payable to NG		(1,312,538,020)		
Retained Operating Surplus:				
Current Operations	3,059,424,971			
Prior Years' Adjustments	(57,210,077)	3,002,214,894	15,110,592,041	
				<hr/>
TOTAL EQUITY				22,302,747,562
				<hr/>
TOTAL LIABILITIES AND EQUITY				<u>33,461,212,306</u>

2010 to 2013

CORPORATE REPORT



Ninoy Aquino International Airport Master Development Plan



AIRPORT DEVELOPMENT AND CORPORATE AFFAIRS: Shaping the Future of Airports

The office of the Airport Development and Corporate Affairs (ADCA) plays an essential role in the operations of the MIAA that coordinates with the DOTC, Civil Aviation Authority of the Philippines (CAAP), Civil Aeronautics Board (CAB), IATA, and other international aviation agencies in crafting airport development and industry-related research studies. Taking into account the confluence of factors affecting the economic and financial growth of the country, it maps out plans and programs that are responsive to the demands of Philippine air travel, transport, and tourism.

The ADCA tracks, documents, monitors, and evaluates accomplishments across different areas of operations, in the process gathering and consolidating data for the guidance of management, planners, implementers, partner agencies and GOCCs, and the range of public and private stakeholders.

Assistant General Manager Cecilio G. Bautista related that “ADCA presented necessary and appropriate recommendations for the improvement of plans, program operations, and day-to-day activities of the NAIA, and examined how these are made consistent with the airport development strategy of the whole NAIA aerodrome.” It closely examines NAIA’s performance along the areas of service, safety, and security, seeing to it that all these comply with internationally-accepted standards, and are carried out within the context of integrated policies and program directives. The ADCA likewise addresses the needs and requirements of front-end and airfield performing offices.



Cecilio G. Bautista
Assistant General Manager
for Airport Development
and Corporate Affairs

“ADCA presents necessary and appropriate recommendations for the continuing improvement of plans, program operations, and day-to-day activities of the NAIA, and examines how these are made consistent with the airport development strategy of the whole country.”



Corporate Management Services Department. The CMSD monitors performance targets submitted to the GCG by the MIAA in its exercise of good corporate governance. It oversees and integrates all the operating components of the organization. In 2014, it continued to formulate indicative policies and strategies governing countrywide operations. It paid close watch over programs designed on the corporate planning board. Importance was laid on the installation of state-of-the-art communications technology and total quality management systems through the provision of the vital support infrastructure.

The department assisted the MIAA Board in setting policies that guide actions at both management and terminal levels. It regularly reviewed program implementation and accomplishments and measured the performance of all departments, divisions, and operating units against programmed goals and targets.

It also coordinated with other national and peer government agencies and bodies in order to calibrate and align MIAA's own policies and development plans alongside theirs. It reported regularly on accomplishments and implemented a relevant information, education, and communication (IEC) program for the benefit of target and stakeholder audiences.

Plans and Programs Division. This Division takes charge of formulating plans and programs

and align these along MIAA's corporate vision, mission and objectives. Likewise, it defines strategies needed to attain the ends desired for the whole organization. It is also chiefly responsible for conceptualizing short and medium-range plans and the annual program of work for immediate implementation.

During the year, the Division identified and prioritized projects according to priorities based on financial and material resources available to the Authority. It developed the needed criteria for determining projects for funding and execution and, in collaboration with internal financial management, drew up the corresponding financial and budgeting plans.

The Division also scanned the internal and external environments for challenges that confront the implementation of engineering, security and safety, and other projects. Options were presented for needed changes and adjustments in project development and financial plans. Equally, the Division reviewed projections and other operating aspects to come up with doable approaches and solutions responsive to the demands of terminals under the Authority.

Management Information Systems Division. The MIS Division provides computer systems analysis and design that aid in decision making and problem solving across the diversity of services. It equips managers with the adequate



technical controls over information needed for the effective functioning of operating units by providing them with standard data capture and reporting formats.

The MIS Division prepared and disseminated information within the data base and local area networks (LANs) that hook up all operating units and facilitate communications exchange. It conducted special studies and surveys to discern the latest trends in hard and software development as well and determine which tools are applicable for the exercise of MIAA's critical and support functions.

In a related move, the Division recommended designs and specifications that guided the procurement of computer hard and software for the use of the different units. It continued to develop and install program and other electronic data processing technologies required by the offices.

Systems and Procedures Improvement Division. This Division serves as the organizer and planner of the Authority. It conducts continuing analytical studies in order to formulate action plans and set standards pertinent to the size, composition, structure, functions, and resources of the MIAA. Parallel to this, it monitors and assesses organizational changes and developments taking place in other government agencies to see whether its own program timelines are aligned and whether it responds to the needs and expectations of shared stakeholders.

In 2014, the Division continued to undertake empirical research into other government organizational functions and perspectives to determine effective management techniques that are applicable to MIAA's unique operations.

On the home front, it continued to study and evaluate the efficiency and productivity levels of the internal and field offices and the general workforce. It developed indicators as bases for monitoring and assessing performance and as planning tools that help point to the desired levels of human, material, and equipment resources needed by the Authority.

Research was likewise pursued for productivity improvement. In these studies, industrial engineering techniques were utilized such as workflow simplification and maximization, systems analysis, time and motion studies, operations research, plant lay-out and other subjects designed to level up airport technology. The Division also evaluates the effectiveness and impact of managerial, organizational, and industrial engineering technologies adopted throughout the year.



MIAA ADMINISTRATION BUILDING

FINANCE AND ADMINISTRATION: Towards Corporate Efficiency and Good Governance

The MIAA Finance and Administration Office under Ms. Herminia D. Castillo assists the GM in all the financial and administrative aspects of running the MIAA. It leads the endeavor to restructure the organization along the lines of corporate efficiency and good governance.

This is the expectation of its primary stakeholders – Board of Directors, management officers, and rank and file staff that stand to benefit from the Authority’s rationalization plan. In May 2013, the Department obtained approval to implement Phase I of the Organizational Development Initiative (ODI) for the Airport Police Department that would enable the MIAA to keep its workforce adequate and competent while drawing fresh resource from new entrants to the service.

Through the rationalization process, the MIAA would be able to measure up to the demands of internal and external stakeholders. Presently, the MIAA is governed by the policies of the Governance Commission of GOCCs (GCG) that tracks the behavior of public corporations and special bodies.

Ms. Castillo informed that, “The GCG has instituted a performance-based incentive scheme in the GOCC Sector which enable MIAA raise its standards of corporate excellence. To this effect, the MIAA is guided by performance scorecards that measure adherence to corporate efficiency standards.” It is called upon to attain no less than a grade of 90% as a requisite to the entitlement of bonuses and incentives by its staff.



Herminia D. Castillo
Assistant General Manager
for Finance and Administration

“The Governance Commission of GOCCs has instituted a performance-based incentive scheme in the GOCC Sector which enables the MIAA to raise its standards of corporate excellence. To this effect, the MIAA is guided by performance score cards that measure adherence to corporate efficiency standards.”



Installation of Financial Systems

The MIAA is a manpower-intensive organization that outsources most of its manpower. Its human resource strength consists of 1,200 organic management and staff that is backstopped by non-contracted administrative staff and job-order utilities personnel.

The Finance and Administration Office manages all the fiscal affairs of the MIAA and carries out accounting, budgeting and fiscal reporting in accordance with set policies and procedures. Moreover, it looks after all receivables in the form of terminal fees, concessionaire fees, and other sources of revenue from airport users. It keeps in close touch with peer offices under the corporate blocs so that the plans, needs, and systems of all operating units are supported and sustained for greater efficiency and organizational effectiveness. It collaborates with the corporate planning office to help develop plans for the Authority's greater improvement and fiscal economies.

One of the crucial policies implemented recently was the integration of domestic terminal fees in airline tickets. The same arrangement is being worked out with international airline management that, when realized, would be compliant with world practices in international passenger processing.

The Finance and Administration Office is also developing its own financial management system based on concepts laid out in the rationalization plan. In the system, accountability for operations will be exercised on a per-terminal basis, granting the four terminals their respective financial autonomies over the long term. This is in keeping with the MIAA's policy to decentralize terminal management and operations."

The observance of self-accountability in finance and administration will move the terminals to become more efficient and responsible. The trade-offs of the policy, according to the management, are demonstrable. Decentralization will significantly diminish the downtime of human, physical, and mechanical resources since the four terminals would be able to keep their own personnel, equipment, and operating systems in top shape. Moreover, terminal management and staff would be able to address problems at source, translating into good corporate governance.

By end of 2014, the scheduled completion of the Phase I rationalization plan is expected to be realized that would enable the MIAA to post higher marks on its scorecard. It aims to continue working on its financial, human resource, and administrative competency that would put it at par with its global counterparts.





OPERATIONS: A Central Node of Activity

Airport operation is a fever pitch and quick pulse node of activity, particularly during peak flight hours. It is a concentric nerve system that coalesce a diversity of workplace actions into one integral functional whole.

At the Manila International Airport Authority, this is the mandate of the Operations Office managed by Assistant General Manager for Operations Ricardo L. Medalla, Jr. The Office matches the vertical spectrum of project planning, implementation, monitoring, and evaluation with all the basic and complex needs at the level of aircraft movement, passenger traffic, terminal management, and ancillary services.

It is driven by rising expectations of the aviation industry to keep the four NAIA terminals compliant with global standards set by the International Civil Aviation Organization (ICAO) and equal to the escalating volume and demand of roosting airlines and their guests.

Operations staff perform building and maintenance works across all structures and runways of the MIAA complex. These include improvements on the runway and taxiway, installation of visual guides and signages, general repair and renovations, and the monitoring and evaluation of safety requirements. Actionable matters are raised to the level of the policy makers and general management.



Ricardo L. Medalla, Jr.
Assistant General Manager
for Operations

“The installation of 23 airport systems in T3 that was started in 2013 will culminate in July 2014 — a big event awaited by the Authority as it strives to keep pace with the standards of international aviation.”

Operations Work in 2013

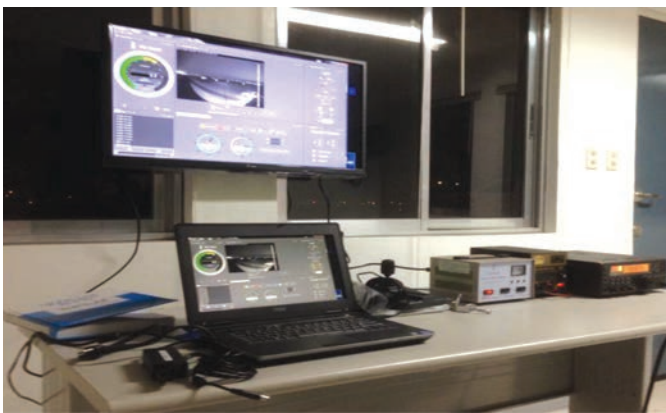
The challenge lies in the concurrent implementation of projects, be this on the runway or terminals, hence, the need to coordinate with agencies with which the MIAA has joint responsibilities.

An instance is the installation of taxiway centerline lights based on ICAO guidelines. A partner in this project is the Civil Aviation Authority of the Philippines (CAAP) that renders air navigation services, flight inspection services, and air traffic control on top of other services. The CAAP raises the imperatives for the installation of taxiway lights. The Operations Office then plans and designs the program of work, submits these for Board approval, seeks budgeting and financing, and refers the project to the engineering department for implementation.

Projects from 2012 to 2013 included the acquisition of an Acoustic Bird Dispersal Equipment that protect arriving and departing aircraft (and the birds, for that matter) from bird strikes that snag the engines and imperil lives onboard. The fixed sonar facility is installed along Runway 06/24 while others are mounted on pick-up trucks. The facility has greatly improved the safety of aircraft landing and take-off.

Another operational challenge, according to the AGMO, is peak hour management. Activities spike for domestic passenger carriers between the crack of dawn to the mid-afternoon flights, and for the bulk of 32 international airlines, from seven to four in the afternoon. To ease the burden of delayed departures and arrivals as well as congestion on the runways, the MIAA, in 2012, hired a Slot Coordinator from an Australian agency to orchestrate timed aircraft movement. The slotting is done in coordination with the CAAP. As many as 40 flight events per hour are now handled with the aid of special computerized navigational software.

Also in 2013, the MIAA installed the SID31 System that enables a domestic aircraft to take off or land on the international runway without interference or the possibility of collision with an oncoming international aircraft. The system was implemented in June 2013. The installation was preceded by in-depth studies by the CAAP and clearance from the Presidential Security Guard for the utilization of the Malacañang Palace airspace. With the SID31 in operation, the addition of five events per hour was made possible. The handling of





multiple events based on runway and terminal capacities, according to the AGMO, is a careful balancing act that the services of the slot specialist and SID31 have both capably aided.

The year was equally eventful in that the Rapid Exit Taxiway (RET) system was planned and designed. The RET is a short 30-degree taxiway to be constructed at significant exit points of the main runway. The exit enables an aircraft to reach the terminal on schedule, if not ahead. The RET was designed by consultancy firm PhilJac and is now under study. Another taxiway located at Terminal 3 was started in late 2013 that will enable planes to reach the terminal equally as quick. Taxiway dimensions were designed to accommodate wider-bodied aircraft.

AGM for Operations Engr. Ricardo Medalla, Jr. announced that “the installation of 23 airport systems in T3 that was started in 2013 will culminate in July 2014 — a big event awaited by the Authority as it strives to keep pace with the standards of international aviation.” Some of the systems set in place were the passenger boarding bridges, baggage handling system, master clock, and flight information display. Equally started in 2013 was the procurement of five units of airport shuttle buses for use at the airside scheduled for delivery by November

2013. This will ease the transfer of passengers from apron-parked aircraft to the terminal. The purchase of five more airport buses is also in progress for use at the land side of disembarked passengers.

With regard to cargo handlers, the MIAA limits itself to the monitoring of airfreight companies who maintain 25-year lease rights to their allocated portions of MIAA property. A cargo terminal, however, is foreseen within the vicinity of T3, for planning and design as soon as this terminal becomes fully operational.

To keep the public abreast of MIAA’s operational plans and programs, offer public assistance when called for, or receive visiting missions, the Public Affairs Department exercises its responsibilities related to media affairs and public assistance. The Media Affairs Division takes charge of planning, organizing, directing, and coordinating information dissemination activities in collaboration with print and broadcast media. The Public Assistance Division, on the other hand, takes care of planning, organizing, directing, supervising, and coordinating all forms of public assistance. It likewise ensures that foreign dignitaries, government officials, and important personages are well-received on their arrival or departure from the airport terminals.





ENGINEERING: Building World-Class Airports

The Office of the Assistant General Manager for Engineering (AGME) provides management oversight to the overall execution of the plans, programs, and activities of the Engineering Block and its workforce. It sees to it that all programs of work are implemented according to agreed standards, timelines, targets, and schedules. In essence, it applies the principles of civil, electrical, mechanical, and related sciences with exactitude in all the worksites, since all outdoor and indoor operations of an airport are always in sequence to the movements of both originating and destination airports.

Now, more than ever in the lifespan of the MIAA, the pace of construction, re-building, and retro-fitting works in the growing number of Philippine international airports is at its peak. For without doubt, airports in the country can't just be engineered well, but engineered excellently so they can serve in ways that adhere to quality airport management. This is the demand of the global aviation industry that the country is challenged to meet. NAIA terminals and counterparts in key cities and flagship destinations simply have to shine and gain wide acceptance as world-class airports.

Airport engineering works being implemented in the different airport terminals in Metro-Manila and around the country have everything in common with other civil works, with a mark of difference. They all adhere to the same engineering principles and standards prescribed by the National Building Code of the Philippines and all other engineering codes that rule the Philippine construction industry. In addition, however, engineering plans, design, and execution at the airports are carried out in accordance with ICAO standards.



Carlos B. Lozada
Assistant General Manager
for Engineering

“*Airport engineering works being implemented in the different airport terminals in Metro-Manila and around the country adhere to the same engineering principles and standards prescribed by the National Building Code and all other engineering codes. In addition, they are carried out in accordance with ICAO standards.*”



In a precise manner, engineering works for airports differ from the ordinary in that special facilities and systems are built exclusively for airport operations—which has everything to do with the sending of planes and people on and off the ground. Thus, their installation must be safer than safe, better than best, absolutely fail-proof, and in compliance with international civil aviation industry standards, rules, and regulations.

