The Chairmen of the three shareholder companies – GM Rao for GMR, Mr Nihat Özdemir for Limak, and Dr Aris Othman for Malaysian Airports.
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## CONTENTS

### SABIHA GÖKÇEN - SPECIAL REPORT

<table>
<thead>
<tr>
<th>Page</th>
<th>Article</th>
</tr>
</thead>
</table>
| 05   | GM Rao  
Group Chairman, GMR Group  
ISGIA – a new airport, a new today |
| 06   | Carmine Bassetti  
Head of Airports, GMR International  
GMR’s international strategy |
| 10   | Richard Meredith  
Joint Project Director,  
GMR/Limak Joint Venture  
Delivering the terminal in 18 months |
| 11   | Gökhan Bugday  
CEO, ISGIA  
The transition to a major international airport |
| 14   | Irfan Gunduz  
COO, ISGIA  
Sabih Gökçen’s flexible operational model |
| 15   | Semra Kandemir  
IT manager, ISGIA  
IT innovation |
| 17   | Server Aydin,  
Commercial Director, ISGIA  
Marketing a ‘new’ airport |
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ISGIA: a new airport, a new today

By GM Rao, Group Chairman, GMR Group

Beginning 31st October 2009, the magnificent city of Istanbul – the capital of civilisations, has a new address – the state-of-the-art new Istanbul Sabiha Gökçen International Airport (ISGIA). Commissioned through the partnership of GMR Infrastructure Limited, Limak Holding (LIMAK) and Malaysia Airports Holdings Berhad (MAHB), ISGIA stands testimony to the modern, global aspirations of an ancient city with a history of over 2,500 years, not to mention the multi-lateral, transnational partnerships straddling three countries.

It all began in 2006, when the Undersecretariat for Defence Industries decided to increase the airport capacity to accommodate the exponential increase in passenger traffic at ISGIA. What followed was the decision to construct a new terminal building with an ultimate handling capacity of 25 million passengers on a BOT model for a concession period of 20 years. The consortium of GIL, Limak and MAHB won the bid to construct the airport soon after. Subsequently, on 1 May 2008, the consortium acquired the operational rights for the next 20 years for ISGIA, including the management of the existing terminal buildings, car parks, ground handling, cargo and aircraft refuelling operations to name a few.

With the inauguration of ISGIA’s new terminal, the airport is poised to give a tremendous impetus to Turkey’s booming aviation sector. ISGIA’s roadmap for the future envisages reaching out to new international routes from all major points of the world, providing safe, efficient, and customer-centric aviation facilities and services, emerging as the most preferred airport for commercial aviation in Istanbul and other cities in Anatolia, enhancing cooperation and providing new connectivity between major international and domestic airports, developing an integrated cargo processing system, entering new markets for cargo traffic and to be a major regional cargo hub and creating a strong focus on the specific industrial cargo and other businesses such as automotive, chemistry, ship building and maintenance.

The technical features of the new terminal are truly world class – constructed to withstand earthquakes of highest intensity using pendulum isolators (Seismic Zone 5) and it has been rated as the world’s largest earthquake safe building. The terminal hosts a complete best-in-class airport equipment with latest generation IT systems, a fully automated baggage handling system with a 5 level security screening scheme and the latest security systems with over 1,000 cameras.

The ISGIA project being the maiden global venture of the GMR Group, has been integral to the Group’s international aspirations – signalling its arrival on the global aviation scene. The project has enabled the Group to leverage its project execution skills for building world class infrastructure assets on time. The Group’s association with like-minded partners in both Limak and MAHB, as well as the wholehearted support of the Turkish government has helped it to deliver the promise of bringing improved customer values, standards and operational efficiencies that are the best-in-class to the project.

The project has proven beyond doubt that the GMR Group has execution capabilities which are of world class standards. Successfully bidding for the project, financing a project of this size in the toughest financial environment, and most importantly executing it to world class standards and time has established the Group’s credentials as India’s leading and trusted infrastructure development company to the world.

