

Passenger Terminal EXPO 2010

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BRUSSELS, BELGIUM

THE 16TH INTERNATIONAL CONFERENCE AND EXHIBITION FOR PASSENGER TERMINAL
DESIGN, MANAGEMENT, SECURITY AND TECHNOLOGY

COMMERCIAL DEVELOPMENT



TUESDAY 23 MARCH 2010

**COMMERCIAL DEVELOPMENT:
PRIVATISATION, DESIGN AND REVENUE**

Designing airport terminals for form and function

**Welcome to the session and introduction –
Conference Chair**

Architects design terminals for form; airports adapt for functionality; and concessionaires tailor to specific needs. How do these three distinct organisations work together to achieve a terminal that provides form, function and revenue? Learn from airports and architects who have worked together to achieve these goals. In today's session you will learn from CEOs, architects and consultants how they have individually dealt with the challenges of building or expanding terminals to meet future demands while constrained by the realities of the present economic conditions.

09.00-09.10

CHAIR: Patricia Ryan, President, Decision Services International LLC, USA

09.10-09.40

Philippe Baril, CEO, Quito International Airport, Ecuador

Opportunities in developing the New Quito International Airport

Quito's airport is undergoing construction in order to accommodate airline and passenger needs. A new organisational team headed by Philippe Baril was instituted to help create a structured approach to managing the current airport while developing the new airport. A coordinated approach by stakeholders, construction companies, the airport staff and the Ecuador Ministries is required to maximise the potential for this new venture.

09.40-10.10

David Holm, Architect Principal, Woodhead, Australia

The new civic building: airport terminals of the 21st century

The 20th century saw the new building typology of the airport emerge. The technical facilities evolved from borrowed affairs originally built for other uses, into sophisticated processing centres serving as international gateways. Lately these processing

gateways have embraced commercial opportunities usually reserved for central city precincts. At the beginning of the 21st century the successful airport is a blended, cherished and essential civic building. It acknowledges, celebrates and encourages the economic importance and diversity of an airport, and acts as an integrated community focus for its city, region and nation.

The paper will provide current international benchmarking knowledge, comparative studies and trend analysis for terminal planning, commercial planning and architectural design. This information will benefit airport owners and managers, designers and planners in understanding and plotting future trends in designing airport terminals as cherished and essential civic buildings in the 21st century.

10.10-10.40

Curtis Grad, CEO, Airport International Group/ Queen Alia International Airport, Jordan

Opportunities for better efficiency and effectiveness through innovative ideas

Queen Alia International Airport is building a new terminal with a unique new design adjacent to the footprint of the existing terminal. Partial use of the new terminal is possible, where it will join the existing terminal during the construction phase to provide enough gates and access for passengers and aircraft. This presentation discusses the challenges of creating continued efficiencies while building the new terminal. Innovative ideas and cooperative negotiation between the government, the architects and AIG will result in more efficiencies and effectiveness, which will be built into the primary design during the course of the build-out. Learn what we have been doing to create a more effective and efficient design for functionality purposes, and possible uses for the existing terminal, such as low-cost carrier terminal, once the new terminal is completed.

Many airports commence a build-out with a great-looking exterior design – whether it is a new terminal, new concourse or expansion of existing facilities. Lessons can be learned from each other as we all are challenged to convert a great design into a more functionally adequate facility for airport use. Many airports are challenged with how to effectively utilise an old terminal that has been replaced, and some ideas for that use will be offered in this presentation.

10.40-11.00

REFRESHMENT BREAK

11.00-11.30

Simon Scott, Director, Chapman Taylor LLP, UK
Optimising the commercial and operational opportunities of existing airport terminals

With many airports needing to reconsider their new terminal expansion proposals, there is an increasing incentive to get the most out of existing facilities. While remodelling and refurbishment of existing terminals can be disruptive, it is possible to extend the life of these major assets and tune them to better serve changes to the airport's passenger profile. By investigating implemented projects in the UK, Portugal and the UAE, this presentation will offer examples of how different airport authorities have tackled refurbishment and remodelling of their existing terminals.

