

Medinah Airport Saudi Arabia

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Project Highlights

First full-fledged airport concession in the GCC Region

Concession Type

- Build - Transfer – Operate (BTO)

Concession Structure

- 25 years from June 2012
- Operate existing airport from June 2012
- Design, finance, build airside and landside and collect corresponding revenues. Up to 36 month construction.

Initial Capacity

- 8 MAP capacity
- New terminal, apron, taxiway, runway rehab and extension, etc.
- Expansion triggers linked to traffic growth and MTRs

Bid Basis

- Minimum Technical Requirements
- Percentage of Gross Revenues

Revenue Sources

- Traffic-based regulated aeronautical charges (90%)

Government Objectives

- Expedite delivery of airport capacity
- Expedite regulatory compliance
- Enhance staff capabilities
- Benefit from private operator know-how and experience
- Pilot program, following limited PPP experience

Key Motivations

- Strong national economy and stable political regime
- National plans to expand the capacity of holy sites and to promote religious tourism
- Substantial unmet demand – one way policy; diversified customer base; inelastic demand
- TAV's other airports generate 25% of MED traffic
- Major investments in regional industrial base
- Supreme Economic Council approval and IFC involvement (bid transparency)

Investment Highlights

- Financial closing on June 30, 2012
- Project cost: c. USD 1.14b with debt c. USD 700m
- Islamic financing, with modern concession regime
- Direct agreement with lenders, with MOF termination and Saudia receivables guarantees
- Strong combination of international operator and local sponsors
- EPC contractor with proven track record and Sponsor sister companies

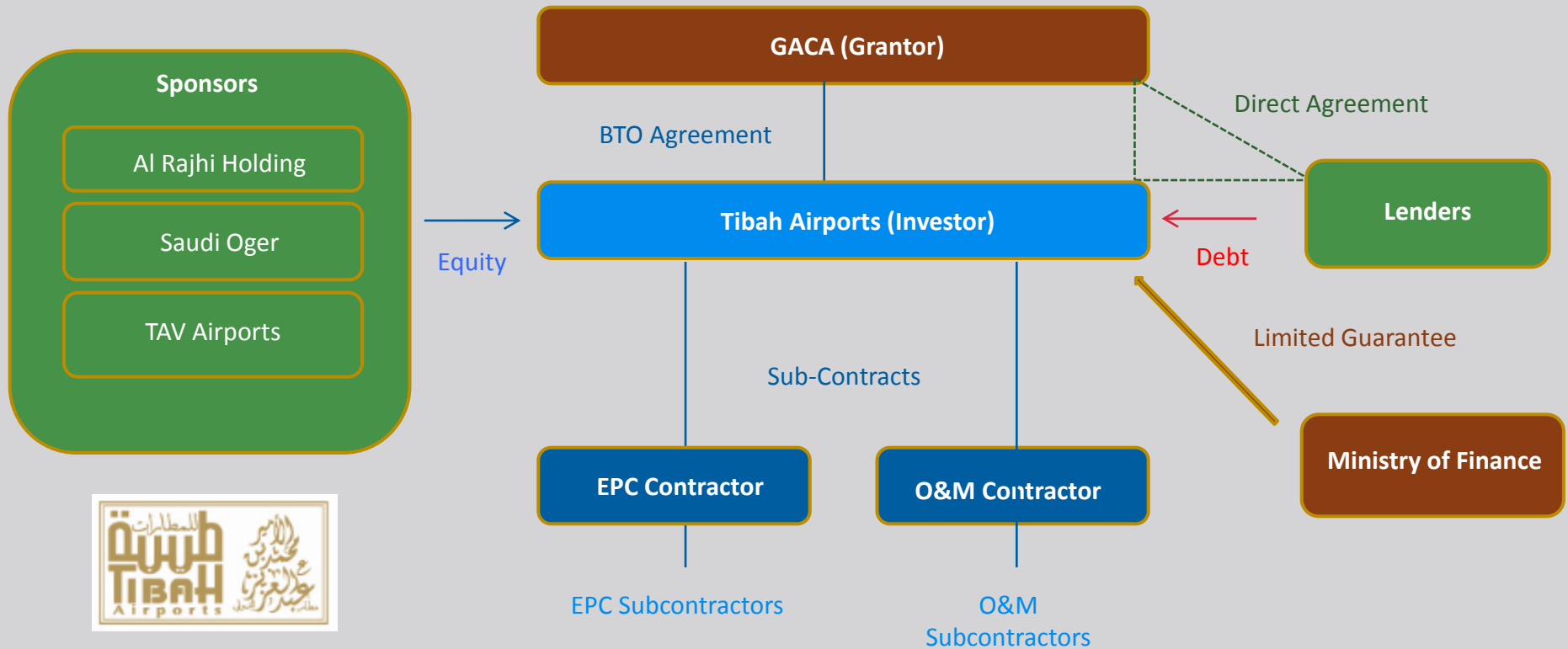
Timetable

Aug 2010	RFP, draft bid documents, data room
June 2011	Bid submission
Aug 2011	Technical bid evaluation results Open financial bids and final evaluation. Preferred Bidder
Oct 2011	BTO Agreement signed
June 2012	Start airport operations Financial close