Istanbul – the only city in the world which straddles the two continents of Asia and Europe, today stands at the cusp of a new era – an era that embraces the rich traditional and cultural history of SGIA’s past and its economic aspirations of the future. The brand new ISGIA – the gateway to this ancient city, where modernity and tradition go hand-in-hand, heralds a new chapter in Istanbul’s coming of age. And GMR Group is proud to be part of the new Istanbul’s, new today.
GMR’s international strategy

GMR International has clear, transparent criteria for airport investments – it is mainly interested in airport concessions with an opportunity to develop traffic and construct new facilities. “This gives us a good balance between stable cash flow from existing operational assets and an upside potential from the option to develop a new facility,” said Carmine Bassetti, Head of Airports, GMR International. He spoke to Ross Falconer about the GMR strategy and the importance of Istanbul Sabiha Gökçen International Airport (ISGIA) to the portfolio.

As a developer, GMR International looks for opportunities to be actively involved in the EPC (Engineering, Procurement and Construction) or be part of a joint venture that is responsible for the EPC. “In the criteria we obviously look for a good partner/s as part of the consortium. We look for partners with complementary skills to ours; partners with a long-term outlook and available to enhance the opportunity to develop adjacent airport land, for mixed-use and aviation related businesses,” said Bassetti. “Finally, we have target countries that we would like to invest in. We call them ‘hot spots’.” Development potential is a fundamental criteria. GMR International believes that it can create value through development because it is actively involved in the early stages of design of the terminal building and can, therefore, ensure that the building suits its desired strategy. “The opportunity to participate in the EPC means we have better control and we reduce the tendering costs and time,” said Bassetti. “We feel that our development and project management skills are very good and in some cases unique, therefore we would like utilise this.”

GMR International focuses on putting good management in place with a combination of local experience and contacts and global expertise. “We try to have a combination of local management and new global management; our approach is to retain Bassetti: “We try to have a combination of local management and new global management; our approach is to retain management if they have the right skills. Sometimes, we also employ advisors to the management to bring independent and world class insights.”

Bassetti: “The passenger forecast for 2030 – the end of the concession period – will be more than 30 million passengers, which is an incredible success story if we consider that in 2007 the passenger traffic was barely 3.9 million.”
management if they have the right skills. Sometimes, we also employ advisors to the management to bring independent and world class insights,” said Bassetti. “We run a lean, cost-effective operation; we’ll leverage our Indian experience (New Delhi and Hyderabad) to benefit the new airport. This is done through sharing of the supply chain and also sharing knowledge, contacts and expertise. We will also work closely with management to promote the airport. This is done through dedicating a good marketing budget.”

**DEVELOPMENT APPROACH**

GMR International’s approach to development is proactive, with the ability to realise value through early involvement with designers and consultants. It is shrewd, particularly during the construction and early operating years, and there is a good relationship with the lenders and the ability to structure good financing. It has a focus on lean operations and benchmarking against similarly-sized airports and active seats on the Boards of its SPVs, through which it incentivises management and sets tough performance targets. Non-core airport-related businesses, such as F&B and duty free, are outsourced.

There is significant land available for development around GMR International’s airports. At Rajiv Gandhi International Airport, Hyderabad, there are 5,500 acres for development, while at Indira Gandhi International Airport, New Delhi, there are more than 5,000 acres. GMR International is also looking at land adjacent to ISGIA, but nothing has been finalised yet.

**STRATEGIC IMPORTANCE**

Sabiha Gökçen is strategically important to GMR and is its first international foray. Indeed, Turkish Prime Minister Recep Tayyip Erdogan spoke of the strategic role that ISGIA will have in developing and supporting the Turkish economy in his speech at the inauguration of the new terminal.

Bassetti said: “ISGIA is extremely important – it emphasises that we can deliver massive infrastructure projects under tight deadlines. It has very promising growth prospects in terms of passenger figures and the opportunity to grow. ISGIA is destined to rank among the top 15/20 airports in Europe. The city of Istanbul has the highest urban population in Europe, with more than 14 million people residing between the European and Asian sides of the Bosphorus.”

The growth rates experienced since the Consortium took over in June 2008 have exceeded expectations, with forecast year-end growth of +50% in 2009. “GMR’s participation in the consortium that controls ISGIA means that we will have control of an airport strategically positioned and operationally required to meet the demand for air transport for one of the most important cities in Europe – Istanbul,” said Bassetti.

While growth of +50% to more than six million passengers is expected this year, further impressive growth of +35% to around nine million passengers is forecast for 2010. “In terms of passenger growth, we are bound to continue to grow with double-digit figures for at least the next five years and then flatten down towards above the European average growth rate. The passenger forecast for 2030 – the end of the concession period – will be more than 30 million passengers, which is an incredible success story if we consider that in 2007 the passenger traffic was barely 3.9 million,” said Bassetti.

