



Retail Strategy 2016-2020 workshop

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AÉROPORTS DE PARIS

Aéroports de Paris Retail Strategy 2016-2020



**A constant and sustained growth since 2006...
thanks to a Strategy based on 3 main pillars**

**Retail Strategy 2016-2020:
An enriched Strategy around 8 main axes**



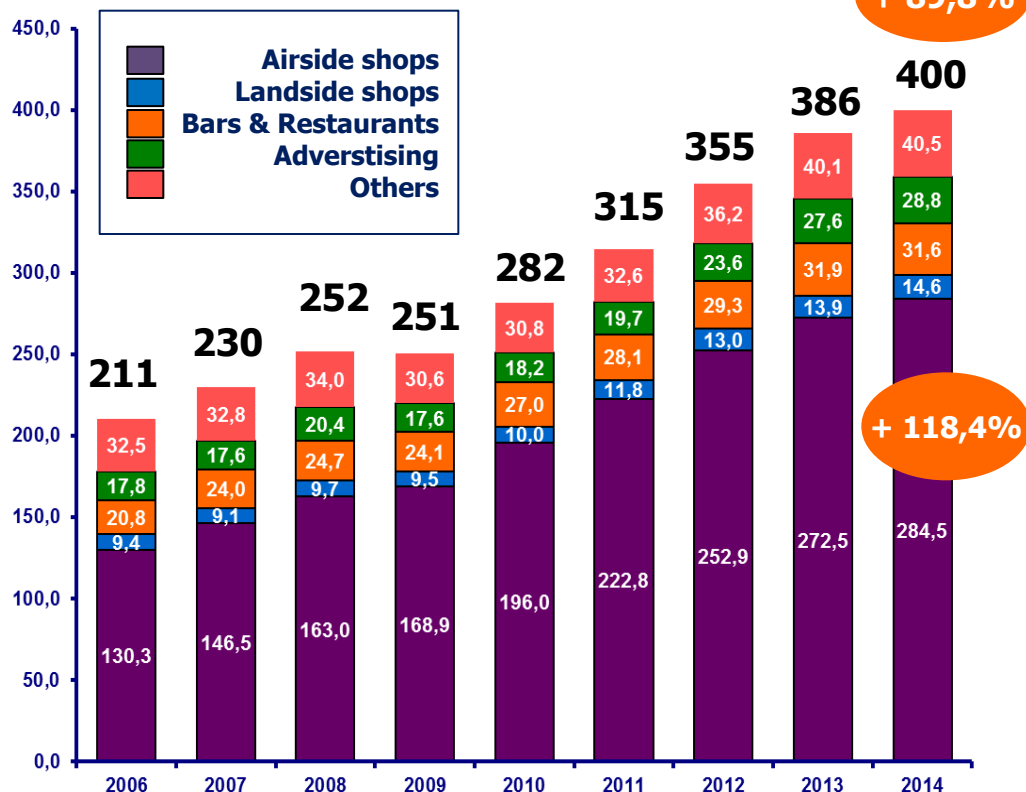
A constant and sustained growth since 2006

A **+ 90%** growth of revenues between 2006 and 2014, vs a **+ 12,5%** growth of traffic

A constant and sustained growth,
7 times the growth of traffic...

... Thanks to a growth of all our
business fundamentals

€m



- > Strong growth of Sales.
- > Strong growth of concession rate
(**+4,1 pt**), thanks to a favourable mix of activities, and maximization of contractual terms.
- > Key contribution of Airside shops to revenue generation (**71%** in 2014) and growth (**81%** of the growth between 2006 and 2014).
- > In addition, a value creation of **€40.9m*** by JVs between 2006 and 2014.

