

# Presidente Nicolau Lobato International Airport



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## PPP Investor Conference

Dili, Timor-Leste  
7th March 2013



# Disclaimer



The purpose of this Project Brief is to provide preliminary background information on a potential opportunity to interested investors, and to solicit comments and feedback on issues that may be of concern prior to the Government of Timor-Leste (GoTL) finalizing a decision to develop a public-private partnership (PPP) for the Presidente Nicolau Lobato International Airport (Dili Airport) project. The Project Brief does not constitute any liability on the GoTL as well as the International Finance Corporation (IFC) as to the accuracy and completeness of the information contained herein.

# Agenda



1	Project Background
2	Team & Timeline
3	Legal Framework
4	Traffic Forecasts & Aircraft Type
5	Runway & Precinct Options
6	PPP Options
7	Next Steps & Team Contacts

# Project Background



- Presidente Nicolau Lobato International Airport in Dili (Dili Airport)
  - The only international airport in Timor-Leste, handled around 150,000 passengers per year (2012) through regular connections to Darwin, Denpasar and Singapore
  - Generally in poor condition and needs substantial improvement and development to meet increasing passenger numbers and to support the tourist market
- Government of Timor-Leste (GoTL) Objectives for Dili Airport PPP:
  - Boost tourism and other economic sectors by building stronger aviation links with major Asian hubs, and will be putting in place the infrastructure needed to enable this growth and plans to join ASEAN
  - Improve the level of services and increase efficiency of airport services
  - Meet and maintain minimum level international airport standards set by ICAO and IATA (Level of Service C)

