

Some retail and F&B operators are converging

Walter Seib

Managing Director

HMSHost Europe



15th ACI EUROPE Airport Trading Conference

March 1, 2006

Air travel is transforming rapidly



- ✈ Airlines re-evaluating their business model
- ✈ Airports emerging as a key customer satisfaction driver
- ✈ Huge opportunity for airports to go “up-market”
- ✈ Goal: deliver meaningful, entertaining, fun experiences
 - Create substantial value for passengers
 - Generate significant concessions income
 - Set standard for the future

Two major trends shaping future of air travel



✈ Security / dwell times

- Passengers spending more time in airports
- Security screening now a major component of air travel process
- Today's dwell times more than double pre 9-11 average

✈ Rapid expansion of low-fare carriers

- Substantial capacity increase
- Reduced fare levels
- Result = more passengers

Important implications for the future



✈ More people spending more time in airports

- Low fares + high dwell times = big opportunity

✈ Rising passenger expectations

- Demanding greater variety of services
- Make airport time meaningful and productive
- Want experiences comparable to those in other public venues

Airport shopping/dining experiences evolving to meet passengers' more sophisticated needs



Het Paleis, Amsterdam Schiphol

Airport shopping/dining experiences evolving to meet passengers' more sophisticated needs



Outback Steakhouse, Orlando, FL

Airport shopping/dining experiences evolving to meet passengers' more sophisticated needs



TUMI, Atlanta, GA

Airport shopping/dining experiences evolving to meet passengers' more sophisticated needs



Asia, Zurich, Switzerland

Increasing dwell times encourage passengers to spend more time dining and shopping



Simply Books/Starbucks, San Antonio, TX

Increasing dwell times encourage passengers to spend more time dining and shopping



Bubbles, Amsterdam Schiphol

By going “up-market,” airports will meet passengers’ rising expectations



- ✈ New paradigm for services, restaurants and retail
- ✈ Provide diverse range of premium experiences and services
- ✈ Make air travel more enjoyable, more dynamic

Meeting heightened expectations drives both revenue and customer satisfaction



It's not about the business model, it's about the customer ...



- ✈ Primary goal: meeting and exceeding customer expectations
- ✈ Maximize all financial opportunities
- ✈ Successful concessionaires will have the flexibility and the resources to respond to airport and passenger needs

HMSHost and other Autogrill Group companies look forward to this new era



- Motorways
- Food & beverage & retail
- Italy and Europe
- Own brands
- Operational efficiency
- More than 600 motorway locations
- 37 railway locations
- More than €1,6 billion sales (2004)
- 29.000 employees

- Airports
- Food & beverage & retail
- North America, Asia Pacific and Europe
- External & proprietary brands
- Brand portfolio management
- More than 70 airport locations
- 7 other locations
- More than €1,7 billion sales (2004)
- 24.000 employees

- Airports
- Retail
- Spain, Middle East and South America
- External & proprietary brands
- Product & merchandising mngt
- More than 45 airport locations
- 5 other locations
- More than €630 million sales (2004)
- 2.500 employees

- Complementary in terms of channels, geographic reach and product offerings.
- Extensive brand portfolio for retail and food & beverage
- Best practice sharing and broad range of experiences
- Unique, creative skill set

Future holds great opportunities for airports



**Those with the most compelling experiences
can shape the future of airport retailing**