**AGGRESSIVE MARKETING PLAN**

GMR currently handles 30 million passengers in India – around a third of the country’s total air traffic. It has a long-term approach to investing in airport infrastructure; each of its airports have concession periods of at least 20 years. “The ISGIA investment falls into the category of airports with an important strategic role and therefore a secure business asset,” said Bassetti.

GMR will continue to be closely involved with ISGIA before it looks to grow in 2010. “Beyond
2010, we would go back to our original growth strategy and we will hope to invest in other airport acquisitions by 2013,” said Bassetti.

An aggressive marketing plan is in place to attract full-service carriers and the aim is to attract an airline alliance – SkyTeam or oneworld – to ISGIA. Bassetti described this as a very challenging objective, but one that is certainly possible in time. Significantly, Turkish Airlines recently began operating at ISGIA with seven international and six domestic destinations.

“The objective is to satisfy the demand for air travel on the Asian side of the city of Istanbul, with its urban population of more than six million. The circumstances to make ISGIA a major international airport are all lining up and will all come together in the next five years,” said Bassetti.

ISGIA’s new facility is the fifth airport terminal that Bassetti has inaugurated – he describes each occasion as “an unforgettable experience”.

“The opening of a new terminal is extremely difficult and complex – a lot of coordination and teamwork is required,” he said. “We have to give merit to the ISGIA management that have been working very hard for the last 18 months to make all of this happen. The team is very experienced and in the case of the CEO (Gokhan Bugday) and COO (Irfan Gunduz), they have both been part of other important airport developments in Turkey. I have been working together with the management team very well and made available my experience in this business.”

**ORAT TESTING**

The ORAT (Operational Readiness and Airport Transfer) project was launched in April 2009 and lasted until the terminal opened to commercial traffic on 9 November. Key lessons learned during the construction and commissioning period included the need for a team work effort led by the COO. The core ORAT team had full-time personnel dedicated to the effort. Technical experts provided support in areas such as the baggage handling system and IT.

“THE ORAT project does not necessarily end once the new terminal opens. A shorter, yet focused, effort was needed to smoothen the operations post-opening also,” said Bassetti.

A phased approach was adopted to move operations to the new terminal. Bassetti explained that several elements need to come together to achieve this shift. “An airline transition plan has been put in place which fixes the dates for the shifting of operations for each airline based on the terminal readiness,” he said. “Based on the airline transition plan, split operations are planned, including systematic moth-balling of the old terminal to minimise cost while both terminals are operational.”

**COMPLETED IN 18 MONTHS**

The biggest challenge was funding the new terminal in the middle of the global economic crisis. During the financial negotiation and closure period, the economic conditions in Turkey started to deteriorate seriously and the growth in Turkish aviation began to decline.

Despite the unfavourable economic and financial situation, in June 2008 the Consortium was able to secure a €336 million project financing loan for the development and construction of the new terminal at ISGIA. Amidst scarcity of capital, GMR was able to achieve financial closure of the 13.5 year project loan at a leverage of 75%. Notwithstanding the challenges on the aviation side, the funding of the project was certainly the main challenge,” said Bassetti.

The project was delivered in only 18 months, a significant achievement completed during one of the worst-ever financial crises.

The local joint venture company – Limak and GMR – and the ISGIA management, all demonstrated an important level of understanding of the business: both airport and construction.

“It was, therefore, very easy to work with such competent people that have built a 200,000sqm terminal building, 5,000-space multi-storey car park, a pier with 16 air bridges and aircraft stands in a record time of 18 months,” said Bassetti. “GMR has specific airport development experience in India with the development of New Delhi and Hyderabad airports, together with the specific long-term construction experience of Limak, the results are now very visible to everyone.”

Bassetti described the inauguration as a “very pleasant and relieving sensation”. “You understand that an important job has been completed and in a certain way you have reached the end of one part of the project, while another is just about to start: the opening to operations.”
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ISGIA’s new terminal was constructed and delivered in only 18 months.

Richard Meredith, Joint Project Director, GMR/Limak Joint Venture, explained how this success was achieved and the challenges overcome along the way.

Delivering the terminal in 18 months

There were several key factors involved in achieving the construction programme. Careful planning was, of course, essential, as was the early procurement of long lead items. Selection of construction methods was important. A steel structure, rather than in situ concrete, was selected for the terminal because it could be prefabricated on and off-site. Good coordination was essential.