How the airports take shape and change features over set schedules is best appreciated when told by, and heard from, the very people who install the systems, build walls, and streamline the taxiways and runways. These voices are those of MIAA's pool of engineers, machine operators, builders, and those who work closest to the ground. The following description of 'just another day at the airport' is not just a case in point. It is an illustration of what airport engineering is all about:

A runway worker relates: "When we undertake runway repairs and asphalt overlay, we are constantly faced by an unrelenting work master: Time. Our job has to start and end within runway closure hours, a very thin and narrow margin of time just after midnight, between 1:30 and 3:30 a.m. There can be no such thing as an early bird or overtime. Yet, our product has to be no less than excellent."

His co-worker had more to share: "Once our job starts, everyone from the supervisor and laborers as well as our equipment have to be in sync. Every second matters. Our equipment serves as our work buddies and they have to be, like us, in





A-1 condition. Our supervisors carefully observe and scrutinize each and every step in the job in order to avoid unnecessary delay. Otherwise, we would cut into airport operations, domestic and international.”

“Minutes before the end of the two-hour stretch,” the workers continued, “MIAA engineering personnel, together with representatives from the Safety Division, march toward us to conduct a joint inspection of our work area. Their task is to ensure that no tools, building material, or foreign object are left behind. Only when their clearance is given that the runway is declared open for use.”

Another worker describes the euphoria of work well done: “One can almost feel the excitement when, at the first crack of daylight, an incoming flight makes a successful touchdown and minutes later, another one takes off like a graceful bird, with no obstacles to bar its way.”

To move itself in clockwork precision just as the workers described, the MIAA Engineering Department works in concert with government agencies and a number of consulting, engineering, and telecommunication firms.



Moving Forward

MIAA Engineer’s list of completed and ongoing projects in 2013 is presented on this spread, some of which are timed to flow into 2015. Meanwhile, 2014 is keenly anticipated by the corps of engineers and their partners because, come July, all 23 systems that place the NAIA on a level playing field with its counterparts in Asia shall have been installed, making them effective, responsive, resilient, and sustainable facilities that could efficiently serve users and travelers of all nationalities.

Plans for continued airport improvement relevant to the engineering mission are the following projects:

- Rehabilitation of NAIA T1 Building that is expected to complete in 2015
- Proposed construction of a Greeter’s Lounge
- Extension of Taxiway November
- Installation of an additional 4-megawatt power plant that replace the existing 30-year-old 2MW generator set to sustain the power requirement three (3) years from this report
- Installation of new CCTV systems for the NAIA complex and terminals

ENGINEERING PROJECTS IN 2013

TERMINAL 1

COMPLETED PROJECTS IN 2013

Rehabilitation of comfort rooms (CR 208, 308, 210 and 211).

New escalators – replacement of two escalators connecting arrival and departure lobbies

New elevators – replacement of two elevators at the lobby serving all levels of the terminal

Public Address System – upgrading and improvement of the PA system to the present available technology equipped with Automatic Volume Control that adjusts the volume requirements accordingly in one area/ zone or another

ON-GOING PROJECTS

Architectural upgrading of parapet walls, eaves, and elevated roadway at T1.

Structural retrofitting – to ensure that the terminal building is safe and structurally fit for present operations/ conditions and from natural calamities like earthquakes

Total rehabilitation and improvement of T1 – includes new aesthetic design, improvement of passenger flow, energy-saving LED lighting, fire protection and detection system, new air handling system, and compliance to national building codes and fire regulations

ENGINEERING PROJECTS IN 2013-2014

TERMINAL 2

Repair and re-waterproofing of Terminal 2 main roof

Supply and installation of carpet tiles at gangways.

Aerobridges and bridge heads

Repair of T2 departure carousels DS2 and DN3 center track railings

Procurement of parts for hydraulic system of boarding bridges

Upgrading of plc system for departure conveyor systems

Upgrading of PLC control system for 8 passenger boarding bridges

Additional escalators

Supply and delivery of 40 units of high velocity hand driers

Supply and delivery of 50 units of open top stainless steel receptacles

Upgrading of public address system

Improvement of t2 airconditioning system

Additional 19 units of package airconditioning units

Installation of airconditioning systems at north and south wings

Supply and installation of 81 units of led TVs for check-in counters as part of flight information system



**ENGINEERING PROJECTS IN 2013
TERMINAL 4**

COMPLETED PROJECTS IN 2013

Repair and overlay of Runway 06/24.

Repair and upgrading of T4 aprons (Bay Nos. 4, 5, 6, 7, 9, and 10).

ON-GOING PROJECTS

Construction of secondary fence along Runway 06/24 and T3 apron.

**ENGINEERING PROJECTS IN 2013
TERMINAL 3**

COMPLETED PROJECTS IN 2013

Structural retrofitting – to ensure that the terminal building is structurally safe for airport operations/ conditions and from natural calamities like earthquakes

ON-GOING PROJECTS

Rehabilitation and upgrading of 23 electro-mechanical systems at T3 being undertaken by DOTC with Takenaka Corp. as the contractor. Also, the following projects are being implemented:

- 1) Baggage Handling System
- 2) Master Clock System
- 3) Passenger Loading Bridges (24 units)

NAIA COMPLEX

COMPLETED PROJECTS IN 2013

MIAA Power Plant Improvement – installation of a new power plant was completed with a rating capacity of 6MW, enough to supply the present power requirements of NAIA T1 and T2, ICT, and vital facilities in case of total power failure, thereby ensuring, if not minimizing, interruption of airport operations and vital facilities.



SECURITY AND EMERGENCY SERVICES: Keeping the Watch

National security is often breached at its most vulnerable spot: ports of entry. Thus, the MIAA implements its national security, emergency, and safety agenda 24/7 in accordance with standards set by the International Civil Aviation Organization (ICAO). A Special Operations Team was created in 2011 to supervise national security protocols across all four NAIA terminals to check for the possible entry of terrorists, roaming rouges, and persons of international interest.

To do this, the Office of Security and Emergency Services observes monthly meetings to assess the Authority's compliance with international security standards. Moreover, the SES workforce conducts survey inspections at all vital terminal installations and infrastructure. Closely monitored are the fuel depot, generator and cooling systems, air navigational communication systems such as the VOR and VHF (very high to high-frequency omni-directional radio range), airside and indoor lighting systems, and power supply.





Security and Emergency Services (SES) Projects in 2013



2013 was an exceptionally busy year for the SES management. In March, key staff attended the Southeast Asia Security Awareness Workshop in Bali, Indonesia sponsored by the Australian government. Knowledge gained from interacting with other Asian authorities in the workshop was promptly used and applied in all issues of critical interest to aviation security. One such issue was the informal settlements beside exterior perimeter walls of the airport. One of the measures taken was the conduct of regular patrols along MIAA boundaries and posting of guards 24/7 within the contiguous cities of Pasay and Parañaque.



AGMSES said that the communities' involvement in airport safety and security is meaningful. "To involve the participation of residents in these settlements, MIAA entered into a public-private partnership with Bantay Bayan Inc., a non-government organization based in the National Capital Region to organize a security awareness and enhancement workshop in August 2013 with the participation of the people." The partnership resulted in the engagement of 70 Bantay Bayan members consisting of heads of households within the concerned barangays.

The members were clustered into volunteer watch brigades. This has not only boosted airport security and safety, it also created a symbiotic relationship between the Authority and the communities around it.

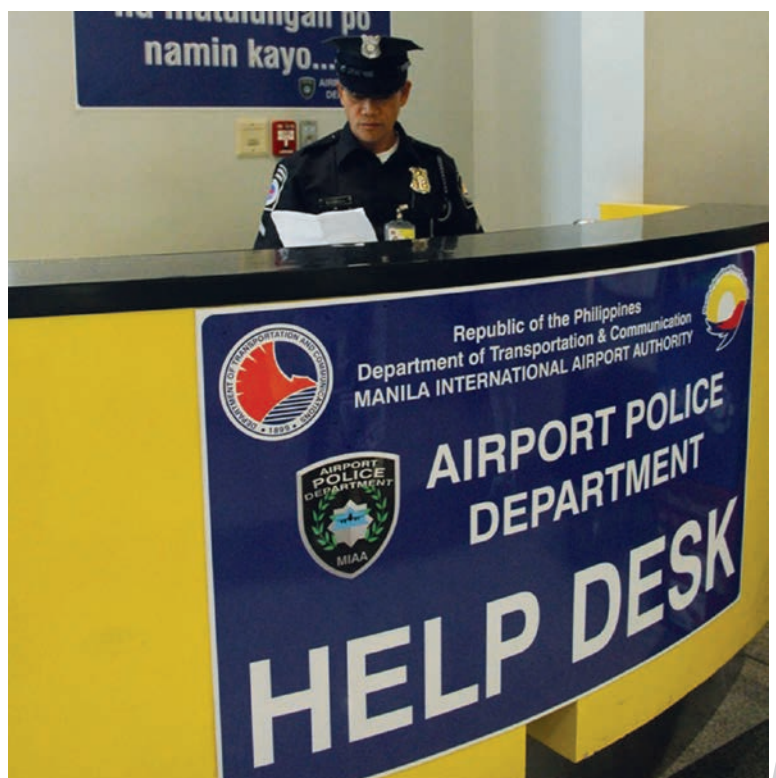
In a related manner, training was top-listed on the SES action board. Intelligence and counter-intelligence re-training courses were held for the entire airport security detail. Trainees were drawn from three sources: 400 from the Airport Police Department, 1,170 security guards from four private security agencies contracted by the Authority, and staff from the Intelligence, Investigation, and Pass Control Department.

The SES management has 396-strong airport police force, to which 118 new recruits were added in 2013. The Authority, however, continues to interface with the Philippine National Police Aviation Security Group and Department of Justice (DOJ) operatives when it comes to the actual detecting and tracking down of potential offenders who have become more creative in the perpetuation of crimes that threaten civil aviation.

Equally under the sleeve of the SES Office are emergency and security functions that address the needs of aircrafts, their inbound and outbound passengers, the terminal service crews and all entities and persons transacting business with the Authority. The Office is likewise responsible for operating emergency fire engines, eight of which are fully functional in 2013. These are complemented by four medical ambulances in the service of each of the four terminals. Since harsh environmental anomalies like wind surges, typhoons, and earthquakes are perennial threats to aircraft landing and take-off, the Office has prepared and launched its Disaster Preparedness and Airport Emergency Response Org. (AERO) Manual which contains emergency plans including aircraft, airport security and material disasters/calamities.

In a related move, all SES personnel constantly undergo rigorous drills and exercises to keep them fit to respond to all types of eventualities. Off-airport emergency and table-top exercises are held to equip them with the skills needed to deal with emergency aircraft landings.

The MIAA's constant state of vigilance keeps all four NAIA terminals secure and safe from negative human or physical disturbance. As far as its eyes could see and its hands can do, it is ruled by the priority principles of prevention and preparedness.



TERMINAL OPERATIONS

Ninoy Aquino International Airport

1
TERMINAL



HISTORICAL AIRPORT GETS ITS LIFT

The Ninoy Aquino International Airport Terminal 1 is a historical monument. In 1986, a great Filipino statesman, then Senator Benigno Aquino, Jr., met his death on its tarmac at the hands of assassins. Soon after the tumult over his demise simmered down, the terminal, Metro-Manila's sole international gateway at that time, was given the honor to bear his name.

The awesome fact is that, beyond the ridicule and derision it endured from all imaginable sources like being "old, decrepit, and congested", T1 perseveres. And even if plans for a new generation terminal intended to replace it are laid, subsequently funded, built, and operated, T1 continues to serve.

Not only has it been given a fresh lease on life by the Authority. Plans are underway to reverse its public perception and to improve, upgrade, and bring it up to the level of competitive bests in Asian flying portals.

Although the NAIA T3 is about to take a heavy load off the shoulders of T1 in Mid-2014, plans are underway for T1's structural retro-fitting, architectural upgrading and improvement of mechanical, electrical, plumbing and fire protection system. Originally designed to take in 4.5 million passengers per year, the challenge is on to give T1 its well-deserved lift.



Dante B. Basanta
Terminal 1 Manager

“Plans are underway to reverse the public perception of NAIA Terminal 1 and to improve, upgrade, and bring it up to the level of competitive bests in Asian flying portals.”



EXPANDING THE SCOPE OF ISO RATINGS

T1 Manager Dante B. Basanta revealed that forecasts for a positive scorecard in international standards compliance are bright, “We sustained the airport’s ISO 9001-2008 certification, notably in the area of passenger facilitation processes”. The work we pursued and completed from 2012 to 2013, for instance, resulted in an expanded area and sufficiency in the presence of immigration and other government agencies. This trimmed down the long queues of departing and arriving passengers we used to experience daily. In terms of amenities, there are 20 newly-renovated restrooms, upgraded public address system and additional baggage trolleys.

Our institutional oversight is strengthened by the Inter-Agency Coordination Meetings we hold with representatives of immigration, customs, health quarantine, and investigation bodies who report regularly on their commitment to our ISO quality of service.

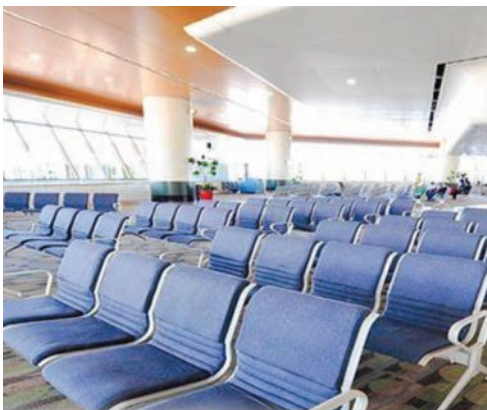
We plan to expand the scope of ISO standardization, covering the time when the passengers enter the terminal to their boarding call, and from the time that they disembark from the aircraft to the time of their exit from the terminal. This should extend further toward the curbside when they actually board their vehicles, be these public or private conveyances.

A critical factor to these cycles is the cooperation of the airlines who handle the boarding and disembarking processes as well as private businesses that the Terminal transacts with. Among these are T1’s shortlist of accredited equipment suppliers and service providers, shop concessionaires, and transport operators,” T1 Manager Basanta pointed out. All transactions are monitored and documented by a team of internal and external auditors.

TM Basanta added that every step of the way, the management is sharply of its task orders and existing agreements with cooperating agencies.

T1 is briskly on the move in 2014, notably in the area of transferring five or more airlines to Terminal 3. The dynamics of T1’s peak operating hours, passenger traffic, and baggage volumes are closely being watched and studied for statistical charting.





NEW PLANS AND PROJECTS

A total of Php1.299 billion has been earmarked for the development and retro-fitting of T1 which include re-engineering works. Columns, beams, trusses, and other structural elements are up for replacement and possible reinforcement in aid of strengthening future load-bearing capacities.

The budget will be spread across construction work centers, specifically architectural, aesthetic interior re-design, mechanical, electrical, plumbing, and fire protection (MEPF) installation and maintenance.

Of great public interest is the construction of a new well-wishers' building, which will completely replace the old one. In 2015, greeters will no longer have to contend with the discomfort posed by the previous structure.

The goal envisioned is that within 2014 and after, T1's glory days in the service of the country and its visitors will certainly be back with the edges of competence, competitiveness, and timelessness.

2 TERMINAL



MORE PAL FLIGHTS AHEAD

The Ninoy Aquino International Airport Terminal 2 is popularly known as the ‘Centennial Airport’ or the home of PAL (Philippine Air Lines), the country’s flag carrier that serves both domestic and international flights. This airport was so named because of its completion and commissioning in 1998, 100 years after the declaration of Philippine independence and the first-ever hoisting of the Philippine flag in Kawit Cavite by General Emilio Aguinaldo.

Today, it assumes the name NAIA Terminal 2, second in the line-up of four terminals situated within the national capital. It continues to be the domain of PAL. The airline, according to Terminal 2 (T2) Manager Cecilio A. Bobila, has recently regained its air space along the European sky lanes, and is slated to increase frequencies to the Middle East.