Strong Competition

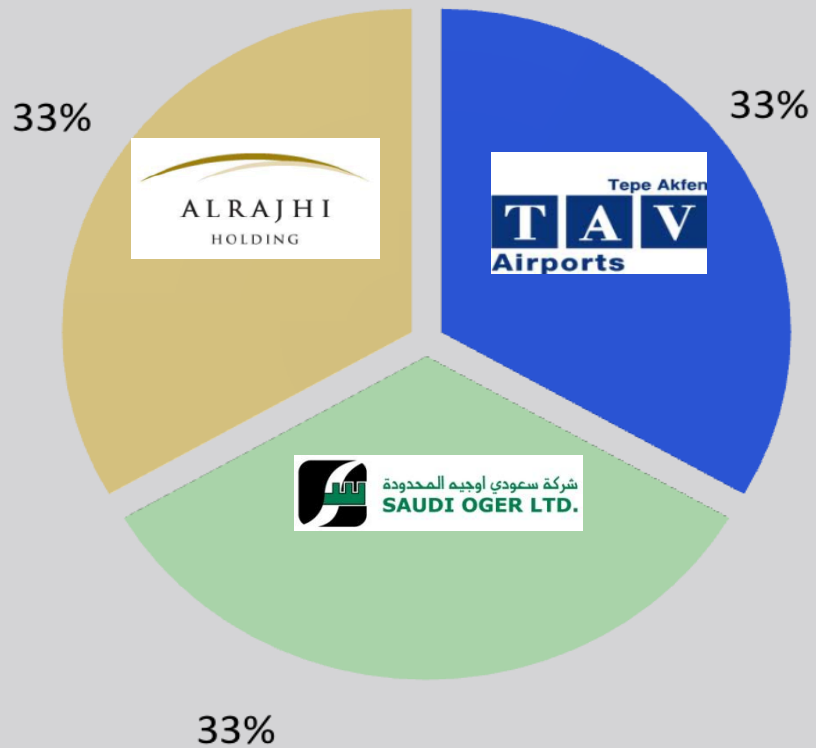
- Originally 8 shortlisted, including GMR, ACSA, AENA, Incheon and Central Japan
- **ADP Management**, Saudi Binladen Group, Bouygues, Limak, Mapa
- **Malaysia Airports**, Bakri, Almabani, Impregilo
- **Houston Airports**, El Seif
- **TAV Airports**, Al Rajhi Holding, Saudi Oger
- **Two Step Bid Process:**
 - Technical Evaluation (50%), *and if pass:*
 - Financial Evaluation (50%)

Structure

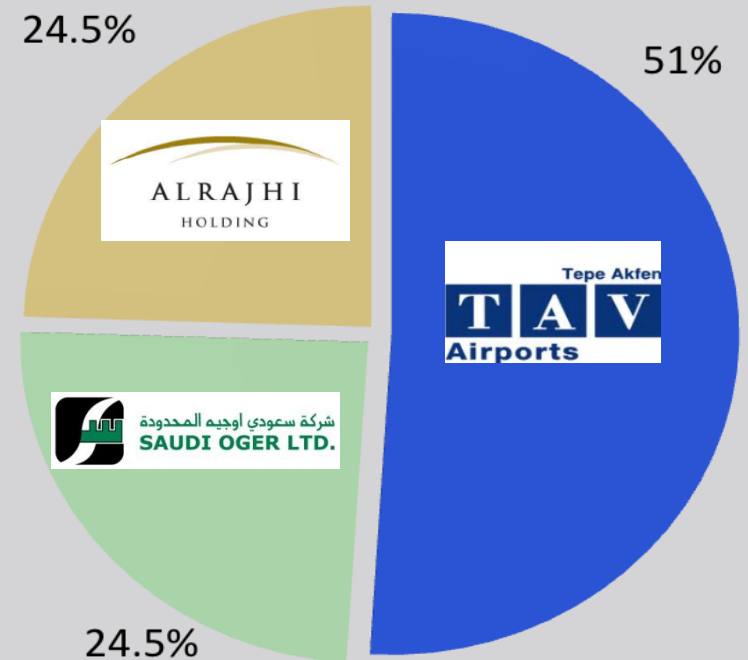


Shareholder Structure

Investor



Operator



Debt Financing Arrangements



Type

Non-recourse Project Finance
Islamic Structured Senior Debt (Ijara)



