



airport & airline advisory



Company Profile

www.mpdgroup.com

Airport and Airline Advisory

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Introduction



MPD was formed in February 2000 in order to provide advisory services to the airport and airline industries.

Since then, the Company has established an excellent reputation for providing independent, detailed, targeted and cost effective advice in many countries worldwide.

Our team consists of a number of dedicated professionals with significant skills and experience in many areas of the Industry. Many of our Consultants and Associates have held senior positions within major airport and airline companies, including BAA plc and British Airways. Others have direct experience in the acquisition, operation, development, management and ownership of airports.

This specialist team enables us to offer an extensive portfolio of services including advice on airport and airline management and operation, business planning, airline start-up methodologies, transaction services and assistance with airport investments.

Through international industry experience, MPD is able to understand the air transport markets that exist in different parts of the world, and tailor specific practical solutions for each.

MPD works with a variety of clients including investment banks and other financial institutions, airport investors, governments, the European Commission, NATO, airport authorities and airlines as well as private sector airport companies.

I hope that we will also have an opportunity to work with you on projects in this exciting sector.



Clive Davies
Managing Director



Capability

The Company has established an excellent reputation for providing independent, innovative, high quality specialist airport and airline consultancy advice to clients worldwide. MPD focuses on certain core areas which are set out in this Section.

2.1 Airport Consultancy

MPD can address a wide range of client requirements, including providing advice and expertise on the following specialist areas:-

• Transaction Support Services - Airport Acquisition & Sale

Transaction Support covers a range of different disciplines but essentially comprises the provision of advice and support in relation to airport acquisition and disposal, including technical and commercial due diligence.

MPD works closely with a number of funding institutions, including banks, private equity houses, venture capital companies, investment trusts and high net worth individuals. MPS has also worked with and advised a number of specialist infrastructure funds.

MPD provides advice to these companies on airport transactions and on airport strategy when funding institutions do not possess detailed knowledge of the airport industry. MPD provides a complementary resource for institutions interested in acquiring or developing airport assets.

MPD has the ability to offer a full scope of services through airport identification and evaluation, business planning, forecasting and valuation, due diligence, airport acquisition and airport management and operation.

Case Study: MPD was selected as the specialist airport advisor for the sale of Malta International Airport with responsibility for all technical content of the sales documentation, all business strategy aspects and the technical content of the bids.

• Institutional Issues, Strategy, Policy & Regulation

Airport strategy, policy and regulation is a complex area which requires an in depth understanding of the current issues facing the air transport industry.

Depending on geographical jurisdiction, it can either be wide ranging or clearly focused on specific issues.

The principal activities include:-

- High-level reviews of institutional arrangements
- Developing airport strategy – either for individual airports, airport systems or national requirements

- Advising on (and analysing) airports policy, principally for Governments, public authorities, private sector airport owners and parties affected by airport's policy
- The economic regulation of airports including airport charging policies and structures
- Airport competition policy – advice to regulatory authorities as well as to potential acquirers of airport assets
- Environmental-related issues

Case Study: Together with PWC India, MPD provided advice for the new Indian Airports Economic Regulatory Authority (AERA) to build its capacity to exercise its functions. MPD provided specialist inputs on airport economics and international regulatory practice, Indian airports operation, financial analysis, information technology and institutional arrangements.

• Economic Impact Studies

The impact on the economy of air transport and airport development is a critical element in the decision making process for new projects in the sector. Such assessments are vital for new infrastructure development (or redundancy) as well as to measure changes existing infrastructure provision or changes to airline activity and connectivity.

There are also many sector-related activities which result in impacts on the economy - for example the impact of aircraft noise or airport-related surface access infrastructure.

Case Study: MPD, jointly with Oxford Economics, undertook a comprehensive study into the economic impact of night flights at London Heathrow Airport for BAA and British Airways.

MPD's analysis provided the basis for estimates of the contribution of night flights to GDP and to employment in the UK. The Study also calculated the potential negative economic impact of a ban on night flights under various scenarios, as well as highlighting the wide-ranging implications beyond those which can be measured in terms of direct economic impact.

