



Florence Lenne, Retail Director
18 June 2007

Contents

- 1. Our retail business**
- 2. Our strategy**
- 3. The Parisian Gallery**
- 4. Organisation and management**

Business model

Concession-based model

- Royalties = calculated based on sales, with percentages varying from 2% to over 40% depending on product category
- Guaranteed minimum, generally expressed as an amount per passenger
- Expiration of concessions staggered over time
- Average duration of contracts: 5 years for shops
10 years for bars and restaurants

Shops

Advertising

Bars & restaurants

Car rental and other
services

Société de Distribution Aéroportuaire (SDA)

ADP co-operator of alcohol, tobacco, perfume and gourmet food shops

- A 50/50 joint venture created to operate alcohol, tobacco, perfume and gourmet food shops in CDG 2 as of 2003 and CDG 1 as of 2006
- SDA's scope of business was expanded to Orly and CDG 3 on 1 January 2007 (additional sales: €35m)
- Alignment of concession expiration dates in 2013
- Alignment of interests: extension of concessions if certain targets of sales/passenger are reached

SDA's contribution to ADP in 2006

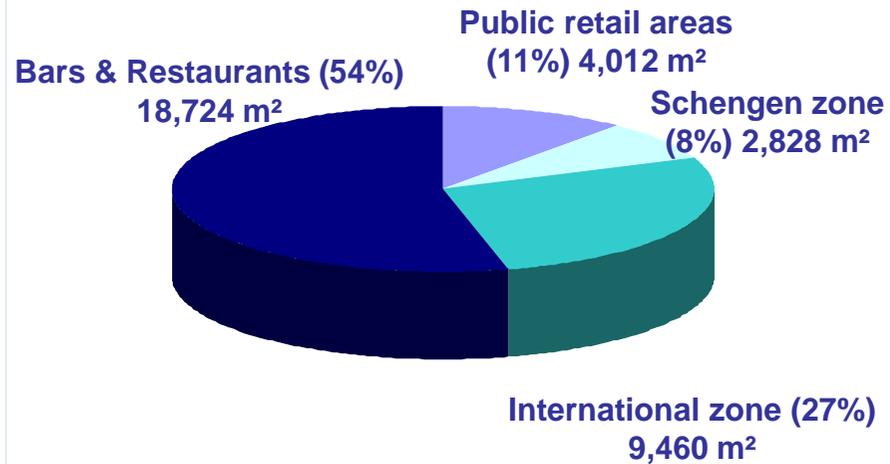
(€m)	2005	2006	% chg
Revenues	80.3	99.8	+24.3%
Current operating income	3.8	4.1	+7.9%



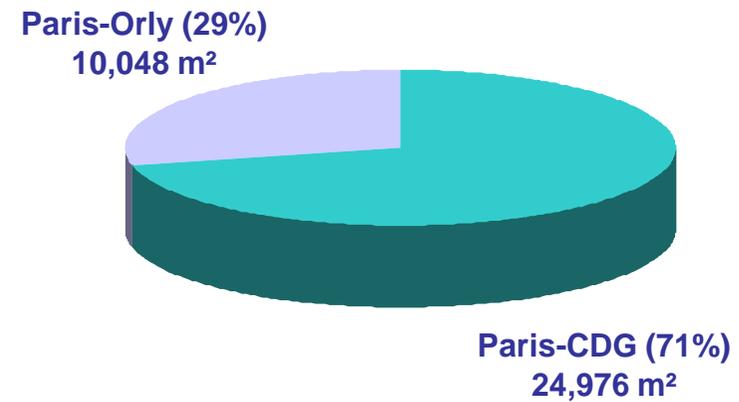
2006 was a good year: thanks to the expansion of SDA's scope of business to CDG1 and buoyant international traffic

Our retail areas in 2006

Breakdown of 2006 retail areas by zone



Breakdown of 2006 retail areas by airport



- Retail surface areas totalled 35,024 m² in 2006
- 287 retail spaces in the terminals
 - 173 shops
 - 114 bars and restaurants

A thorough understanding of our customers

Numerous customer studies

•Upstream research:

- ✓ Behavioural studies
- ✓ Motivation studies
- ✓ Price considerations

•Downstream research:

- ✓ "Passenger observatory", a quarterly study of 7,000 passenger/shoppers

Research results have an impact on:

- Our product positioning
- Our price strategy
- The organisation of retail areas
 - ❖ *For example: Flow management*