These developments call for greater structural flex, versatility, and adaptability on the part of airport management. “It is, thus, the role of MIAA to jointly address the increasing volume of domestic and international traffic as well as the needs of the airline that become more complicated with the rise of new aviation technologies,” the T2 Manager informed.



Cecilio A. Bobila
Terminal 2 Manager

“The T2 team works on the principle that the performance of such mission is not viewed from the perspective of ‘accomplishment’, but rather, from the view deck of ‘service to the people’. Our work plan is the extension of the north and south wings of the building, in order to maximize the spaces dedicated to the pre-departure lounges, offices, and concession stores.”



A FOCUS ON PROJECTS AND SERVICES

In 2013, the airport focused on the effective and efficient delivery of services and the implementation of maintenance and upgrading projects on the air and ground sides of the mega structure.

Among these were the refurbishing of the Mabuhay Lounge, regular maintenance works on the 12 passenger bridges and in-place automated systems. The T2 team works on the principle that the performance of such mission is not viewed from the perspective of 'accomplishment', but rather, from the view deck of 'service to the people'.

PLANS IN 2014

“Our work plan in 2014 is the extension of the north and south wings of the building, in order to maximize the spaces dedicated to the pre-departure lounges, offices, and concession stores,” Bobila revealed. The extensions will enable the airport to abide by its designated design capacity of 5 million domestic passengers and 2.5 million international passengers per year of service.

This, however, is a tall order, given the fact that the airport building is bound by a fuel depot on one side and the Philippine Village Hotel structure on the other. The plans will prosper only after the resolution of cases for right-of-way.

The Authority’s moves are always planned with, and taken in the context of the client airline. Recently, PAL has indicated its offer to rent around seven hectares of the Nayong Pilipino theme park (which has moved to a new location at the Subic Freeport). The space will be used as an additional aircraft parking area.

T2 is fully compliant with ISO standards for international aviation, but management does not rest on its compliance averages. Efforts are constantly made to excel in the delivery of T2’s mandate. Frequent meetings are held with government agencies such as the department of justice, transportation and communication, tourism, and the Philippine Overseas Employment Authority on common projects. One of the ends desired is the faster processing of customs, overseas employment, and immigration documents of overseas Filipino workers.



3

TERMINAL



IN 2014, IT'S ALL SYSTEMS GO

The Philippines' biggest and newest Manila-based airport terminal – the Ninoy Aquino International Airport Terminal 3 – is all set to throttle up its fully-automated systems by mid 2014.

This terminal, with its massive infrastructure and length to tire even the fittest walker, started operations in 2008. Set across the mega city of ritzy hotels and residences taking shape across its grounds and beside the Philippine Air Force Villamor Air Base, this terminal was meant to relieve the stress and strain of the country's oldest international airport, the Ninoy Aquino Terminal 1, and to take on the megalithic jets of international airways which the older facility has to be refitted and re-conditioned for.

Toward its finishing stages, however, the terminal encountered technical and structural setbacks that the Authority, the Department of Transportation and Communication (DOTC), and the building contractors had to beat the clock to comprehensively address. The end desired was to make this Terminal the rated roost of global airlines and their guests, and a gateway that adheres to the standards set by the international aviation authority.



Octavio F. Lina
Terminal 3 Manager

“To respond to the design challenge the T3 management closely watched and monitored the progress of installing 23 systems that synchronize and raise the airport to its prescribed level of efficiency on time. These systems not just enable the airport to handle peak hour traffic but also to technically navigate the ingress and egress of the wide-bodied jetliners.”



T3'S BEST FEATURES: AUTOMATED SYSTEMS

NAIA Terminal 3 was primarily designed as an automated systems airport responsive to a maximum holding capacity of 13-million international passengers per year. Three years into operations, however, incremental demands of international travel and tourism quickly caught up with this projection.

T3 Manager Octavio F. Lina informs that the terminal's current load has surpassed the 13-million mark. The International Air Transport Association (IATA) thus categorizes T3 as a Coordinated Level III airport, indicating that the factors of runway, terminal, and apron situations are assessed, keyed in, and cleared prior to flight operations.

"To respond to the design challenge," Engr. Lina said, "the T3 management closely watched and monitored the progress of installing 23 systems that

synchronize and raise the airport to its prescribed level of efficiency on time. These systems not just enable the airport to handle peak hour traffic but also to technically navigate the ingress and egress of the wide-bodied jetliners."

Mr. Lina informs that the terminal is not just an interconnecting structure between air operations and ground operations. On the airside are efficient runway aprons, taxiways, runways, and landing lights. At the point of contact between airside and groundside are passenger bays and bridges, as well as service bridges for airline operations personnel, flight inspection, and all servicing activities related to the aircraft.

The building structure itself features automated essentials, foremost among which are safe, reliable,



and well-maintained escalators and lifts. Terminal 3 have also conveyances such as walkalators or travelators for the convenience of the aged, young children and pregnant women, the disabled, and the infirm.

front are the ticketing and check-in counters with automated baggage conveyors. Essentially for international airports, the facility also has desks for the inspection and processing by country customs, security, immigration, and foreign affairs officers of vital travel documents and luggage.

On both entrances to the boarding and disembarking concourse are found digitally-operated safety and security inspection scanners and equipment. Within the concourse are comfortable pre-departure, boarding and arrival areas for economy and business class passengers as well as a presidential lounge for visiting dignitaries.

Other points of interest of a standards-compliant airport are its post flight areas such as the baggage claim area, where efficient carousels allow for the quick retrieval by passengers of their checked-in items. Equally at these exit point, there are transfer counters for connecting flight processing, and another designated area for the accessing of public and private transport services. Passenger courtesy requires that the ultimate-service airport extends its services to this curbside.

The T3 manager also informed that some international carriers, by July 2014, will move from Terminal 1 to Terminal 3 when all the automated systems are fully functional.

4 TERMINAL



BUDGET IN SIZE, BIG IN DREAMS

Nearly all Filipinos who fly, whose business and leisure travels take them in or offshore, know this airport only too well. This was, and still is, one of the capital's doorways to the regions and transfer point for overseas Filipinos on homecomings and for tourists domestic and international visitors on island hops.

It used to be called "Domestic Airport" to distinguish it from the then Manila's "only international airport," now the NAIA Terminal 1. By force of habit, people, especially cabbies, still call this the "Domestic Airport," the tiniest ramp-less and arch-less one a few steps away from the curb of the road within the MIAA-CAA complex. With the addition of the NAIA Centennial Terminal 2 and the newer NAIA Terminal 3, this airport earned the distinction of being the NAIA Terminal 4.

Of the four terminals, this has had its share of history like its international a short drive away, having for decades hosted the arrivals and departures to inland destinations of some of the world's distinguished missions, leaderships, and luminaries of various callings. It used to be the port of call of all Philippine domestic carriers, until it narrowed down as the hub of Cebu-Pacific and Air Phils., Zest Air, then today as only that of Air Asia, Tiger Airways, Skyjet and a number of regional airlines.

Terminal 4 Manager Enrico Francisco B. Gonzalez underscores the fact that his enclave is just a fraction of those managed by his fellow TMs. "This terminal measures less than 1/10th compared to the other terminals. It may be spatially minuscule which places it under the category of a "Budget Terminal". Such terminal is, by norm, low density in terms of passenger and aircraft traffic. But this does not mean we do not dream, think, and act big."



Enrico Francisco B. Gonzalez
Terminal 4 Manager

“The team felt that the facility should translate its limitations into challenges, and its challenges into future competencies over a strategic planning curve.”



THE BIG DREAM

While obviously physically dwarfed by its counterparts, Terminal 4 muscled up on its accomplishments in 2013.

Its biggest feat was the launching of Asian regional flights at a frequency of four (4) flights per day for carriers Zest Air, Air Asia, and Tiger Air of the Sea Air line. “We used the lull period in airport operations creatively, to an advantage,” reveals TM Gonzalez.

This investment in time was proven not only to be right, but a wise move as well, according to the TM. “We were able to work out these regional flights because we were gifted with the availabilities of

time, the airside space, the personnel, and all the standby technologies. We are now handling regular flights to Kuala Lumpur, Kota Kinabalu, Shanghai, and soon, Japan.”

Terminal 4 is not only busy maximizing time. It is also flexing its muscles in areas with high service potentials. Since assuming office, T4 Manager Gonzalez and his team constantly brainstormed for all angles whereby the airport could proudly make its own unique statement, in spite of its size. “The team felt that the facility should translate its limitations into challenges, and its challenges into future competencies over a strategic planning curve,” he said.





TURNING CHALLENGE INTO COMPETENCE

“We are faced by incontrovertible facts. Firstly, NAIA Terminal 4 sits on a busy in-bound and out-bound strip on the airside and, without the safety barrier of space, an equally bustling commercial area on the curbside. We could not explore a vertical rise because of the low-fly zone. Neither can we explore a horizontal extension because of existing lateral structures and the rights-of-way of hangar residents. More intimidating is the planned construction of a skyway within the environs. Our response is to maximize our parking stands and our remote parking spaces, and to design a more passenger-friendly and attractive frontage on the curbside.

“Secondly, we are confronted with increasing demand in terms of passenger and aircraft volume. Terminal 4 was designed for a total serving capacity of only two million passengers per year. We have to continually adapt and strengthen systematically and structurally to be equal to projections. We expect other knocks on our door for the inclusion of new Asian-Pacific destinations.

“Thirdly, we may be challenged by these operational risks, but I am proud and happy to say that we kept to being a “Budget” but delivered substantially to the national budget in turn as MIAA statements objectively and transparently manifest. We have moreover stayed on the same plateau of financial performance that we have achieved prior to the transfer of Cebu Pacific to Terminal 3. Additionally, we have been particularly effective as a watchdog that consistently keeps human and commercial trafficking at bay.”

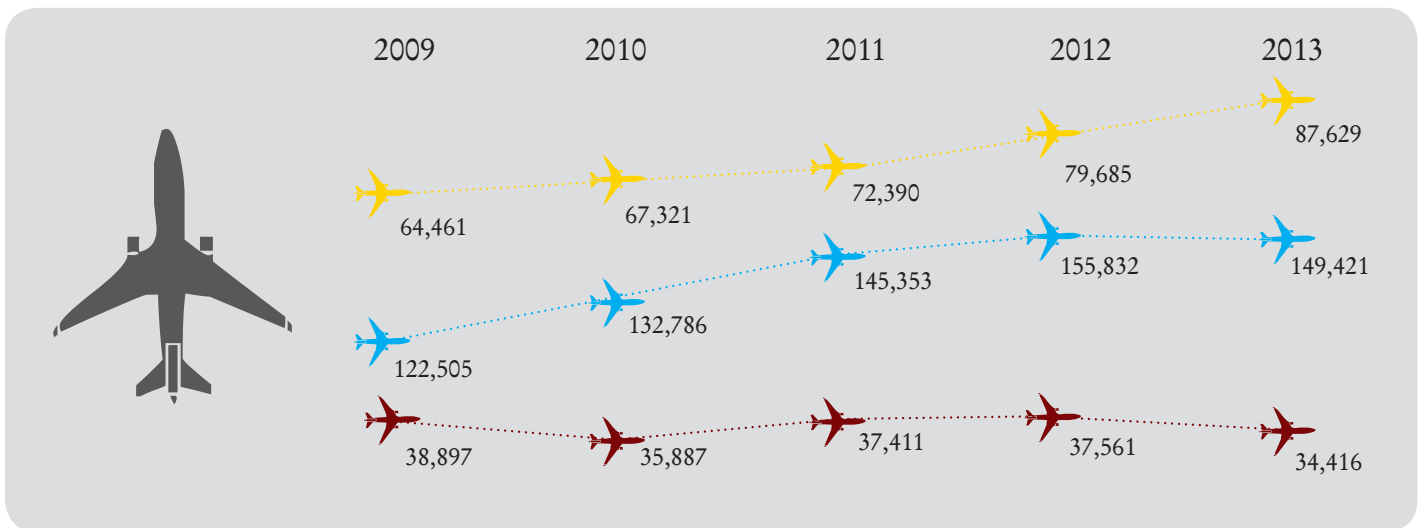
To sum up, TM Gonzalez said that his optimism is qualified and tempered by the harsh realities of the airport’s configurations. He handles the cons with the eye of a seasoned pilot negotiating a difficult landing: “Training exposures for T4 personnel, complete systems installation, compliance with international standards on all sides, and close collaboration with airlines, technical experts, and partners in the aviation industry will keep us on par with the other tees in terms of total quality service delivery,” TM Gonzalez concludes.



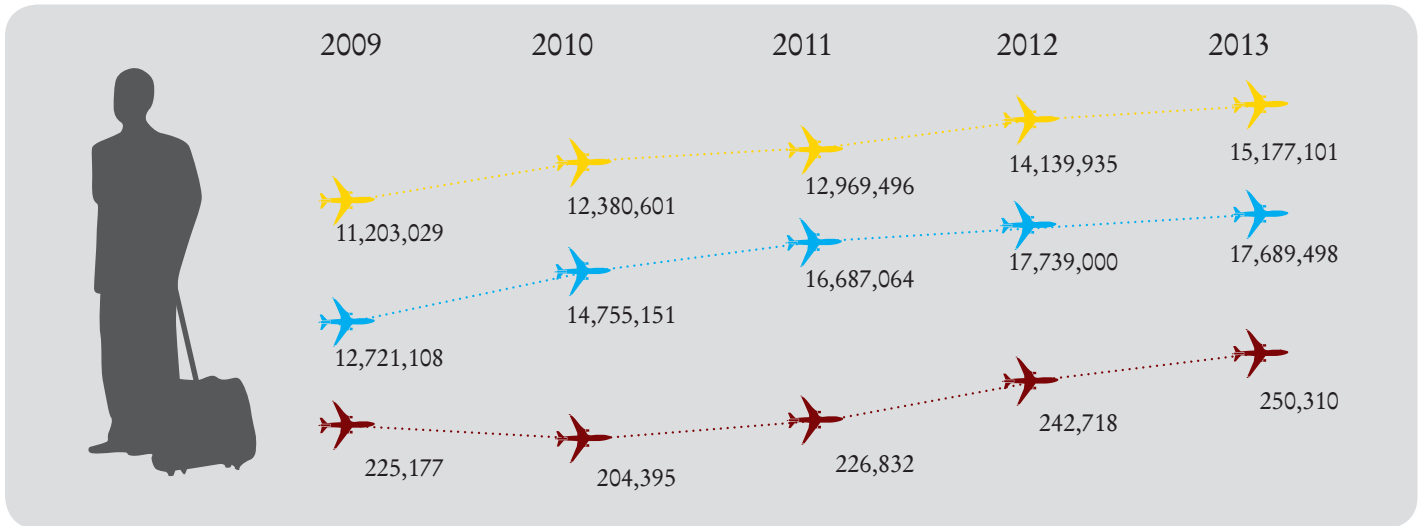
2010-2013 OPERATIONAL HIGHLIGHTS



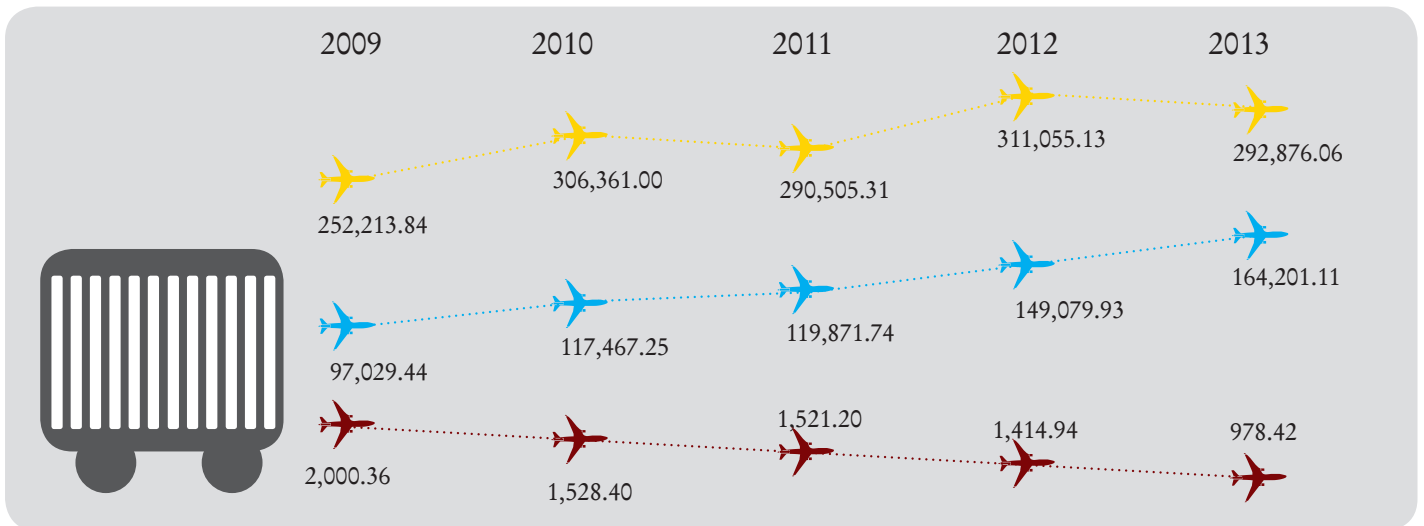
FLIGHTS



PASSENGER



CARGO



2010 BACK STORY:

OPERATIONAL HIGHLIGHTS

In 2010, total flight movement in international, domestic and general aviation registered an increase of 4.49%, from 225,863 in 2009 to 235,994. Passenger movement scaled up by 13.21% from the 2009 level of 24,149,314 to 27,340,147. Cargo Movement rose as well by 21.10%, from 351,243.64 tons in 2009 to 425,356.65 tons in 2010.