• Airport Business Planning & Enhancement

An Airport's Business Plan represents the heart of its viability and potential. Typically these plans are wide ranging, taking into account the whole airport business, its traffic, revenues, costs and investment requirements over a period of time. For bid evaluation purposes these plans can run to 25 year periods and beyond.

All airports have unique characteristics and these need to be reflected in the airport business planning process but many include one or more of five main business activity areas. These are passenger, freight, general & executive aviation, MRO (maintenance, repair & overhaul) and property.

MPD can provide Business Plans for new and existing businesses and recommend solutions for enhancement (principally via greater efficiency and revenue growth) as well as providing Business Planning and evaluation for acquisition/disposal purposes. Analysis may include:-

- Detailed analysis of current airport operating model & enhancement suggestions
- Analysis of current revenue streams - aeronautical & non-aeronautical
- Strategies for improving revenue
- Analysis of current operating costs & strategies for reduction
- Detailed airport SWOT analysis with improvement recommendations
- Airport benchmarking - how does your airport compare to peer airports?
- Detailed review of capital expenditure versus traffic forecasts - review of CAPEX budget, recommendations on suitability, attainability, alternatives & ways to minimise

Case Study: Philippines - MPD recently completed a comprehensive Business Plan for a major regional airport in the Philippines. Work included traffic forecasting and projecting estimated revenues, costs and capital expenditure over a 25 year planning horizon.

• Airport Planning & Physical Development

Airport planning is complex and varied and covers a wide range of activities from the master planning of an entire airport site (existing or green-field) through to the detailed planning of individual airport facilities in order to match capacity to forecast demand.

MPD can provide airport planning advice for both existing and 'green-field' airport projects, including:-

- The review of airport Master Plans
- Capacity analysis
- Physical facility planning (including the provision of broad cost estimates)
- Operational planning & safeguarding
- Planning process support – from local planning requirements/liaison to public inquiry support and advice

Case Study: MPD was requested by a major Bulgarian Bank to undertake a Feasibility Study for a new 'green-field' airport development. This comprehensive study involved a full demand assessment, a full operational safeguarding assessment, a (costed) physical assessment for development requirements, a Master Plan and a detailed 25-year Business Plan.

• Air Traffic Forecasting

Includes market demand studies, reviews of airline plans and specific route forecasts as well as short, medium and long term air traffic forecasts for airport capacity planning, airport strategy and for due diligence.

The accurate assessment of an airport's traffic potential is fundamental to airport planning and strategy, particularly in uncertain economic times. Independent air traffic projections provide a sound basis on which to develop or value an airport business. MPD produces air traffic forecasts for airport capacity planning, airport strategy and for due diligence purposes.

MPD's traffic forecasters have a wide range of experience with BAA, Manchester Airport and other airport organisations and use robust and proven forecasting techniques. Analysis includes:-

- Catchment area analysis and market demand studies
- Reviews of airline plans and specific route forecasts
- Detailed economic & econometric analysis
- Market sector analysis (e.g. scheduled, charter, airfreight, trucked freight etc)

MPD can produce short, medium and long term forecasts for airport capacity planning, airport strategy and for due diligence purposes (passenger, airfreight, air transport movements, busy hour rates etc) as well as subsidiary forecasts for e.g. car parking, employment etc

Case Study: MPD was appointed to undertake a comprehensive air traffic forecast study for the Infratil/Omniport Consortium that subsequently acquired Glasgow Prestwick International Airport in Scotland.

• Airfreight Development

For airports that have a good runway, are well positioned geographically and enjoy reasonable surface transport connections, air freight can provide a potentially attractive revenue stream. MPD can provide:-

- Strategic evaluation of airfreight opportunities
- Airfreight traffic forecasting

- Industry liaison with airlines and forwarders
- Airfreight handling advice
- Airfreight facility design advice

Infrastructure advantages and good location are essential for a successful air freight facility. However a knowledge and understanding of regional export and import movements, the proximity of surface transport based logistics and distribution centres, and knowing the needs and demands of the freight forwarding industry are all equally important.