A customer base of willing buyers

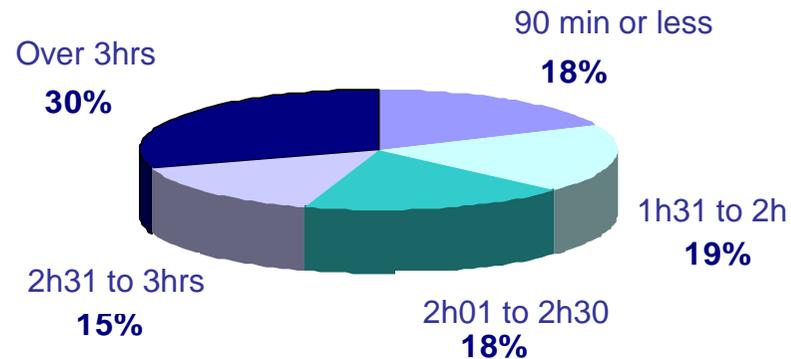
Luxury without second thoughts: "indulge"



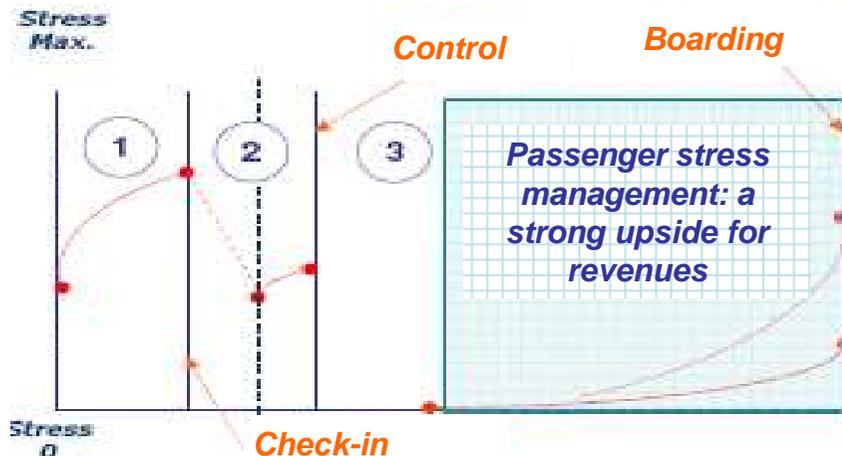
Source: "Passengers Behaviours in shops" ADP (2005) – 4 000 interviews

Optimised management of passenger flows

Time spent in the airport



Optimisation of time



Retail areas located in the heart of passenger flows

- Retail areas located directly at the exit of security checkpoints
 - Goal: reach 100% of passengers

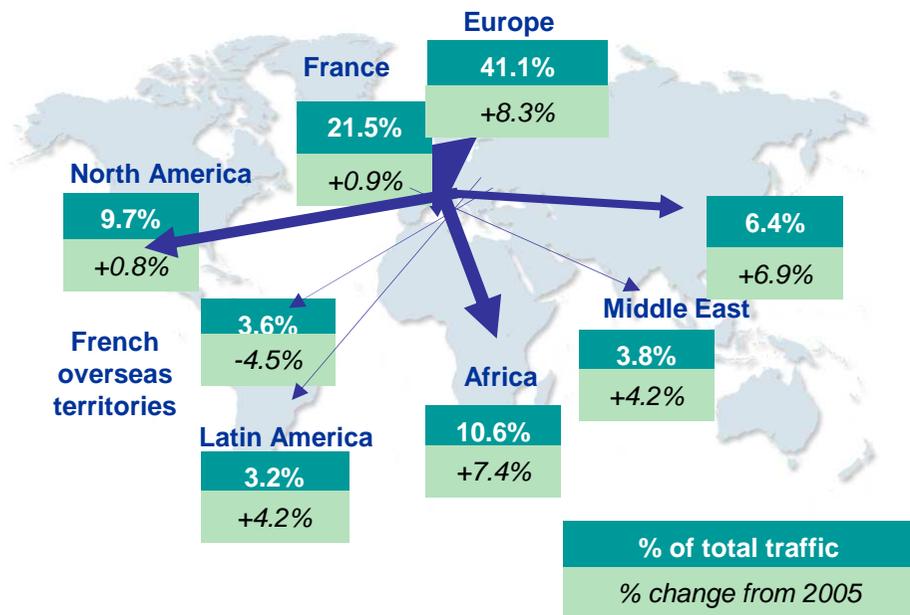
Bright, airy retail spaces



- Retail spaces are designed to have a shopping mall feel
- Better signalling:
 - Flight information
 - Distance to boarding gate
 - Maps of retail areas
 - Purchases authorised for carry on

A customer base of willing buyers

An international customer base



Diversified demand

•The three leading routes in terms of total sales:

- United States
- Japan
- Morocco

•The three leading routes in terms of sales per passenger:

- Russia
- China
- Japan

•Extremely diverse shopping behaviour:

