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Your Business Runway



Public-private partnerships (PPP) as a platform to improve airport performance and benefits for mega- cities

Presentation

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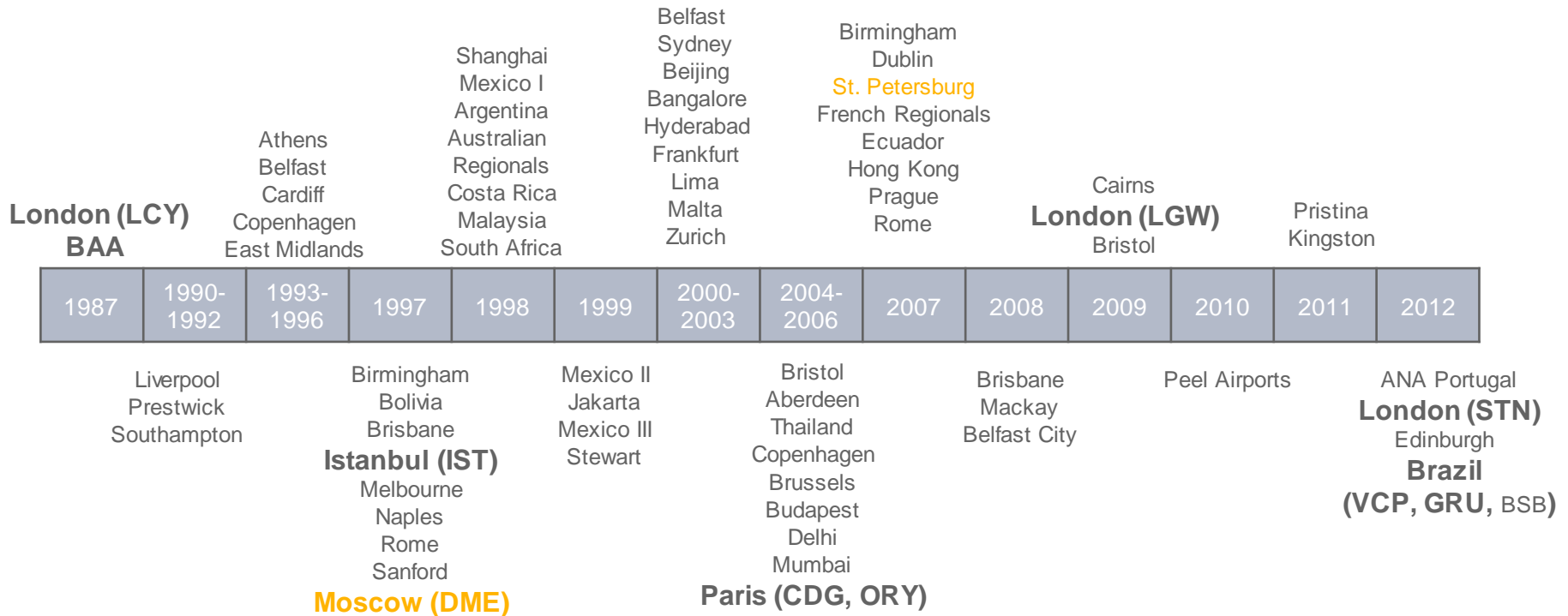
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Executive summary

- Public-private partnership (PPP) present an optimal investment platform for mega-cities with multiple-airports with a need to establish a balance between public service goals and private capital objectives by considering private ownership / capital participation / management versus central coordination
- Private capital participation created proven benefits in the following key domains:
 - Optimized runway utilization and enhanced ATC performance
 - High service quality and customer satisfaction
 - Efficient use of terminal space before decision on expansion investment
- Moscow Airports System presents promising business case for PPP projects at secondary airports similar to other mega-cities (success story of Campinas near Sao Paulo)

Private sector involvement in the operation of multi-airport systems has grown over the last 20 years in both mature and emerging markets