MPD Consultants have in depth knowledge of the airfreight industry, airlines and forwarder community and have been at the heart of the decision making processes that have enabled both Glasgow Prestwick and Maastricht Aachen Airports to enjoy record growth in air freight.



2.2 Airline Consultancy

MPD employs a dedicated team of airline professionals who have both hands-on operational experience as well as management and planning expertise. MPD has undertaken a wide range of airline-related projects and can offer a comprehensive airline advisory service.

• Airline Start-Up Strategies

MPD has experience of advising on airline start-up operations in a number of geographical areas including Africa and Europe.

MPD can cover all aspects of the analysis required in this field, including the creation of business plans, identifying market opportunities, traffic forecasting, developing the fleet, preparing operating and financial plans and preparing Prospectuses for investment purposes.

• Airline Operation and Management

MPD's consultants offer extensive experience in all aspects of airline operation and management including airline strategic planning, airline fleet planning, budgeting, air transport economics, project management, restructuring, franchise and acquisitions, air cargo development, management information and benchmarking, airline marketing, e-commerce and IT and human relations.

In addition we can provide airline technical, operational and safety related advisory services.

MPD's airline consultants have a strong track record and many have worked previously for major airlines and other organisations including British Airways, British Midland Airways, GB Airways, Qatar Airways, KLM, ICAO, IATA, Government Agencies and airports.

Some of the airlines for which assignments have been completed include:-



2.3 Airport Management and Operation

MPD offers extensive experience in all aspects of airport management and operation. MPD Directors, Consultants and Associates have board level experience at both regional and national airport organisations of all sizes.

Airport management and operation can range from specific advice on an individual element of an airport's operation through comprehensive management contracts to the provision of a dedicated full time or interim management resource.

The principal activities offered include:-

- A full management contracting role
- The provision of dedicated management resource on an interim or full time basis
- Specific advice on one or more of the 'elements' of airport operation and management

• Management Contracts

MPD offers a full management contract resource, either for an existing airport or for a 'start-up' project.

Under a full management contract, MPD can assume responsibility for the management and operation of either a whole airport or for specific areas such as terminal management or airfield operation.

For simplicity of approach, the airport 'business' can be categorised into five core subsidiary business areas, these being:-

- Passengers
- Freight
- Maintenance, Repair and Overhaul (MRO)
- General Aviation (including executive aviation and FBO)
- Property

Within each of these business areas, there are many individual areas of management and operation. These can be tailored to client requirements.

• Interim Management

In addition to undertaking full management contracts, MPD also has the capability to offer short, medium or long term placement of specialist airport managers in a wide range of disciplines.

● Elements of Airport Management & Operation

In addition to providing full service management contracts and the placement of an individual management resource, MPD can offer advice on the many individual elements of airport management and operation, including:-

- Airfield operations & compliance
- Airline liaison and negotiation
- Tour Operator liaison and negotiation
- Airfreight management and handling
- General Aviation
- Terminal management and planning
- Passenger handling
- Retail and Catering management and liaison
- Car parking administration
- Property management
- Aircraft Maintenance, Repair and Overhaul (MRO)
- Asset repair and maintenance
- Airport security
- Safety Management Systems (SMS)
- Human resource planning
- Ramp Handling and roster management
- Local air traffic control management
- Government liaison (National and Local)

2.4 The Modular Terminal

MPD works closely with architectural Company The Manser Practice (TMP) in the design and development of high quality, stylish and cost effective airport terminal buildings. Working together with TMP, MPD offers:-

- Full analysis of traffic demand and airport planning (capacity) requirements
- The development of cost effective airport terminal buildings
- Optimum solutions for the operation and management of the new terminal

The Modular terminal building (pictured below) was designed originally for client BAA plc for use at Southampton International Airport in the UK. Its main advantages are:-

- It can be built at approximately half the price of traditional airport terminal buildings
- It can be expanded as and when required with no disruption to existing operations
- It is a high quality, stylish and modern design which is relatively quick to construct
- It can either be air-conditioned or self-ventilating
- It is already proven, having operated successfully at Southampton International Airport since 1996

Further information on The Modular Terminal can be found in a separate brochure, available on our website www.mpdgroup.com



Track Record

Since formation in February 2000, MPD has undertaken work for many clients in a number of countries worldwide.