From 2009 to 2010, the four NAIA Terminals registered remarkable passenger traffic. Terminal 1 handled a total of 7,301,276 international passengers in 2010 in contrast

to 6,866,831 in 2009. Terminal 2 processed a total of 3,646,280 international passengers in 2010 compared to 3,264,208 passengers in 2009 and 5,254,383 domestic passengers in 2010 compared to 5,306,453 domestic passengers in 2009. Terminal 3 handled 1,433,044 international passengers in 2010 compared to only 1,071,990 passengers in 2009. It moved a total of 8,119,686 domestic passengers in 2010 compared to 6,366,028 domestic passengers in 2009. Terminal 4 handled 1.3 million domestic passengers in 2010 compared to just 1 million passengers in 2009.

MAJOR PROJECTS COMPLETED IN 2010

Project	Cost	Date Started	Date Completed
Fence Restoration within the Aircraft Movement Area, NAIA Complex at Runway 06 beside the Kaingin and Merville Moonwalk access roads	3.2-million	November 25, 2009	January 08, 2010
Rehabilitation of deteriorated construction Joint Sealant at the ICT Apron	6.6-million	November 17, 2009	February 14, 2010
Sealing of Concrete Pavement, Aircraft Parking Bays / Envelope Area, Equipment Parking at NAIA Terminal 3	43-million	April 19, 2010	June 13, 2010
Expansion of the IID Office	1.1 million	May 21, 2010	June 24, 2010
Replacement of Joint Sealant at Terminal 3	17.9-million	June 06, 2010	September 04, 2010
Repair and Upgrading of Taxiway Charlie 6 and the Hotel 2 Segment of Taxiway 06/24	Civil Works: 91.8-million	May 21, 2010	October 15, 2010
Supply, Activation, and Upgrading of NAIA-3 VIS 108 In-line Explosive Detection System (EDS) Baggage Screening at NAIA 3	105,599,471.44	December 01, 2009	February 08, 2010
Supply and Installation of PACU at MIAA Board Room Admin Building	461,500.00	June 03, 2010	June 09, 2010
Supply and Installation of One 3TR Split-Type Air-conditioning Unit at EPABX Building	98,000.00	August 11, 2010	August 14, 2010
Rehabilitation of Various NAIA Airfield Visual NAV-Aids/Lighting Systems	58.3 million	May 17, 2010	November 20, 2010

MAJOR SECURITY & EMERGENCY PROJECTS COMPLETED IN 2010

Construction of the Pass Control Satellite Office, Teller Booth, and Parking Area at Delta Gate, General Aviation Area to enhance access measures, facilitate issuance of access passes and Identification Cards, and provide vehicle parking spaces to General Aviation employees and tenants

Increased capability in Aircraft Recovery Operations through the acquisition of a new Aircraft Lifting bag for the RFD

Completed upgrading of two (2) units of EDS Screening Equipment at Terminal 3 to comply with the ICAO 100% Hold Baggage Screening

Procurement of advanced equipment for effective and efficient screening operations at the four Terminals

Adoption of the Australian OTS Security Evaluation Team's findings on favorable security arrangements within the NAIA complex to adhere to locational and environmental requirements and ICAO Standards and Recommended Practices

Conduct of the Table Top Crash Rescue Exercise

Conduct of the Airport Security Awareness Seminar for 8,912 airport employees in compliance with ICAO and the MIAA Airport Security Program

Security Services

The Authority gave priority attention to the efficiency and effectiveness of safety and security measures across the four Terminals. Cases recorded by the different security components were as follows: Police Authority (371 cases); Police Intelligence and Investigation (3,056 cases); Landside Police (977 cases); Airside Police (2,380 cases) and Police Detection and Reaction (1 million cases).

The Intelligence and Investigation Office documented instances of violations against the Revised Penal Code (RPC) and 654 violations against MIAA Rules and Regulations. Lost and unattended items were turned over to their respective owners. Identification and Pass Issuances from January to December 2010 reached a total of 432,201 visitors' passes, 1,867,638 duty passes, and 188,464 monthly passes.

Emergency Services

Medical Services provided consultation and treatment services, performed sick calls, and conducted medical assistance to passengers in transit. Records show that a total of 28,010 medical services were provided and served.

Rescue and Firefighting Services provided appropriate responses such as Emergency Plan (EP) Number 2 (Code 2 Runway Standby), EP Number 3 (Code No. 9 Local Standby), Assistance/Structural/Flushing services, Fire Drill simulations, and Terminal familiarization tours. Total records showed a total of 290 cases that availed of such services.

FINANCIAL HIGHLIGHTS IN 2010

Gross Revenue by end of December 2010 was 7.89 billion, up by 524 million or 7% from 2009. Of this amount, 892 million went to the National Government. Operating Expenses totaled 4.93 billion, lower by 153 million or 3%. In contrast, our Net Income from Operations was 2.07 billion, higher by 623 million or 43% from previous year. Other Expenses registered at 1 billion, higher by 718 million or 250% from 2009. Net Income after Taxes of 540 million was lower by 202 million or 27% from last reporting year. Gross Revenue in 2010 was drawn from various airport fees and charges. A total of 2.8 billion in Passenger Terminal Fees were collected, up by 283 million or 11% over 2009 due to the increase in the number of paying departing passengers from both international and domestic air travel.

Aeronautical Fees totaled 2 billion in 2010, an increase of 111 million or 6% mainly due to the Authority's decision to lift the temporary reduction of aeronautical charges for both domestic and international airlines effective July 1, 2010. It was likewise due to the increase in the number of flights for both international and domestic operations.

Rental Fees were up at 1.2 billion in 2010, higher by 44 million or 4% from 2009 due to the

following: application of new rentals rates per Board Resolution No. 2008-22 that went into effect on September 15, 2009; additional billings for Terminal 3 rental spaces; and increase in the check-in counter usage by both PAL and other international airlines.

Concession Privilege Fees in 2010 stood at 692 million, down by 2 million due to the decrease in remittances from concessionaires paying based on percentage of their gross receipts particularly from Duty Free Philippines. On the other hand, Security Development Charges posted 836 million in 2010, up by 84 million or 11% from previous levels due to the increase in the number of international departing paying passengers.

Cash Inflow registered 10.3 billion in 2010, higher by 275 million or 3% than in 2009 due to increases in operating income and trust receipts. On the other hand, Cash Outflow was 8.7 billion in 2010, up by 353 million or 4% due to the increase in operating expenses, capital outlay, and corporate income taxes. Net Cash Flow was 1.2 billion in 2010, down by 243 million or 17% from last levels. The Beginning Cash Balance of 7.3 billion in 2010 was higher by 1.4 billion or 24%. The total Ending Cash Balance of 8.6 billion was also higher by 1.2 billion or 16% from 2009.

MILESTONES IN 2010

- Successful adoption of the Quality Management Systems Program leading to the attainment of the ISO 9001-2008 Certification of Passenger Facilitation Processes at Terminals 1, 2, and 3. In April 2010, the Authority passed the required external audit that enabled it to retain this ISO Certification.
- Hosting of the 28th Annual Meeting of the ASEAN International Airports Association (AAA) held from February 23 to 26, 2010. A

total of thirty-three (33) international delegates attended this gathering, representing seven out ten international airports of ASEAN member nations. This event was attended by the MIAA Management and Board of Directors, Philippine local international airports, and representatives of other government entities. Discussions during the four day meeting among the delegates covered the subjects of Cost Effective Airport Development, Quality Management System for Institutional Airport Improvement; Character Building for Airport Workers; and Global Trends in Airport Capacity Building.

2011 BACK STORY:

OPERATIONAL HIGHLIGHTS

MIAA experienced a substantial increase in international operations. Flight movement was up by 7.53%, from 67,321 in 2010 to 72,390 in 2011 while passenger movement increased by 4.76%, from 12,380,601 to 12,969,496. However, cargo movement dipped by 5.18%, from 306,361 in 2010 to 290,505.31 in 2011.

In domestic operations, flight movement increased by 9.46%, from 132,786 to 145,353 while passenger movement rose higher by 13.09, from 14,755,151 in 2010 to 16,687,064 in 2011. Domestic cargo movement differed from those of international cargos, higher by 2.05% from 117,467.25 to 119,871.74

In general aviation operations, on a cumulative basis, flight movement was up by 4.25%, from 35,887 to 37,411 while passenger movement posted a better increase of 10.98%, up from 204,395 to 226,832 in 2011. In contrast, cargo movement declined by 0.47%, from 1,528.40 in the previous year to 1,521.20 in 2011.

Total international, domestic and general aviation movements: Flight movement throughout 2011 looked up by 8.12%, from 235,994 in the preceding year to 255,154 in 2011. Passenger movement posted a slightly lower increase of 9.3%, from 27,340,147 to 29,883,392 while cargo movements slowed by 3.16%, from 425,356.65 to 411,898.25.

MAJOR PROJECTS COMPLETED IN 2011

Project	Cost	Date Started	Date Completed
Improvement of Ceiling and Wall Cladding at East and West Satellites, NAIA Terminal 1	85.3 million	May 12, 2010	April 11, 2011
Renovation of 8 Rest Rooms at NAIA Terminal 1 and two additional Rest Room for Persons with Disabilities	14.4 million	January 2011	December 2011
Re-waterproofing of the Roof Deck at the East and West Concourse of Terminal 1	13.4 million	July 12, 2011	September 12, 2011
Supply of Flight Information Display System (FIDS) Server, Software, Workstations and 30 units of Commercial TV for the Repair and Commissioning of FIDS System at NAIA Terminal 2	4.7 million	December 11, 2010	January 07, 2011

Upgrading of 20 units of Smith Heimann Baggage X-ray Machines at Terminal 3	33.1 million	January 25, 2011	February 23, 2011
Rehabilitation of Primary Lines of the AFL Systems and the Supply and Installation of Additional Taxiway Signs	196 million	June 15, 2010	October 18, 2011
Replacement of Air Handling Units at Boarding Gate of North and South Wing at NAIA Terminal 2	24.9 million	June 15, 2011	October 24, 2011
Repainting of Pavement Markings at Terminals 1 & 2, ICT, Balagbag, Remote Parking (MIASCOR and JOCASP) Apron, Phases 1 and 2	20.1 million	September 23, 2011	December 06, 2011

Security Services

The Authority was able to track and record a total of 815 aviation security violations in 2011. Public visitors' and staff were strongly advised to properly wear and display official identification cards and access passes within the premises. Unauthorized entries were denied to a total of 752 cases, a result of strict access control as mandated by the Transportation Security Administration.

There was a reduction in the number of security screening violations, with only 87 security breaches involving essentially-prohibited items confiscated from passengers and baggage items that passed through computerized screening procedures. This was attributed to increased public awareness of items prohibited on board by airline passengers and guests.

A total of 3,621 items of assorted clothing, toys, bags, and toiletries inadvertently left by guests and passengers were found, of which 1,310 items were claimed and 2,311 others left in custody. Items unclaimed over time were donated to various charitable and indigent institutions along with cash donations from the Authority. Some of these were recovered from plane crash victims at Better Living, Parañaque City which were bundled into 50 boxes of donated items.

Additionally, a total of 2,664 traffic enforcement cases were recorded. These included minor violations of illegal parking, obstruction along pre-departure and arrival areas, price overcharging for services, and illegal or unauthorized transport operation.

Emergency Services

The MIAA Fire and Rescue Unit responded to two (2) aircraft accidents, the latest of which involved the crash-landing of a Beechcraft aircraft on 10 December 2011 at Barangay Don Bosco, Better Living Subdivision, Parañaque City. It responded to 156 aircraft emergencies which fortunately all landed safely.

The Authority conducted eight (8) aircraft recovery activities and responded to nine (9) fire incidents within the MIAA complex and its immediate environs. To increase the proficiency of fire-fighters and rescuers, 24 in-house fire drill exercises and one (1) actual full blown crash rescue exercise were conducted, participated in by other fire stations and medical hospitals around NAIA.

Emergency medical services were extended to passengers requiring immediate attention. In the year, a total of 26,673 consultation and treatment activities and 224 medical assistance were conducted benefiting airport guests and passengers. Some 176 patients were safely brought to external treatment facilities while a total of 1,076 dental cases were attended to.

The NAIA Task Force Against Trafficking in Persons investigated a total of 540 off-loaded passengers, 32 of which were minors, 329 tourist-workers, and 179 Overseas Filipino Workers (OFWs). Violations included deployment ban, absence of properly documented recruitment, and possession of fraudulent or spurious documents. Some 128 OFWs were found to carry false visas, passports and documents declaring older ages.

FINANCIAL HIGHLIGHTS IN 2011

The Authority grossed 8.65 billion in total revenue, up by 750 million or 9% compared to the 2010 performance. Of this amount, 937 million went to the National Government. At the other end of the financial scale, Operating Expenses dipped by some 4.5 billion, down by 431 million or 10% in 2010. Net Income from Operations amounted to 3.21 billion, considerably higher by 1.14 billion or 55% compared to previous levels. The Authority realized a total Net Income after Taxes of 1.88 billion, a favorable climb of 1.34 billion or 249% in comparison to year-ago net income.

MILESTONES IN 2011

- NAIA passed the 2011 Annual Security Assessment (ASA) conducted by a five-man team from the United States Transportation Security Administration (TSA), led by Mr. Wayne Hall. The assessment covered the landscape of airport ID processing and access controls, airport security program, quality control program, airport contingency and emergency plans, cargo security, perimeter and terminal access control systems, and passenger and cabin baggage screening system. The favorable outcome showed that MIAA's initiatives to improve airport security have been successful. The Authority committed itself to sustaining these gains in order to mainstream the benefits to local and international travelers.

2012 BACK STORY:

OPERATIONAL HIGHLIGHTS

In international operations, flight movement posted a substantial increase by 10.08%, from 72,390 in 2011 to 79,685 in 2012. Passenger movement increased by 9.02% from 12,969,496 in 2011 to 14,139,935 in 2012. Cargo movement was also up by 7% from 290,505.31 metric tons to 311,055.13 in 2012.

Flight movement in domestic operations posted an increase of 7.21%, from 145,353 in 2011 to 155,832 in 2012 while passenger movement rose by 6.3%, from 16,687,064 to 17,739,000 within the period. Cargo movement was higher by 24%, from 119,871.74 metric tons to 149,079.93 in 2012.

In general aviation operations, on a cumulative basis, flight movement increased by 0.4% from 37,411 to 37,561, while passenger movement posted an increase of 7% from 226,832 in 2011 to 242,718 in 2012. Meanwhile, cargo movement declined by 6.99%, from 1,521.20 metric tons to 1,414.94 metric tons.