The cost of the EPC (Engineering, Procurement and Construction) contract was €353 million. The GMR/Limak Joint Venture was the main contractor, with more than 500 construction sub-contracts and major procurement agreements also awarded. The design was coordinated by the Project Author, Dogan Tekeli of Tekeli Sisa; terminal structural design was undertaken by Arup Istanbul, electrical design was by Enmar, mechanical design was by Dinamik Proje and special systems by Arup London.

At the time the consortium was awarded the project, a design was already defined. Changes to this scope were difficult to make and had to be agreed with the Project Author and the Ministry of Defence, SSM. “The design was also discussed with the team who will be operating and maintaining the new terminal. With such a tight programme, management of this process of consulting the stakeholders was a key activity,” said Meredith.

“Coordination between sub-contractors was essential. This was managed efficiently by the joint Venture staff, who were experienced in how this can be achieved in Turkey. This was a critical issue in achieving the programme.”

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‘COORDINATION ESSENTIAL’

A Site Investigation revealed that the terminal would be located on filled ground. This was not envisaged at the time the consortium bid for the airport and some 40,000 linear metres of bored piling had to be designed, constructed and accommodated into the programme.

A key challenge was keeping the detailed design ahead of construction. Seismic design was an important issue in this regard and had to be incorporated into the design at an early stage. “The decision to go for seismic isolation (made after a visit to the San Francisco International Terminal) and to aim for ‘immediate occupancy’ after a seismic event was taken and this allowed the structural design to proceed,” said Meredith.

During construction, materials such as structural steel – which rose 40% in price between April and August 2008 – had to be purchased against a background of rising prices. This required a proactive approach to the rapid award of contracts, issuing of advances and guaranteeing of payments.

“Coordination between sub-contractors was essential. This was managed efficiently by the Joint Venture staff, who were experienced in how this can be achieved in Turkey. This was a critical issue in achieving the programme,” said Meredith.

Looking to the future, the terminal can be expanded by another three bays (48m) in both the west and east directions. This would add another 60,000sqm to the 200,000sqm already constructed.
The transition of ISGIA to a major international airport

The consortium led by GMR-Limak-Malaysian Airports took over operations at Istanbul Sabiha Gökçen International Airport (ISGIA) on 1 May 2008; the groundbreaking ceremony followed two days later. Gökhan Bugday, CEO, ISGIA, explained the strategy to transform ISGIA from a low-cost carrier (LCC) concentrated facility into a major international airport to Ross Falconer.

ISGIA handled 4.4 million passengers in 2008 – the aim is to conclude 2009 with impressive growth of +50% to a total of 6.6 million passengers. “The growth rate is sensational in this region considering the global crisis that has affected the aviation industry tremendously. The logic behind this remarkable increase lies in the population of the catchment area of the airport,” said Bugday.

Istanbul is naturally divided into two parts – the Anatolian and the European sides. The establishment of ISGIA will mean the residents of the Asian side will be able to fly from a nearby airport. There are also five major cities near Istanbul and within the airport’s catchment area – with a combined population of more than 10 million. “The high density of the population around the airport is the key indicator that the growth is sustainable and will continue with this rate until it reaches a saturation point,” said Bugday. He believes that the 25 million capacity of the new terminal will be reached in 2018. Based on forecast growth, it is expected that the peak hour air traffic movements will also necessitate a second runway by 2013.

Bugday explained that this is recognised by the Undersecretariat of Defense Ministry; budgets have been allocated and the process has commenced.

DEMAND FOR INTERNATIONAL SERVICES

Sabiha Gökçen has previously been the LCC airport of Istanbul, mainly due to the facilities – the terminal had no air bridges and no infrastructure or required level of service to accommodate full-service carriers. Construction of the new terminal, with all of the required facilities and infrastructure, is expected to have a natural attraction for the full-service carriers. Significantly, Turkish Airlines launched international services from ISGIA on 9 November; Bugday described this as the first indicator that the full-service carriers will have an eye of ISGIA’s new facilities and reports many enquiries already.

The airport catchment area encompasses an overall urban population of 17.5 million, considering close by towns and cities. “The demand for international flights is very persuasive and I believe the demand push structure of this region has triggered international supply already. I believe that in the future we will see many flag carriers at this airport to provide services to this populated region,” he said.

Particular potential is seen for long haul services to destinations in the Far East, the Americas and Africa.