3.1 Recent Projects

Recent Projects have included:-

• Airline Start-Up West Africa

MPD undertook a comprehensive study for the start-up of a new African airline – MPD created the business plan, identified market opportunities, developed the optimum fleet, prepared operating and financial plans and a Prospectus. The airline was successfully launched in 2010.

• Airline Start-Up Europe

MPD consultants provided a market assessment and developed business and operating plans for a new scheduled airline operator in Europe.

• UK - Heathrow Airport, London - Night Flights Study

A BAA/British Airways commissioned Oxford Economics report on the economic value of night flights at Heathrow – to which MPD made a major contribution – has recently been completed and delivered to the UK Secretary of State for Transport.

MPD analysis of BAA data provided the basis for estimates of the contribution of Heathrow night flights to GDP and to employment in the UK.

MPD also calculated the potential negative economic impact of a ban on night flights under various scenarios, as well as highlighting the wide-ranging implications beyond those which can be measured in terms of direct economic impact.

• Philippines - Major Regional Airport Business Plan Study

MPD recently completed a comprehensive Business Plan for a major regional airport in the Philippines.

The study involved projecting estimated revenues, costs and capital expenditure over a 25 year planning horizon, together with an assessment of likely traffic levels over the period in one of the fastest growing markets for air travel.

• Bulgaria - Greenfield Airport Feasibility Study

MPD recently completed a Feasibility Study in Bulgaria for a new 'green-field' airport development.

This comprehensive project involved a number of elements including a demand assessment, a full operational safeguarding assessment, a (costed) physical assessment for development requirements and a Master Plan.

In addition, the MPD team undertook a full Business Plan which assessed the airport's potential and viability under a number of operating scenarios.

• Lagos Nigeria - Terminal 2 Due Diligence Study

MPD completed an operational due diligence report on Murtala Mohammed Terminal 2 at Lagos Airport on behalf of a Nigerian investment institution.

The study involved analysis of the legal and regulatory framework under which the privately-owned terminal operates, as well as a thorough review of the terminal facilities and operations. This included assessment of the current terminal infrastructure and systems, as well as of management and personnel capabilities.

Safety and security issues were also highlighted. The report included an assessment of new infrastructure requirements, and MPD also provided traffic and revenue forecasts for input into the financial models of the commissioning client.

• India - Indian Airports Regulation (AERA)

Together with PWC India, MPD provided advice for the new Indian Airports Economic Regulatory Authority (AERA) to build its capacity to exercise its functions.

MPD provided specialist inputs on airport economics and international regulatory practice, supporting PWC's experts on economic regulatory capacity building in other sectors, Indian airports operation, financial analysis, information technology and institutional arrangements.

3.2 Past Projects

A brief summary of some of these projects includes:-

Location	Project	Client
Athens	Review of Business Plan for the new airport & management audit	Bayerische HypoVereinsbank & EIB
London	Shareholding acquisition advisory	BAA Plc
Birmingham	Shareholding acquisition advisory on Business Plan modelling and on regulatory aspects and aeronautical charges	Confidential

