



Dufry's 1Q 2014 results in growth mode

Despite being impacted by local currency devaluations in select locations, the strength of the Swiss Franc versus the dollar and a calendar effect from Easter, travel retail giant Dufry posted solid growth of +9% in turnover in the first quarter 2014 in constant FX terms.

EBITDA reached CHF 89.1m (US\$100.5m) with a margin of 11.5%. Gross profit grew by 5.6% to CHF 456.8m (US\$515.1m) in 1Q14 vs CHF 432.7m in 1Q13.

Dufry's sales grew by 9.0% in constant FX rates in 1Q14, reaching CHF 775.0m (US\$873.9m). Of this, 6.8% was the contribution consolidation of the Hellenic Duty Free acquisition.

Organic growth was 2.2%, to which like-for-like growth contributed 0.7% and new concessions, net, added 1.5% as the result of openings of 4.3% vs closings of 2.8%. Reported turnover in Swiss Francs was CHF 736.4m in 1Q14, up 5.2% after a -3.8% translational impact, driven by the appreciation of the Swiss Franc in the period.

Dufry benefited from strong turnover in **Region EMEA & Asia**, which grew by 31.4% in 1Q14 and reached CHF 239.8m from CHF 182.5m in 1Q13.

Turnover in **Region America I** stood at CHF 174.7m in 1Q14, versus CHF 190.5m in 1Q13. A devaluation of local currencies, especially in Uruguay, negatively impacted the purchasing power in local currency terms. Despite the devaluation, Dufry registered growth in sales of 14% in America I when accounted in local currencies.

Region America II reached CHF 138.4m in sales in the 1Q, down from CHF 158.6m in 1Q13. Sales continued to grow in Brazilian Reais, but an 18% devaluation of the local currency versus the USD masked the positive performance.

Turnover in **Region United States & Canada** grew by 13.2% in constant FX rates. In Swiss Francs, sales were CHF 205.0m in 1Q14, up from CHF 189.8m in 1Q13. The region outpaced the increase in the number of passengers by improving the retail operations and expanding its footprint in the United States, where 1,400 sqm were added so far this year, says the company.

Duty Free City markets concept prior to opening

Duty Free City has embarked on a high-profile marketing campaign to introduce its new luxury concept duty free store opening later this summer on the border with Mexico in San Ysidro, California.

The 14,000 sqf shopping complex will carry a broad range of luxury accessories and beauty products, with a strong focus on customer service.

The pre-opening campaign features billboards and five months of double-sided pole hangings on routes leading into the city, playing off of variations on the theme of "Leave in Luxury" in English and Spanish.

The messages on the pole flags are designed to position the new shopping complex as a Retail-tainment destination, DFC Director of Marketing Alejandra Rudner tells *TMI*.

"This is the first time pole hangings have been used here for a commercial endeavor," she says.

Dufry began a number of projects in 2014 in Brazil, Asia, and the US and is "running with full speed" to execute these, says Dufry Group CEO Julian Diaz.

"In Brazil, the core of the new operations will be located at Sao Paulo Guarulhos, Brasilia and Viracopos International Airports. We are putting all our efforts and working to open the shops ahead of the Football World Cup," says Diaz. He says that in Asia Dufry has started operations in Bali, Indonesia, Astana, Kazakhstan, Sri Lanka and South Korea, and that operations in Taiwan and China should be fully operational by the beginning of the 2H 2014.

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PEOPLE: BIGGS TO HEAD UP AMERICAS BACARDI GTR



Geoff Biggs is returning to the Americas as Regional Director, Americas Global Travel Retail, for Bacardi Global Travel Retail.

Effective immediately, Biggs is replacing Leigh Irvine, who has led the Americas travel retail business for the past three years.

With significant expertise in Travel Retail, Geoff formerly headed up the Americas travel retail business for Diageo before moving to a senior role in Kenya.

Mike Birch, Managing Director, Bacardi Global Travel Retail welcomes the new appointment: "I'm delighted to welcome Geoff to the team. I'm confident he will hit the ground running to grasp the potential we see in the region. The energetic growth in emerging markets has been supported by increasing standards of retail execution right across the continent, including several world class examples. Complementing those factors with our own pipeline of innovation and our focus on premiumization make this a fantastic opportunity for Geoff to lead and develop the Bacardi business in our home territory, building on the legacy of Leigh's success."