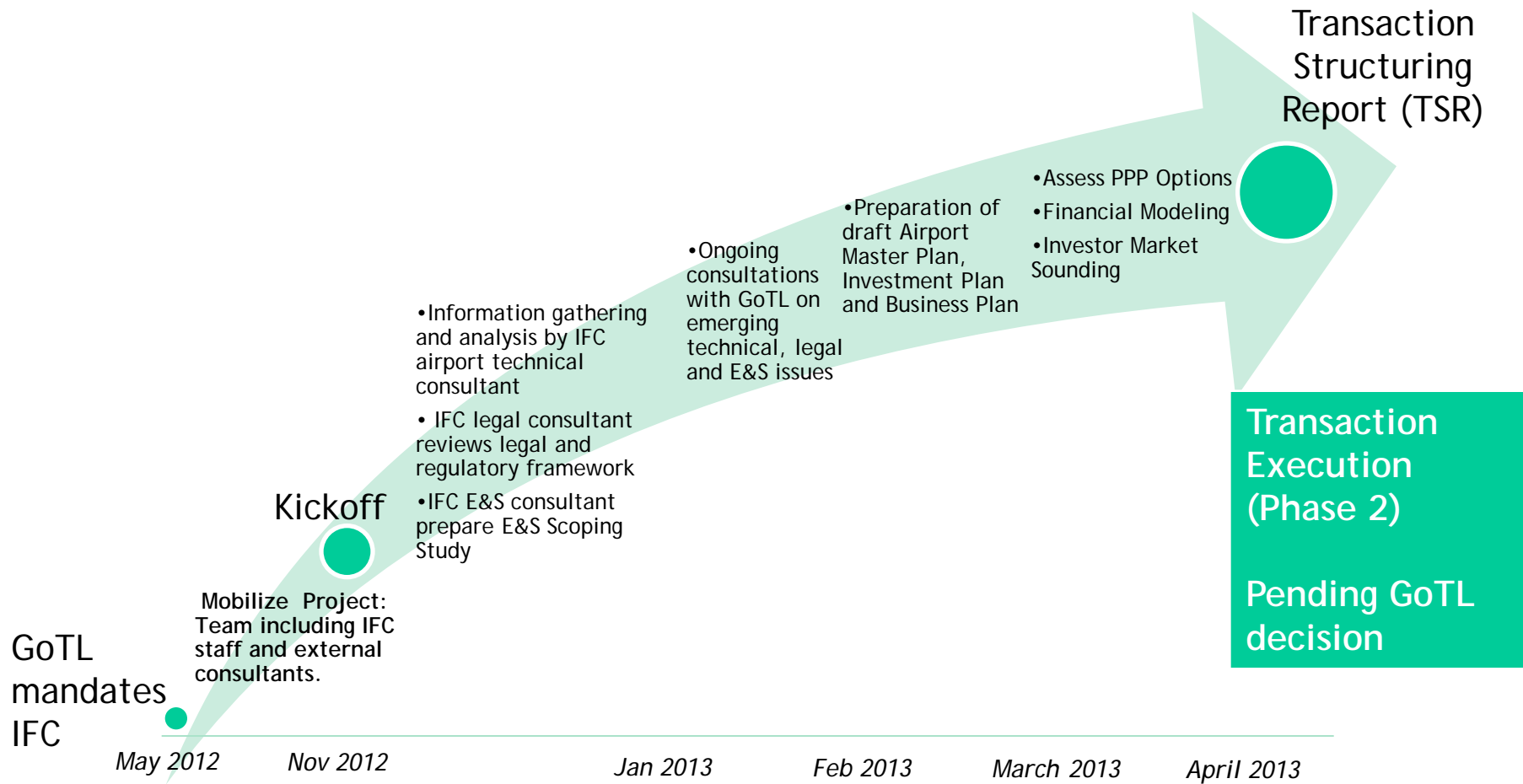
# Transaction Advisory Team



IFC is acting as GoTL's Lead Transaction Advisor supported by *Ambidji Group* as Airport Consultants, *Gide Loyrette Nouel* and *AFG Advogados* as Legal Consultants, and *WorleyParsons* as Environmental and Social Consultants.

Contributor	Location	Role
Edgar Saravia	Hong Kong	Program Manager
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AFG Advogados	Dili, Timor-Leste	
Ambidji Group	Melbourne, Australia	Airport Consultants
WorleyParsons	Dili, Timor-Leste	E&S Consultants

# Due Diligence & Structuring (Phase 1)



# Legal Framework: Under Review & Discussion



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- Decree-Law 42/2012, or the Law Regime on PPPs
  - GoTL with support from ADB is drafting PPP regulations and Project cycles
- Decree-Law 1/2003 governs aviation sector; key points include:
  - “provision of air transport services, running of airport public services and air navigation support services” is the State’s responsibility
  - Definition: “public airfields equipped with installations and facilities to support aircraft operations and embarkation and disembarkation of people and goods”
- Decree-Law 3/2006, Decree-Law 6/2006 and Decree-Law 10/2006 establish tariffs that can be charged and collected
- Major governing bodies as established by Decree-Law 8/2005
  - Civil Aviation Authority of Timor-Leste (AACTL): Government agency in charge of supervising, regulating, monitoring and inspecting the civil aviation sector
  - Air Navigation Administration (ANATL): State Company in charge of operating and managing national airports and air navigation infrastructures
- Land ownership and Environmental Laws currently being reviewed

# Traffic Forecast - Key Considerations



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- Strong GDP growth expected from existing and planned petroleum developments driving domestic demand (GDP per capita growth ranging between 5%pa and 9%pa)
- Tourism likely to be high-end rather than mass market and growth is expected at 3.5%-6.5%pa initially, reducing to 2.5%-4%pa in longer term
- Direct flights are anticipated to major Asia-Pacific hubs such as Hong Kong, Brisbane, Sydney and Melbourne though commercial viability of these routes must be proven by airlines
- Oil passenger traffic is expected to double in 2016; Base and High Cases assume transit through Dili, Low Case assumes direct access to Suai
- Domestic fixed wing service is assumed to develop in around 2015/2016
- As traffic grows, airlines adjust capacity through removal of weight limitations, then increased frequencies and finally with larger aircraft

