



Princess Juliana International Airport

THE SXM AIRPORT HORIZON

NEWSLETTER | AUGUST 2018

PJIAE SATISFIED WITH JUDGEMENT ORDERING NAGICO TO PAY ADVANCE OF USD 33.2 MILLION

In a judgment of 30 July 2018, the Sint Maarten Court of First Instance ordered Nagico to pay to Princess Juliana Airport (PJIA) an advance of USD 33.2 million. This amount is in addition to an advance of USD 25 million that was already paid by Nagico.

In its judgment, the Court considered that, although the dispute between PJIA and Nagico is complicated both legally and technically, PJIA has a pressing interest in obtaining an advance on the insurance payments that it is entitled to, so that it can continue the restoration of the airport. In addition to the advance of USD 33.2 million, Nagico was ordered to pay PJIA an amount of ANG 20,000 in legal costs.

"We are very satisfied with the Court's judgment", Mr. Ravi Daryanani, Acting CEO and Michel Hyman, COO of PJIA stated. "Not only has the Court awarded a significant advance on the total damages suffered by PJIA, but as a result of these proceedings Nagico was forced to finally review PJIA's insurance claim, which it has consistently refused to do until legal proceedings were started".

PJIA's attorneys, Eric de Vries and Michiel van den Brink of HBN Law, explained that the Court's judgment is a preliminary decision: "Summary proceedings like these are intended to provide interim relief on short notice. Given that nature, Courts must be cautious with awarding monetary claims. Typically, a monetary claim is only allowed if there is no reasonable doubt that the claim would also be awarded in ordinary proceedings on the merits".

De Vries and Van den Brink pointed out that, although a considerable amount has been award-

ed, this only represents part of the amount that PJIA is entitled to: "In view of the nature of the proceedings against Nagico, the Court has awarded only part of the amount that it expects Nagico to be liable for".

The Managing Board of the Princess Juliana International Airport- SXM stated that they expect that the settlement of PJIA's insurance claim will from now on be handled more expeditiously by Nagico. They also expressed their expectation that the further settlement of the claim can be carried out in a more amicable atmosphere: "Our loss experts and Nagico's loss adjuster have continued discussions on the settlement of PJIA's insurance claim during the proceedings. We expect that PJIA's claim will be settled amicably



2017 File Photo: Princess Juliana International Airport several days after the passing of Hurricane Irma.

and hope that no further legal actions will be necessary. That would not only be in PJIA's interest, but also that of Sint Maarten."

Lastly, the Managing Board expressed gratitude to thank the entire staff of the Princess Juliana International Airport- SXM for their tireless work ethic and for standing by management during this time, as we return to be the regional leaders in the airport industry.

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Princess Juliana International Airport