11.30-12.00

John Cugasi, Director of Concessions, Hartsfield-Jackson Atlanta International Airport, USA

Commercial development retail and revenue: increasing revenues in challenging economic times

The presentation will cover optimisation of concessions programmes with a focus on strategies that drive revenues in challenging economic times, and with difficult challenges with regard to space utilisation. There will also be discussion of marketing strategies and customer-service strategies.

12.00-12.30

James Robinson, Head of Strategic Planning, Dubai Airports, United Arab Emirates

Innovative approaches to integrating terminal capacity enhancements and retail design

Dubai International Airport has created innovative approaches in the new terminal design by integrating concessions so that the maximum exposure to concessions is achieved, which provides an excellent return on investment for concessionaires and for the airport as well. The speaker will share what type of innovations were created, why this approach was taken, and how the innovations have created interest through increased passenger spending due to the integration of concessions and passenger services into the design of the airport terminal.

12.30-13.00

Nicholas Baker, President, SmartDesign Group, Canada

Building sustainability through brand equity

Passengers take it for granted that they will fly in a safe and secure manner. They want to feel as if everything is under control at all times. Airports looking to gain market share must learn to communicate and connect with passengers at every touch point. The presentation will explore the value of building brand equity into new and existing airports, and what it takes to create a successful programme.

13.00-14.00

LUNCH in the delegate dining area of the exhibition hall

14.00-15.00

PANEL: Design looks good – but does it work?

Philippe Baril, David Holm, Curtis Grad, Simon Scott, John Cugasi, James Robinson, Nicholas Baker

15.00-15.15

REFRESHMENT BREAK

15.15-15.45

Jean-Pierre Tabet, Chief Commercial Officer, Fraport AG - Egypt

Design considerations for Cairo's Terminal 3 concession programme

Cairo International Airport recently opened Terminal 3 with a new concession programme with fantastic designs, placement of concessions and a new food court idea to create excitement and energy in the terminal. The walk-through duty free on the way to the gates invites consumers into the area, and the food court has enough variety and intriguing menus to offer the most discriminating passenger food choices in an interesting and convenient way. You will learn what elements of design consideration were considered in building this innovative, unique concession programme, and understand why airport staff made the decisions to place concessions throughout the terminal as they did.

15.45-16.15

Graeme Thompson, Principal Terminal Planner, Airbiz, Australia

New terminal model: a case study

This case study for a new terminal model for Perth Airport highlights a unique design solution that provides a way forward to meet the increasing demands of a fast-growing airport. The model proposes consolidation of airport operations, building efficiencies and flexibility to meet changing operational requirements with simple wayfinding from ground transport to aircraft door. This new model meets commercial imperatives, staging simplicity, incremental growth, building sustainability and the varying needs of different airline business models, domestic and international. The presentation highlights the innovations and benefits of the new model and their application to airport terminals worldwide. It will provide attendees with a terminal design solution and a way forward for pushing beyond existing planning boundaries to provide flexible, economical, sustainable and commercially viable terminals that can respond to growing demand and the need to meet future changes in operations. Aspects of the model that will be extremely useful to the audience include the specific approaches taken to achieve the above objectives and to illustrate how stakeholder needs will be met. The presentation will show how the same approach can be applied to any terminal development from the large to the small.

16.15-16.45

Jack MacGowan, Director Commercial, Dublin Airport Authority, Eire

A better and more profitable retail experience at Dublin Airport's new Terminal 2

Changing customer needs: "I've got nine minutes to shop in your terminal" – a concession agreement to improve long-term partnerships with DAA.

16.45-17.15

Peter Spurway, Vice President Retail, Halifax International Airport Authority, Canada

De-stress your airport and make more money

Airport passengers and visitors arrive laden with stress. Discover how you can lighten their load, lower their stress levels, optimise their airport experience and enhance your bottom line – all at the same time.

17.00-19.30

Brussels South Charleroi Airport will be hosting The Passenger Terminal EXPO 2010 opening day exhibition hall party with drinks, canapés and excellent networking opportunities. Everyone is welcome!