* 50% Dividends + ADP Loans repayments – 50% Capital – ADP Shareholder Loans (non discounted CF)



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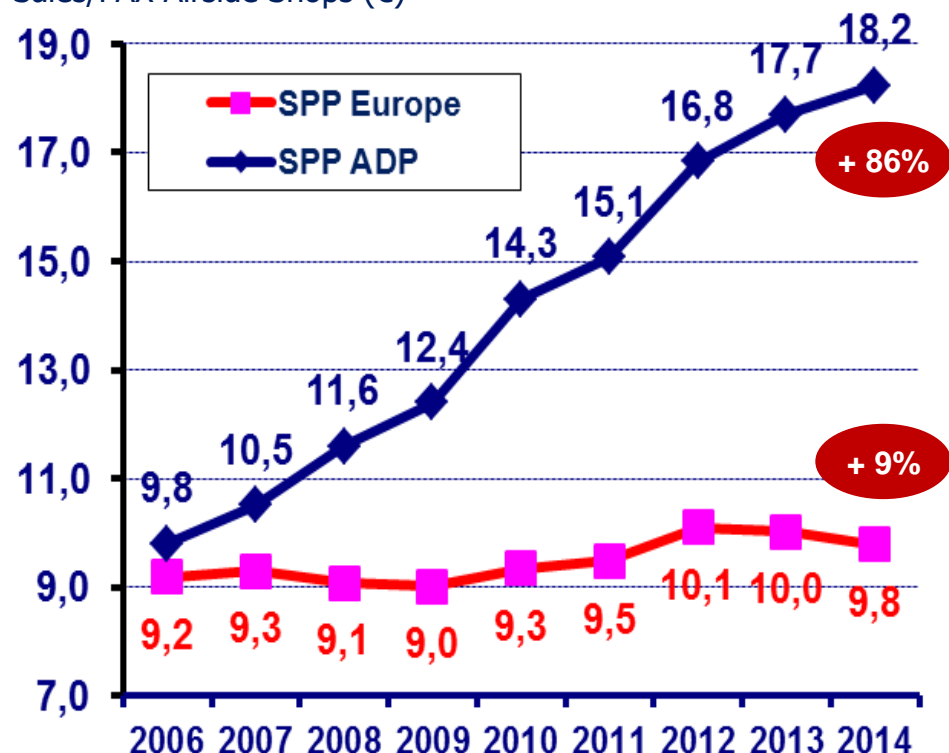
A constant and sustained growth since 2006

A constant and sustained growth in retail, boosted by our strategy initiated in 2007

A constant and sustained growth of sales/PAX much better than our competitors...

... Thanks to our 3 pillars Retail Strategy, initiated in 2007

Sales/PAX Airside Shops (€)



- > A unique positioning "**The ultimate Parisian shopping experience**", made possible by a strong development of retail space.
- > A **creation of awereness** among our passengers before their arrival at the airport.
- > A **unique concession business model**, with concessionnaires being either 50/50 Joint ventures, or Brands operating directly their shops (retail brands or luxury brands).



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A constant and sustained growth since 2006

The « ultimate Parisian shopping experience »



Strong focus on **3** key Lines

- > Perfume & cosmetics
- > Fashion & Accessories
- > French "Art de vivre"
- > **80** monobrand shops for iconic brands (**11** in 2006).

% Growth of sales between 2006 and 2014 (Shops landside + airside)

Growth (%)

