

# Lagardère & Lima LAP announce new profit-sharing model

In an historic event, Lagardère Travel Retail and Lima Airport Partners (LAP), have just signed a long-term concession contract based on profits sharing, at Jorge-Chávez International Airport in Peru. A constant during the time of COVID-19 has been the call for a new business model between retailers and airport landlords. The first instance of that new model become reality has arrived, better balancing risks and benefits between the airport and retail operator.



Today, 20 July, Lagardère Travel Retail and Lima Airport Partners (LAP), a Fraport AG majority owned company, signed a long-term agreement for Lagardère Travel Retail to take over the Duty Free operations at Lima Airport

The 13-year concession, which will include the introduction of duty free brand Aelia, will become effective in January 2022, with 3,000 square meters of commercial space.

This innovative agreement will allow both partners to capitalize on the post-Covid travel world, allowing more equal distribution of risk and reward, with greater investment opportunities that will ultimately better serve travelers with an enhanced airport experience.

The innovative profit-sharing agreement sets new standards that both partners hope to capitalize on during an environment of uncertainty in the post-Covid consolidation period. This retail model, which has come into sharp focus during the crisis, has been discussed for several years as a necessary evolution to maximize sales potential and to introduce greater balance and new opportunities in the way risks and benefits are shared between parties.

Dag Rasmussen, Chairman and CEO, Lagardère Travel Retail, commented: "We are thrilled to have

found in LAP a like-minded partner who has demonstrated the most innovative and pioneering way of thinking, from selecting an operator via an innovative Partnership Selection Process up to the contract terms. As we continue to face a great deal of uncertainty and are relatively new to the South American region, this profit-sharing agreement is a great vote of confidence from LAP. I am personally grateful for their trust and support in turning theory into action and opening up new perspectives for business models in our industry. We are also confident this is a stepping stone for our partnership with Lima Airport and its majority shareholder Fraport, so that we can all maximize our global expertise and reach to replicate this success elsewhere.”

Juan Jose Salmon, CEO of LAP, explained the strategic importance of the new agreement with Lagardère, said: “In the middle of the pandemic, Lima Airport Partners has successfully negotiated a pioneering partnership that brings a renowned and long-term partner to Lima Airport. Lagardère Travel Retail is renowned for its strong commitment and extensive expertise in travel retail and duty free. Our cooperation with Lagardère Travel Retail fits fully into our vision-of-the-future for airport retail. We believe that collaboration is the key to managing business relationships, as well as actively engaging in new partnership models. We are impressed by Lagardère Travel Retail’s high degree of engagement and innovation, which they will soon be bringing to the Peruvian airport retail market. In the context of LAP’s airport expansion program, this agreement also sends a strong signal to Peru and the global aviation and travel industries. Our agreement will take us well into the next decade – as we move boldly into the new era of aviation. We are dedicated to delivering new and unique airport retail experiences at the Lima gateway to South America.

Jorge-Chávez International Lima Airport (LIM) is one of South America’s busiest airports. In the past few years traffic at Lima Airport has grown quickly to reach 23.6 million passengers in 2019. Before Covid-19, LIM’s route network featured 24 passenger airlines serving some 50 international destinations.