Tenor

18 years “door to door”



Currency

SAR c. 80%; USD c. 20%

Repayment

Begins six months after construction completion
Tailored repayment profile

Rent

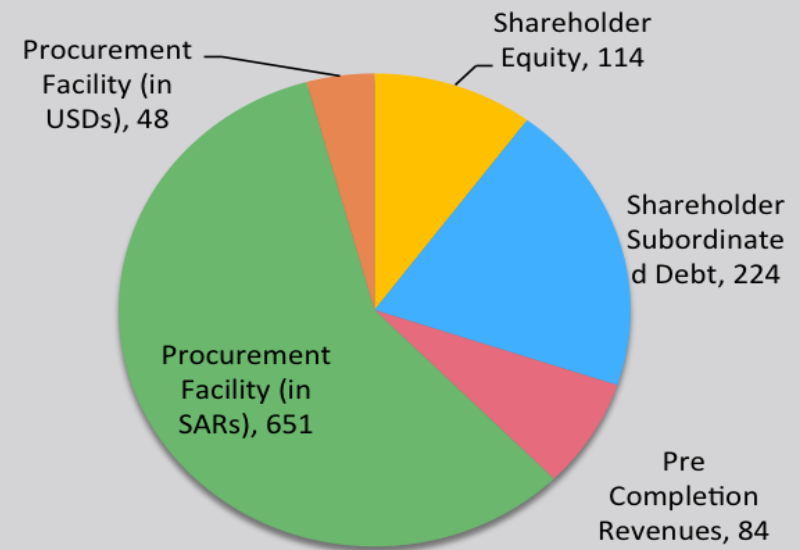
SIBOR or LIBOR + Margin

Rent Rate Swap

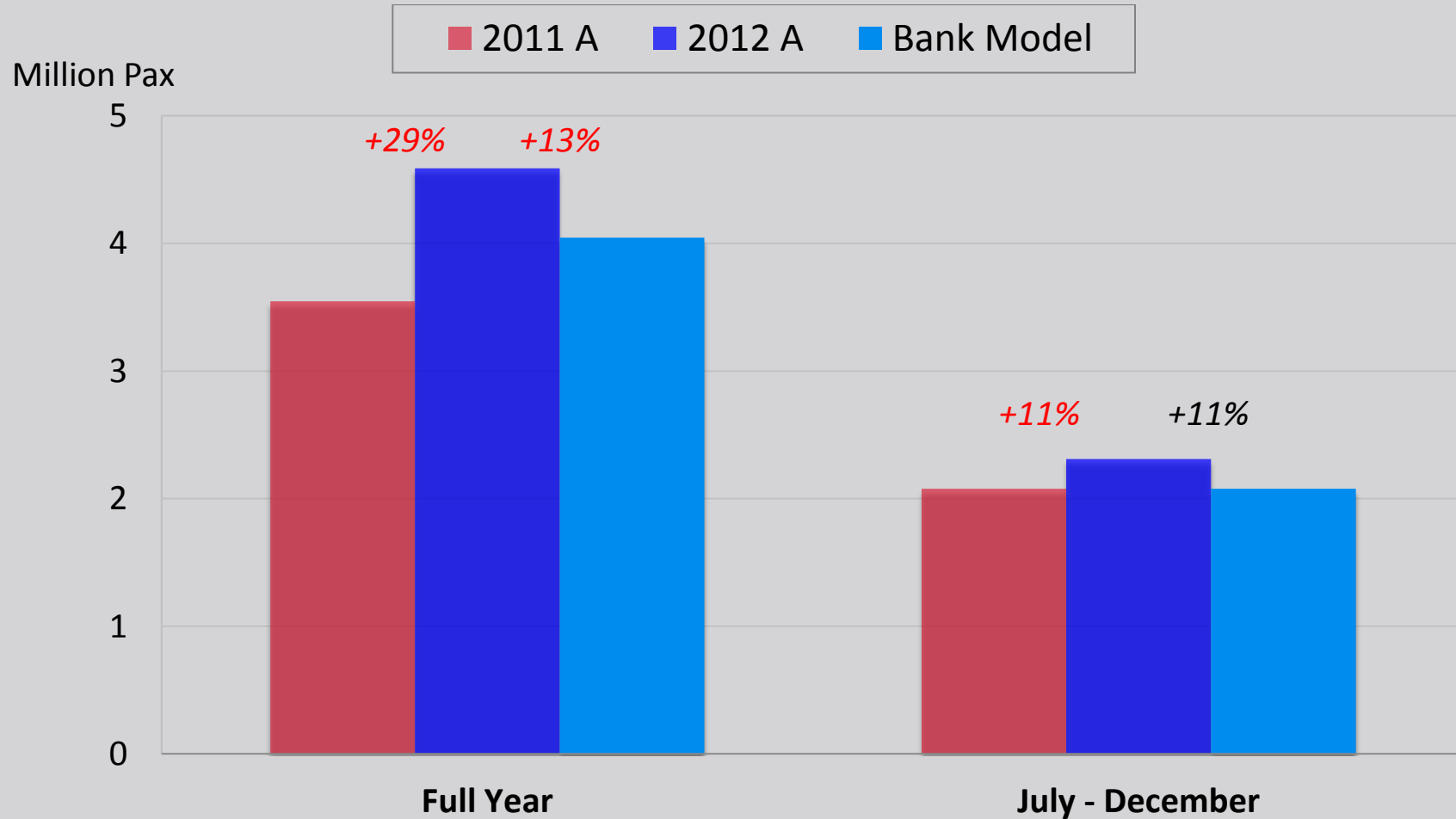
SAR 10 year/ USD18 year