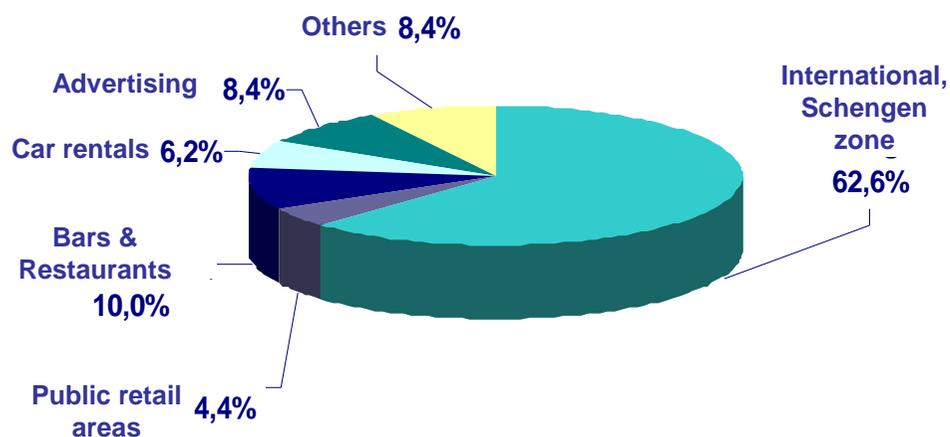
- Asians: Accessories, gifts/souvenirs, watches, fashion & luxury
- Americans: perfume, cosmetics, jewellery, fashion accessories, tobacco
- French: luxury shoes, jewellery, luxury goods, beauty products, lingerie

2006 results: Strong retail performance

<i>Sales in €m</i>	2005	2006	% chg
Retail areas	196.9	210.8	+ 7.1%
<i>Duty-free shops</i>	118.9	131.9	+10.9%
<i>Shops in public areas</i>	8.4	9.2	+10.0%
<i>Bars & restaurants</i>	21.0	21.0	+ 0.0%
<i>Car rental</i>	12.2	13.1	+7.4%
<i>Advertising</i>	15.7	17.8	+13.4%
<i>Other</i>	20.7	17.8	-14.0%

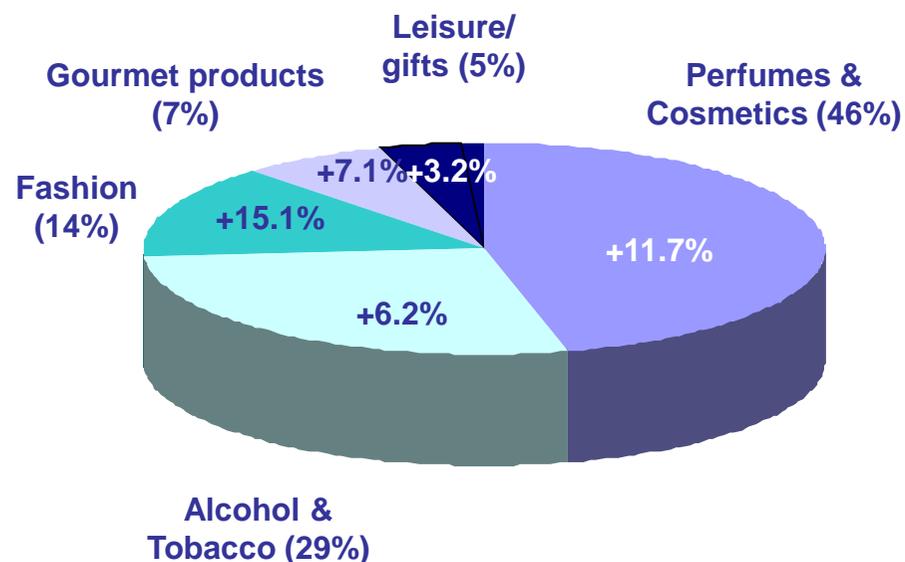
- **Retail sales rise faster than passenger traffic (7.1% vs 4.8%)**
- **Strong performance of duty-free shops thanks to:**
 - development of the duty-free offer at CDG 2 and Orly Sud
 - Buoyant international traffic
- **Strong growth in advertising**
- **First-quarter retail revenues rose only 2.6% due to decline in forex business**
- **Excluding forex, retail sales rose 11.1%**