17.45-18.45

Presenting the 2010 Skytrax WORLD AIRPORT AWARDS

WEDNESDAY 24 MARCH 2010

COMMERCIAL DEVELOPMENT:

PRIVATISATION, DESIGN AND REVENUE

Privatisation: challenges and opportunities for airports

Welcome to the session and introduction – Conference Chair

Today's world is full of uncertainties. Countries, states and individual airports are looking for new alternatives to fund needed improvements at airports. Transport Canada privatised its airports, as have Peru, Ecuador and the Black Sea airports. CEOs and consultants from these airports will tell you about the challenges they faced, lessons learned and recommendations for improving this process of privatisation.

09.00-09.10

CHAIR: Patricia Ryan, President, Decision Services International, LLC, USA

09.10-09.40

Jaime Daly, CEO, Lima Airport Partners, Peru
Lessons for making an inflexible and over-regulated airport concession profitable

This presentation seeks to set out the difficulties faced by airport concessions run by private companies within a contractual framework characterised by over-regulation, and how to develop creative ideas for making them profitable in spite of over-regulation. Based on the presentation of a successful case in Latin America, the aim is to provide examples of how to obtain positive results and add value to a company in terms of financing, stakeholder management, construction during operations, commercial growth within an environment that restricts creativity, and air route development – in

short, how to be profitable in the midst of a crisis situation.

The objective of the presentation is to demonstrate the different strategies adopted by an airport of almost nine million passengers in order to comply with its contractual obligations to invest millions of dollars in improvements in infrastructure, share with the state more than half its gross revenue, and even then remain profitable. The objective is to describe all the difficulties that an excessively regulated airport concession might face, and the strategies that should be followed to deal with those difficulties, so that some of them can be implemented in specific airport terminals.

09.40-10.10

Dirk Schusdziara, CEO, Fraport Twin Star Airport Management AD, Bulgaria

Development of the Black Sea airports: the success of a privatisation process

The presentation will give an introduction to Fraport Twin Star Airport Management, upgrading of existing facilities and capacity expansion, development of a master plan for VAR and BOJ airports, development of new terminal buildings at VAR and BOJ airports, and the importance of the human resource factor. The audience will learn how to improve existing terminal facilities to cope with the traffic demand, results of a privatisation process and future development of both Black Sea tourist airports.

10.10-10.40

Kjeld Binger, Owner, Airport Management Consulting FZE, United Arab Emirates

Operational approach versus financial approach in privatised airports

The presentation will analyse different approaches to private ownership of airports, and describe the lessons learned from more than a decade of experience in dealing with bidding for airports, acquisition and operation of acquired airports, with a slightly provoking angle.

10.40-11.00

REFRESHMENT BREAK

11.00-11.30

Amy Weaver, Manager, Southwest Airlines, USA
Privatisation: why it's different in the US and can it work

This presentation will explore privatisation in the US. Discussion topics include: examples of privatisation in the US; how it is different to European models; evolution of the introduction of privatisation and its reception by airports and airlines; why it hasn't taken off yet; why it would work well given the broken US airport model (based on growth); ideal conditions and opportunities to explore; effects of regulation on privatisation. The audience will learn how and why privatising airports in the United States is different to in other countries, and whether or not this difference will hinder its success.

11.30-12.00

Robert Walcutt, General Manager, Copedeso SRL, Peru

Analysis of the privatisation of airports in Peru

The Peruvian government is currently in the process of privatising a group of airports in the south of the country. Lima Airport was also privatised about 10 years ago, and the airports in the north were privatised about five years ago. In each case the process was different and has produced very interesting results. The audience will be presented with an overview of the different methods that were used to privatise the various airports in Peru, and an analysis of the results that they have produced.