Perfume & cosmetics

+ 86%

Fashion & Accessories

+ 165%

Confectionary & fine Food

+ 157%

Wine & Spirits

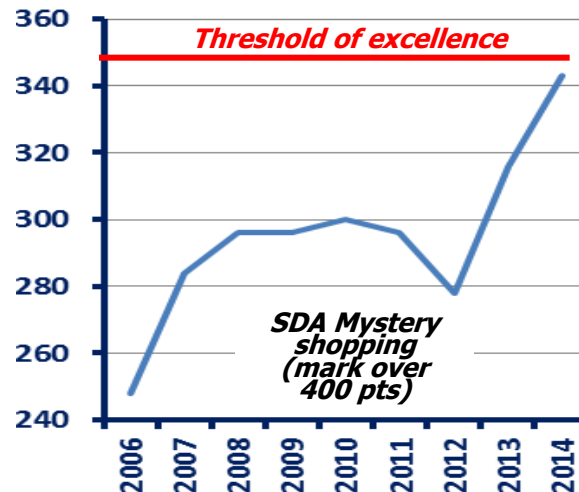
+ 88%

Other Retail lines

+ 22%

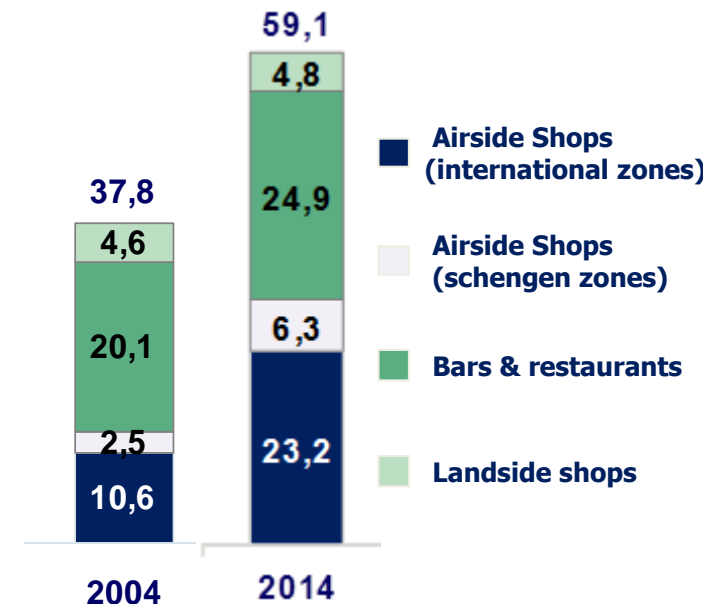
A differentiation through quality of service

- > Duty Free prices from the 1st € spent, no tax refund procedures, no excess baggage.
- > An incomparable in-store shopping experience (warm, professional & multilingual welcome, events...).



Strong growth of retail space, designed with a Parisian touch

- > Strong growth of airside retail space.
- > Layout and design in the heart of passengers flows, and re-creating Parisian moments of shopping.



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A constant and sustained growth since 2006

A creation of awareness among our passengers before their arrival at the airport

A will to create positive awareness

- > Make our passengers **choose ADP as their shopping destination**, by informing them about our retail offer and our competitive advantages before their arrival at the airport.
- > **Conquer market shares** vs downtown competitors.
- > **4** priority markets : China, Hong Kong, Japan, Russia.



BtoB actions, both locally and in Paris

- > Local partnerships with **600** tourism operators (tour operators, airlines, ...), which accept to deliver our promotion tools to their customers.
- > In addition, partnerships with **800** parisian hotels.
- > In 2014, more than **500,000** Paris maps given to our future Chinese passengers (60% in China, 30% in Paris hotels, 10% in our airports).

In addition, BtoC actions, mostly local

- > Events for Chinese and Russian new year.
- > Presence on social networks (directly or via events/social influencers).
- > Press events.
- > Actions towards VVIP.

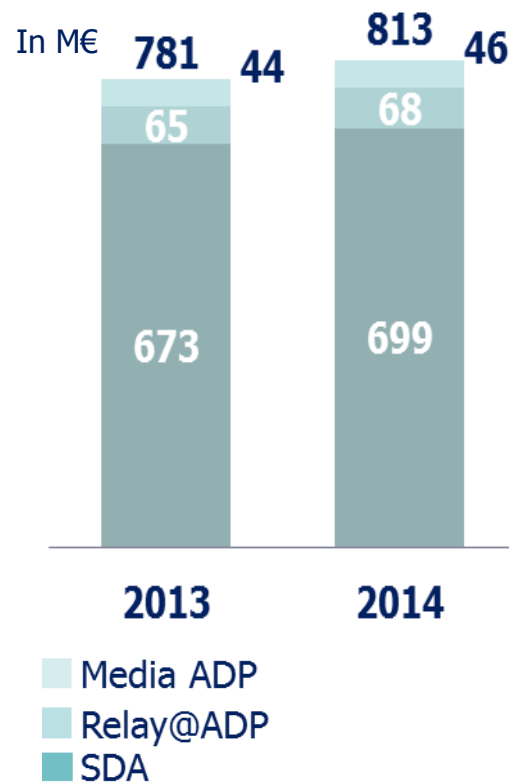


A constant and sustained growth since 2006

A unique business model, allowing ADP to have **the right level of control** over its strategy