Breakdown of retail sales



Strong growth of duty-free shops in 2006

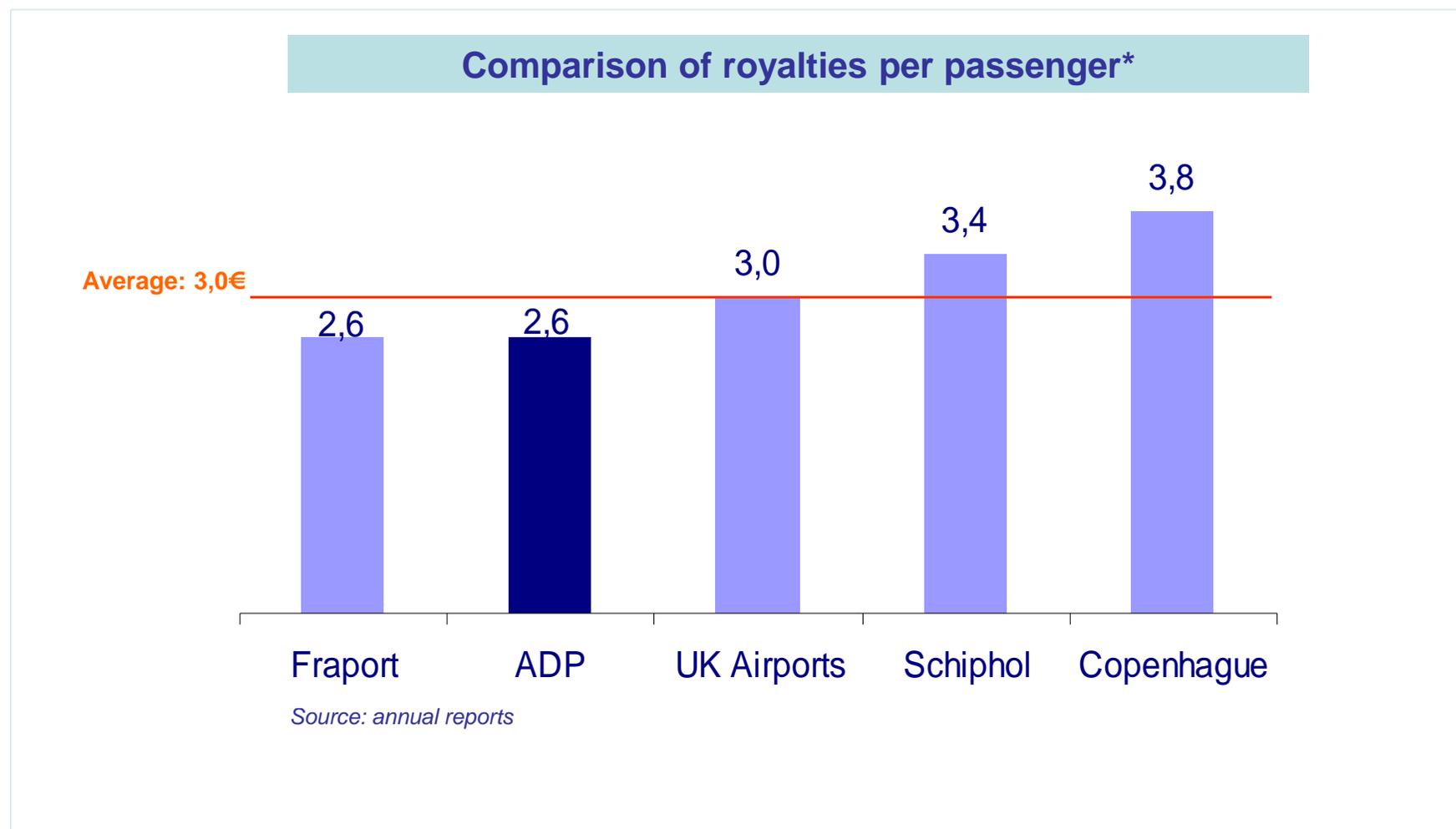
Breakdown of duty-free sales



€131.9 million in duty-free sales

- Duty-free sales account for 62.6% of retail revenues
- Duty-free sales rose 10.9% in 2006 and 9.9% in Q1 2007
- Strong contribution of the most profitable activities
 - Perfumes & Cosmetics (46% of sales): +11.7%
 - Fashion and accessories (14% of sales): +15.1 %
 - Gourmet products (7% of sales): +7.1%

Strong potential for improvement



* Royalties on retail shops, bars & restaurants and other services (excluding parking)/passengers

Strategies for boosting sales/passenger

1. Increase hit rate



- Increase visibility of retail areas
- Increase density of retail areas
- Improve passenger flows, signalling
- Manage passenger time
- Enhance attractive look of retail concepts with offers adapted to customer segments
- Marketing campaigns

2. Increase size of average shopping basket



- Product diversification
- Marketing policy
- Customer loyalty programmes, events
- Optimise procurement
- Training of sales personnel

* Hit rate: number of sales receipts/departing passengers, excluding domestic flights

** Average shopping basket: Amount of sales/number of receipts



AÉROPORTS DE PARIS

Contents

1. Our retail business
- 2. Our strategy**
3. The Parisian Gallery
4. Organisation and management

An ambitious development strategy

1

Our product positioning

2

Extension of retail areas

Paris: the fashion, beauty and food capital of the world

Our product positioning

1

2

A big competitive advantage...

- Paris, the fashion, beauty and food capital of the world
- All of the leading French brands are present: Chanel, Boucheron, Dior, Chopard, Dalloyau, Fauchon, Hermès, Moët & Chandon, YSL, Kenzo, Lacoste, Chaumet, Longchamps...