The number of international passengers who passed through Terminal 1 was up by 3.5%, from 7,831,099 in 2011 to 8,105,782 in 2012. International travelers going through Terminal 2 also went up by 7.2%, from 3,399,986 to 3,645,209 while those that went through Terminal 3 increased by 37.42%, from 1,738,411 in 2011 to 2,388,944 in 2012.

Domestic passengers moving through Terminal 2, on the other hand, slowed down slightly by 4.38%, from 4,331,401 to 4,141,600 in 2012. This is in contrast to Terminal 3 that processed more domestic passengers, up by 11.63% from 10,083,311 to 11,256,491. Terminal 4 also saw a bigger volume of domestic travelers, up by 3.02% from 2,272,352 to 2,340,909 in 2012.

In terms of international flight movement in every terminal, flights processed by Terminal 1 rose by 3.88%, from 37,694 in 2011 to 39,157 in 2012. Terminal 2 likewise was up by 4.21%, from 21,251 to 22,146 and Terminal 3 swelled up by 39.52% from 13,175 to 18,382.

Domestic traffic movement was brisk at two of the Terminals. Terminal 2 went up by 6.32%, from 30,736 to 32,680 while Terminal 3 rose by a bigger 12.27%, from 87,610 to 98,363. Terminal 4 posted a slowdown of 8.21%, from 27,007 to 24,789.

Total flight movements in international, domestic and general aviation climbed up by 7.02%, from 255,154 to 273,078, while passenger movement posted an increase of 7.49% from 29,883,392 to 32,121,653 and cargo movement accelerated by 12.05% from 411,898.25 metric tons to 461,550 metric tons.

MAJOR PROJECTS COMPLETED IN 2012

Project	Cost	Date Started	Date Completed
Repair and Upgrading of the Terminal 2 to Terminal 4 Access Road	53.8 million	November 14, 2011	March 15, 2012
Restoration of Damaged Security Fence and Riprap at MIAA Complex	4.7 million	October 11, 2011	March 20, 2012
Re-waterproofing of Fire and Rescue Building Roof Deck	898 thousand	March 05, 2012	April 03, 2012
Re-waterproofing of MIAA Powerhouse Building Roof Deck	2.4 million	February 14, 2012	April 4, 2012
Repair and Upgrading of Terminal 4 Vehicular Lane from Lima Gate to Terminal 4 Ramp	23.9 million	December 12, 2011	June 15, 2012
Supply and Installation of Lift and Delivery Piping from Administration Building to South Wing LPS Terminal 2	2,799,429.30	January 02, 2012	May 05, 2012
Re-waterproofing of MIAA Administration Building Roof Deck	3.4 million	March 30, 2012	May 13, 2012
Repair and Resurfacing of North and South General Aviation	125.6 million	January 04, 2012	June 01, 2012
Leveling/Construction of Steel/Concrete Flooring on the Escalator Opening at Terminal 1	3.1 million	March 03, 2012	June 05, 2012
Renovation of Ramp Control Tower Facility at Terminal 1	3.9 million	May 08, 2012	July 21, 2012
Replacement and Retrofitting of Main Circuit Breaker Rated 2000 at 230V, 3 Pole and Replacement of Burned-out Feeder Cables for the Power Supply of Chiller at Administration Building	6.1 million	July 04, 2012	September 04, 2012
Upgrading of Lightning Protection System of Terminal 2, Air Control Tower, MIAA Corporate Building and Powerhouse (9 units with Isolation Transformers)	5.2 million	July 19, 2012	October 11, 2012
Rehabilitation and Repainting of Structures and Replacement of Mechanical Parts for Tanks at STP 1		June 19, 2012	October 24, 2012
Structural Investigation and Engineering Analysis of NAIA Terminal 1 and the International Cargo Terminal	8. million	June 14, 2011	March 14, 2012



Security Services

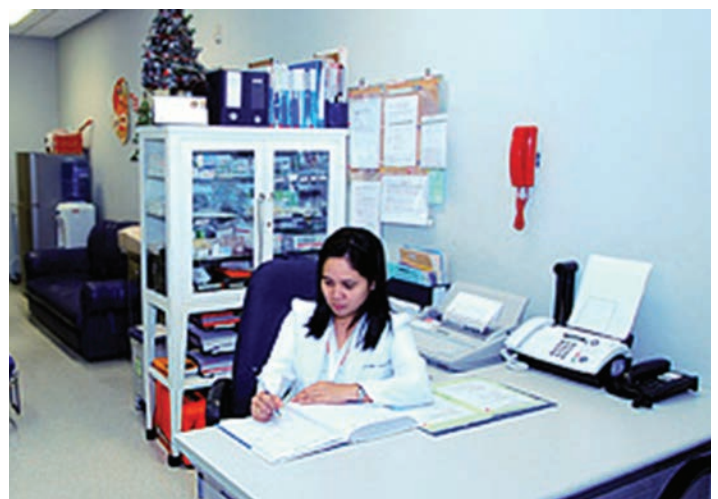
The Authority continued to ensure implementation of safety and security measure with particular emphasis on the detection and apprehension of persons suspected of human trafficking. For the whole of 2012, there were 39 arrests, 23 trafficking cases, and 22 cases of illegal recruitment that were spotted and processed. There were 84 cases recorded in 2012 compared to 99 cases in 2011.

Recorded were violations and breaches of MIAA rules and regulations, criminal cases, and other activities violating traffic enforcement, aviation security, and security screening that totaled 4,893 compared to 3,056 in 2011.

Emergency Services

Medical Services were provided to 21,280 patients which includes travelers and airport personnel. Services included consultation and treatment, medical assistance, sick calls, and dental services. Emergency fire and rescue stand-by and alert services that were provided during the year involved an aircraft

crash, runway standby, station standby, bomb threat, disabled aircraft, structural fire, quasi-emergency for VIPs, and CREX. A total of 405 emergency rescue and firefighting cases were recorded in 2012 compared to 225 cases in 2011.



FINANCIAL HIGHLIGHTS IN 2012

Gross Revenue in 2012 was 8.3 billion, a result of the surge in income from different fee-for-service categories. Passenger Terminal Fees increased by 146 million or 5% due to the increase in the number of departing paying passenger for both international and domestic air travel. Aeronautical Fees also rose by 60 million or 3% due to the increase in the number of both international and domestic flights.

Airport Rental Fees leveled up by 83 million or 6.5%. Concession Privilege Fees increased by 140 million or 17% due to the increase in the remittances from concessionaires based on percentage of their total gross receipts.

The collection of the Security Development Charges (SDC) within a five (5) year period that started February 2007 and ended in January 2012, yielded a decrease of 806 million or a decline of 372 million or 4% in gross revenue compared to 2011.

Operating Expenses totaled 4.11 billion, down by 392 million or 9% due to decreases in personal services by 135 million, contracted services by 73 million, and legal expenses by 482 million. Net Income from Operations was 3.23 billion, up by 22 million or 1% from previous levels. Net other

income registered an increase of 659 million, attributed mainly to Forex revaluation, compared to 2011. The Authority was able to realize a Total Net Income after Taxes of 2.64 billion in 2012, up by 757 million or 40% compared to 2011.

Total Assets registered at 32.24 billion by end of December 2012 while Total Liabilities was pegged at 13.41 billion. Of Total Assets, cash position stood at 9.42 billion. This included the 4.858-billion net proceeds of domestic loans drawn on April 11, 2012 with the Land Bank of the Philippines (LBP), and the Development Bank of the Philippines (DBP), and the 1.102-billion fund transferred by the Department of Transportation and Communication on December 29, 2011 in accordance with the joint Memorandum of Agreement with DOTC in connection with Terminal 1 Rehabilitation Project. The latter is recorded as Cash-National Treasury (MDS) upon transfer of the amount to the Treasurer of the Philippines on March 30, 2012 for the duration of project implementation.

Of the total liabilities, Current and Trust Liabilities amounted to 4.94 billion inclusive of dividends payable to the national government per RA 7656 for 2012 amounting to 1.008 billion.

MILESTONES IN 2012 to 2013

- Terminal 1 - Modifications and renovation works on arrival and other high-traffic areas; installation of the appropriate number of elevator facilities
- Terminal 2 - Escalators at the north and south wings
- Terminal 3 - Completion of structural retrofitting works and systems installation; vital structures on the airside area that facilitate airside movement; taxiway extensions to improve aircraft accessibility and proximity to the main runway; Primary Airfield Landing Lights for additional safety; other airport related facilities scheduled:
 - Construction of parking expansion at Nayong Pilipino
 - Construction of an International Cargo Terminal
 - Construction of a Domestic Carrier Terminal
 - Installation of security equipment
- Terminal 4 - Completion of retrofitting works and systems installation on arrival, departure, and other high traffic areas

2013

OPERATIONAL HIGHLIGHTS

The highlights of 2013 international, domestic, and general aviation struck a balance between positive and negative trends, the latter due to the effects of natural and man-made disasters that affected the aviation industry.

In international operations, flight movements increased exponentially by 9.97%, from 79,685 to 87,629 while passenger movements soared by 7.34%, from 14,139,935 to 15,177,101 due to the introduction of new flights at non-peak hours and the swapping of domestic time slots with international time slots. Cargo movements, however, decreased by 5.84%, from 311,055.13 metric tons to 292,876.06 metric tons due to a slowdown in Asian freight operations.

In domestic operations, flight movements registered a dip of 4.11%, from 155,832 to 149,421 while passenger movements also minimally decreased to 0.28%, from 17,739,000 to 17,689,498. Decreases were due to the switches from smaller to bigger aircraft such as from Dornier 328 to A320 and flight cancellations owing to the disasters posed by Typhoon Yolanda in the Visayas, the earthquake in Bohol, and the conflict in Zamboanga City. Meanwhile, cargo movements moved up by 10.14%, from

149,079.93 metric tons to 164,201.11 metric tons owing to the increase in the material production of manufacturing firms from remote places in Mindanao and the Visayas.

In general aviation operations, on cumulative basis, flight movements came down by 8.37%, from 37,561 to 34,416 due to the limitation by the Civil Aviation Authority of the Philippines to two (2) cycles per hour for general aviation operations and the restriction of fish run operations at the NAIA terminals from 0700 to 1600HR. Passenger movements, on the other hand, posted an increase of 3.13%, from 242,718 to 250,310 which was due to the increase in the number of tourists bound for famous destinations such as El Nido, Balisin, and Amanpulo. Cargo movements decelerated to 30.85%, from 1,414.94 metric tons to 978.42 metric tons.

In terms of total NAIA operations across the four terminals, flight movements came down by 0.59%, from 273,078 to 271,466 while passenger movements rose by 3.10%, from 32,121,653 to 33,116,909. Cargo movements at the terminals posted a combined decrease of 0.76%, from 461,550 metric tons to 458,055.59 metric tons.





Security and Emergency Services

In the areas of security and emergency services, the Authority continued to work to ensure the efficiency and effectiveness of safety and security measures at the airports.

A total of 3,874 cases of human trafficking and illegal recruitment were recorded in 2013 compared to 3,223 cases in 2012. Meanwhile, a total of 212 cases of violations and concessionaire cases were recorded during the year, lower than 243 tracked in the previous. A total of 6,392 turned-over and unattended items were recorded in 2013. Some 2,219 of these items were claimed while 4,173

were unclaimed. There were 1,020 lost items were registered during the year, 28 of which were recovered while the rest remained in storage.

The Airport Police Department recorded 7,576 security concerns compared to 6,558 in 2012. There were 373 rescue and firefighting emergency cases attended to during the year, higher compared to 282 in the previous.

The MIAA conducted a much higher total of 32,184 health care services in 2013 compared to only 21,300 in the previous year, an indication of the earnest desire of the authority to serve airport medical needs and rising above its call of duty.



COMPLETED & ONGOING MAJOR PROJECTS IN 2013

Project	Date Started	Date Completed
Repair and overlay of Runway 06/24	January 2012	February 2013
NAIA Terminal 3 Structural Retrofit	December 2012	July 2013
T1 Upgrading of Public Address System	April 2013	August 2013
T2 Upgrading of Public Address System	April 2013	August 2013
Improvement of MIAA Power Plant Phase 1	December 2012	August 2013
Repair and Upgrading of T4 Apron	January 2013	September 2013
Rehabilitation of Rest Rooms at T1	May 2012	September 2013
Commissioning of 2 Units Mobile X-ray Security Screening System	June 2013	November 2013
Purchase of 5 Units of Customized Shuttle Mini-Buses	July 2013	December 2013
Purchase of Airport Rescue and Firefighting Vehicles and Rapid intervention Vehicle	December 2012	January 2014
Rehabilitation of 11 Sets of Rest Rooms	October 18, 2012	December 2013
ONGOING PROJECTS		
DOTC-funded Rehabilitation Project: Structural Refitting, Architectural Works, Electro-Mechanical Plumbing, Fire Protection System, Lounge Construction (PhP 1.3 billion)	January 2014	March 2015
DOTC-funded Completion Works of 20 Systems (US\$39 million)	November 2013	July 2014
T1 Replacement of Weighing and Feeder Conveyor	October 2013	February 2014
T1 Replacement of Check-in Counters and Upgrading of Ceiling and Walls	August 2014	February 2015
Repair and Re-waterproofing of T2 Main Roof	July 2013	February 2014
Construction of Secondary Fence along Runway 06/24 and T3	September 2013	May 2014

Architectural Upgrading of Parapet Walls, Eaves, and Elevated Roadway at T1	October 2013	February 2015
Re-Waterproofing of International Cargo Terminal Roof Deck	November 2013	April 2014
Repainting of Pavement Markings at T3	November 2013	March 2014
Supply, Installation and Commissioning of 4 Units Explosive Detection Security Screening System	June 2013	April 2014
Supply, Installation and Commissioning of 24 Units Baggage X-ray	October 2013	March 2014
Supply, Installation and Commissioning of 13 Units Hydraulic Barriers at 9 Gates	September 2013	April 2014

Financial Highlights in 2013

The MIAA's financial condition as of December 31, 2013 reveal that Gross Revenue was 8.7 billion, an increase of 5% or 425 million over 2012 level. Revenue breakdown is as follows: Passenger Terminal Fees increased by 118 million or 4% due to the increase in the number of international departing paying passengers. Aeronautical Fees also increased by 143 million or 6%, mainly attributed to the increase in the number of international flights. Rental Fees increased by 75 million or 5% over previous level. The revenue from Concession Privilege Fees also increased by 157 million or 16% due to the increase in remittances from concessionaires whose payments were based on the percentage of their total gross receipts. The decrease in Miscellaneous Revenue of 68 million (-20%) is attributed to the last collection of Security Development Charges in January 2012.

Operating Expenses registered at 4.27 billion or an increase of 162 million or 4% due to increase in 1) contracted services by 7 million; 2) legal expenses by 209 million and; 3) other expenses by 34 million. However, this increase were partly offset by decreases in personal services, utilities and depreciation totaling 88 million.

Net Income from Operations was 3.25 billion in 2013, an increase of 20 million or 0.62%. Other income (expense) amounted to 639 million, up by 403 million or 171% over the previous year. Thus, the Authority realized a Total Income After Tax of 2.93 billion by the end of December 2013, an increase of 294 million or an appreciable 11% from the previous year.