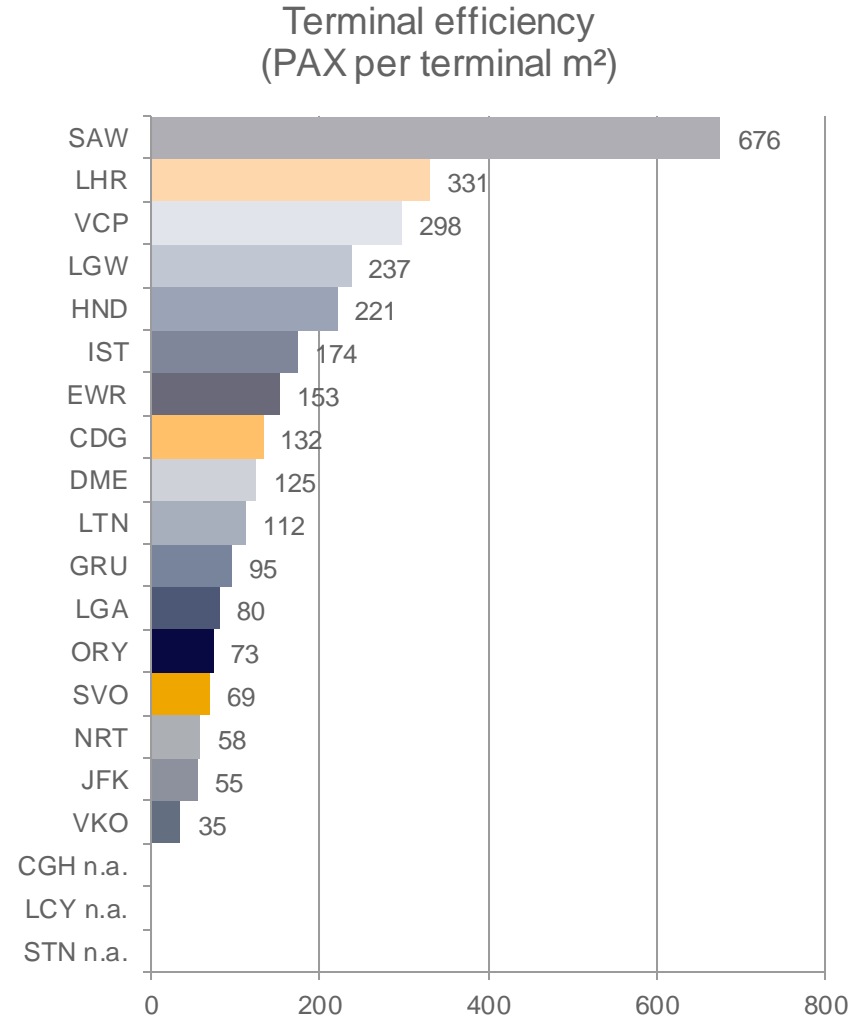
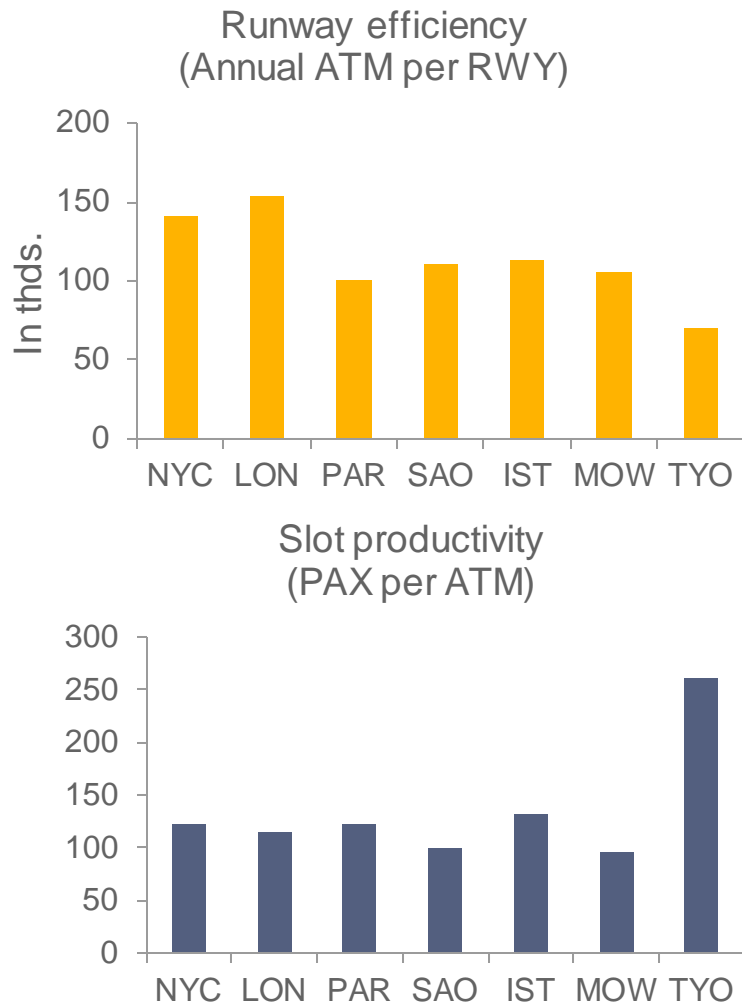