“We have a marketing system where our marketing team actively works with airlines to increase their profitability. It is likely that as more of the airlines learn about the attractions of the new terminal, then in turn the more attractive the airport will become for the airlines,” said Bugday. “Our strategy is not to generate revenues from the airlines; our strategy is to generate revenues with the airlines. A win-win principal is the key to all strategies at ISGIA.”

He has ambitious plans for the airport – the target is to be an international hub for both passenger and cargo traffic. The strategy has already produced some success – the volume of transit passengers has been increased by 61% in the last year. “The start of 24 new international destinations is the key for this growth,” said Bugday. “I envisage that ISGIA would have 50% of the Istanbul air traffic in the next five years and I believe this is an achievable target. In the aviation industry inbound demand is the key indicator for growth. ISGIA’s catchment area is highly populated and the people are eager to fly. The easy access to the airport means people choose to fly from ISGIA instead of other alternatives. Thus, I believe the growth has just started and in the next 10 years we will see sharper growth rates.”
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Sabiha Gökçen’s flexible operational model

Istanbul Sabiha Gökçen’s (ISGIA) new terminal was designed and delivered using a flexible design strategy to fit with the Consortium’s long-term vision to respond to dynamic traffic growth and serve the changing business needs of the airlines. As Irfan Gunduz, COO, explained, a modular design to facilitate incremental expansion is “an important element of tomorrow’s airport concept.”

Sabiha Gökçen’s new terminal building has an ultimate handling capacity of 25 million passengers based on a Build-Operate-Transfer (BOT) model over 20 years. The strategic planning process needed to consider the needs of tomorrow’s airport – to maximise the productivity of the terminal space and build flexibility into the terminal design, while ensuring the highest operational efficiencies across the end-to-end passenger experience.

Delivered in just 18 months, a flexible approach was taken throughout the terminal planning and development phase and this filters through to the infrastructure’s unique design features.

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Delivered in just 18 months, a flexible approach was taken throughout the terminal planning and development phase and this filters through to the infrastructure’s unique design features. For example, passengers arrive at the new airport through one of three main entrances; some of these can be opened or closed according to the airport’s operational needs and the time of day, while a new centralised check-in and baggage sorting area has been designed to improve operational flow and speed up the passenger journey. Vanderlande installed the new fully automated baggage handling system, which is capable of handling 7,500 bags per hour.

At the security checkpoint there are 16 X-ray screening points, with additional space allocated in the design to install more units when required. Aircraft and passenger handling capacity is also flexible. There are 16 passenger boarding bridges and eight fixed bridges designed to allow ISGIA to serve 16 Code C aircraft. One of the aerobridges can also be converted to serve domestic or international traffic, demand permitting. This all reflects the concept of modular growth, where the airport currently handles a mix of traffic, which is likely to be split in future, explained Gunduz. “Contrary to traditional airport concepts, the ISGIA terminal is designed to be expanded according to future traffic growth. Currently, the terminal serves international and domestic traffic under the same roof – although the terminal is predominantly designed to serve international traffic in future.”

OPERATIONAL READINESS AND AIRPORT TRANSFER

The old terminal could be modified to meet one of several traffic models, said Gunduz. “The former terminal may, in future, be used as a domestic terminal to complement the new terminal. On the other hand it could also be used as a low-cost carrier terminal if there is demand.”

Instrumental to the smooth transfer of operations to the new terminal was the gradual phasing in of airlines and a dedicated team effort in the terminal planning and training processes. “The new terminal is designed to be passenger-friendly and we ensured that operations were efficient from the outset through creating our own ORAT (Operational Readiness and Airport Transfer) team, which included members from the operations and construction teams.”

Comprehensive operational and technical training to staff and service providers, as well as airport trials, was important to ensure a smooth handover, with SOPs (Standard Operational Procedures) prepared and distributed before the terminal opening. “Our partners from MAHB and GMR were also very supportive and shared their valuable experience during the ORAT process,” said Gunduz.

A new master plan study, which includes an airport city development, technopark, hotel facilities and conference centre, has been initiated by SSM (Ministry of Defence).
In developing IT solutions for the new terminal, the Consortium searched for proven and robust systems and technologies used worldwide so as not to take any technological risks. The aim was also state-of-the-art technology to perfectly serve the passengers and airlines, as Semra Kandemir, IT manager, explained to Ross Falconer.