12.00-12.30

Robert Smallback, President, Robert C. Smallback Consulting Inc, USA

Branson Airport: a model for those thinking of privatisation

Branson Missouri Airport (BKG) was totally constructed by private funds, and operates as a private business. Branson business leaders built and developed an airport funded totally by private investors; they accepted neither governmental nor airline funds to build BKG on privately owned land. As a result, their only financial obligation is to their investors. They are free to make business decisions independently. Air Tran and Sun Country link Branson to Atlanta, Georgia; Dallas-Ft Worth, Texas; and Orlando, Florida. Their independent business approach to running an airport has become a model

for airports struggling to be financially sound in today's economy.

The focus of this presentation is not on funding a construction project but rather on sustainability. The financial crisis has affected airports worldwide, reduced flights, reduced passengers and increased costs passed on to airlines and tenants. The traditional approach to funding must be modified or changed entirely. Branson is a model for what an airport can do to generate revenue for debt reduction, maintain current infrastructure, retain revenue for the replacement of obsolete equipment, and support funding future growth. Attendees will receive information that can be used to develop a business revenue approach to their operation.

12.30-14.00

LUNCH in the delegate dining area of the exhibition hall

14.00-15.15

PANEL: Privatisation: when and how does it work best?

Jamie Daly, Dirk Schusdziara, Kjeld Binger, Amy Weaver, Robert Walcutt, Robert Smallback

15.15-15.30

REFRESHMENT BREAK

15.30-16.00

Sotiris Pagdadis, Principal - Capital Projects and Infrastructure Practice, Price Waterhouse Coopers, USA

Converting the airport capital plan into a viable commercial enterprise

As airports begin to face increased scrutiny in the cost structure of their overall business operations, they are forced to revert back to their capital plans to save cost. It is imperative that the organisation provide both political and organisational transparency and instill confidence in the decision-making process that is used to distil its capital priorities, select the right capital plan and subsequently implement it. This presentation reviews how sound value management and risk management are best utilised to optimise the airport capital plan so as to achieve a viable commercial enterprise.

16.00-16.30

Ayesgul Kamut Brown, Project Manager - Aviation, Parsons International, United Arab Emirates

Airport ownership models

In parallel with the rapid growth of air transportation, airports and the aviation industry over the last 60 years, it became necessary in the mid 1980s to investigate and try other airport ownership models as opposed to the historical 'state ownership and operations' policy. In many cases the need for different ownership was driven by the funding requirements for an airport's continuous development. Generally the number of passengers carried by airlines grows at a rate double that of world economic growth. Cargo has grown at more than triple the rate. This poses a challenge for the owners of an airport, as there is a need for continual investment. If the airport is government owned, there will be a never-ending call for increasing amounts of investment. Sometimes a certain region or country focuses on one particular ownership model for different benefits or to suit the mutual characteristics of that region/country, which is discussed throughout this paper. The presentation offers a general yet satisfactory perspective to the audience in terms of state, city, government, and developer points of view/policies.

16.30-17.00

Hans-Dieter Janecke, Managing Consultant, Lufthansa Consulting, Germany

Airport privatisation and customer service

The presentation will look at typical government objectives for privatisation, terminal capacity versus service level, do private operators provide better service, passenger and airlines views, how to ensure improving service levels. The audience will learn the need for setting standards and monitoring of service levels, recognise different requirements in western and developing markets, and be shown examples of how service levels can be improved in privatisation processes.

THURSDAY 25 MARCH 2010

COMMERCIAL DEVELOPMENT:

PRIVATISATION, DESIGN AND REVENUE

Concessions: operating and managing in today's environment

**Welcome to the session and introduction –
Conference Chair**

Airports around the world have had to restructure their financial model given the worldwide stress on air travel due to the economic conditions. We will learn from commercial directors, operators, and consultants about the techniques they are using to survive this turbulent time.

09.00-09.10

CHAIR: Patricia Ryan, President, Decision Services International LLC, USA

09.10-09.40

Kenneth Buchanan, Executive Vice President- Revenue Management, Dallas Fort Worth International Airport, USA

Revenue management for non-aeronautical business

The presentation will explain the importance of non-aeronautical revenues and the impact they have on airport revenue streams. Issues covered will include commercial development (Southgate retail planning), concessions master planning and parking master planning.