Bristol	Advice to the principal lender, Abbey National, supporting the successful £240mn bid by the Macquarie Bank and CINTRA. MPD critically reviewed the equity partners' Business Plan and was periodically retained to examine the airport's business plan	Abbey National
China	Strategies for business development	Hainan Airlines
China	Management development & training for airport senior management	Haikou Airport
Dubai	<p>Advisory work on improved organisational and management including a new structure for the airport which has now been implemented</p> <p>Creation of a Business Planning system together with the preparation of the first Business Plan</p> <p>MPD subsequently advised on long term planning and business issues concerning the new Jebel Ali International Airport, Dubai</p>	Department of Civil Aviation
Europe	Advice on airport charges	The five largest European Airports
Europe	Establishment of a framework to examine the economic benefits of night flights and estimate the economic impacts of any possible changes to the existing policy governing night flights at 50 European Community airports	European Commission
Europe	<p>An assessment of the policy changes to limit the total impact of aircraft noise within the European Union since the entry into force of Directive 2002/30.</p> <p>The scope of the study included all 70 or so airports covered by the Directive and produced an inventory of measures to mitigate noise at levels since its entry into force.</p> <p>It also included an inventory of already planned actions to mitigate aircraft noise with respect to gradual withdrawal of marginally compliant aircraft and to night flight restrictions.</p>	European Commission
Germany	A comprehensive study of aircraft noise at Geilenkirchen Air Base: in conjunction with Landrum and Brown advising NATO on all feasible noise improvement options together with an analysis of their economic and environmental benefit	NATO
Glasgow	Specialist airport advisor and technical due diligence/air traffic forecasting advisor to the Omniport/Infratil consortium in the successful acquisition of Glasgow Prestwick International Airport	Glasgow Prestwick International Airport

Channel Islands	Business Plan review study (Guernsey) and a strategic review for the authorities, including organisation and business planning (Jersey)	Guernsey & Jersey Airports
India	Business Planning advisory	Bidding consortia for Mumbai and Delhi
India	Advice on proposed operations & management services agreement with Unique, Zurich Airport	Potential Investors in new green-field airport
Ireland	Advice on economic regulation, including the implementation of the EU Directive on Ground Handling	Aer Rianta
Malta	Specialist airport advisor for the sale of Malta International Airport. Responsible for all technical content of the sales documentation, all business strategy aspects and the technical content of the bids	Government of Malta
Morocco	Study of the state of civil aviation, and the identification of institutional and structural reforms to be undertaken in the context of EU budgetary support.	European Commission
Netherlands	Advice on a system of economic regulation	Schiphol Airport
Turks & Caicos	Review of the economics of aviation infrastructure provision	Government of Turks & Caicos
Zambia	Specialist airport advisor and member of the consortium mandated to implement private sector participation at the airports of the Zambian National Airports Corporation	Consortium

Our Team



Clive Davies
Managing Director

Clive Davies is a founding Director of MPD Group. He was formerly an Executive Director of Omniport Holdings Limited, the regional airport Company which owns Norwich International Airport, Maastricht Aachen Airport in the Netherlands and previously owned Glasgow Prestwick International Airport in Scotland.

Prior to that he was Director of Airport Development for National Express Group where he led the successful bid for Stewart International Airport in New York, the first airport to be privatised in the United States.

He previously spent 9 years with BAA plc working in Sir John Egan's Corporate Strategy team in London and subsequently as Director of Business Development for BAA Asia Pacific in Hong Kong.

Following graduation, Clive also spent 7 years at Manchester International Airport where he was responsible for the formulation of the Airport's Development Strategy, including the planning work on the Airport's second terminal building.



John Baillie
Director

John Baillie joined MPD Group in February 2009. He was formerly an Executive Director of Omniport Holdings Limited, the regional airport Company which owns Norwich International Airport, Maastricht Aachen Airport in the Netherlands and previously owned Glasgow Prestwick International Airport in Scotland.

Prior to that, John was responsible for European Airport Business Development at Stagecoach Holdings and was instrumental in Omniport's purchase of Glasgow Prestwick International Airport in January 2001.

John was previously Head of Marketing at Glasgow Prestwick International Airport, where he played a major role in the airport's much publicised recovery and regeneration in the European aviation market place.



John Phillips
Director

John Phillips is a specialist in airport privatisation, business strategy, economic regulation and institutional reform. He has over 30 years experience in the industry.