... awaiting to be captured

- Strengthen brand identity and image:
Set up corners dedicated to specific brands



- Take into account the latest trends and fashions:
 - ✓ Update brand portfolio every 6 months
 - ✓ Work closely with concessions

Expansion of the product line

Our product positioning

1

2

Enhance product offer

- Encourage **diversification** : fashion, accessories, luxury and gourmet products
- Introduce more **trendy** brands
- Permanently update the brand portfolio to remain in vogue
- **Adapt product** offer to the passenger profile of each terminal (nationality, type of travel)

Broaden price range

- Offer passengers a **broad range of prices**:
 - **Affordable**: Tie Rack, Swatch, L'Occitane
 - **Prestigious brands**: Hermès, Cartier, Burberry, S. Ferragamo, Hugo Boss
- **In each product category**

Royal Quartz: a good example in watches



- **A broad price range**: from Swatch to Rolex
- **Diversity of styles**:
 - Fashion: Dolce & Gabbana, Gucci, Dior...
 - Luxury: Rolex, Cartier, Chanel, Jaeger...
 - Sportswear: Breitling...
- **Product diversity**:
 - Watches
 - Costume jewellery
 - Jewellery



AÉROPORTS DE PARIS

A dynamic marketing policy

Our product positioning

1

2

Numerous marketing campaigns & events

Sales events aligned with those in downtown

- Seasonal: Valentine's Day, Mother's Day, Christmas
- Image: highlight latest innovations, brand-name products
- Promotions: sales/discount vouchers

Main sports and cultural events

- Chocolate Fair, Roland Garros, Rugby World Cup

Animations

- Fashion show (2005), personal shopper (2006), Vacation School (2007)

Our goals

- An event schedule comparable to downtown stores
- Transform the airport into a veritable living space
- Keep pace with the times
- Get passengers into a buying mood
- Discovery of new products with exclusive offers



Valentine's Day
Campaign:
12-26 February 2007



Moët & Chandon campaign



Roland Garros:
27 May
to 15 June 2007



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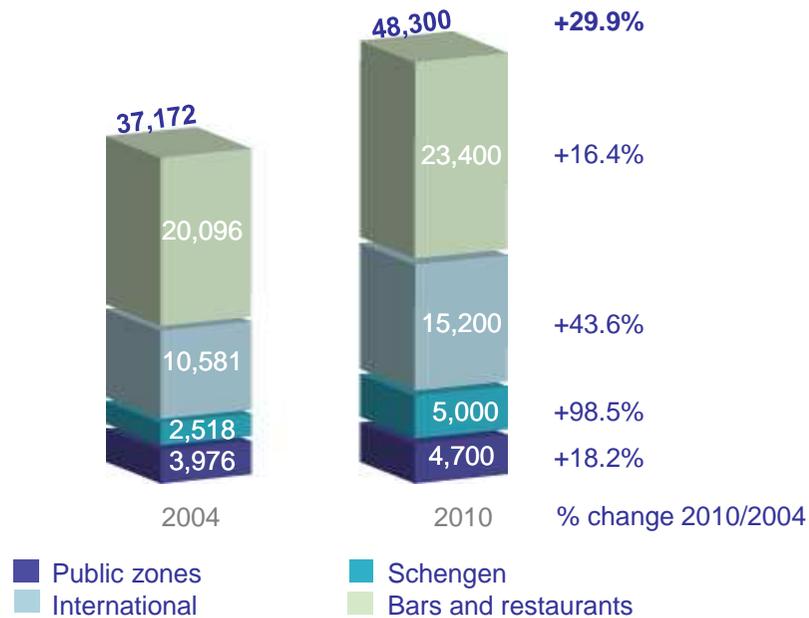
An ambitious programme to develop retail areas

Bigger, more effective retail spaces

1

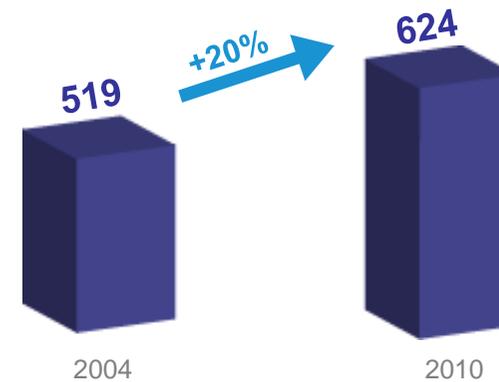
2

Expansion of retail areas (sqm)



- Retail surface areas to increase by 30% between 2004 and 2010, including nearly 44% in duty-free areas
- Majority of the increase in 2007/08

Density of stores in the international zone⁽¹⁾



- High correlation between sales/passenger and retail surface area/passenger
- 20% increase in the density of shops in duty-free areas between 2004 and 2010