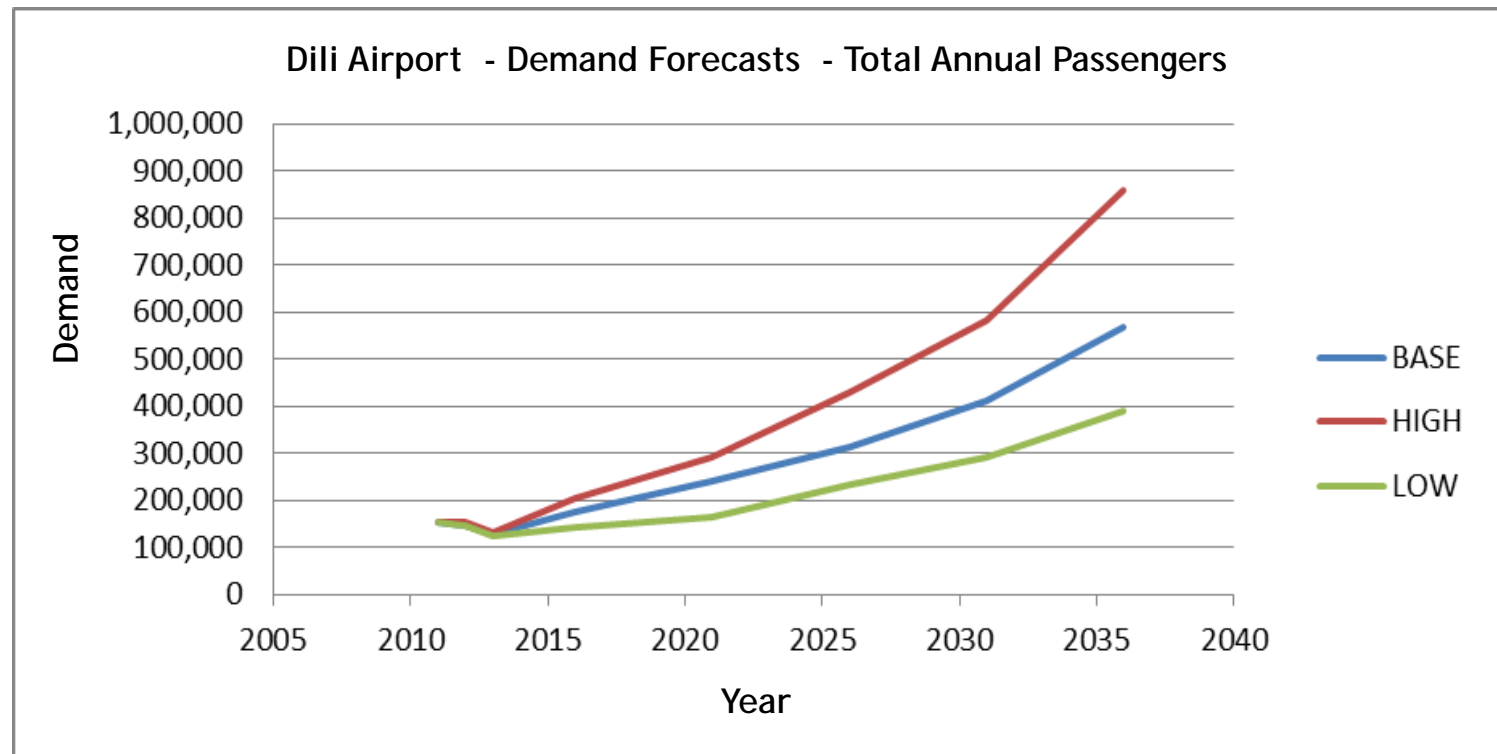


# Traffic Forecasts

## Passenger Demand



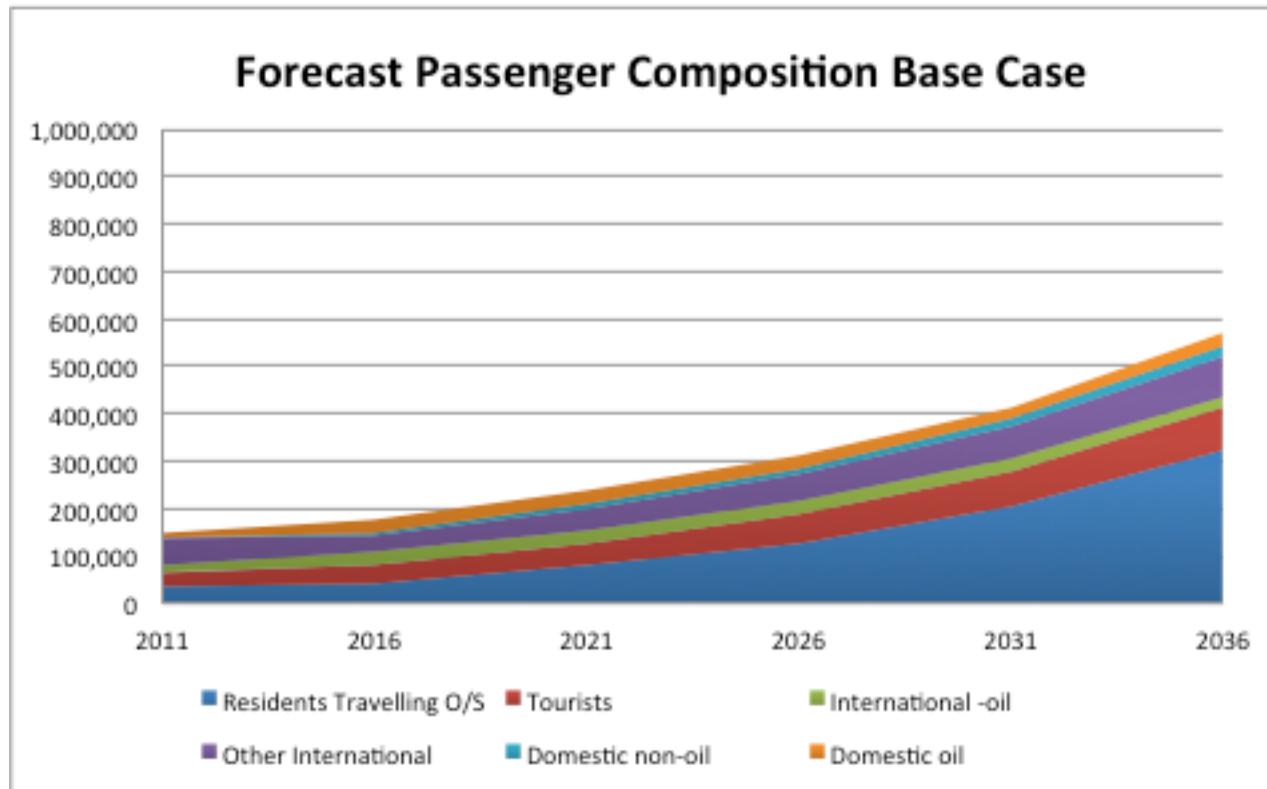
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# Passenger Composition



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# Regional Accessibility & Aircraft Type



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Aircraft Type	Available Seating
B737-800	176
A320	165
B787-8	243
A330-200	253



Ultimate aircraft range to target  
Asia-Pacific destinations is 2100nm

# Proposed Master Plan Runway Development



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# Master Plan Runway - Option 1



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Initial Stage: Extend Seawall - Runway 2050m x 45m - 150m Strip Width



