

## **GVK Airport scales new heights in Bali**

**GVK operated AngkasaPura I signs Agreement with Dufry International and DFS**

**The deal to enable a 6 fold increase in overall commercial revenue of AngkasaPura**

**New Delhi, May 12, 2013:** GVK managed Bali International airport in partnership with Government of Indonesia awarded major contracts to Dufry and DFS for duty free and retail breaking new grounds and setting new standards in the fastest growing aviation market in Asia.

The ceremony was attended by President Commissioner of AngkasaPura I Mr. Surajo Siswodihardjo, GVK President Project Development, Karthi Gajendran, Marketing Business Development Director, Mr. Robert D. Waloni, General Manager of Ngurah Rai Commercial SBU, and Mr. Kenneth R. Guldbjerg as well as other high level delegates from AngkasaPura I, Dufry International Ltd and DFS.

The pre-bid meeting that was held in Indonesia for the commercial concessions at the Bali international airport saw an overwhelming response from all over the world with participation from over 200 prospective bidders. The bids culminated into selection of DFS and Dufry International, the first and second largest duty free operators respectively in the world. The deals with international majors have been signed for a period of 5 years. The retail and duty free awards will be followed by Lounge, Forex and F&B concessions.

The new international terminal is in the process of completion to essentially cater to the upcoming APEC 2013 (Asia Pacific Economic Summit 2013). The summit is scheduled in the month of October which the US President Mr Barack Obama is likely to attend.

GVK's achievement was in not just designing the commercial layout plans for terminals but also successfully packaging and organizing a global competitive tender process in a record 4 months' time. GVK has a management contract with the Indonesian government on a base fee and an incentive fee based remuneration structure. All capital expenditure are funded by the government.

Speaking on the momentous occasion, Founder Chairman and Managing Director of GVK, Dr. GVK Reddy said, "The contract with Dufry International and DFS is in line with our stated endeavour to take this airport to international standards and help Indonesia in realizing its growing potential as a key destination in the region. Bali in Indonesia has emerged as a prime destination for tourist traffic; and retail, F & B and duty free go a long way in defining the passenger experience at any airport. We are committed to bring our expertise in transforming the Airport to a truly pronounced experience".

GVK Vice Chairman G V Sanjay Reddy stated "The high level of participation by Indonesian and International companies in the international tender process and the outcome demonstrates the success from two major international airport companies collaborating with each other. The deal with Dufry international and DFS will enable a 6 fold increase from the present Rs.300 crore to excess of Rs.1500 crore in overall commercial revenue of AP1. This has a guaranteed component of over 80%. The MAGR (minimum annual guaranteed revenue) of AP1 can be bench marked against Asia's leading airports like Changi and Hong Kong. The current MAGR is \$2/pax, and is expected to achieve \$12/pax."

Commenting on this occasion, Mr. Tommy Soetomo President Director of AngkasaPura I stated "The non-aeronautical revenue will make a significant contribution to our overall income and growth. We are happy to see the initiatives implemented jointly with GVK are delivering success within a short period of time. We are also pleased to see that the

international tender process has been conducted in accordance with best international practices and Indonesian laws. This has resulted in the selection of Dufry international and DFS following the rigorous process.”

Dufry's CEO, Julian Diaz, commented: "We are extremely pleased with this new opportunity to operate at NgurahRai International Airport. Bali is a key tourist destination in South East Asia and as such fits perfectly with our growth strategy focused on tourist destinations and emerging markets. We are convinced that we can create a world class travel retail space together with our partners and with the airport and we are looking forward to make Bali airport a flagship in the travel retail worldwide. We'll make sure we deliver the best possible retail experience to the travellers in Bali, providing also a real sense of place.”

Bali being the “Island of Paradise” and NgurahRai International Airport as the “Gateway to Paradise”, AngkasaPura Airports is aiming to become one of the top five Airports in the Region. It is the 2nd busiest airport in Indonesia, with highest international traffic. Through this partnership AngkasaPura Airports believe that NgurahRai International Airport will deliver high quality brands, unique products and exceptional customer services.

The airport has current traffic of about 13 million ppa with a growth of 10% pa. It caters to international premium leisure and business travellers primarily from Australia, China, Japan and Malaysia and many more.

In Nov 2012, GVK, which also manages and operates two of India’s busiest airports, the ChhatrapatiShivaji International Airport (CSIA), Mumbai and the Bengaluru International Airport, Bangalore, entered into a strategic collaboration with The Airports Authority of Indonesia – AngkasaPura Airports, AP1 for the operations, management and development

of commercial facilities at Denpasar International Airport, Bali. GVK will also be developing an international greenfield airport in Yogyakarta, in Central Java in collaboration with the Govt of Indonesia as per the MoU signed with AngkasaPura Airports.

### **About GVK**

GVK is a leading Indian conglomerate with presence across energy, resources, airports, transportation, hospitality and life sciences sectors. GVK set up India's first independent power plant and has around 6000 MW projects under generation and development. It is the first company in India to develop six-lane road project under PPP model and has around 3000 lane km expressway projects under operations and development. As one of India's largest private sector airport operators, GVK handles 44 mppa through India's first brownfield airport under PPP model - ChhatrapatiShivaji International Airport, Mumbai and Bengaluru International Airport, Bangalore and will develop two airports in Indonesia. Having already invested over USD 4.3 billion, GVK has projects worth over another USD 6.6 billion in the pipeline, in India. It has acquired Australian Coal Mines in Queensland with 8 bt reserves for USD 1.26 billion and envisages an investment of USD 10 billion to for setting up mines, 500 km rail project and 60 mtpa port project which will form one of the world's largest integrated coal mining operations.

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