The primary focus was to integrate as much as possible to diminish human errors, reduce manpower and provide accurate and timely information available in all of the systems. GMR proposed a state-of-the-art integration platform to integrate the systems. “The logic is one-to-many instead of one-to-one. The updates and changes are reflected to the systems in a simultaneous manner,” said Kandemir. “It is an optimal configuration and is exercised in a limited number of airports around the world. Integration is done between operational and financial systems together.”

The AMS (Airport Management System) is integrated with CUTE, Local DCS, BRS (Baggage Reconciliation System), FIDS (Flight Information Display System), Messaging Services, BHS (Baggage Handling System), Airport Authority Information System, Gate Operating System, Building Management System, Car Park Fare System, electronic cash registers of the food and beverage area tenants, ERP (Enterprise Resource Planning) and Billing Systems. “This setup is designed to enable swift operation between the terminal operator, ground handler and the airline,” said Kandemir. “Individually, we equipped the gates with two BCR readers to speed up the boarding process and decrease the time spent during boarding and help airlines to board on time.”

Wi-Fi coverage is available throughout the airport and is intended to be used for telephony purposes; this will reduce the cost to airlines for phone calls around the airport. Building Management System (BMS) integration for the services given from the Passenger Boarding Bridge is collected on time and can be billed simultaneously with no manual intervention. Electricity and power will also be billed via BMS; this will reduce the manpower spent for both the airline and the terminal operator to deal with the invoices. “BMS will also reduce the heating, cooling and electricity costs, and less will be reflected onto the airlines as common expenses of the terminal,” said Kandemir.

For non-aeronautical revenue generation, an EPOS (Electronic Point of Sale) system is implemented for the food and beverage areas. Day-to-day revenues collected by the tenants are tightly integrated with the terminal operators ERP.

**COMMON USE**

“As ISG IT we are a very focused, experienced and at the same time young and energetic team. ISG is a joint venture between three nations and this brings different aspects and experiences to our work. Several different exercises are made in different parts of the world; we benefit from these experiences,” said Kandemir.

SITA provides the check-in technology – there are 112 check-in desks in the departures area, while in the transit area there are four international and four domestic. There are also a few installations in the airport hotel, Turkish Airlines lounge and VIP lounges. Operational systems such as CUTE, FIDS, AMS (Airport Management System with resource allocation), BRS (Baggage Reconciliation System) and Local DCS (Departure Control System) have been installed as tightly coupled systems. SITA is the one-stop-shop for these operational systems, explained Kandemir.

“In the very near future, we would like to focus on common use self-service kiosks to speed up the check-in and boarding process for all the airlines. Currently, the major airlines have their proprietary kiosks. We will stop the installations for individual kiosks and extend the coverage of common use kiosks,” she said. “Our terminal is already built with dedicated meeting and conference facilities, and the technological setup is already there to run the airport as a business district.”

The airport would like to attract business travellers to benefit from this setup. ISGIA can currently cope with the number of passengers using the terminal. With increasing passenger numbers, it will work closely alongside the government authorities to speed up the passport control process. “The queuing at check-in is somehow solved by alternate check-in channels such as self-service and the internet – now all of the passengers show up at the passport counters in queues. The fast passport control process will bring relief to the passengers and airports will then be seen as a leisure area,” said Kandemir. “We will make every effort to ensure that passengers spend time at the airport because they want to, not just because they have to.”
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Traditionally seen as economic growth engines, airports are now steering themselves out of the global recession, towards a recovery in air traffic and incremental growth, aided by all-important marketing methods. Sabiha Gökçen’s new terminal represents new marketing opportunities in addition to traditional methods of continuing initiatives with airlines to attract new carriers and routes. This includes strengthening relations with existing service partners through proactive marketing strategies on behalf of airlines, explained Aydın. “We place our brand name as the airline-friendly airport; we understand the difficulties the airlines face and are focusing our marketing activities around easing their burden during hard times. Overall, we have two targets; the first is to assist airlines to increase their load factors and profitability and the second, which is more traditional, is to introduce new routes and new airlines.”

An important part of the collaborative process is monitoring performance of the airlines on a daily basis and carrying out active, direct marketing to the end-users on behalf of the airlines. The direct result, he said, is tailored solutions to help increase load factors to a specific destination.

Last year, the airport’s commercial team took a proactive approach by visiting 34 international fairs, actively promoting their destinations and airlines. The culmination is a marketing strategy, which is weighted towards meeting the demands of the airlines and this can only be a win-win situation for all parties, Aydın emphasised. “Our marketing strategy is strongly focused on the commercial well-being of the routes the airlines are operating to our airport and profitability of a destination is a key indicator for the future growth of an airport.”