Ultimate Stage: Cross River - Runway 2500m x 45m - 300m Strip Width



# Master Plan Runway - Option 2



Initial Stage: Cross River - Runway 2100m x 45m - 300m Strip Width



Ultimate Stage - Runway 2500m x 45m - 300m Strip Width

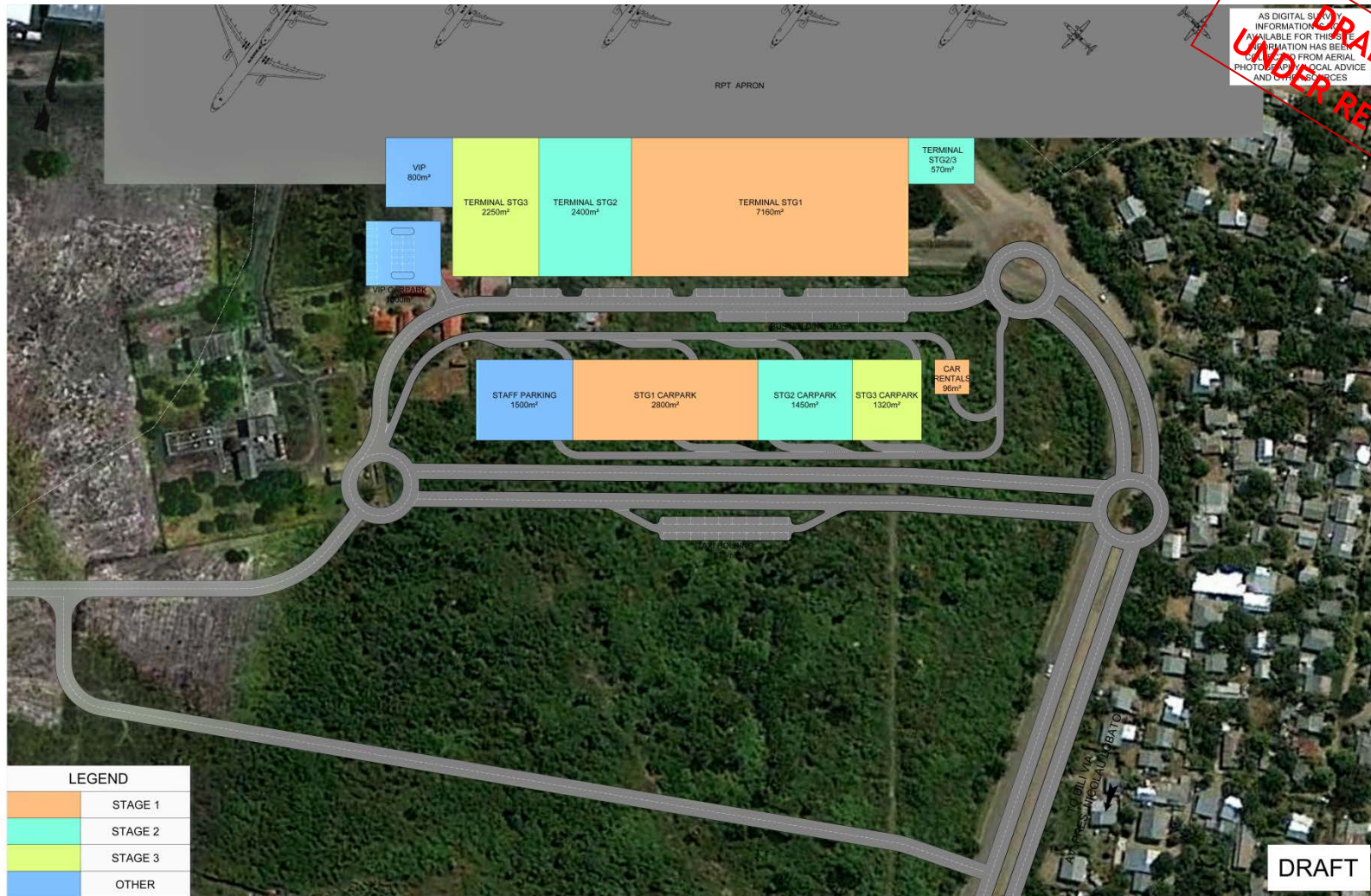


# Terminal Precinct Layout



AS DIGITAL STUDY INFORMATION AVAILABLE FOR THIS STUDY HAS BEEN OBTAINED FROM AERIAL PHOTOGRAPHY, AERIAL ADVISOR AND OTHER SOURCES

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# Landside Layout - Initial Stage