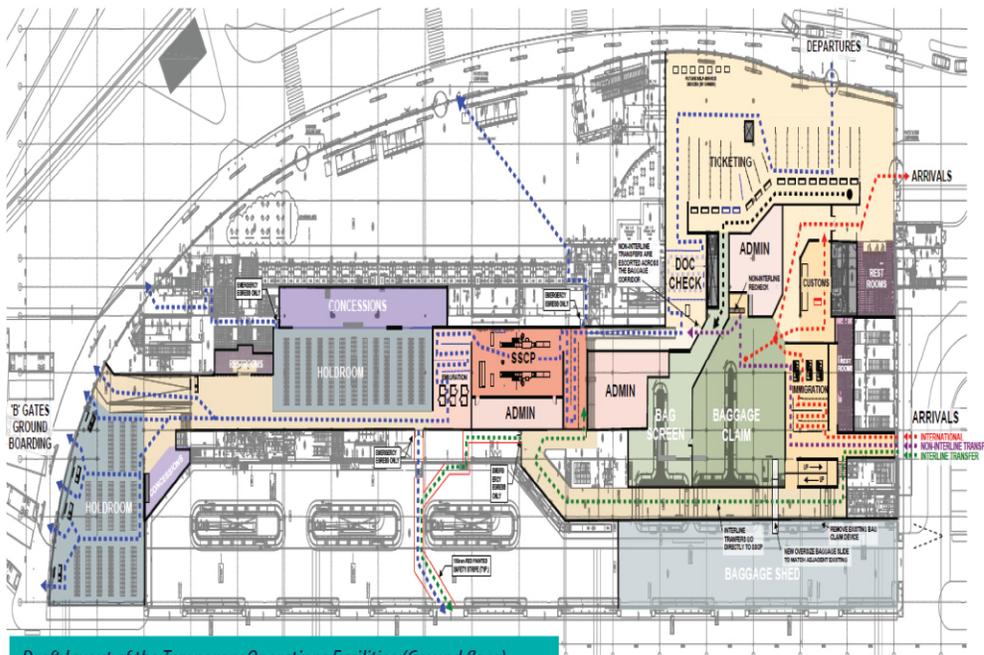
PUBLIC SERVICE ANNOUNCEMENT ATTENTION ALL U.S. BOUND PASSENGERS



IN ACCORDANCE WITH THE LATEST TSA DIRECTIVES, POWDER LIKE SUBSTANCES THAT ARE 12OZ/350 GRAMS OR LARGER ARE PROHIBITED IN CARRY-ON LUGGAGE, HOWEVER, ANY QUANTITY MAY BE PLACED IN CHECKED BAGGAGE

THIS PROHIBITION DOES NOT APPLY TO BABY FORMULA OR ITEMS THAT ARE MEDICALLY PRESCRIBED PROVIDED THAT THE CONTAINERS HAVE NOT BEEN ALTERED OR TAMPERED WITH.

THANK YOU



Draft layout of the Temporary Operations Facilities (Ground floor)

ALL ROADS LEAD BACK INTO THE TERMINAL BUILDING BY NOVEMBER 2018

It is quite a giant step forward into the long anticipated terminal building," declared the Chief of Operations (COO), Michel Hyman. The Managing Board which also comprises of the CFO and Acting CEO, Ravi Daryanani officially announced this week that the Departure and Arrival Operations will be temporarily transferred to the

ground floor of the terminal building. The projected date for this new venture is November 2018, whereby the operational activities will be carried out from the former Baggage Claim through the B-Gates area at the original terminal building of the airport. The project is dubbed "Phase 1 - Temporary Operations Facility and is

LONG HAUL FLIGHT FREQUENCY EXPECTED TO INCREASE DURING PEAK WINTER SEASON

SXM Airport is very pleased to announce that the total long-haul airline flight frequency from the U.S., Canada, Europe and Latin America to SXM is increasing in the peak Winter season of 2018/2019. This increase is at a pace consistent with the St. Maarten room recovery inventory after the hurricanes of 2017. The number of flights from these tourist market origins in January 2019 will be at 69% of what it was in January 2017, while St. Maarten's room inventory will be at 54% of what it was in January 2017.

While the 2019 flight frequency level apparently exceeds that of the St. Maarten room inventory compared to January 2017, the fact that 35% of



passengers arriving on long-haul flights are actually making hub connections to St. Barths or Anguilla means that there is good synchronization of flights with places for visitors to stay, when they fly through the SXM Airport. Some of the hub islands are seeing their room inventory

still in the tender process, as the Expression of Interest is already in progress for the construction.

Currently the operations are being run from the Arrival and Departure Pavilions on the airside of the Princess Juliana International Airport - SXM, whereby departing passengers access the tents between the bus holding and the employee parking lot. The Departure Pavilion went live with its operations on February 9, 2018, while the Arrival Pavilion was opened on March 23, 2018. The Departure pavilion features a total of 18 check-in counters, 7 gates and 10 Concessions (F&B and Retail). The Arrival Pavilion houses the Customs and the Immigration department. The Arrivals currently serves as the Baggage Claim area. The temporary Departure Pavilion currently holds a total of 325 seats, while the transfer into the temporary operations facility will feature 800 to 1000 seats for passengers. There will be 32 airline check-in positions which will include luggage scales. There will be an increase of flights with the U.S. carriers. Meanwhile, Canadian carriers like West Jet is adding a second flight on November 1st, 2018 and there is also ongoing talks with other Canadian carriers.

recovering at a faster rate than that of St. Maarten, as some of them were not damaged at all after the hurricanes, thus room accommodation for future flights are not an issue.



Princess Juliana International Airport, Sint Maarten
Photo credit: Franklin Wilson

MANAGEMENT OF PJIAE COMMITTED TO SINT MAARTEN

Safety, security, environment, efficiency, customer service and economic development are key priorities of SXM Airport. PJIAE management is committed to restoring the airport's award-winning service and will continue to keep the community informed of its progress.