Engaging in the development of new services to drive growth is another key focus for Sabiha Gökçen, where the airport currently serves 61 destinations in the CIS, Europe, North Africa and the Middle East. “I would like to see a traffic increase in the CIS countries, as well as the start of the long haul destinations, including Kuala Lumpur, Delhi, Beijing, Tokyo and South Africa,” said Aydın. “At the moment the Middle East, CIS countries and North Africa region are hot destinations and are emerging markets. The introduction of low-cost airlines in these regions will, in turn, create more air passengers and will encourage all sorts of new air travellers. It is these destinations which have very strong potential for us.”

Currently, 16% of the new operational terminal space is dedicated to retail and food and beverage (F&B) outlets – which translates to 30,000sqm of floor space. Furthermore, 33% of the airport’s revenues are generated from non-aeronautical sources, versus 67% aviation revenue. Optimising returns from commercial activities can be achieved by encouraging passengers to arrive earlier and this is where the retail element and the marketing message really comes into play.

“Once the intention to shop and dine before the flight is created, passengers tend to arrive at the airport much earlier. The main task of the commercial team is to convey a ‘your holiday starts here’ message to our passengers. We expect revenue outlets at our new terminal to amount to a 50-50 split of commercial and non-aviation revenues,” said Aydın. “We also offer the experience of a 5-star restaurant at our airport hotel for those who aren’t travelling. Our overriding strategy is to create an airport for every taste and income level, with retail products reflecting downtown prices. This fits in with another core message to passengers; you don’t have to pay more just because you fly.”
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The key element of phase one is, of course, the 20 million capacity passenger terminal, along with a pier with 16 loading bridges, an additional 10 aircraft stands complete with fuel hydrant line and pits, and a 5,000-space multi-storey car park complete with access roads to and from the highway link. While this phase will cater for 15 million passengers, after that there will be a need to increase capacity in certain specific airport sub-systems.

Phase two of the master plan will see the development of a second parallel runway by 2013, with an improved taxiway-taxi lane system also to be completed simultaneously. New northern aircraft stands will be operational by 2011, a new control tower in 2013, a midfield satellite by 2019, and a terminal extension by 2025. A cargo and maintenance complex will also be developed.

"The completion of phase two of the master plan will bring the overall capacity of the terminal complex to more than 40 million passengers and this will substantially depend on traffic demand and aircraft mix," said Bassetti. "A traffic forecast that is at the basis of the master plan development indicates that in 2030 traffic will certainly reach 30 million passengers in the most likely scenario."

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In the development of the master plan it is important to highlight the support that the local and national governments are giving towards the development of ISGIA. "There are important investments that have been approved and are underway that will enhance an already well-structured ground access system. The development of two new metro line connections to Kadıköy-Kartal and the Marmaray - Pendik-Sultanbeyli are planned to be operational in 2013. The lines will guarantee quick access to the airport from the European side of Istanbul and also link Istanbul Sabiha Gökçen Airport to Istanbul Atatürk Airport, allowing the two airports to work in the future as a system," said Bassetti.

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The Sabiha Gökçen master plan

The master plan for Istanbul Sabiha Gökçen International Airport (ISGIA) is divided into two distinct phases. The first phase, designed to cater for traffic demand of up to 15 million passengers by 2015, is almost complete, as Carmine Bassetti, Head of Airports, GMR International, explained.

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MAHB – confident of Sabiha Gökçen development

Malaysia Airports Holdings Bhd (MAHB) is part of the Consortium, alongside GMR and Limak, which is responsible for the new Istanbul Sabiha Gökçen (ISGIA) terminal. MAHB has a 20% stake and is confident of growth in terms of passengers and airlines; this optimism is based on the fact that the airport has recorded growth every year – growth next year is expected to reach between 3% and 3.5%.

The airport is expected to handle 6.1 million passengers this year and more than 8.5 million passengers next year. The airport, constructed from greenfield, has been among those with the biggest growth rate between 2002 and 2007 and is expected to reach the 25 million passenger mark by 2023.

MAHB chairman Tan Sri Dr Aris Othman said the company was optimistic about development of the airport because Turkey has a lot to offer in terms of tourism and many Malaysians are going to come in.