3 50/50 JVs on strategic activities

Revenue : +4.1%



- > A double role for ADP : lessor and shareholder
- > A joint governance, which allows strategic alignment
- > A more reactive and risk-taking approach towards day to day business
- > A more intensive focus on operations
- > A potential for internationalization
- > A capturing of 50% of the dividends

Brands directly in addition

- > Retail brands (best operator downtown) on activities with strong technicality

ROYAL QUARTZ *Solaris*
RUE ROYALE • PARIS

- > Luxury brands which want in Paris a fully-integrated distribution model

CHANEL

Dior

PRADA

GUCCI



LA MAISON DU CHOCOLAT
PARIS



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Aéroports de Paris Retail Strategy 2016-2020

**A constant and sustained growth since 2006...
thanks to a Strategy based on 3 main pillars**



**Retail Strategy 2016-2020:
An enriched Strategy around 8 main axes**





Retail Strategy 2016-2020

A retail strategy **still based on its 3 pillars**, but enriched around **8** main axes

The ultimate Parisian shopping & dining experience

- > **Homogenize** our offer among all our **airside international zones**.
- > Put in place our “**ultimate Parisian dining experience**”.
- > Carry on **enriching** our brand portfolio on our **3** key lines.
- > Strengthen a **lasting differentiation** through service.

The creation of awareness before the arrival at the airport

- > Widen our targets of customers: **frequent flyers** via our CRM programme, and **additional international markets**.
- > Widen our actions towards our **international clientele**.

A unique business model mixing 50/50 JVs and direct partnerships with brands

- > Extend our business model to **Bars & Restaurants**.
- > Expand our JVs **outside CDG and Orly**.



Target of **€23** Sales/PAX

On a full year basis, after delivery of the infrastructure projects of the 2016-2020 period



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The n°1 stake : The homogenization of our airside international zones

A major strategic stake, with tailor-made projects adapted to each zone's clientele

A major strategic stake for 3 reasons

> A financial stake :

*Sales/PAX Duty Free H1 2015
Base 100 = Sales/PAX Hall K 2E*

	TOTAL	Fashion
Hall K terminal 2E	100	100
A/C	79	65
Hall M terminal 2E	78	64
Hall L terminal 2E	68	40
Terminal 1	66	42
Intern. area ORYS	53	16
Intern. area 2D	52	9
Intern. area ORYW	35	2

> A stake in Customer Satisfaction

> A stake in communication before the arrival at the airport

6 major projects to reach this target

> 2 different formats, depending on passenger profiles

- > Premium (large presence of luxury)
- > Superior (minimized presence of luxury)

TERMINAL	FORMAT	TYPE of PROJECT	Timing
2E Hall K	Premium	Refurbishment	End 2018
2E Hall L	Premium	Refurbishment	Mid 2019
2E Hall M	Premium		
A/C Junction	Premium		
Terminal 1	Premium	New zone	End 2020
Orly South	Superior	New zone	End 2020
B/D Junction *	Superior	New zone	T3 2020
Orly Central *	Superior	New zone	End 2019