Sources of Funds

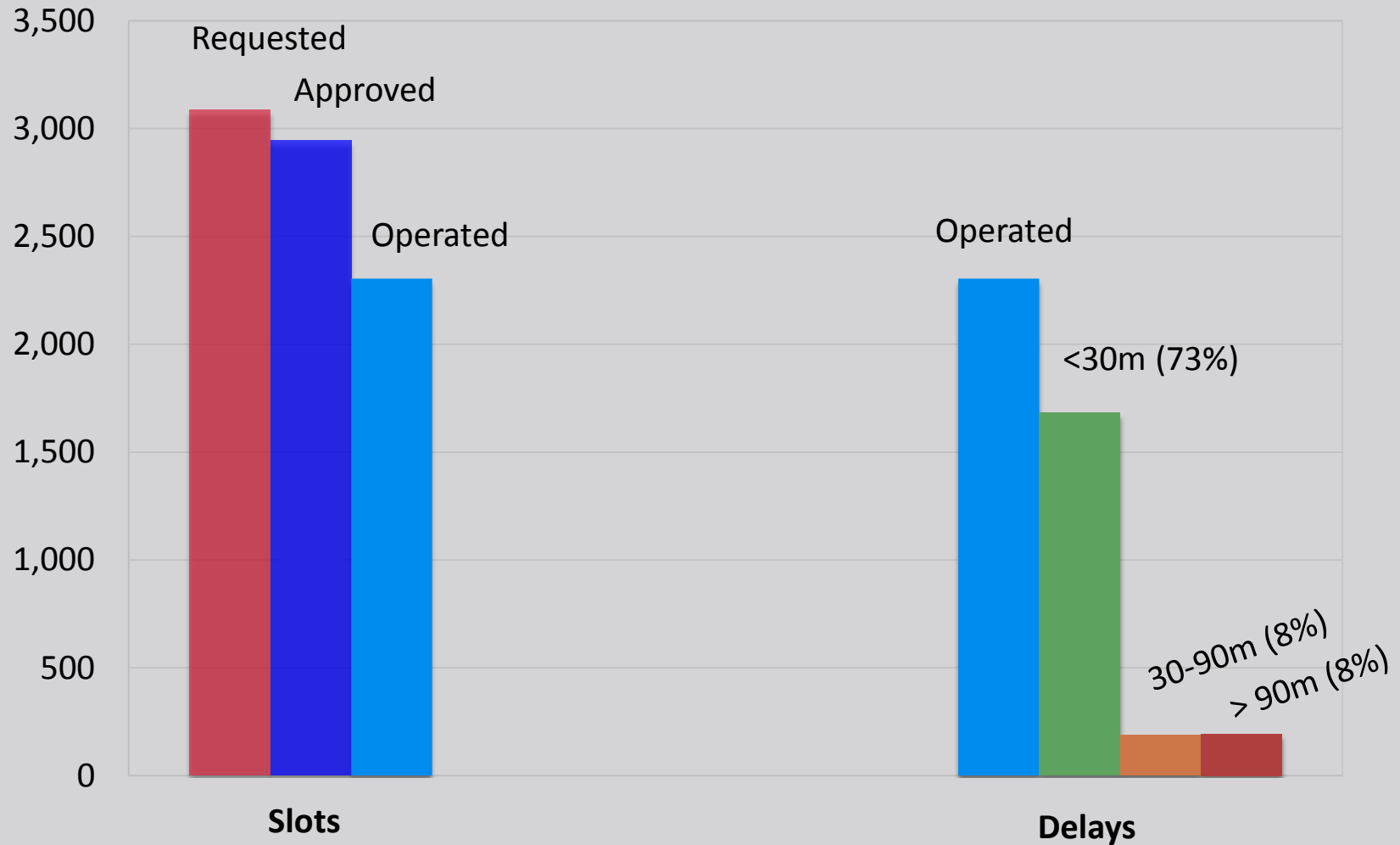
	in USD
Shareholder Equity	114 m
Shareholder Subordinated Debt	224 m
Pre Completion Revenues	84 m
Procurement Facility (in SARs)	651 m
Procurement Facility (in USDs)	48 m
Total Sources	1,141 m
<i>Debt @ 61.3%</i>	<i>699 m</i>