2010-2013

FINANCIAL HIGHLIGHTS

MANILA INTERNATIONAL AIRPORT AUTHORITY

STATEMENT OF FINANCIAL POSITION

(With comparative figures for the year ended December 31, 2012)

	Notes	2013	2012
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	9,953,106,319	9,424,630,513
Receivables, net	4	2,036,607,800	2,715,923,793
Inventories	5	29,105,127	23,414,022
Prepayments	6	492,592,974	202,665,456
Other current assets	7	60,194,169	43,713,616
Total current assets		12,571,606,389	12,410,347,400
NON-CURRENT ASSETS			
Long-term receivables, net	8	0	138,006,063
Investments	9	12,505,000	12,505,000
Property and equipment, net	10	14,675,618,206	14,688,539,943
Investment property, net	11	49,128,911	52,164,651
Other non-current assets	12	4,941,914,945	4,941,914,945
Total non-current assets		19,679,167,062	19,833,130,602
		32,250,773,451	32,243,478,002
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Payables	13	2,044,578,185	1,719,597,859
Inter-agency payables	14	697,021,797	1,691,226,551
Current portion of loans payable - domestic	16	488,227,800	488,227,800
Current portion of loans payable - foreign	17	383,583,610	429,321,203
Other current liabilities	15	639,767,122	608,466,573
Total current liabilities		4,253,178,514	4,936,839,986
NON-CURRENT LIABILITIES			
Loans payable - domestic	16	3,661,708,500	4,149,936,300
Loans payable - foreign	17	3,407,154,173	4,252,898,182
Other long term liabilities		434,517	434,517
Total non-current liabilities		7,069,297,190	8,403,268,999
Deferred Credits	18	299,773,509	74,804,430
Equity		20,628,524,238	18,828,564,587
		32,250,773,451	32,243,478,002

See accompanying Notes to Financial Statements.

MANILA INTERNATIONAL AIRPORT AUTHORITY

STATEMENT OF PROFIT OR LOSS

(With comparative figures for the year ended December 31, 2012)

	Notes	2013	2012
OPERATING INCOME			
Toll and terminal fees		3,353,310,299	3,234,524,397
Landing and parking fees		2,508,984,558	2,366,465,762
Rent income		1,447,847,782	1,372,678,603
Other business income		1,118,996,225	962,082,853
Other service income		272,374,360	340,708,603
		8,701,513,224	8,276,460,218
National Government share on MIAA's gross income	21	(1,176,645,570)	(933,828,758)
MIAA'S SHARE ON OPERATING INCOME		7,524,867,654	7,342,631,460
OPERATING EXPENSES			
Personal services	23	680,650,319	695,672,731
Maintenance and other operating expenses	24	3,594,137,078	3,416,861,090
		4,274,787,397	4,112,533,821
PROFIT FROM OPERATIONS		3,250,080,257	3,230,097,639
OTHER INCOME (EXPENSES)			
Gain on foreign exchange		820,854,326	471,845,748
Interest income		128,439,682	147,464,026
Fines and penalties		2,021,602	4,073,474
Gain on disposal of assets		713,282	74,691
Miscellaneous income		48,695,573	37,848,186
Financial expenses		(361,548,503)	(425,280,696)
		639,175,962	236,025,429
PROFIT BEFORE INCOME TAX		3,889,256,219	3,466,123,068
INCOME TAX EXPENSE		(955,132,977)	(825,563,969)
NET PROFIT		2,934,123,242	2,640,559,099

See accompanying Notes to Financial Statements.

MANILA INTERNATIONAL AIRPORT AUTHORITY
STATEMENT OF CHANGES IN EQUITY

(With comparative figures for the year ended December 31, 2012)

	Notes	2013	2012
GOVERNMENT EQUITY			
Balance at beginning and end of the year	19	7,191,934,321	7,191,934,321
DONATED CAPITAL			
Balance at beginning and end of the year	20	221,200	221,200
RETAINED EARNINGS			
Balance at beginning of the year		11,636,409,066	10,276,109,957
Net profit during the year		2,934,123,242	2,640,559,099
Dividends declared		(1,150,179,073)	(1,008,034,245)
Prior years' adjustments	22	16,015,482	(272,225,745)
Balance at end of the year		13,436,368,717	11,636,409,066
		20,628,524,238	18,828,564,587

See accompanying Notes to Financial Statements.

MANILA INTERNATIONAL AIRPORT AUTHORITY

STATEMENT OF CASH FLOWS

(With comparative figures for the year ended December 31, 2012)

	Notes	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Income from operations		9,379,031,461	8,113,548,660
Trust receipts		2,074,513,846	1,874,706,323
Miscellaneous income		265,458,728	29,111,308
Payment of operating expenses		(3,713,846,701)	(3,873,151,156)
Remittance of trust receipts		(2,075,128,325)	(1,813,606,160)
Remittance of share of National Government		(1,109,749,606)	(909,911,116)
Transfer / return of Fund to DOTC's General Fund		(1,102,000,000)	0
Advances to other agencies		(32,336,893)	(127,082,879)
Advances to officers and employees		(14,433,021)	(13,810,068)
Net cash generated from operations		3,671,509,489	3,279,804,912
Interest income received		129,920,805	153,397,912
Corporate income tax paid		(778,321,750)	(786,414,132)
Net cash provided by operating activities		3,023,108,544	2,646,788,692
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(550,467,381)	(508,540,319)
Proceeds from sale of property and equipment		3,066,796	1,474,191
Net cash used in investing activities		(547,400,585)	(507,066,128)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans		0	4,882,278,000
Other outflows - escrow account		0	(4,927,364,960)
Dividends paid		(1,008,034,245)	(1,405,879,810)
Debt servicing		(1,274,064,372)	(1,122,138,382)
Net cash used in financing activities		(2,282,098,617)	(2,573,105,152)
Effects of exchange rate changes on cash and cash equivalents		334,866,464	(176,488,948)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		528,475,806	(609,871,536)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		9,424,630,513	10,034,502,049
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	3	9,953,106,319	9,424,630,513

See accompanying Notes to Financial Statements.

MANILA INTERNATIONAL AIRPORT AUTHORITY NOTES TO FINANCIAL STATEMENTS

1. INTRODUCTION

The Manila International Airport Authority (MIAA), an attached agency of the Department of Transportation and Communications (DOTC), was created by virtue of Executive Order (E.O.) No. 778 which was approved on March 04, 1982. The Charter of the Authority was amended by Executive Order No. 903 and E.O. No. 909 signed on July 21, 1983 and September 16, 1983, respectively. E.O. No. 298 was issued on July 26, 1987 to amend Sections 7, 10, 11 and 13 of E.O. No. 778, as amended by E.O. No. 903 and E.O. No. 909. The amendments were the following: (a) modified the composition of the Authority's Board of Directors to afford better coordination, (b) increased the capital contribution of the National Government, (c) reduced the contribution of the Authority to the General Fund from sixty-five percent (65%) to twenty percent (20%) of its annual operating income excluding utilities and terminal fee collections; and (d) appointed the Government Corporate Counsel and/or the Solicitor General as legal counsel of the Authority.

The Authority's functions for the airport are, among others, to formulate a comprehensive and integrated policy and program and to implement, review and update such policy and program periodically; to control, supervise, construct, maintain, operate and provide such facilities or services as shall be necessary for its efficient functioning; to promulgate rules and regulations governing its planning, development, maintenance, operation and improvement of the Airport; and to control and/or supervise, as may be necessary, the construction of any structure or the rendition of any service within its premises.

The Authority's corporate thrusts and objectives aim for the continued implementation and development of projects with Key Results Area (KRA) for passengers' safety, security, comfort and welfare. The following are the major projects completed in CY 2013:

- Structural Retrofit of NAIA Terminal 3;
- Acquisition of Two (2) Airport Rescue and Firefighting Vehicles;
- Improvement of MIAA Power Plant Phase 1;
- Repair and Overlay of Runway 06/24;
- Supply and Installation of Remote Controlled and Monitored Air Navigation Hazard Prevention System;
- Repair and upgrading of NAIA Terminal 4 Aprons (Bay Nos. 4,5,6,7,9 & 10);
- Commissioning of Two (2) Units Mobile X-ray Security Screening System;
- Rehabilitation of Comfort Rooms at NAIA Terminal 1 (CR 207, 308, 302, 210, & 211 – M/F);
and
- Upgrading of NAIA Terminal 1 and Terminal 2 Public Address Systems.

The MIAA has successfully adopted a Quality Management System Program that resulted in the ISO 9001: 2008 certification of passenger facilitation processes at Terminals 1, 2 and 3 since CY 2010.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements of the Authority have been prepared in accordance with state accounting principles generally accepted in the Philippines.

These have been prepared on the historical cost basis and are presented in Philippine pesos.

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amount of cash with original maturities of three months or less from date of placements.

Allowance for Doubtful Accounts

Allowance for doubtful accounts is computed at ten percent (10%) of the total Trade Accounts Receivable, current and non-current and 100% on accounts determined to be totally uncollectible.

Inventories

Supplies and materials are valued at cost using the moving-average method of costing.

Property and Equipment

Property and equipment, except land, are stated at cost less accumulated depreciation. Major replacements, rehabilitation and improvements are capitalized, while minor repairs are recognized in profit or loss. Depreciation is computed using the straight-line method where a residual value of ten percent (10%) of the acquisition cost/appraised value is deducted before dividing the same by the estimated useful life.

Recognition of Income and Expenses

The Authority adopts the accrual method of accounting for income and expenses. However, income billed but which are still under litigation/appeal are not recognized in the financial statements. The following are the Authority's major income sources which are recognized at the time these are earned:

- income from use of facilities such as runways, taxiways, aerobridge and lighting facilities;
- Authority's share in passenger terminal fees;
- income from lease or rental of floor spaces, check-in-counters, buildings and land;
- concession privilege fees;
- service fees for utilities;
- advertising fees;
- ground handling/catering services fees.

Foreign Exchange Currency Transaction

Foreign exchange differences arising from revaluation of foreign currency denominated accounts at rates different from those at which they were booked are recognized in profit or loss.

3. CASH AND CASH EQUIVALENTS

This account consists of the following:

	2013	2012
Cash (Collecting/Disbursing Officers)	11,366,821	76,763,980
Cash – National Treasury	0	1,102,000,000
Savings Account – Dollar and Peso	206,141,077	245,170,091
Current Account – Dollar and Peso	376,647,555	127,997,337
Time Deposits – Peso	4,638,500,785	5,017,317,559
Time Deposits – Dollar	4,720,450,081	2,855,381,546
	9,953,106,319	9,424,630,513

Foreign currency/dollar deposits are revalued at P44.45 and P41.10 to US\$1.00 as of December 31, 2013 and 2012, respectively.

Cash – *National Treasury (MDS)* received from the DOTC in 2011 and held in trust by MIAA intended for the rehabilitation of Terminal 1 was reverted back to DOTC's General Fund 101 on December 27, 2013 due to the cancellation of the Memorandum of Agreement between MIAA and DOTC (Note14).

4. RECEIVABLES

This account consists of the following:

	2013	2012
Trade Receivable		
Non-Government Entities	2,460,327,770	3,052,492,534
National Government Agencies	26,969,083	24,821,244
Government Owned and Controlled Corp.		
CAAP (formerly ATO)	604,625,710	605,594,333
Others	60,768,679	62,380,237
	3,152,691,242	3,745,288,348
Allowance for Doubtful Accounts	(1,678,787,990)	(1,635,612,079)
	1,473,903,252	2,109,676,269
Non-Trade Receivables		
Due to National Treasury	11,081,064	6,838,102
National Government Agencies (NGAs)	48,072,763	86,713,905
Local government Unit (LGU)	100,004,438	100,004,438
	159,158,265	193,556,445
Other Receivables		
COA Disallowances	11,113,981	11,113,981
Interests Receivables	10,466,541	11,946,919
Advances to Officers and Employees	12,020,735	24,000,000
Others	369,945,026	365,630,179
	403,546,283	412,691,079
	2,036,607,800	2,715,923,793

Trade Receivables consists of receivables from airline companies (including the current portion of receivables from the Philippine Airlines), concessionaires/lessees and other government entities for the use of facilities, services and utilities of the airport. It also includes long-outstanding and non-moving trade receivables from concessionaires with rate disputes and collection cases.

Non-Trade Receivables-NGAs consists of the balances of fund transfers to the Office of the Solicitor General (OSG) for Terminal 3 arbitration expenses of P29.45 million, to the MMDA for the Authority's share in the development of the NAIA T3 landmark of P12.47 million, and to the National Printing Office, DBM Procurement Service and DPWH of P6.15 million. This also includes receivables from the Bureau of the Treasury (BTr) for the excess payments made by the Authority to the BTr on the amount advanced by the latter for loan payment to JBIC (now JICA). Excess payments arose due to foreign exchange rate difference.

Non-Trade Receivable-LGU represents the initial release of cash advance to the City Government of Parañaque pursuant to its Memorandum of Agreement with the Authority to cover cost of abatement of informal settlers near the perimeter fence of NAIA Runway 06 and approach areas approved by the MIAA Board per Resolution No. 2009-108.

Other Receivables of P369.94 million and P365.63 million as of December 31, 2013 and 2012, respectively, consist mainly of the 12% EVAT billed to concessionaires.

5. INVENTORIES

This account consists of the following:

	2013	2012
Spare Parts Inventory	7,472,205	5,692,061
Gasoline, Oil and Lubricants	2,330,894	694,981
Accountable Forms Inventory	130,445	0
Office and Other Supplies Inventory	19,171,583	17,026,980
	29,105,127	23,414,022

6. PREPAYMENTS

This account consists of the following:

	2013	2012
Deposit on Letters of Credit	156,418,647	13,065,344
Advances to Contractors	149,399,439	44,472,945
Prepaid Insurance	37,520,711	39,822,800
Deferred Charges	27,553,117	27,553,117
Other Prepaid Expenses	121,701,060	77,751,250
	492,592,974	202,665,456

7. OTHER CURRENT ASSETS

This account consists of the following:

	2013	2012
Creditable Input Taxes	56,890,063	40,409,510
Guaranty Deposits	3,304,106	3,304,106
	60,194,169	43,713,616

Creditable Input Taxes pertains to the value-added taxes (VAT) paid by the Authority on local purchases of goods and services from VAT-registered persons/entities and which are to be deducted/offset against output taxes.

8. LONG-TERM RECEIVABLES

This account pertains to the following:

	2013	2012
Trade Receivable - PAL	0	552,024,253
Less: Current Portion	0	414,018,190
	0	138,006,063
Allowance for Doubtful Accounts	0	0
	0	138,006,063

Trade Receivable-PAL represents amount collectible from PAL not due within the next 12 months under a Compromise Agreement in the case entitled “MANILA INTERNATIONAL AIRPORT AUTHORITY vs. PHILIPPINE AIRLINES, INC.”, CA G.R. CV No. 79295. PAL shall pay the Authority the total amount of P2.933 billion through monthly installments of P34.914 million due within the first five (5) days of each month, for a period of seven (7) years commencing on the month immediately following the approval by the Court of the Agreement. The Compromise Agreement was approved on March 26, 2007.

9. INVESTMENTS

This account represents investments in:

	2013	2012
Philippine Aviation Security Corp. (PASSCOR)	11,850,000	11,850,000
Aviation Security & Training Institute, Inc.	655,000	655,000
	12,505,000	12,505,000

The Authority’s investment in PASSCOR, an affiliate corporation engaged in aviation security at the Ninoy Aquino International Airport (NAIA) for 137,500 shares at P100 per share, or a total amount of P13.75 million, was acquired by the Authority in March 1995. A total of 118,500 shares were paid representing 39.5% of the total PASSCOR capital.

The Aviation Security and Training Inc. (ASTI), created on March 26, 2003, is 100% owned by the Authority. ASTI is not operational and is for dissolution. The investment of P665,000 is recoverable. The Philippine National Bank, its depository bank, will be requested to transfer ASTI funds, with a balance of P718,905.48 as of December 31, 2013, to the MIAA-PNB account.

10. PROPERTY AND EQUIPMENT

This account consists of the following:

	LAND AND LAND IMPROVEMENT	CONSTRUCTION IN PROGRESS	BUILDING & STRUCTURES	MACHINERY & EQUIPMENT	TOTAL
At Dec. 31, 2012					
Cost	13,407,882,339	3,526,055,230	5,541,660,685	5,698,912,812	28,174,511,066
Accumulated Depreciation	(5,404,132,107)	0	(3,509,553,670)	(4,572,285,346)	(13,485,971,123)
Net Book Value	8,003,750,232	3,526,055,230	2,032,107,015	1,126,627,466	14,688,539,943
Year Ended Dec. 31, 2013					
Opening Net Book Value	8,003,750,232	3,526,055,230	2,032,107,015	1,126,627,466	14,688,539,943
Adjustments/Additions	17,682,409	(312,546,927)	164,922,455	293,239,679	163,297,616
Disposals	0	0	0	(73,872,370)	(73,872,370)
Depreciation	(241,730,591)	0	(95,848,580)	(144,988,635)	(482,597,806)
Prior year's adjustment- On depreciation	312,466,258	0	0	67,754,565	380,220,823
Closing Net Book Value	8,092,168,308	3,213,508,303	2,101,180,890	1,268,760,705	14,675,618,206
At Dec. 31, 2013					
Cost	13,425,564,748	3,213,508,303	5,706,583,140	5,918,280,121	28,263,936,312
Accumulated Depreciation	(5,333,396,440)	0	(3,605,402,250)	(4,649,519,416)	(13,588,318,106)
Net Book Value	8,092,168,308	3,213,508,303	2,101,180,890	1,268,760,705	14,675,618,206

Land owned by the Authority was recorded in 1987 at appraised value of P1,000 per square meter. It covers an area of 6,250,905 square meters based on a Cadastral Survey dated January 5, 1987. In 1991, the Authority sold to Light Rail Transit Authority (LRTA) a total area of 107,179 square meters at P1,000 per square meter.