* Zones mixing Schengen and International Passengers

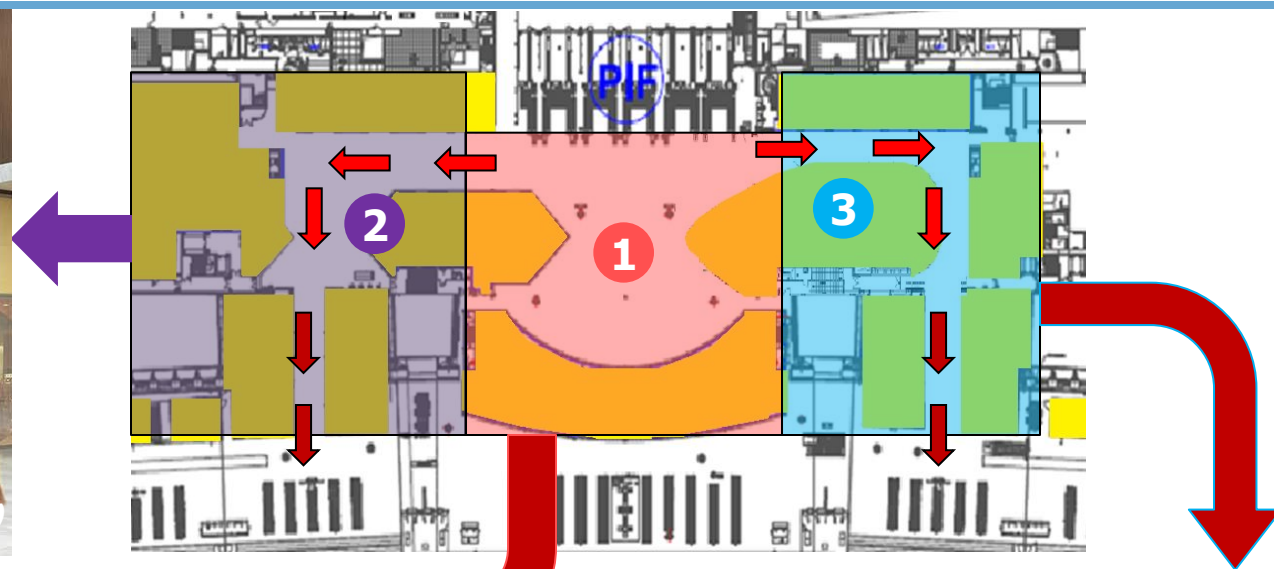


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The n°1 stake : The homogenization of our airside international zones

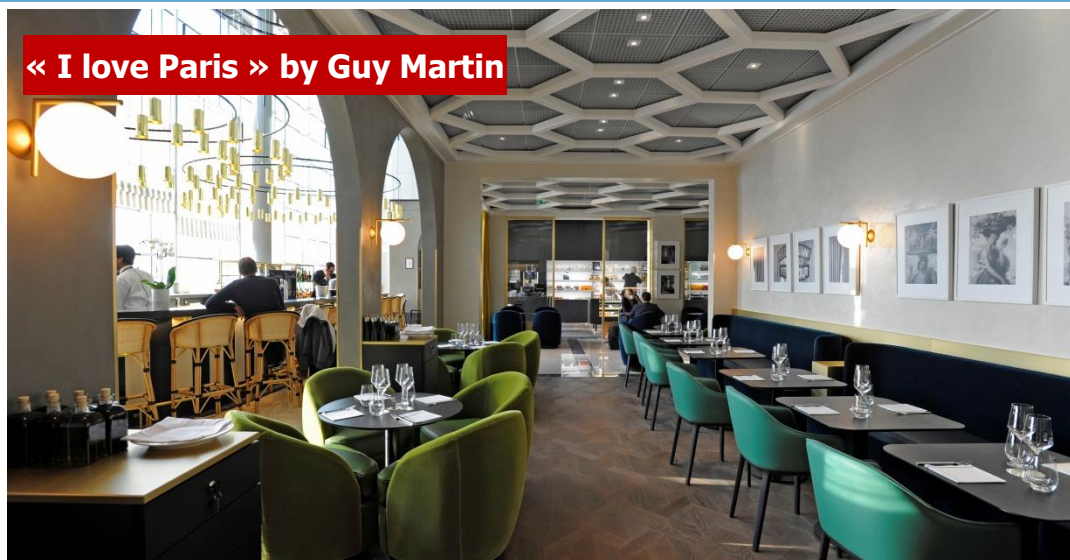
The refurbishment of the 2E Hall K : the establishment of our **flagship**