Slot Management During Hajj



Slot Management – First Time in Saudi

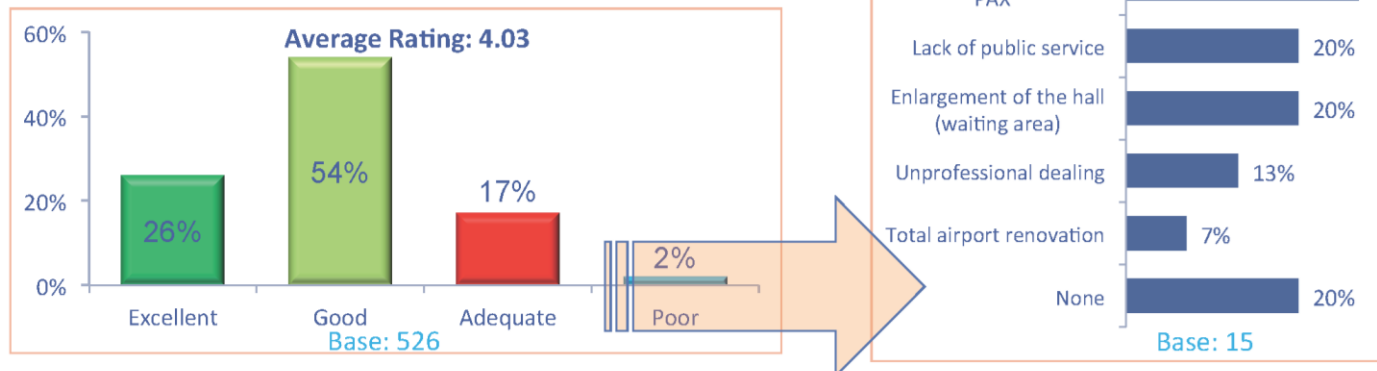


Passenger Satisfaction During Hajj



Overall Rating of Airport

- Overall, Satisfaction with airport is high with eight out of 10 pilgrims rating it as Excellent or Good. However, satisfaction is lower amongst Turkish pilgrims. Satisfaction amongst Departing pilgrims is significantly higher than Arriving pilgrims.
- Higher Satisfaction (Excellent) is lowest among Moroccan and Turkish pilgrims with top box rating at (9% & 11%) respectively.



Satisfaction	OVERAL	Hajj		NATIONALITY											GENDER	
		Arrival	Departure	Turkey	India	Egypt	Iran	Algeria	Malaysia	Sudan	Indonesia	Morocco	Other Nationalities	Male	Female	
Base	526	271	255	114	102	81	63	22	20	22	45	11	46	280	246	
% Satisfied (Excellent + Good)	80%	75%	85%	58%	86%	83%	78%	100%	80%	95%	100%	100%	76%	79%	81%	
Excellent	26%	32%	20%	11%	19%	42%	43%	23%	40%	64%	16%	9%	24%	29%	23%	
Good	54%	43%	65%	47%	67%	41%	35%	77%	40%	31%	84%	91%	52%	50%	58%	

Q1a. Based on your experience how would you rate this airport? (SA)

Q1b. Can you tell me the reason why you are dissatisfied with the Airport? What else? (Int: Probe)