In 2003 and 2004, purchases were made from the heirs of Eladio Santiago of 720 square meters valued at P2.16 million and from the Nayong Pilipino of 86,000 square meters at P500 million, respectively. To date, the total land area owned by the Authority is 6,230,446 square meters inclusive of 232,647.74 square meters of segregated lots covered under a Presidential Proclamation.

On September 29, 2011, President Benigno Aquino III signed Executive Order No. 58 mandating the transfer of real estate property owned by Nayong Pilipino Foundation to the Authority. The property consists of 22.3 hectares, more or less, and is located at the Reclamation Area in Pasay City. The owner's duplicate copies of the TCTs are under the custody of the Philippine Reclamation Authority (PRA); hence, title over the property is not yet acquired by MIAA and same is unrecorded in its books.

Furthermore, pursuant to Section 3 of EO No. 903, s. of 1983 (MIAA's Charter), the Office of the President on December 11, 2013 wrote the Secretary of the Department of Public Works and Highways (DPWH) informing its approval of the latter's request for the transfer through sale in their favor, of the MIAA property (Lot 3270-B-3-A-2-A-2) under TCT No. 141810; to be used for the construction of the Circumferential Road 5 (C-5) Extension Project from South Luzon Expressway in Pasay City to Sucat Road, Parañaque City. The total amount of P569,660,000 or 56,966 square meters @ zonal value of P10,000 per square meter is payable in five (5) equal installments starting CY 2013 up to 2016. The DPWH has paid the Authority P227,864,000 on April 24, 2013 and this is recorded under "Deferred Credits" (Note 18) in the absence of the contract or deed of absolute sale.

Construction In Progress account includes the P3.002 billion payment to the Philippine International Air Terminals Co., Inc. (PIATCO) in September 2006 in compliance with the Court Order issued by the Pasay City Regional Trial Court Branch 117. The amount represents the proffered value of the Terminal 3 facility. Upon acquisition of title and ownership of the subject property, depreciation on its buildings and facilities will be recognized. The partial liquidations made by DPWH and MMDA for Terminal 2 and Terminal 3 access road and geometric improvement projects are also included in this account.

11. INVESTMENT PROPERTY

This account pertains to sixty-one (61) buildings owned by the Authority and being leased to private and government entities which were reclassified to Investment Property account in compliance with PAS No. 40, Investment Property.

12. OTHER NON-CURRENT ASSETS

This account consists of the following:

	2013	2012
Restricted Fund Assets	4,927,364,960	4,927,364,960
Work/Other Animals	14,347,828	14,347,828
Items in Transit / For Disposal	202,157	202,157
	4,941,914,945	4,941,914,945

Restricted Fund Assets represents fund transfers of US \$82,157,716.73 = P3,479,379,303.52 and US \$34,190,924.59 = P1,447,985,656.39 to Land Bank of the Philippines (LBP) – Trust Banking Group and Development Bank of the Philippines (DBP) Trust Services, respectively, on April 11, 2012 pursuant to the Escrow Agreement between MIAA, LBP – Trust Banking Group and DBP – Trust Services (Note 26).

Work/Other Animals pertains to the eighteen (18) trained explosives detection dogs that were turned over to the Authority (per contract agreement) by K9 Consultancy Services in June 2009, complete with veterinary health records and the PCCI pedigree certificates.

13. PAYABLES

This account consists of the following:

	2013	2012
Accounts Payable	755,633,391	553,729,666
Dividend Payable	1,150,179,073	1,008,034,245
Interest Payable	111,858,073	131,311,660
Due to Officers and Employees	26,907,648	26,522,288
	2,044,578,185	1,719,597,859

Accounts Payable represents payables to suppliers/contractors for purchases of materials, supplies and other obligations to non-government entities in connection with the operation of the Authority.

Dividend Payable represents the fifty percent (50%) of MIAA's annual net earnings (net of deductions allowed under Section 29 of the National Internal Revenue Code [NIRC], as amended, and income taxes paid thereon) payable to the National Government and to be remitted thru the Bureau of Treasury, pursuant to R.A. No. 7656, dated November 9, 1993.

Section 3 of this Act requires government owned or controlled corporations to declare and remit at least fifty percent (50%) of their annual net earnings as cash, stock or property dividends to the National Government. Section 7(a) of the Revised Implementing Rules and Regulations of the Act provides for the mode of remittance: "Except as otherwise provided herein, all GOCCs shall declare cash dividends and shall remit to the Bureau of the Treasury at least fifty percent (50%) of the dividend due, on or before April 30, following the dividend year, based on the financial statements submitted to COA for audit."

The dividend payable of P1.008 billion in CY 2012 was fully paid to the Bureau of the Treasury per remittances on April 25, 2013 and October 21, 2013.

14. INTER-AGENCY PAYABLES

This account consists of the following:

	2013	2012
Due to Bureau of the Treasury (BTr)	376,690,958	301,322,278
Due to Bureau of Internal Revenue (BIR)	280,255,530	229,014,737
Due to GSIS	9,107,906	9,294,949
Due to PAG-IBIG	1,387,644	1,940,819
Due to Philhealth	560,300	610,112
Due to Other NGAs	29,019,459	1,149,043,656
	697,021,797	1,691,226,551

Due to Bureau of the Treasury represents the National Government's share on the Authority's income for the fourth quarter totaling P296.01 million for CY 2013 and P252.92 million for CY 2012; share on international terminal fees for December 2013 amounting to P43.33 million and P48.40 million for 2012; and share of the Office for Transportation Security (remitted thru the BTr) for September to December 2013 of P40.02 million.

Due to Bureau of Internal Revenue represents corporate income tax, Value-Added Tax and taxes withheld.

Due to GSIS, Pag-IBIG and Philhealth accounts represent premiums and loan amortization deductions from the employees' salaries for remittance to the concerned offices.

Due to Other NGAs represents the December 2013 share of the Office for Transportation Security (OTS) on international terminal fees of P26 million. The 1.102 billion held in trust by the Authority per Memorandum of Agreement (MOA) entered into with the DOTC on December 29, 2011 for the renovation of the NAIA Terminal 1 was reverted back to the General Fund of the DOTC due to the cancellation of the MOA (Note 3).

Executive Order No. 277, dated January 30, 2004, created the Office for Transportation Security (OTS) within the Department of Transportation and Communication (DOTC) and reconstituted the National Council for Civil Aviation Security (NCCAS) as the National Civil Aviation Security Committee (NCASC). Section 2 of E. O. No. 277 directs the OTS to be primarily responsible for the implementation of International Civil Aviation Organization (ICAO) Convention on national security.

Letter of Instruction (LOI) No. 414 A, dated June 17, 1976, directs the collection of security fee for every departing passenger as follows: P10 on international flights and P3 on domestic flights. It was amended by E.O. No. 30 dated September 30, 1998, increasing the collection of terminal fee to P60 and P15, respectively. LOI No. 414 A provides that the National Action Committee on Anti-Hijacking and Anti-Terrorism (NACAHT), for whose use the amounts collected are intended, is authorized to promulgate appropriate rules so that the collection of security fee can be done efficiently.

MIAA Board Resolution (BR) No. 99-53, later amended by MIAA BR No. 2005-078, following the mandate of E.O. No. 30 series of 1998, provides the following revenue sharing structure of the passenger terminal fees collected from both international and domestic passengers:

	International	Domestic
MIAA	390.00	85.00
NG	100.00	-
NACAHT	60.00	15.00
Total	550.00	100.00

In 2003, MIAA passed Board Resolution No. 2003-074 increasing the domestic passenger terminal fee for all departing passengers from P100 to P200 subject to existing rules and regulations.

In 2006, MIAA passed Board Resolution No. 2006-032 which imposed the Security and Development Charge of US \$3.50 or P200 on all international departing passengers not exempted by law, rules or regulations, for a period of five years which began last February 1, 2007 and ended on January 31, 2012.

E.O. No. 298, dated July 26, 1987, amending Section 11 of E.O No. 903, dated July 21, 1983, provides; "Within 30 days after the close of each quarter, twenty percent (20%) of the gross operating income, excluding payments for utilities of tenants and concessionaires and terminal fee collections, shall be remitted to the General Fund in the National Treasury to be used for the maintenance and operation of other international and domestic airports in the country" (Note 21).

15. OTHER CURRENT LIABILITIES

This account consists of the following:

	2013	2012
Guaranty Deposits Payable	196,110,780	175,693,805
Performance / Bidders Bonds Payable	15,581,096	15,700,445
Tax Refund Payable	20,203,613	21,624,205
Other Payables	407,871,633	395,448,118
	639,767,122	608,466,573

Guaranty Deposits Payable represent the airport lessees' and/or concessionaires' deposits equivalent to two (2) months or as stated in the contract/temporary permit; while Performance/Bidders Bonds Payable represent cash received from contractors/suppliers to guarantee the performance of contracts.

Tax Refund Payable represents excess taxes withheld from employees' compensation; while Other Payables include retention money from contractors, trust receipts due to private companies, and the EVAT on billed receivables.

16. LOANS PAYABLE - DOMESTIC

This account consists of outstanding domestic loans received from the Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP), as set forth in the Syndicated Term Loan Facility Agreement dated July 4, 2011 (Note 26).

	2013	2012
LBP PN NO. 4808 TL 12 4076 000 dated April 11, 2012	2,319,082,050	2,441,139,000
DBP PN 2012-29-021 dated April 11, 2012	2,319,082,050	2,441,139,000
Less: semi-annual amortizations	(488,227,800)	(244,113,900)
	4,149,936,300	4,638,164,100
Less: Current portion	(488,227,800)	(488,227,800)
	3,661,708,500	4,149,936,300

Loans from both the LBP and DBP are payable in twenty (20) semi-annual installments commencing on October 11, 2012 and ending April 11, 2022 with 4% interest per annum (subject to quarterly re pricing) and penalty charge of 12% per annum on the total amount due without grace period as additional charge in case certain stipulations are not met. Non-finance charge of P12,205,695 for each loan was deducted. Both loans are guaranteed by the National Government.

17. LOANS PAYABLE - FOREIGN

This account consists of outstanding foreign loans secured by the Authority in the construction of Terminal 2.

	2013	2012
<i>FRENCH LOAN to finance consultancy services for the detailed architectural & engineering design of NAIA Terminal II contracted with Natixis (formerly Credit Nationale)</i>		
FF 6,732,496 = Euro 1,026,362,61 = US \$ 1,405,397.91 @ 44.45	62,469,937	65,458,140
FF 7,891,778 = Euro 1,203,093.73 = US \$ 1,592,655.48 @ 41.10		
<i>Fund Releases made by Overseas Economic Cooperation Fund (OECF) of Japan financing the consultancy of Aeroport De Paris-Japan airport Consultant (ADP-Jac) and contract with Mitsubishi Tokyo Oreta BF Corporation (MTOB)</i>	4,149,936,300	4,638,164,100
Y 8,787,380,000 = US \$ 83,875,542.10 @ P 44.45	3,728,267,846	4,616,761,245
Y 9,666,118,000 = US \$ 112,329,957.28 @ P 41.10		
	3,790,737,783	4,682,219,385
Less: Current portion	383,583,610	429,321,203
	3,407,154,173	4,252,898,182

The French loan from Credit Nationale, now Natixis, is covered by Loan Agreements dated January 25, 1991 (DAN: 94-2089) for FRF 14.5 million and July 5, 1994 (DAN: 94-2232) for FRF 6.08 million. The loan dated January 25, 1991 is payable in forty-two (42) semi-annual installments commencing on June 30, 2002 and ending December 31, 2022 with 2.5% interest per annum, while the loan dated July 5, 1994 is payable in twenty-nine (29) semi-annual installments commencing on June 30, 2001 and ending June 30, 2015 with 3.3% interest per annum on the unpaid account.

Loan from Japan Bank for International Cooperation (JBIC -formerly OECF), now Japan International Cooperation Agency (JICA), is payable in forty-one (41) semi-annual installments commencing on August 10, 2003 and ending August 10, 2023 with 5% interest per annum including 2% spread of the National Government.

18. DEFERRED CREDITS

This account pertains to the following:

	2013	2012
Contra Account of Receivable-COa Disallowances (Note 4)	11,113,981	11,113,981
Others	288,659,528	63,690,449
	299,773,509	74,804,430

Deferred Credits - Others pertains to the airport lessees' and/or concessionaires' one month advance rental/concessions privilege fee. This includes also the initial payment of P227,864,000 made by DPWH for the transfer through sale of MIAA property consisting of 56,966 square meters in the amount of P569,660,000 to be used for the construction of DPWH's Circumferential Road % (C5) Extension Project from South Luzon Expressway in Pasay City to Sucat Road, Parañaque City (Note 10).

19. GOVERNMENT EQUITY

This account includes the value of assets transferred by the then Air Transportation Office (ATO), now Civil Aviation Authority of the Philippines (CAAP), and the Department of Transportation and Communications (DOTC) to the Authority. This also includes the P605 million share of the National Government on the income of the Authority from 1983 to 1986 that was converted to National Government Equity in accordance with E.O. No. 298.

20. DONATED CAPITAL

This account consists of four (4) motor vehicles donated by Bangko Sentral ng Pilipinas in 2007 and recorded at salvage value.

21. NATIONAL GOVERNMENT SHARE ON MIAA'S GROSS INCOME

This represents the twenty percent (20%) share of the National Government on the Authority's annual operating income based on actual cash collection, excluding income from utilities and terminal fee [Airport Users' Charge (AUC) and Security Development Charge (SDC)] collections, to be remitted to the General Fund in the National Treasury to be used for the maintenance and operation of other international and domestic airports in the country, in accordance with Section 3 of E.O. No. 298 dated July 26, 1987, computed as follows:

	2013	2012
Landing & Parking fees (Aeronautical Fees)	2,735,427,899	2,445,577,638
Rentals	1,830,295,046	1,265,294,284
Other Business Income (Concession Privilege Fees)	1,065,229,561	734,870,769
Other Service Income (Miscellaneous Revenues)	252,275,344	223,404,100
Rate of Government's Share	20%	20%
National Government's Share	1,176,645,570	933,828,758

22. PRIOR YEARS' ADJUSTMENTS

This account consists mainly of adjustments pertaining to prior years' income and expenses:

	2013	2012
Adjustment of Prior Years' Income	36,853,026	222,308,130
Adjustment of Prior Years' Expenses	20,837,545	49,917,615
	(16,015,482)	272,225,745

23. PERSONAL SERVICES

This account consists of the following:

	2013	2012
Salaries and Wages	310,007,053	310,199,694
Other Compensation		
Overtime and night deferential	106,359,317	100,772,489
Year-end bonus	32,209,838	33,227,594
Personal economic relief allowances	29,573,455	30,662,182

Representation allowances	18,139,758	16,656,202
Clothing uniform allowances	12,164,934	7,278,995
Hazard pay	6,522,299	10,216,473
Cash gift	6,166,375	6,380,500
Productivity incentive allowance	2,390,000	5,080,000
Subsistence allowance	66,300	68,891
Other bonuses and allowances	34,443,495	85,009,002
Personal Benefit Contribution		
Life and retirement insurance contribution	37,741,220	37,717,539
Philhealth contribution	3,542,175	3,623,813
ECC contribution	1,486,400	1,540,351
Pag-IBIG contribution	1,485,900	6,256,257
Other Personnel Benefits		
Retirement benefits	8,273,974	3,247,749
Terminal leave	2,196,546	1,769,380
Other personnel benefits	64,548,280	35,965,620
	680,650,319	695,672,731

24. MAINTENANCE AND OTHER OPERATING EXPENSES

This account consists of the following:

	2013	2012
Professional Services	1,234,560,903	1,012,625,225
Utility Expenses	750,513,008	807,486,790
Repair and Maintenance	551,935,345	641,659,125
Depreciation	485,603,545	503,431,124
Rent Expenses	191,651,767	146,410,377
Supplies and Materials	101,774,138	112,245,692
Taxes, Insurance Premiums and Other Fees	68,323,813	99,039,798
Service Fee	53,520,125	17,459,301
Bad Debts	43,175,912	37,862,811
Estra-ordinary and Miscellaneous Expenses	41,334,484	15,529,697
Loss on Replacement / Derecognition of Asset	40,604,432	0
Communication Expenses	10,537,883	12,853,180
Donations	3,764,291	456,257
Training Expenses	2,564,817	1,319,712
Traveling Expenses	2,519,966	1,967,994
Membership Dues and Contributions to Organizations	1,731,158	1,615,816
Representation Expenses	1,561,996	1,861,269
Subscription Expenses	647,794	875,500
Advertising Expenses	603,726	1,312,107
Other Operating Expenses	7,207,975	849,315
	3,594,137,078	3,416,861,090

25. COMPLIANCE WITH TAX LAWS

The Authority is withholding and remitting to the Bureau of Internal Revenue (BIR) applicable taxes imposed under the National Internal Revenue Code. Likewise, it regularly submits to the BIR the quarterly lists of government purchases/contracts for services for tax purposes in compliance with Memorandum Order No. 219 issued by the President of the Philippines.