The n°1 stake : The homogenization of our airside international zones

The refurbishment of the 2E Hall L, a key project in our development plan

- > A new layout around **2** moments :
 - > A “**Parisian Apartment**” dedicated to iconic luxury brands and a restaurant “*I love Paris*” by Guy Martin
 - > A “**Department Store**” as a walkthrough, dedicated to Perfume & Cosmetics and French Art de vivre
- > A major enrichment of brand portfolio
- > A slight extension of surface
- > A project completed **mid 2019** with several successive phases



The n°1 stake : The homogenization of our airside international zones

A complete reconfiguration of the Terminal 1 international in **two steps**

Step 1 (2015-2016) : Refurbishing of the current zone

- > A new concept : “The Parisian Apartment”
- > An enriched brand portfolio
- > No extension of space



Step 2 (End 2020) : The new Junction

- > A new zone, built in the central building of the Junction of international satellites
- > A retail layout comparable to the future 2E Hall K, both in space and organization



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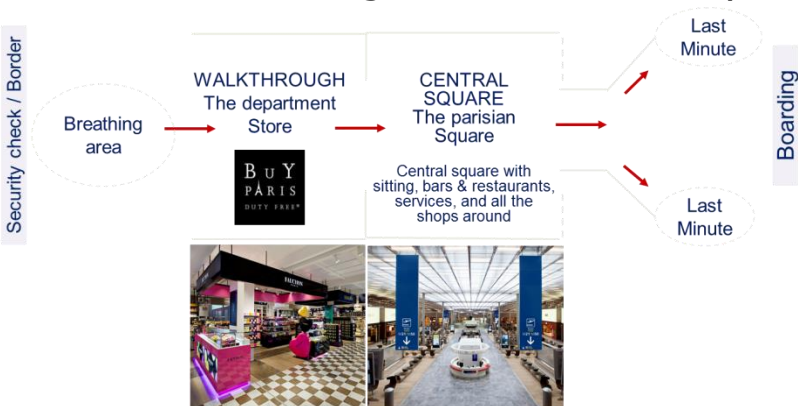
The n°1 stake : The homogenization of our airside international zones

In addition to the Premium zones, **3** new Superior zones with much enhanced standards

3 major projects

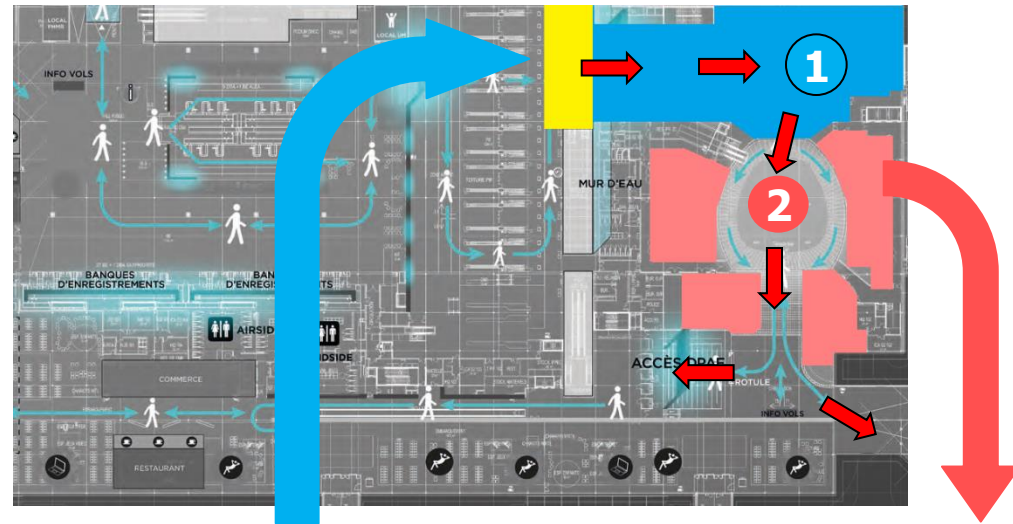
TERMINAL	Type of passengers	Timing
BD Junction	International / Schengen	T3 2020
Only Central	International / Schengen	End 2019
Only South	International	End 2020