Operating airports since 1991, MAHB operates a total of 39 airports, including five international ones. The company serves in transportation of one million tons of cargo and provides more than 100 connections to 44 million passengers. MAHB also provides airport management services for Delhi International Airport and Hyderabad International Airport in India, as well as Sabiha Gökçen International Airport in Turkey.
Setur granted 20-year duty free concession

Setur is one of the largest companies possessing a significant portion of the duty free market in Turkey with its stores at airports, land borders and seaports, as well as inflight duty free services. It has 44 years of experience in the market.

Setur has more than 30 stores occupying a total area of 15,000sqm at airports, land border gates and seaports all around the country. In addition, Setur is the leader of in-flight duty free services in Turkey. It offers a range of more than 500 products, including categories such as fragrances and cosmetics, liquor, tobacco, toys, accessories, food and luxury goods. Setur’s professional staff numbers close to 1,000.

Setur achieved a breakthrough with Sabiha Gökçen International Airport by earning 20 years of license for operation which is the longest period of license ever granted in the duty free sector in Turkey. After successfully winning the duty free concession, Setur has inaugurated its activities by taking over, renovating and re-opening the existing duty free stores in July 2008. Setur operated 450sqm of duty free space with two departure stores and an arrival store, during the last year. While the operations in the existing terminal were continuing, with a year of hard work, Setur completed the construction and furnishings of 4,500sqm of duty free space in Sabiha Gökçen International Airport’s new terminal. Following completion of the new terminal building and the soft opening on 31 October 2009, Setur inaugurated its 4,500sqm of duty free space on 9 November.

Setur executed a successfully designed and passenger friendly duty free space at Sabiha Gökçen International Airport. The designer of the duty free stores is a consortium between Australian company Woodhead Architect and Turkish company Toner Architect. Of the 4,500sqm devoted to duty free, 3,000sqm is located on the departure level and 1,500sqm on the arrival level. 1,500sqm of main duty free space is situated directly behind the passport control desks with a wide range of brands, covering perfumes and cosmetics, toys, confectionery, tobacco and spirits. 400sqm is dedicated to local products, such as Turkish Delight, traditional dress, accessories and jewellery. Besides the main duty free, there is a 600sqm shop-in-shop concept, which presents several luxury brands including watches, sunglasses, jewellery and accessories, and is located on the departure level. Stores devoted to books and magazines, sports and jewellery are also located on the departure level with 400sqm.

As the sole duty free concessionaire at Sabiha Gökçen for the next 20 years, Setur has developed a very dynamic and commercial duty free retail area which will be a role model of its kind.
GMR and Vanderlande Industries deliver the goods

The new baggage handling system at Sabiha Gökçen Airport in Istanbul, Turkey, is the latest result of the close partnership that Vanderlande Industries and GMR have developed in recent years. Their first project together, in Hyderabad, India, resulted in a state-of-the-art baggage handling system for the first greenfield airport in India. GMR brought its very competent skills and project management to the equation and Vanderlande its expertise as a total system integrator and original equipment and services supplier.

At Hyderabad International Airport the automated baggage handling system consists of two check-in islands, each with 29 check-in counters. Vanderlande fully integrated the security screening process, which makes sure that all departing baggage passes the right security levels automatically. Cleared baggage is delivered to a dedicated flight make-up carousel. Arriving baggage is unloaded onto belt conveyors that transport the bags to one of four arrival carousels. A full service and maintenance contract with a 24/7 onsite Vanderlande team ensures optimal availability of the total system.

As Vanderlande has also delivered nearly all automated baggage systems at Turkish airports, it was a logical step for GMR to continue the relationship outside India, for Sabiha Gökçen Airport in Istanbul. On 9 November, exactly on the planned date, the new terminal at Sabiha Gökçen International Airport went into operation.

The new baggage handling system consists of a Departure system with 96 two belt check-in desks, one transfer line, a 5-level integrated screening concept, sorting of bags to two tilt tray loop sorters with 60 chutes and two make-up carousels as destination. The Arrival part of the system consists of six tilted triplanar carousels. In total the system has about two kilometers of conveyors. With a capacity of 8,000 bags per hour, the system will be able to serve up to 25 million passengers annually. All-in-all, it is a very sophisticated system and the largest in Turkey.

GMR’s trust in Vanderlande’s competence is reflected in continued cooperation and the basis for extended Operations and Maintenance activities. Any innovations and improvements to Vanderlande’s equipment are automatically available in new and existing systems worldwide, resulting in baggage handling systems that deliver the goods.
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