09.40-10.10

William Fullerton, Senior Vice President, The Louis Berger Group, USA

Making your airport work for you: planing for revenue

The presentation will offer a review of the key planning and design considerations for airport terminals, so that non-aeronautical revenues are enhanced. These considerations are balanced with functional efficiency and passenger service factors. Concepts covered will include classic factors such as retail location and passenger flow and orientation, as well as alternative revenue streams. Case studies and practical lessons learned will be presented to illustrate the basic principles of commercial terminal design.

10.10-10.40

Douglas Benham, Head of Commercial, MAp Airports UK Ltd, UK

Key strategies to grow airport commercial revenues in today's environment

Airports today are facing a series of significant challenges that are affecting everyone. Commercial revenues, which are vital to airports both in terms of customer service and their financial contribution, are also facing challenges. In order to meet these challenges and identify opportunities for growth going forward, it is essential to adopt a proactive attitude in developing and implementing strategies to minimise any impacts in the short term as well as position the business for growth in the future. This presentation will review the strategies and opportunities that can be adopted to grow commercial revenues, using case studies from MAp airports.

10.40-11.10

Thomas Immelmann, Director Commercial, Hamburg Airport, Germany

Portfolio changes in media sales and airport advertising

The presentation will give general guidance about the latest changes and trends in an airport's advertising facilities and media sales channels/promotions, including some business cases from Hamburg Airport. One of the fastest-moving business fields at the moment is advertising and media sales. New advertising facilities and the impact of electronic media have produced major changes in the non-aviation revenue opportunities for airports. The presentation will try to give some answers to the question: what is the right airport media sales portfolio?

11.10-11.30

REFRESHMENT BREAK

11.30-12.00

Frank Gray, Managing Director, C.P.I. Ltd, UK
The fundamentals of commercial planning in airports

The presentation will explain the key issues (or 'fundamentals') that need to be taken into consideration by architects and planners in designing new terminal buildings, if the terminal is to be able

to maximise the return from commercial activities. The audience will learn why the commercial planning function needs to be carried out earlier than is currently the case; why the industry is still planning new terminal buildings that will not optimise commercial return; steps that can be taken to ensure that new terminals will optimise commercial return.

12.00-12.30

Guido Vitali, Commercial Director, ADF Aeroporto di Firenze SpA, Italy

ADF duty-free direct-management experience

In three years, 2007-2009, ADF has launched three duty-free areas: Tuscany Food & Wine in 2007, Beauty and Soins in 2008 and Italian Top Fashion corners in October 2009. The audience will learn how duty-free direct management has generated for ADF net margins higher than any royalty generated through a partnership with a third-party company.

12.30-13.00

David Gering, Commercial Director, Brussels South Charleroi Airport, Belgium

The miracle of Charleroi

From no traffic to +25% passengers every month. Low cost but not cheap. Increasing the magnet effect.

13.00-13.30

Steve Wareham, Director of MSP Operations, Metropolitan Airports Commission, USA

The airport is now the experience as air travel becomes the commodity

In the past, air travel was a glamorous experience that was associated with great service, comfortable and spacious seating, good food, etc. In the US and other parts of the world, low-cost carriers and the need for airline cost-cutting have taken the frills out of the aircraft experience. Air travel has in many cases become merely a commodity. Airports used to be simple points of intersection for ground and air transportation modes. Concessions and services were spartan, few in number and expensive. Today customers have a real choice of not only which airline to fly, but also which airports to connect through. It is imperative that airports understand customer expectations and work to meet and exceed these requirements in revenue-producing concession offerings as well as complimentary terminal activities. The speaker will focus on lessons learned in travel

through a variety of award-winning airports. The customer experience can be the key to competition.

13.30-14.00

PANEL: Balancing the needs of the concessionaires versus the airports: are they the same or different?

Kenneth Buchanan, William Fullerton, Douglas Benham, Thomas Immelmann, Frank Gray, Guido Vitali, David Gering, Steve Wareham

14.00-15.00

LUNCH in the delegate dining area of the exhibition hall