(1) M² par million departing international passengers, based on nominal capacity



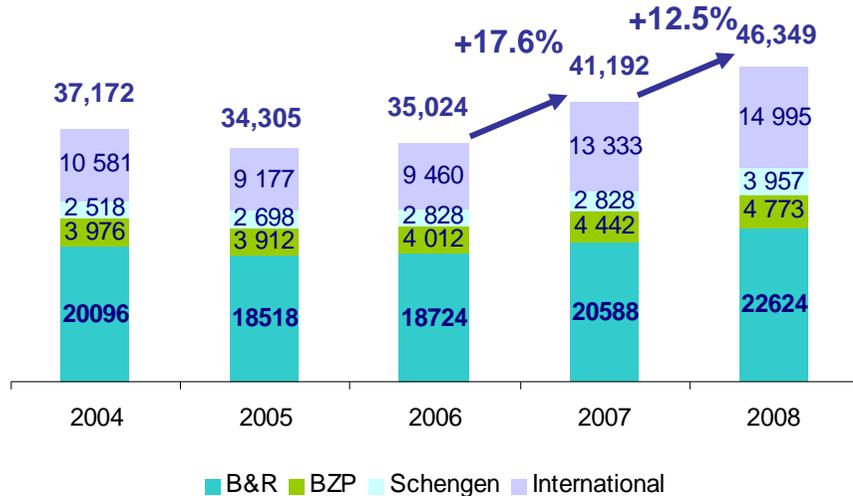
Plan to expand retail areas surpassed in 2007

Bigger, more effective retail spaces

1

2

Plan announced in H1 2006

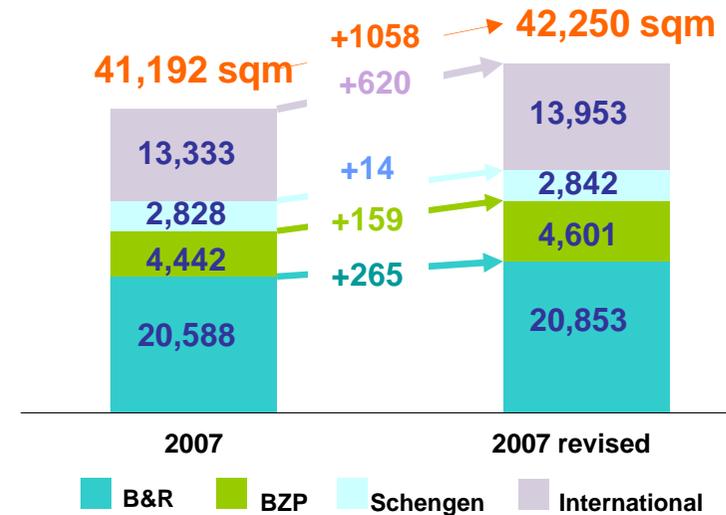


- Nearly a 25% increase in total surface areas between 2004 and 2008, with a 40% increase in duty-free areas

- An extra 6,150 m² by year-end 2007:

- ✓ Duty-free shops: +4,000 sqm
- ✓ Public retail areas: +300 sqm
- ✓ Bars and restaurants: +1,850 sqm

2007: Outperformance



- 1000 sqm more than initial plan, including an extra 600 sqm for duty-free shops:

- ✓ Remodelling schedule for CDG 2A accelerated (+345 sqm)
- ✓ New retail areas for CDG 1 (+200 sqm) and CDG T3 (+285 sqm)



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Allocation rules designed to maximise profits

Bigger, more effective retail spaces

1

2

Securing and optimising core business: beauty products, alcohol, tobacco

- Three highly profitable activities
- All passengers must pass in front of these shops

Prime locations for luxury goods, fashion & gourmet foods

- Highly profitable
- Strong growth potential
- Locking in our positioning
- A broader product offer should help boost spending per passenger

Secondary locations for kids' stores, leisure, gifts and services

- Moderate growth potential
- Lower profit margins



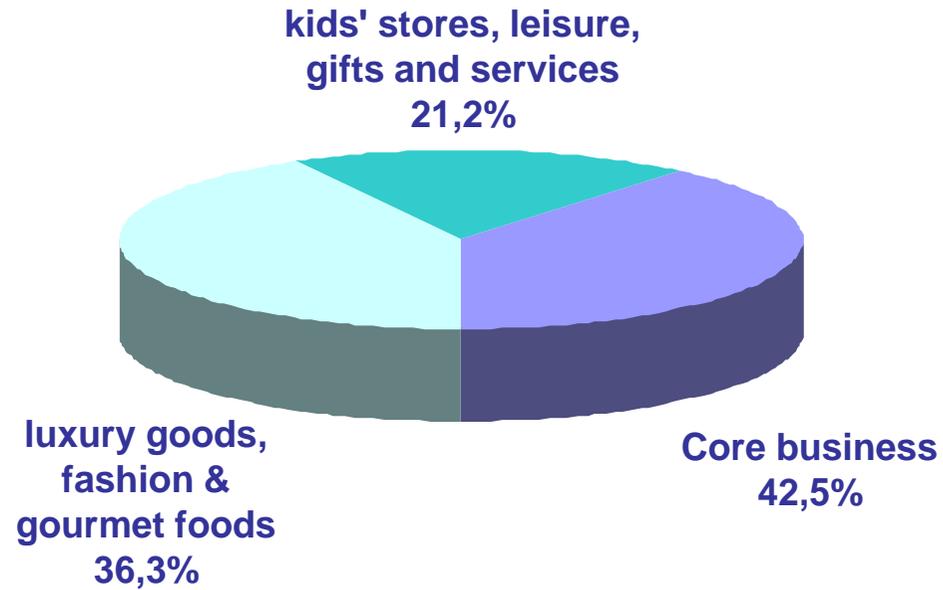
Allocation of new retail surface areas in 2007