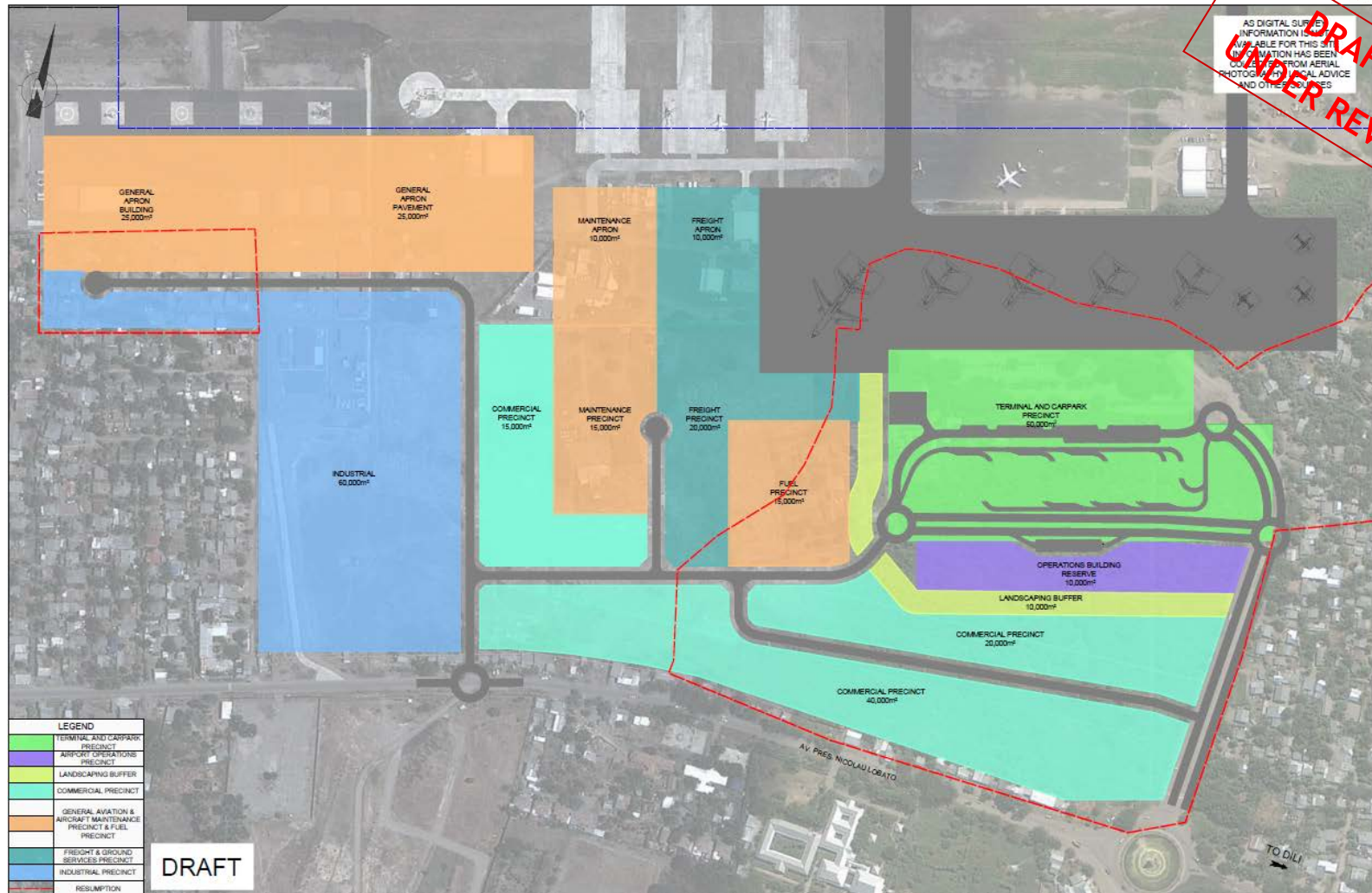




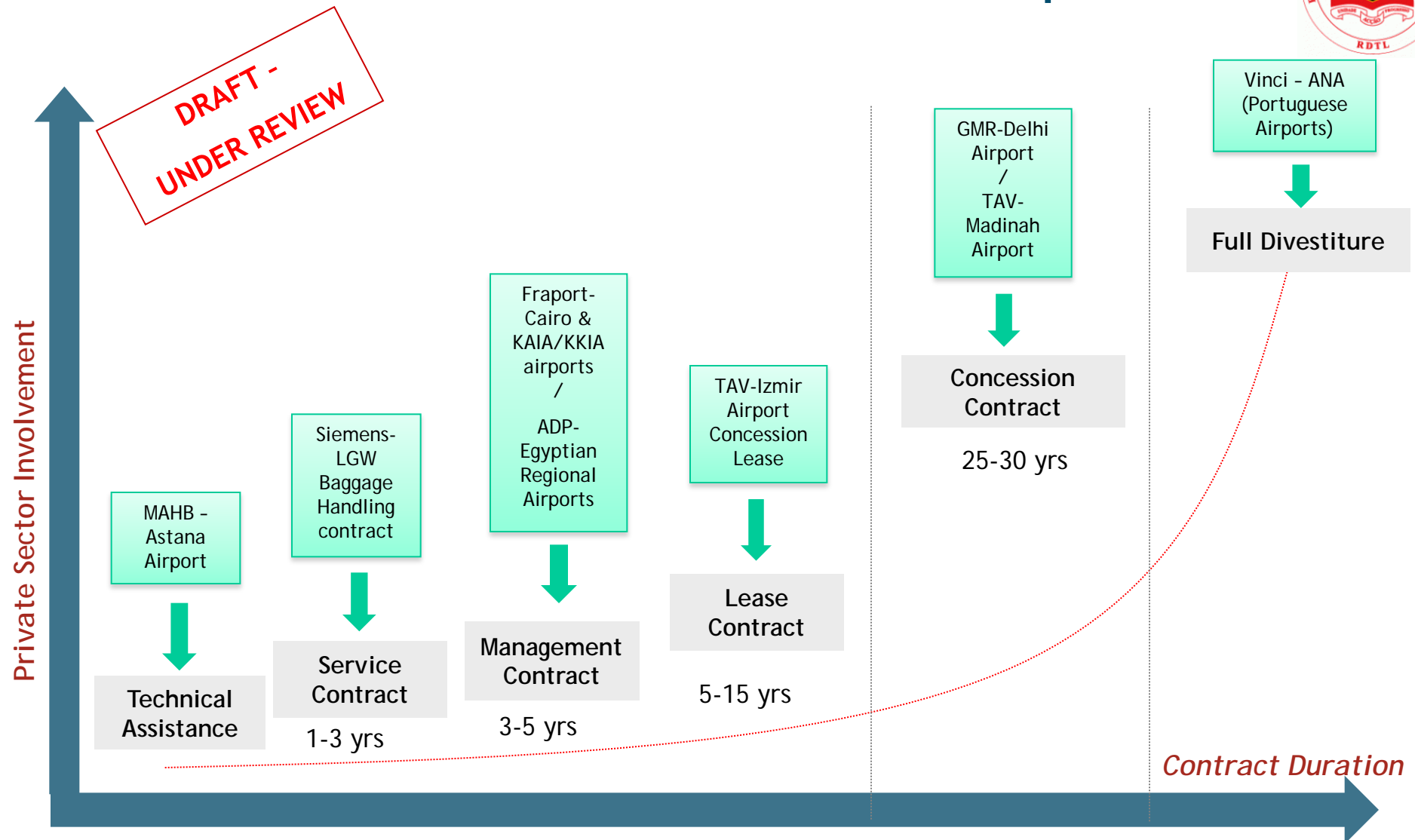
# Landside Layout - Ultimate Year 2036



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# Models for Private Sector Participation



# PPP - Key Considerations



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- Rehabilitate asset with strong growth potential;
- Qualified experienced operational expertise required with full responsibility over airport operations;
- Incentivized for passenger / revenue growth;
- Minimize whole- life cost of project; and,
- Defined airport operations Key Performance Indicators (KPIs).

# Bidder Qualifications



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## Prequalification Criteria

Technical

- Airport Operational Expertise
- Construction / Project Management Expertise (aggregate experience on \$[x]m of projects + single project worth \$[x]m)

Financial

- Minimum Net Worth
- Capital raising/financing track record

# Next Steps



- Discuss draft Master Plan to GoTL
- Complete Legal Due Diligence Report
- Complete E&S Scoping Study
- Conduct financial analysis and market sounding of PPP transaction structure
- Prepare and present Transaction Structuring Report to GoTL
- Launch PPP tendering process

# Lead Transaction Advisor Key Contacts



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