26. PROCUREMENT OF SUPPLIES THRU PROCUREMENT SERVICE – DBM

The Authority purchased its commonly used office supplies from the Procurement Service (PS) of the Department of Budget and Management (DBM) in compliance with Section 53(2) of the Implementing Rules and Regulations A (IRR-A) of Republic Act No. 9184, otherwise known as the Government Procurement Reform Act. The items purchased from the PS-DBM are included in the approved Annual Procurement Plan of the Agency.

27. SUPPLEMENTARY INFORMATION REQUIRED UNDER BIR REVENUE REGULATION 15 – 2010

In compliance with the requirements set forth by RR 15-2010 hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year.

1. The Authority is a VAT-registered company with output tax declaration of P724,315,326 for the year based on the amount reflected in the Sales Account of P6,035,961,054.

The Authority has zero-rated sales amounting to P2,987,367,981 pursuant to the provisions of Revenue Regulation 4-2007 Section 12, Zero-Related Sale of Services.

2. The amount of VAT input taxes claimed are broken down as follows:

a.	Beginning of the year	P40,409,510
b.	Current year's purchases	
	I. Goods for resale/manufacture or further processing	n/a
	II. Goods other than for resale or manufacture	21,144,026
	III. Capital goods subject to amortization	29,205,968
	IV. Capital goods not subject to amortization	n/a
	V. Services lodged under cost of goods sold	n/a
	VI. Services lodged under other accounts	264,500,255
c.	Claims for tax credit/refund and other adjustments	
	I. Prior year's set-up / accruals	3,221,739
	II. Current year's set-up / accrual	3,958,675
	III. Cancelled checks / transactions and Adjustments	2,279,028
	IV. Available input tax and tax deferred for succeeding period	<u>(307,829,138)</u>
d.	Balance at the end of the year	<u>P56,890,063</u>

3. The amount of withholding taxes paid/accrued for the year amounted to:

I.	Tax on compensation benefits	P72,686,588
II.	Creditable withholding tax/es	64,181,950
III.	Final withholding tax/es	213,885
IV.	Value Added Tax and Other Percentage taxes withheld	138,292,941

4. Schedule of Other Taxes and Licenses

Firearms license (Firearms & Explosives Division – PNP)	203,838
Radio station license (National Telecommunication Commission)	193,458
RLM operator certificate (National Telecommunication Commission)	2,250
Emission Testing and Inspection (Land Transportation Office)	23,570
Registration (Land Transportation Office)	187,438
Annual VAT registration	500
Tax on French loan & adjustment of Foreign Exchange	213,885
Community Tax (Pasay City Treasurer)	10,500

**MANILA INTERNATIONAL AIRPORT AUTHORITY
DETAILED STATEMENT OF INCOME AND EXPENSES
FOR THE PERIOD JANUARY 1 TO DECEMBER 31, 2013
(In PHP)**

Account Title	Amount
OPERATING INCOME	
Toll and Terminal Fees	3,353,310,299
Other Service Income	272,374,360
Landing and Parking Fees	2,508,984,558
Rent Income	1,447,847,782
Other Business Income	1,118,996,225
TOTAL OPERATING INCOME	8,701,513,225
Share of the National Government	1,176,645,570
OPERATING INCOME AFTER SHARE OF THE NATIONAL GOVERNMENT	7,524,867,654
OPERATING EXPENSES	
Personal Services	680,650,319
Salaries and Wages - Regular	268,659,210
Salaries and Wages - Casual	41,347,843
Other Compensation	
- PERA	29,573,455
- Representation Allowance	18,139,758
- Clothing/Uniform Allowance	12,164,934
- Productivity Incentive Allowance	2,390,000
- Subsistence Allowance	66,300
- Other Bonuses and Allowances	34,443,495
- Hazard Pay	9,855,299
- Overtime and Night Differential	106,359,317
- Cash Gift	6,166,375
- Year-End Bonus	32,209,838
Personnel Benefits Contribution	
- Life and Retirement Insurance Contribution	37,741,221
- Pag-ibig Contribution	1,485,900
- Philhealth Contribution	3,542,175

Account Title	Amount
- ECC Contribution	1,486,400
Other Personnel Benefits	
- Retirement Benefits	8,273,974
- Terminal Leave	2,196,546
- Other Personnel Benefits	64,548,280
	680,650,319
Maintenance and Other Operating Expenses	
Traveling Expenses - Local	765,660
Traveling Expenses - Foreign	1,754,306
Training Expenses	2,564,817
Supplies and Materials Expenses	101,774,138
- Office Supplies Expense	20,773,965
- Accountable Forms Expenses	5,152,805
- Drugs and Medicine Expenses	507,393
- Medical, Dental and Laboratory Supplies Expenses	10,920
- Gasoline, Oil and Lubricants Expenses	10,329,360
- Military and Police Supplies Expense	404,552
- Other Supplies Expense	64,595,144
	101,774,138
Utility Expenses	750,513,008
- Water	36,844,594
- Electricity Expenses	713,668,413
	750,513,008
Communication Expenses	10,537,883
- Postage and Deliveries	16,002
- Telephone Expenses - Landline	7,539,051
- Telephone Expenses - Mobile	2,325,697
- Internet Expenses	657,133
	10,537,883
Membership Dues and Contribution To Organizations	1,731,158
Awards and Indemnities	200,000
Advertising Expenses	603,726
Printing and Binding Expenses	7,975
Rent Expenses	191,651,767
Representation Expenses	1,561,996
Subscription Expenses	647,794

Account Title	Amount
Professional Services	1,234,560,903
- Legal Expenses	267,806,675
- Auditing Expenses	6,415,972
- Consultancy Services	15,816,656
- Janitorial Services	229,877,706
- Security Services	290,916,530
- Other Professional Services	423,727,364
	1,234,560,903
- Repairs and Maintenance	551,935,345
- Land Improvements	56,370,531
- Runways and Taxiways	86,294,345
- Office Buildings	263,032,390
- Other Structures	59,256
- Office Equipment	551,377
- Furnitures and Fixtures	2,215,520
- IT Equipment and Software	2,115,584
- Machineries	76,599,721
- Airport Equipment	54,927,586
- Communication Equipment	2,185,254
- Firefighting Equipment	1,527,718
- Medical, Dental & Laboratory Equipment	10,472
- Motor Vehicles	4,744,868
- Other Property, Plant and Equipment	1,300,722
	551,935,345
Donations	3,764,291
Subsidy to Other Funds	7,000,000
Confidential, Intelligence, Extraordinary and Miscellaneous Expenses	41,334,484
- Intelligence Expenses	24,000,000
- Extraordinary Expenses	717,513
- Miscellaneous Expenses	16,616,971
	41,334,484
Taxes, Insurance Premiums and Other Fees	68,323,813
- Taxes, Duties and Licenses	1,897,960
- Fidelity Bond Premiums	698,863
- Insurance Expenses	65,726,990

Account Title	Amount
	68,323,813
Bad Debts Expenses	43,175,912
Depreciation	485,603,545
- Land Improvements	112,503,970
- Runways and Taxiways	129,226,621
- Office Buildings	95,848,580
- Investment Property	3,035,739
- Office Equipment	2,426,361
- Furnitures and Fixtures	7,732,119
- IT Equipment and Software	9,224,013
- Library Books	152,733
- Machineries	12,455,789
- Airport Equipment	70,752,206
- Communication Equipment	7,430,671
- Firefighting Equipment	14,827,507
- Medical Equipment	1,178,146
- Military and Police Equipment	1,337,983
- Motor Vehicles	9,463,471
- Other Property, Plant and Equipment	8,007,635
	485,603,545
Loss of Assets	40,604,432
Other Maintenance & Operating Expense - Service Fee	53,520,125
Total Maintenance and Other Operating Expenses	3,594,137,078
Total Operating Expenses	4,274,787,397
NET INCOME FROM OPERATIONS	3,250,080,258
OTHER INCOME (EXPENSES)	
Interest Income	128,439,682
Miscellaneous Income	48,695,573
Other Fines and Penalties	2,021,602
Gain (Loss) on Foreign Exchange	143,913,318
Gain (Loss) on Foreign Exchange Revaluation	676,941,008
Gain (Loss) on Sale of Disposed Assets	713,282

Account Title	Amount
Financial Expenses	
Bank Charges	(66,410)
Interest Expenses	(359,306,778)
Other Financial Charges	(2,175,316)
	639,175,962
INCOME BEFORE INCOME TAX	3,889,256,220
INCOME TAX	955,132,977
NET INCOME AFTER TAX	2,934,123,242

The Management

THE GENERAL MANAGER

MGEN Jose Angel A Honrado AFP (Ret)

THE SENIOR ASSISTANT GENERAL MANAGER

MGEN Vicente L Guerzon Jr AFP (Ret)

OFFICE OF THE GENERAL MANAGER

Jose A. Tapnio
Head Executive Assistant
OIC, Office of the
Corporate Board Secretary

Ma. Perla E. Dumo
OIC, Legal Office

Arlene B. Britanico
Manager, Internal Audit
Services Office

SSUPT Mariano A. Liwag DSC (Ret)
OIC, Airport Security
Inspectorate Office

AIRPORT DEVELOPMENT AND CORPORATE AFFAIRS

Cecilio A. Bobila
Assistant General Manager concurrent OIC,
Corporate Management Services Department

Ma. Luisa V. Mascardo
OIC, Plans & Programs Division

Manuel P. Ereñeta
Manager, Management Information Systems
Division

Elenita M. Fernando
OIC, Systems & Procedures Improvement
Division

FINANCE AND ADMINISTRATION

Herminia.D. Castillo
Assistant General Manager

Irene P. Montalbo
Manager, Finance Department

Grace D. Gulinao
OIC, Accounting Division

Miriam O. Ilarde
OIC, Budget Division

Grace A. Puzon
OIC, Cashiering Division

Ma. Julieth F. Torres
OIC, Collection Division

Ma. Felisa T. Dizon
OIC, Administrative Department

Alice R. Natividad
OIC, Personnel Division

Rosemarie G. Ereñeta
Manager, Human Resource Development Division

Elsie P. Nitollano
Manager, Procurement Division

Wilfredo E. Vicencio
OIC, Property Management Division

Alfredo B. Valencia
OIC, General Services Division

SECURITY AND EMERGENCY SERVICES

MGEN Vicente L. Guerzon Jr AFP (Ret)
Assistant General Manager

PCSupt Jesus Gordon P. Descanzo PNP (Ret)
Manager, Airport Police Department

AP/SUPT Luis R. Cometa, Jr.
OIC, Administrative Division

AP/SUPT Antonio D. Callanta
OIC, Operations Division

AP/SINSP Froilan F. Sanchez
OIC, Special Support Police Division

CSO-A Hermoso A. Villamoreal Jr.
OIC, Airside Security Police Division

AP/SUPT Adrian C. Tecson
OIC, Terminal 1 Police Division

AP/SUPT Alden G. Gay
OIC, Terminal 2 Police Division

AP/SUPT William D. Dolot
OIC, Terminal 3 Police Division

CSO-A Teotimo M. Cruz
OIC, Terminal 4 Police Division

PSSUPT Donardo I. Torres PNP (Ret)
Manager, Intelligence / ID & Pass Control
Department

Edelyn P Solano
Manager, ID & Pass Control Division

Melchor N. Delos Santos
Manager, Intelligence & Investigation Division

Robert A. Simon
OIC, Emergency Services Department

Ma. Caridad I. Nuas
OIC, Medical Division

Simeon G. Valleser
Manager, Rescue & Firefighting Division

OPERATIONS

Ricardo L. Medalla, Jr.
Assistant General Manager

Alvin V. Candelaria
OIC, Airport Operations Department

Reynaldo A. Lontoc
OIC, Airport Ground Operations
& Safety Division

Leonardo T. Dela Rosa
OIC, International Cargo Operations
Division

Alex C. Lagriada
OIC, General Aviation Operations
Division

Feliciana J. Santos
OIC, Public Affairs Department
OIC, Media Affairs Division

Gavine V. Mirador
OIC, Public Assistance Division

Leonides F. Cruz
OIC, Business Development &
Concession Management

Josephine O. Mosot
OIC, Business & Real Estate Investment
& Dev't Division

Emelvyn C. Valencia
Manager, Terminal Concessions
Division

ENGINEERING

Carlos B. Lozada
Assistant General Manager

Carmencita C. Ver
OIC, Civil Works Department

Sergio T. Policarpio
OIC, Buildings Division

Agapito S. Calandria
OIC, Design & Planning Division

Antonio P. Mendoza
OIC, Pavements & Grounds Division

Phillip A. Lerum
OIC, Electro-Mechanical Department

Manuel J. Ochoa
OIC, Mechanical Division

Jose Rosanno C. Llobrera
OIC, Electronics & Communications
Division

Frando G. Cabato
OIC, Electrical Division

TERMINAL 1

Dante B. Basanta
Terminal Manager

Lllewellyn A. Villamor
Assistant Terminal Manager

Danilo P. Gemarino
Chief, Terminal Engineering

Florendo A. Topacio
Chief, Terminal Administration

Eleuterio A. Torrecampo
Chief, Terminal Operation

Josefina P. Maglaqui
Chief, Terminal Finance

TERMINAL 2

Enrico Francisco B. Gonzalez
Terminal Manager

Ramon A. Sales
Assistant Terminal Manager

Rowena D. San Gabriel
Chief, Terminal Engineering

Segundo C. Magbitang
Chief, Terminal Administration

Rafael S. Regular
Chief, Terminal Operations

Bernald Joseph J. Juare
Chief, Terminal Finance

TERMINAL 3

Engr. Octavio F. Lina
Terminal Manager

Josephine B. Reyes
Asst. Terminal Manager
Chief, Terminal Engineering

Maria Teresa V. Gaerlan
Chief, Terminal Administration

Lauro S. Francisco
Chief, Terminal Operations

Ma. Cynthia B. Alviola
Chief, Terminal Finance

TERMINAL 4

Joycelyn B. Mapanao
Terminal Manager

Rodellito G. Cuenco
Asst. Terminal Manager

Lauro G. De Guzman
Chief, Terminal Engineering

Dina C. De Leon
Chief, Terminal Administration

Carmina D. Aguirre
Chief, Terminal Operations

Emiliano E. Escurel
Chief, Terminal Finance





MANILA INTERNATIONAL AIRPORT AUTHORITY
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