Bigger, more effective retail spaces

1

2

Allocation by kind of products

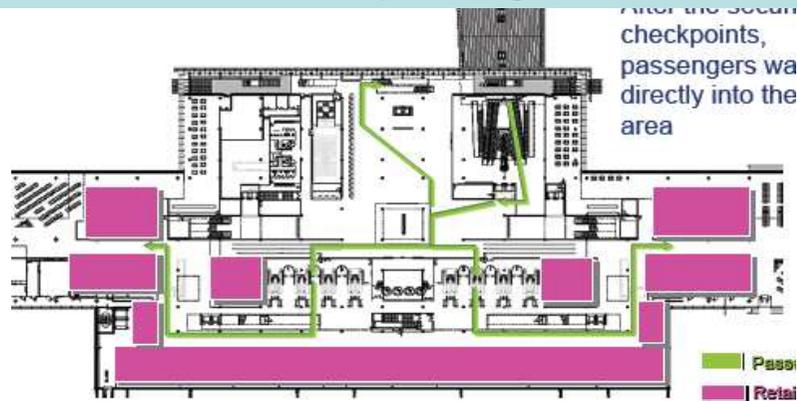


Contents

1. Our retail business
2. Our strategy
- 3. The Parisian Gallery**
4. Organisation and management

A good example of our future strategy

4,600 sqm of retail space
in the heart of passenger flows



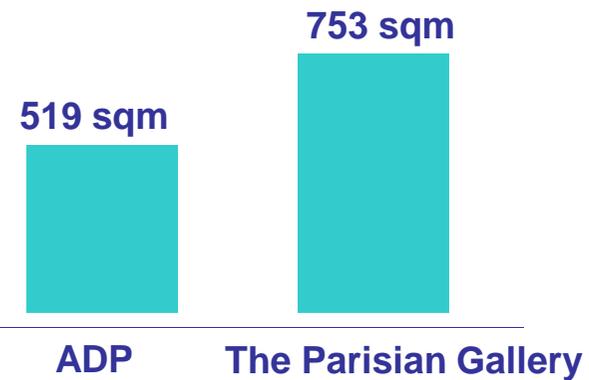
Airy retail spaces
with open, mall-like shops



Focus on brands



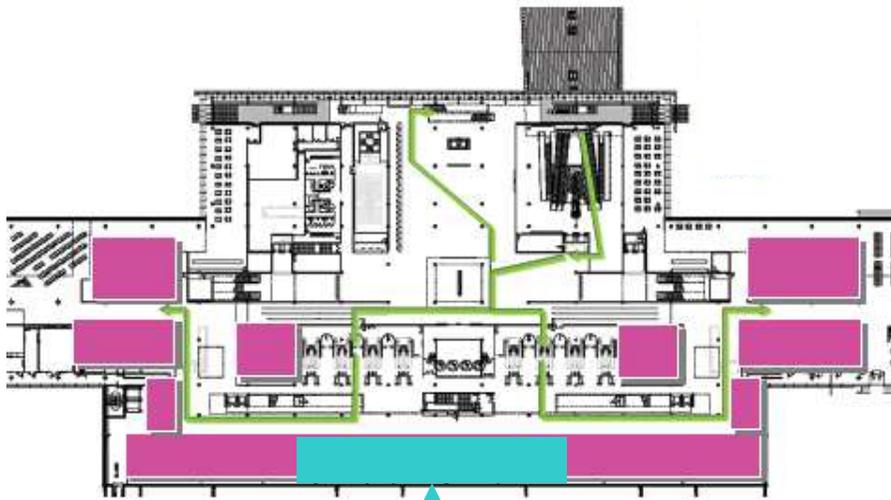
Density* meets highest European standards



