



Press release

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**Already in Jordan and Kuwait, the Spanish company is the top travel retail operator in the Middle East**

## **Aldeasa to run Saudi Arabia's first duty-free stores Joint bid with international group Al Musbah**

- 5 duty-free contracts, totalling 4,500 square metres, in 3 international airports in Saudi Arabia.
- 10-year contract for three airports.
- Estimated sales of around \$80-90 million in first year at capacity, according to the two operators.

Milan, 14<sup>th</sup> MAy 2007 – Aldeasa S.A., the 50-50 joint-venture between Autogrill S.p.A. (Milan: AGL IM) and Altadis S.A. (Madrid: ALT SM), is to run the first duty-frees in Saudi Arabia in a partnership with the international group Al Musbah. Already in Jordan since 2000 and Kuwait since 2005, the company is now to start up in Saudi Arabia, where it has won a contract put out to tender by the local civil aviation authority (GACA) to operate five duty-free contracts in the three international airports of Riyadh (King Khaled), Jeddah (King Abdulaziz) and Dammam (King Fahad), thus confirming it as the main retail & duty-free operator in the Middle East.

Aldeasa put in its bid together with Al Musbah, an operator with extensive experience in the Saudi market, having operations in over 200 points of sale in the country's major shopping centres, hypermarkets and supermarkets. The Al Musbah Group, travel retail provider in Saudi Arabia active in the segment since the '80s, now operates in various business sectors: from retail to distribution, from f&b to telecommunications and from IT services to construction and real estate.

The contract for the three airports will have an overall duration of ten years. Under the terms of the partnership agreement, both labels – Aldeasa and Al Musbah – will be displayed in the points of sale.

As this is a type of business being introduced in Saudi Arabia for the first time, it isn't possible to give an exact figure for expected accumulated turnover. At present, Aldeasa and Al Musbah estimate that the duty-free operations could generate revenues of between \$80m and \$90m in the first year at maximum speed.

Of the five duty-frees, two are in Riyadh's airport and cover 2,600 square metres overall; another two will be in Jeddah, totalling 1,500 square metres, and the fifth, 400 square metres, in Dammam. To these Saudi airports Aldeasa will be taking some of the offerings and services it introduced in the new T4 terminal in Madrid-Barajas, including, among other things, international luxury leather goods and accessories brands and high-end fragrances & cosmetics.

"Operating these duty-frees in the three international airports in Saudi Arabia after our recent start-up in India," said Aldeasa chairman **Javier Gómez-Navarro**, "is a further step in our overseas expansion strategy and consolidates our presence in the airport retail market in the Middle East and the Asian continent in general".



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With 26.8 million passengers moved by its airports every year, Saudi Arabia is served by its own flag carrier Saudi Airlines and by international carriers such as Emirates, Qatar Airways, Air India, Alitalia, Air France, Lufthansa, Royal Dutch Airlines (KLM) and SriLankan Airlines.

With a population of 24 million, Saudi Arabia covers around 80% of the Arabian peninsula and is strategically located for the tourist trade, being between the Persian Gulf and the Red Sea. Thanks to Saudi Arabia's oil reserves, the biggest in the world (26% of proven reserves), and its key position amongst OPEC members, the Saudi oil industry accounts for around 75% of the country's income, 40% of its GDP and 90% of its export revenues.

### **Aldeasa in the Middle East and Asia**

In 2000, Aldeasa began to expand into the Middle East when it won a contract to run six duty-frees in three international airports in Jordan (Amman, Aqaba and Marka). In 2005, it strengthened its presence in the region by securing a concession on four duty-frees Kuwait City international airport. And in February, the company widened its sphere of action in Asia when it was awarded a contract, together with ITDC, the Indian public tourism holding, to operate four duty-free locations in Chhatrapati Shivaji International hub, Mumbai (former Bombay).

### **Aldeasa**

Aldeasa (50% Autogrill - 50% Altadis) is one of the world's leading airport retail & duty-free operators and the biggest in Spain. Active in 17 countries across Europe, the Middle East, Asia and North and South America, and with 2,700 employees, it operates over 260 points of sale in 44 airports and 45 museums and other cultural facilities. Its stores sell everything from fragrances to cigars, from souvenirs to major luxury brands. In 2006, it posted revenues of €723.6m, up 11.9% on €646.8m in 2005, thus contributing €361.8m to consolidated Group revenues, an increase of 52.9% on the previous year.

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