- > A comparable layout, with a Department Store as a walkthrough and a Central Square



- > A minimized presence of luxury brands relied to passenger profile

The project of the Orly Central Terminal



The « Ultimate Parisian Shopping and **Dining** Experience »

The duplication of the retail success story on Bars & Restaurants

An offer strategy based on **4** pillars

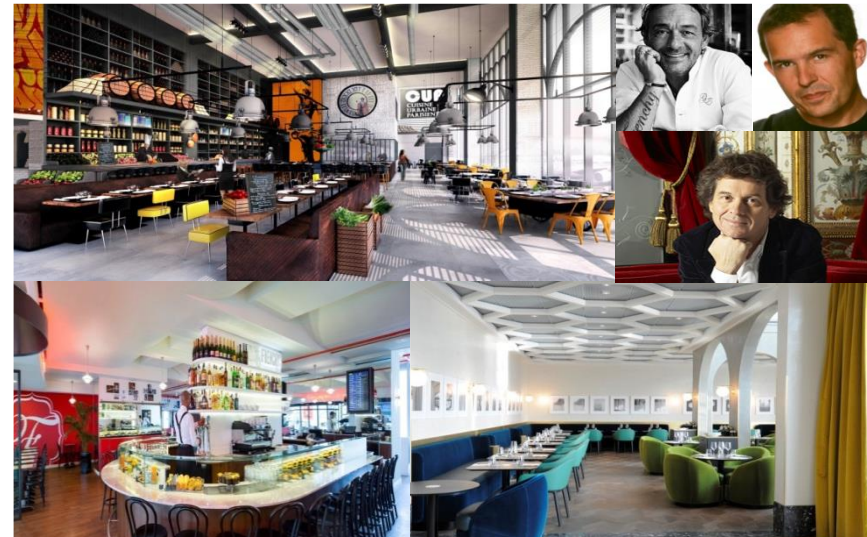
- > Diversity (price ranges, type of food)
- > Reasonable pricing
- > Excellence in operations
- > Mix of major international brands + Ultimate Parisian dining experience

"The ultimate Parisian dining experience"

- > Portfolio of **iconic brands** on each format of bars&restaurants
- > The best stall of "**French Chefs**": target of **8** chefs operating at the airport end of 2020

Evolutions in the concession business model

- > A **50/50 joint venture** with SSP on core activities (bakery, coffee shops, fast casual...)
- > Brands or Chefs directly on other formats (table service, convenience food...)



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The lasting differentiation through quality of service

The only way for ADP to create differentiation towards downtown competitors

Excellence in architectural and design standards

- > **Interior design** standards and **atmosphere**.
- > Dedicated spaces for **temporary events**.
- > **Operational** standards (cleanliness, replenishment, merchandising...).



A shopping without constraints

- > **Duty Free** prices from the **1st € spent, no tax refund procedures, and no excess baggage**.
- > **Secured** shopping.
- > **Easy** shopping without **waiting time**.
- > Shopping **in your language**.



Excellence in service and welcome

- > SDA mystery shopping target: **Oscar 360 +**.
- > **Personalized** services for our best customers.
- > Culture of **gesture**.



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Aéroports de Paris Retail Strategy 2016-2020



A continuation of our strategy around its 3 pillars:

- > « The ultimate Parisian shopping and dining experience »
- > The creation of awareness before the arrival at the airport
- > A unique concession business model with JVs and brands directly



An enrichment of our strategy around 8 main axes, with notably the homegenization of our international airside areas



Target of €23 Sales/PAX

On a full year basis, after delivery of the infrastructure projects of the 2016-2020 period



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Boasting an exceptional geographic location and a major catchment area, Aéroports de Paris Group is pursuing its strategy of adapting and modernising its terminal facilities and upgrading quality of services; the Group also intends to develop its retail and real estate businesses. In 2014, Group revenue stood at €2,791 million and net income at €402 million.

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