As Chief Economist, he was responsible for charging policy for the major airport operator BAA and helped to see through its privatisation.

As an independent consultant he has helped with the privatisation of Malta airport, and has carried out a number of business strategy reviews for airports and commercial banks.

He has provided Business Planning support for bidders seeking to purchase or acquiring shareholdings in airport sales. In this he has specialised in traffic analysis, aeronautical revenues and economic regulation.

He has carried out a review of institutional arrangements for the States of Jersey and led a team conducting a review of the institutional structure of air transport in Morocco as part of a Structural Adjustment Programme for the European Commission.



John Mills
Director

In 1997 John established a consulting practice specialising in aviation management which was then merged with Airport Economics in 2000 to become MPD. John has been responsible for advising clients at the highest levels on airports in Europe, Africa, Asia and America.

Prior to being a consultant, John was a key executive at BAA with responsibility for organisation and personnel worldwide. His achievements included guiding the company in to the private sector, with major increases in productivity and international acquisitions all obtained without staff disruption.

Previously John held senior line management posts at Heathrow Airport and for planning the development of Gatwick Airport before which he was the ICAO Air Transport Adviser for Europe and North Africa.

Earlier in his career John was in the RAF and UK Ministry of Civil Aviation.

John Card
Associate

John Card has wide experience in aviation management and development projects, including traffic forecasting, investment appraisal, economic assessment, project definition, airport operations, capital finance, management accounting, aviation policy development and institutional strengthening.

Previous experience includes business planning and evaluation of commercial aviation development opportunities in 18 countries over 4 continents.

Prior to joining MPD, John was in charge of the Civil Aviation Authority's strategic planning function. As well as airport projects he has carried out a number of aviation policy, regulatory and airline studies.

Eli Abeles
Associate

Eli Abeles has over 40 years experience in air transport strategic planning and consultancy, both in the UK and overseas, including a 27 year career at British Airways. He has been an Associate Consultant with MPD Group for over 5 years.

As a consultant Eli has carried out a series of wide-ranging aviation and travel-related economic analyses and strategic projects for a prestigious client list, including Air France, Virgin Atlantic, Aer Lingus, Britannia, Thomson Holidays, Carnival, the European Commission, BAA, Goldman Sachs, Morgan Stanley, Deutsche Bank and a number of private equity firms and hedge funds. He has spoken at conferences and advises the media on aviation and travel-related issues.

While at British Airways he was a senior member of the strategic and economic planning team, and latterly as Deputy Head of Corporate Development he developed and took a leading role in British Airways' activities in the fields of alliances, joint ventures, acquisitions and mergers in Europe and the Americas. His main contribution to the airline was in strategic analysis - of markets and traffic flows, and of the economic, aviation infrastructure and competitive environment, as well as of British Airways' own marketplace strengths and weaknesses.

Dan Greenwood
Associate

Dan Greenwood has been an MPD Associate since completing a contract as an internal consultant to the Airport Policy Unit of the European Commission, assessing airport applications for Community funding, as well as representing the EC on ICAO environmental working groups.

Dan has worked on over 40 airport and air transport development projects in Africa, Asia, the Caribbean and Europe for international agencies and financial institutions; applying his practical experience in the aviation sector.

This experience, including airport marketing, ranged from international, British and Dutch airline management posts, incorporating corporate budgeting, the identification of new markets, route inauguration, fleet planning and scheduling; to taking total responsibility under the AOC for the operations of a UK regional carrier.

Contact

mpd


MPD Group Limited

Registered Number 3929266

Corporate Office Address
60 Portmore Park Road
Surrey KT13 8EU
Tel : +44 7768 986160
www.mpdgroup.com

Clive Davies – Managing Director
Details as Above
cdavies@mpdgroup.com

John Baillie – Director Operations
Details as Above
Mobile Number +44 7876 444 126
jbaille@mpdgroup.com

 @MPDAirports

 www.facebook.com/mpdgrouplimited