* Surface area of duty-free shops per million departing international passengers

The Parisian Gallery

Largest perfume shop in Paris-CDG



Perfume shop: 600 sqm

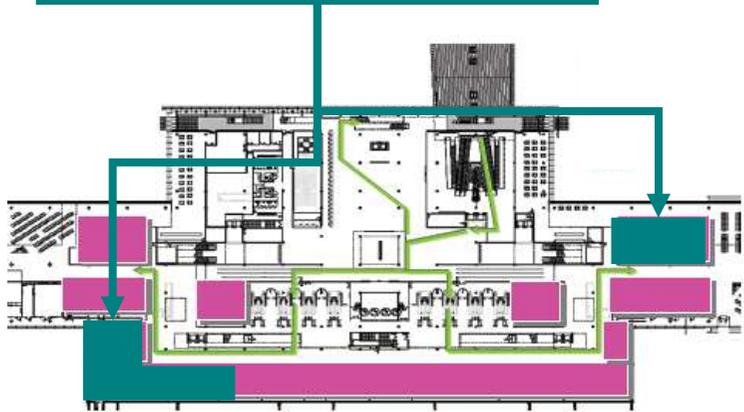
Implementing our strategy

- Secure our highly profitable core business
- Prime location at the exit of security checkpoints
- Highlight star brands through customised corners: Dior, Chanel, Lancôme, Guerlain, YSL
- Develop health care products and make up
- Promote new brands: MAC and Shu Uemura

The Parisian Gallery

The world's most impressive
airport wine cellar

Alcohol & tobacco = 550 sqm



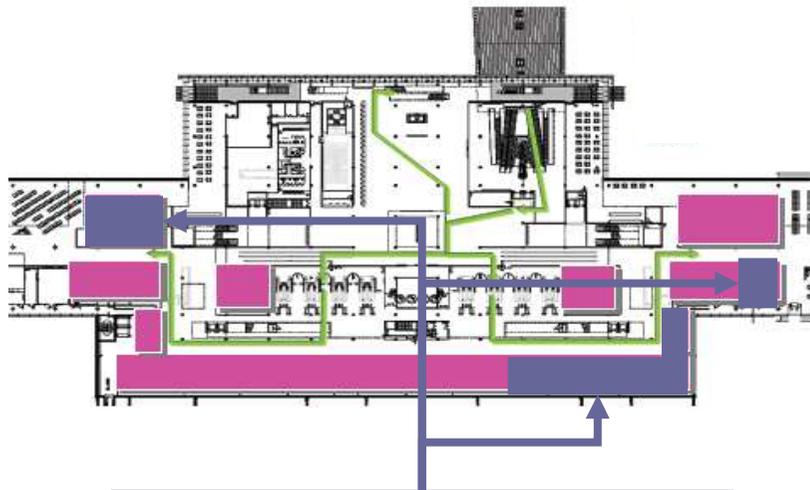
Implementing our strategy

- Secure our highly profitable core business
- Prime locations
- Satisfy two different types of shoppers:
 - **Pleasure shopping:**
 - ✓ Wine cellar: the world's most impressive airport wine store with 300 references, including 40 rare vintages
 - ✓ Cigar humidor: 300 references
 - ✓ Whisky store: 100 references
 - **More reasonable shopping:**
 - ✓ Selection of best-selling items
 - ✓ Promotions
- Services and events: delivery service, personal shopper, tastings



The Parisian Gallery

Star brands



**Fashion, Accessories, Watches
& Jewellery: 690 sqm**



Implementing our strategy

- Prime locations
- Highlight star brands and a broad product offer:
- **Fashion & accessories/luxury goods:**
 - ✓ Hermès, Longchamps, Hugo Boss, Céline, S. Ferragamo, Lacoste, Guess
 - ✓ Arrival of new brands: Armani
- **Watches & Jewellery**
 - ✓ Watches: fashion (Gucci, Dior, Armani, Guess, Calvin Klein), luxury (Rolex, Cartier, Chanel, Breitling/Jaeger), affordable (Swatch, Casio, Louis Pion)
 - ✓ Jewellery: International brands (Chopard, Bulgari), French brands (Chaumet, Van Cleef&Arpels, Boucheron, Poiray), affordable jewellery (Lalique, Tissento, Calvin Klein)

Contents

1. Our retail business

2. Our strategy

3. The Parisian Gallery

4. Organisation and management

Organisation and management



New expertise



**Marketing, Retail and Communications Director :
Pascal BOURGUE**

Doctorate in corporate management from Paris-Dauphine
IEP



Retail director : Florence LENNE

Retail specialist
(15 years at Printemps, then 4 years at EuroDisney,
where she was Vice-President of Retailing for 3 years)
ESCP graduate



**Manager for the
development of
retail areas:**

Nathalie CERDAN

Specialist in marketing shopping
malls (Expansion, Altaréa)
EDHED graduate



**Product offer
manager :
Mathieu
DAUBERT**

Department store procurement
(Le Bon Marché, Printemps)
HEC graduate



**Operations
manager :
Henry
CORNILLOT**

3 years at ADP, transversal
project management
IPJ graduate; law degree



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Thank you for your attention