Sources: ATRS, Booz & Company

Key benefits of PPP in airport projects

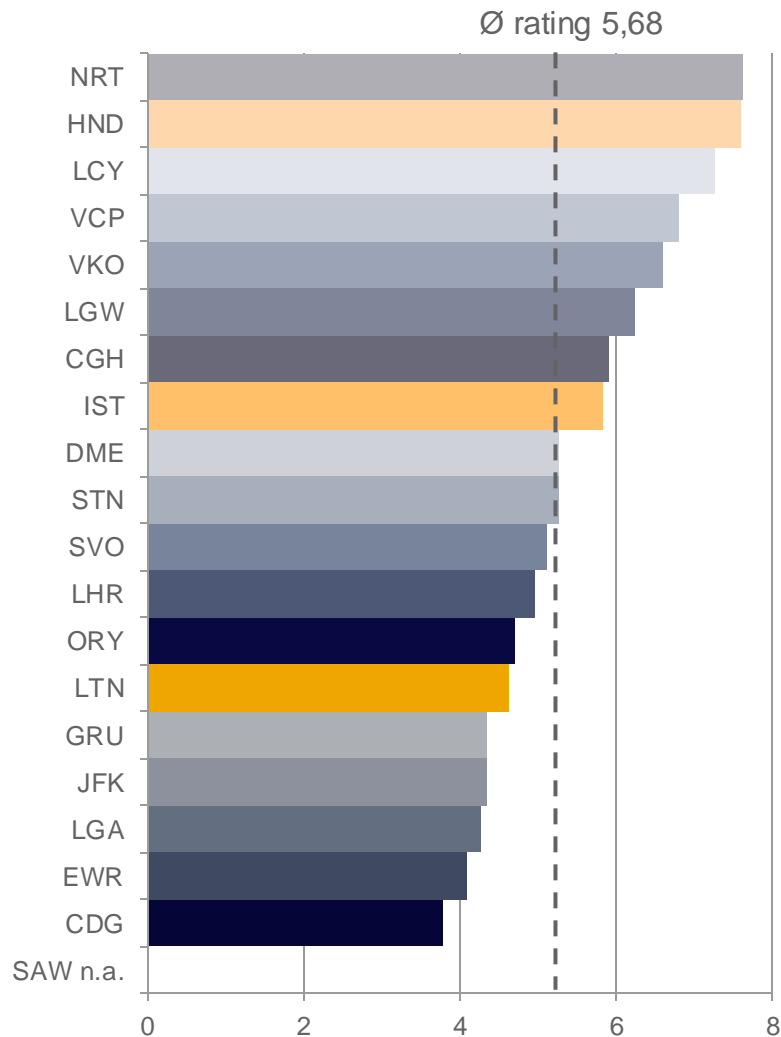
- Higher operating profit margins
- Increased operational efficiency
- Optimized demand-capacity management
- Enhanced non-aeronautical services and revenue proportion

Privately managed airports outperform publicly managed airports in the runway and terminal efficiency and slot productivity



Sources: Albatross, Airport Annual Reports and websites

Airports involving private sector participation reveal an overall higher customer satisfaction compared to publicly managed airports



- Basis: customer reviews Skytrax 2012 plus Flight Stats consolidated results
- Annual passenger level seems to have an impact on customer satisfaction as small city airports outperform international airports of respective system
- Non-publicly managed airports tend to achieve higher ratings
- Service quality awards:
 - London: LHR 4star airport (Skytrax)
 - Moscow: DME Best airport in Europe (ACI)
SVO 2star airport (Skytrax)
 - Tokyo: NRT Best airport 15-40m passenger (ACI)
HND 4star airport (Skytrax)

Sources: Skytrax, Flight Stats, ACI

Campinas Viracopos experienced high growth rates due to ATC constraints of Sao Paulo, entry of Azul and could serve as a benchmark for Moscow