In this regard, management continues to take stakeholders' requirements into account as the reconstruction activities for the restoration of the airport terminal facilities move ahead.

"We acknowledge that this is a challenging endeavor that involves many elements. Management has committed itself to maintaining communication with the community of St. Maarten regarding the rebuilding of the airport terminal", acting CEO, Mr. Ravi Daryanani said in a press release.

Monthly meetings with stakeholders continue to take place. During these meetings, operators of the major hotels as well as the Ministry of TEATT discuss and plan for the upcoming tourism season. Restoration of our tourism product is critical to St. Maarten's overall economic recovery, Daryanani added.

"SXM Airport has not faced such a multi-faceted challenge before. Glitches or inconveniences occur, and we try to solve each as practically as possible", the acting CEO stated.

During the peak of the summer, temperatures are high, and we are working on solutions to maintain the temporary pavilions as comfortable as possible, he continued. Especially for the upcoming months of August and September, PJIAE management will increase the air conditioning effectiveness by installing air curtains above the doors/gates to stop heat from entering the room. The airport will also position additional cooling devices such as bigger, stand-up fans throughout the pavilions for maximum, powerful air circulation.

"We appreciate the patience and understanding that our stakeholders and passengers continue to demonstrate while using the temporary facilities, and we commit ourselves to improving the comfort and service at these pavilions," the acting CEO said.

Resuming use of the terminal building and revamping the current FBO property is scheduled for November of this year. The following is a summary of the planned activities in support of the 2018-2019 tourist season.

Our priority is to ensure the safety and health of every person using the terminal building. We therefore must guarantee that the facility is free of harmful mold. Mold remediation activities will start in August 2018 and take six weeks to complete.

Mold remediation work will be supervised and certified by specialized international experts. Local workers will be used to execute these works. PJIAE estimates that between 80 and 100 persons will be employed and trained by the contractor for the mold remediation activities. Once the mold remediation is completed and PJIAE receives the international certification, the next phase of reconstruction, terminal reconstruction will commence.

Local contractors were invited to express their interest for this project and PJIAE has prequalified five contractors who will now enter the bidding phase. The international engineering firm CORGAN has been selected to conduct the project management.

FBO

The FBO (Fixed Base Operation) represents a critical element of PJIAE's services to general aviation stakeholders and guests. SXM Airport believes it is imperative to give the current FBO facility an uplift/remodeling to enhance the facility which will eventually improve the operational flow, comfort level, perception of an FBO, working environment amongst many other things which are crucial factors for this niche market. The experience will also deter operators/owners from using other FBOs located on neighboring islands thus choosing SXM Airport as the preferred airport for processing/stay over.

MINISTER JOHNSON TOURS THE TERMINAL BUILDING

The Honorable Minister of Tourism, Economic Affairs, Traffic and Telecommunication (TEATT), Stuart Johnson was lead by the Managing Board of the Princess Juliana International Airport – SXM during a tour of the terminal building on July 18, 2018.

Minister Johnson was joined by members of his cabinet who also received an overview of the streamlined reconstruction of the vacant terminal building. The terminal building sustained damages following the 2017 hurricanes. Meanwhile, operations are being carried out in the Arrival and Departure pavilions located on the airside.

As the delegation strolled through the terminal building, the Managing Board reiterated that they are set to move back into the airport as a part of the temporary operations in the ground floor of the terminal building. The move will not take place before the remediation works for a period of six weeks, meanwhile phase two of the roof repairs have begun.

Minister Johnson re-emphasized the importance of the PJIA to the island's overall economic revitalization. He said the Airport's reconstruction, including the provisions to build the US Preclearance facility, is part of the governing program 2018 -2022 and represents a vital feature of the government's plans for redevelopment and creating a sustainable St. Maarten.

One of the main reasons for Johnson's visit was to get a realistic impression of the potential for reopening the terminal building for the start of the new tourism season in November this year.



From the left; SXM Airport Project Manager, Rob Norman, CFO and Acting CEO of SXM Airport, Ravi Daryanani, Policy Advisor in the Cabinet of the Ministry of TEATT, Otmar Jonis, Senior Policy Advisor in the Ministry of TEATT Regina Labega, Minister of TEATT Stuart Johnson, COO of SXM Airport, Michel Hyman, TEATT cabinet staff Armand Meda, and Corporate Communications Officer of SXM Airport Audrey St. Luce-Jack



CONTACT INFORMATION



Corporate Communications
Officer Audrey St. Luce-Jack
E-mail: ajack@sxmairport.com

General Airport Offices
T: +1 721 544 0626 or
+1 721 544 1483

AIR FRANCE INTRODUCED JOON, A NEW AND INNOVATIVE SUBSIDIARY

Air France introduced its subsidiary Airline service that brings a new product that goes with the newest innovation.

