

Commercial Airport Management



Commercial Consulting Offer

Airport operators have experienced a growing importance of non-aeronautical revenue streams which include commercial concessions (e.g. retail, food and beverage, advertising, car rental, etc.) and airport real estate development (e.g. car parking, hotels, office buildings). Fraport offers a wide range of consulting services which will be customized to your needs to maximize your airport's commercial revenue. Five main products including airport retail, airport real estate, tender and contract management, organizational structuring as well as business modeling and revenue forecasting cover the key commercial success factors. This is based on a sound airport traffic analysis/traffic forecasting and as well on detailed passenger surveys and profiling.

Airport Retail

We assess commercial revenue potential in existing terminal buildings as well as for new facilities. Location, sizing and position of retail units within the passenger flow are critical factors for your tenant's performance. Thus, together with our terminal planning specialists, we can recommend viable space and passenger flow reconfigurations (e.g. by relocating or centralizing security) without compromising operational efficiency. At Frankfurt and Antalya airport, for example, we have substantially improved the layout of our duty free offer during terminal operations while Saint Petersburg, Varna and Bourgas airport demonstrate our success in planning and taking into operations state-of-the-art marketplaces in new terminal buildings.

Based on the passenger profile of your airport we evaluate the fit of the retail offer to the customer demand.

By analyzing your airport's current category and brand mix as well as the tenant's performance, we can make proposals on the adequate short, mid and long term retail strategy. The right retail and food & beverage concepts at your airport will deliver better revenue results to you and your tenants and simultaneously increase passenger satisfaction.

negotiation, limited tender (approach of selected potential partners) or public tender (invitation of all market participants)), defining target results, producing the tender documentation, evaluating bids and selecting the best partner.

Airport Real Estate

From single buildings at the airport to an entire airport city: Our commercial consultants will review the current offer at your airport and evaluate projections of the future demand on an individual basis. Airport real estate opportunities are largely influenced by local circumstances (e.g. proximity of the city, down town rent levels, vacancy rates, etc.). With Fraport's experience and the consideration of your particular environment, we can give professional advice on potential real estate opportunities and the expected rental income at your airport. Frankfurt airport, for example, today employs over 78,000 staff and has continually expanded its airport city with dedicated areas for cargo and real estate developments.

Organizational Structuring

Organizational structuring and staffing is one of the key factors to efficiently manage and continually improve the commercial development of any airport. Fraport has strong experience in in-sourcing and outsourcing decisions of commercial functions.

Besides the organizational structure, staff numbers, qualifications and roles within the commercial department need to reflect your airport's requirements. We can (re)structure functions (e.g. introduce category management) and thereby create interesting jobs with clear responsibilities. Additionally, our commercial experts can support the introduction of reporting and controlling tools as well as management reports.

Fraport offers specialized consulting in five key commercial areas

	Airport Retail	<ul style="list-style-type: none"> • Layout optimization & planning of existing and new retail units • Definition of category & brand mix (retail, F&B, other retail) • Redirection of passenger flow to optimize footfall
	Airport Real Estate	<ul style="list-style-type: none"> • From single buildings to entire airport city: • Review of offer and projection of future demand • Guidance on expected rental income
	Organisational Structuring	<ul style="list-style-type: none"> • Review of organizational structure (incl. in/outsourcing) • Structuring of functions and responsibilities • Guidance on reporting and controlling tools
	Tender & Contract Management	<ul style="list-style-type: none"> • Definition of tender / contract negotiation strategy • Guidance on expected rental income • Support in tenant selection
	Business Case Modelling and Financial Forecasting	<ul style="list-style-type: none"> • Projection of commercial revenue development • Evaluation of OPEX (operational expenditure) and CAPEX (capital expenditures)

Tender and Contract Management

To implement your retail and real estate strategy, we offer our support in tender and contract management. We provide guidance to your management team in defining an appropriate tender strategy (e.g. decision on direct

Business Case Modelling and Financial Forecasting

To evaluate the commercial potential and the profitability of investments in your airport infrastructure, we develop forecasts for your commercial business including retail and real estate. For existing airports, this evaluation is based on the current performance analysis and the identification of potential improvement.

Together with your management team we will develop scenarios to reflect and compare the most viable options for your airport. For Greenfield airports the forecast will be supported by our vast experience from airport projects around the world, ranging from tourist dominated seasonal destinations to international hub airports.



Our Commercial Expertise

Our expertise has strong roots in the professional management of airport retail and real estate at Frankfurt airport, our home base. Additionally, we provide access to a large network of commercial experts within our group portfolio. This continuous exchange with other airports as well as travel retail and real estate providers enables us to pick up industry trends within different markets and to offer the best fitting commercial solutions for your airport. Furthermore, our commercial consulting team has conducted various due diligence projects around the globe. We are therefore capable to develop an adequate commercial strategy for your airport that combines your individual requirements with industry best practice.



> 150 commercial specialists

Fraport's commercial consulting team is backed by a vast number of airport retail and real estate specialists within the Fraport Group to fit your needs.

Reference Projects

Airport Retail

- AYT, Identification of revenue potential in retail, food & beverage, specialty retail and advertising
- LED, Commercial design and tender management for the duty free concession
- CAI, Retail Strategy, tendering and implementation of all concessions in new Terminal 3
- RUH, Identification of additional revenue potential in retail, food & beverage and other concessions. Preparation of state of the art contract documents
- DKR, Airport retail optimization in current terminal, commercial planning support for the new terminal



Organizational Structuring

- AYT, review of commercial team structure and staffing, in-sourcing / out-sourcing decision on advertising

Business Case Modelling and Financial Forecasting

- For airport retail and real estate
- Various due diligence projects, e.g. GIG, GRU, LED, new IST, DEL, SJU, etc.

Contact

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Tender and Contract Management

- AYT, Contract negotiation food & beverage
- VAR/BOJ/LED, Tender management for the duty free concession
- CAI, Tender for the F&B concessions

Airport Real Estate

- XIY, Feasibility study for an airport hotel
- DKR, Optimization potential of airport parking
- RUH, Land Use Plan and Cargo City Development Study



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