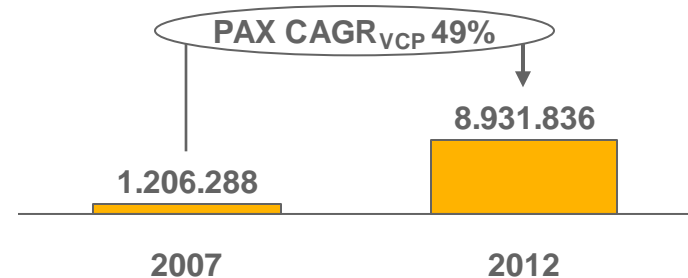
**VCP route network
12/2009**



**VCP route network
12/2012**



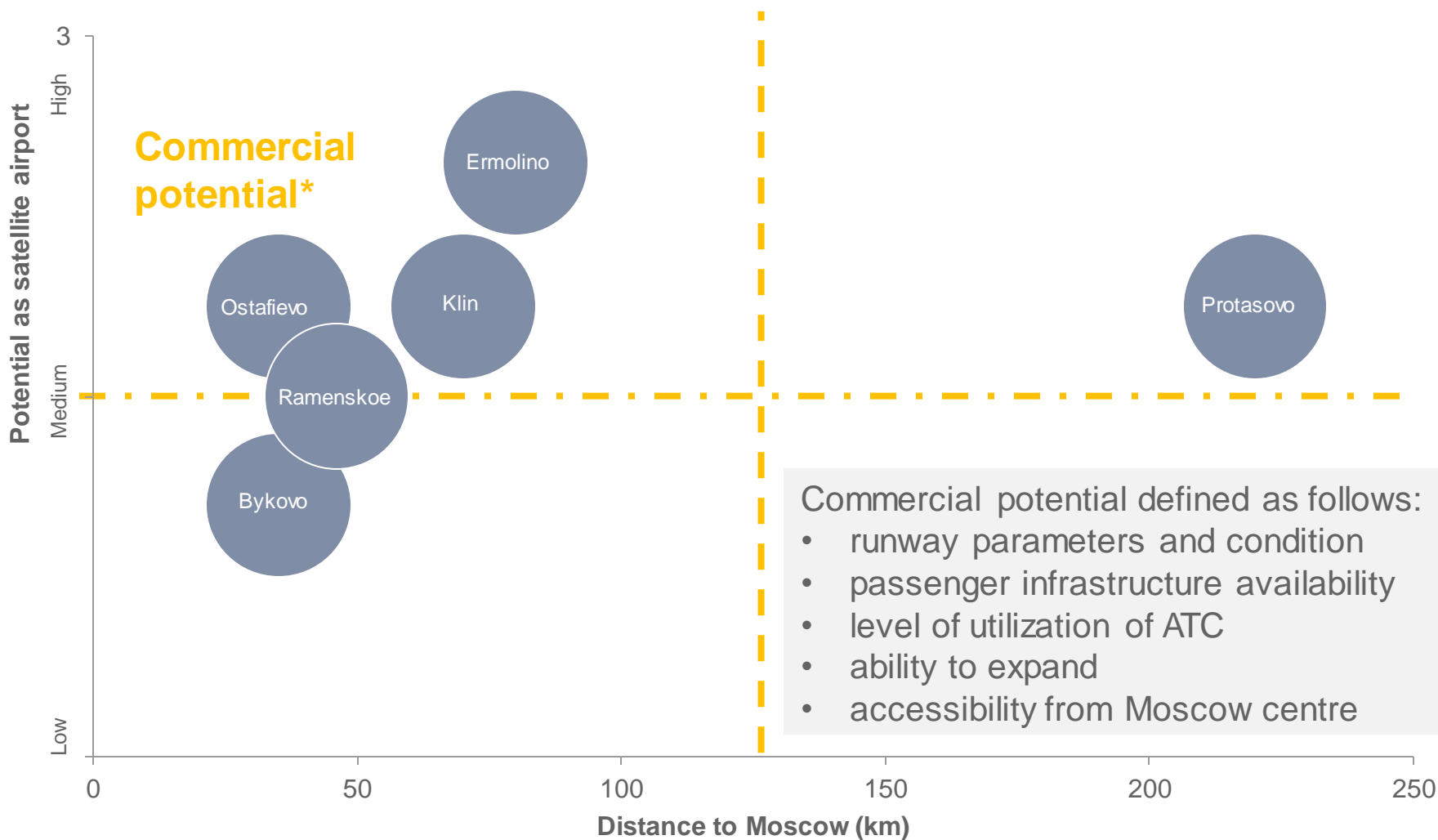
- In 2009 Azul was established at Campinas Viracopos Airport within the metropolitan area of Sao Paulo
- Demand for air transportation was shifted away from congested airports and long-haul bus services to VCP
- Demand for secondary airports may imply high growth rates for airport infrastructure



VCP's successful development resulted in expansion and investment program including a 30-year airport concession (winning bid exceeded the required minimum by 153%)

Sources: IATA Airport IS, Albatross

Several ex-military or corporate airports around Moscow offer commercial potential to be developed as a PPP project of satellite airport



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