The cockpit crew is from Air France and the Cabin crew * modern* from JOON. and will enhance the Air France seat capacity from 208 (A330) to 278 seats (A340). The 2/7 CDG SXM will be operated by JOON as of August 4th, until the end of October 2018.

Air France was scheduled to start the service during the last winter season but this did not happen because of Hurricane IRMA on September 6, 2017



Photo credit: Franklin Wilson

“more comfort”?

Seat Duo

The comfort and privacy associated with a row of 2.

Customer Feedback

"I loved the experience of flying for the first time with Joon"

"Young and willing-to-serve crew were the biggest plus"

"Excellent overall experience, cabin crew service fantastic. Technology works very well and the new brand very refreshing. Thank you!"

"I was very impressed with the quality and ease of use of the Joon in flight entertainment, in fact I would rate it one of the best I have ever used and I travel a lot."

"Very modern plane, very helpful and professional staff"

Seat Plus

- Additional legroom (34 inches)
- Positioned at the front of the cabin to be among the first to disembark.

ST MAARTEN HOSPITALITY & TRADE ASSOCIATION POST IRMA FACT SHEET

<p style="text-align: center;">🏠</p> <p>Current units – 34% of pre Irma room count (3876)</p> <p style="text-align: center;">Units Availability Ending</p> <p>Q3 2018 (July 1st – Sep 30th) – 37%</p> <p>Q4 2018 (April 1st – June 30th) – 56%</p> <p>Q1 2019 (Jan 1st – March 31st) – 70%</p> <p><small>*Please note prediction are subject to change.</small></p>	<p style="text-align: center;">🕒</p> <p style="text-align: center;">Updates</p> <p>👉 Oyster Bay Resort opened June 1st</p> <p>👉 Divi Little Bay Beach Resort May 12th</p> <p style="text-align: center;">Confirmed Updates on Reopening</p> <p>👉 Sonesta Ocean Point November 15th</p> <p style="text-align: center;">Confirmed Reopening 2019</p> <p>👉 Sonesta Maho February 1st, 2019</p>	<p style="text-align: center;">🏨</p> <p style="text-align: center;">Currently Open</p> <p>34 open hotels</p> <p>25 closed hotels</p> <p>7 projected to open by Q4</p> <p>4 projected to open by Q1 2019</p> <p>Total of 43 hotels will be open by Q1 2019</p>
<p style="text-align: center;">👤</p> <p style="text-align: center;">Occupancy rates 2018</p> <p>Q1 (Jan 1st – March 31st) – 51.81%</p> <p>Q2 (April 1st – June 30th) – 67.34%</p> <p>Occupancy numbers Q1 are based on 12 hotels</p> <p><small>*NOTE: the amount of available rooms reflect the hotels/TS that reported their occupancy, however loyally completed our occupancy rates are generated on a voluntary basis by our membership, so a considerable margin of error is possible.</small></p>	<p style="text-align: center;">👤</p> <p style="text-align: center;">Occupancy rates compared to 2017</p> <p>Current occupancy compared to room inventory before Irma (3876 rooms)</p> <p>Q1 (Jan 1st – March 31st) – 12.31%</p> <p>Q2 (April 1st – June 30th) – 21.42%</p> <p><small>*NOTE: the amount of available rooms reflect the hotels/TS that reported their occupancy, however loyally completed our occupancy rates are generated on a voluntary basis by our membership, so a considerable margin of error is possible.</small></p>	<p style="text-align: center;">👤</p> <p style="text-align: center;">Occupancy rates 2017</p> <p>Q1 (Jan 1st – March 31st) – 82.0%</p> <p>Q2 – 70.2% (April 1st – June 30th)</p> <p>Occupancy numbers over 2017 are based on a sample of 25 hotels</p> <p><small>*NOTE: the amount of available rooms reflect the hotels/timeshare resorts that reported their occupancy. However loyally completed, our occupancy rates are generated on a voluntary basis by our membership, so a considerable margin of error is possible.</small></p>