Biggs comments: "It's tremendously exciting for me to return to Americas Travel Retail to lead a strong team, a portfolio of fantastic market-leading brands and a remit to drive strong strategies for innovation and growth.

"There's such incredible opportunity in this market, with consumers at different stages in their connection with luxury brands and the development potential in airports, cruise and border stores."



I SHINE

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Essence Corp. gives back

Miami distribution company Essence Corp. participated in the annual Mercedes Benz Corporate Run in downtown Miami on April 24. The company was running to benefit The Miami Project to Cure Paralysis, a project it has been running to support for the past three years.

The annual Mercedes Benz Corporate Run – a 3.1 mile run/walk -- this year attracted more than 33,000 participants, from 1,200 participating companies. Essence Corp. – which typically has between 35-50 runners participating, has a tent at the event, says Essence Corp. VP Patricia Bona.

Essence raised about \$1,500 for the Miami Cure from the run, only part of the approximately \$4,000 a year it donates from several events it holds in support of the organization. As an added bonus, this year Essence Corp. also won 2nd place for the design of its specially-made Tee-Shirts.

"We support the Miami Cure because it is a lifetime commitment of a father to his son, because it is based in Miami and we want to be active in our community rather than in 'global causes' and because [Miami Cure has] already made huge steps towards a cure," Bona tells TMI.

"In fact, they have received grants from the army because they discovered an emergency process of stabilizing the wounded minutes from the accident to help prevent spinal cord injury... I am telling you this is amazing!"

For more information on the Miami Cure, go to www.facebook.com/cureparalysis

Bonelli joins Paul & Stark

Catherine Bonelli, formerly International Travel Retail Director at Lacoste, has joined Italian sportswear brand Paul & Shark as Travel Retail Director to lead the company's global travel retail development.



John Kilmartin

Football superstar Cristiano Ronaldo joins TAG Heuer roster



Cristiano Ronaldo

TAG Heuer has signed football superstar Cristiano Ronaldo to a long-term partnership as its latest Brand Ambassador. Two-time Ballon d'Or winner, Real Madrid forward and Captain of the Portugal team for the coming World Cup in Brazil, Cristiano Ronaldo joins an illustrious roster of TAG Heuer sports stars and celebrities that includes film actors Cameron Diaz and Leonardo DiCaprio, WTA tennis champion Maria Sharapova, Formula One World Champion Jenson Button, World Rally Champion Sébastien Ogier and the entire crew of 2013 America's Cup winner Oracle Team USA. Past members have included actors Brad Pitt and Uma Thurman, golfing great Tiger Woods, and Formula One winners Ayrton Senna, Kimi Räikkönen, Fernando Alonso, Sebastian Vettel and Lewis Hamilton.

Patrón Spirits appoints John Kilmartin as Global Director, Travel Retail

Well-known former ARI executive John Kilmartin has joined Patrón Spirits as Global Director, Travel Retail.

Reporting to President, International, and Global Chief Operating Officer Dave Wilson, Kilmartin will direct all worldwide duty free for the Patrón portfolio of brands. He is based in Switzerland.

In his 22-year career in travel retail at Aer Rianta International, Kilmartin worked in the former Soviet Union, Europe and the U.S., with responsibilities in distribution, supply chain management, procurement management, commercial operations, and brand and business development.

For the past three years, Kilmartin has worked in a consulting capacity for Patrón Spirits, responsible for commercial activities with key European travel retail operators.

"John's hard work and deep relationships in the industry have contributed greatly to our growth and success in the travel retail channel, particularly in Europe," said Wilson. "This is a new position at Patrón Spirits, clearly reinforcing our strong commitment and support for the duty free channel. There's no one more skilled and experienced than John to fill this role, and we're thrilled that he has chosen to join us, officially."

Added Kilmartin: "I am truly delighted and thrilled to be joining Patrón Spirits in this new role. Patrón is a fantastic company that has achieved extraordinary results in a relatively short space of time within travel retail. I look forward to working with Dave Wilson, Patrón Regional Directors and our partners to ensure that Patrón and our iconic product portfolio remains at the forefront, and that we continue to lead and innovate within the ultra premium spirits sector."

Patrón's portfolio of ultra-premium luxury spirits – Patrón tequila, Ultimat vodka, and Pyrat rum – are available in more than 140 countries across the globe.





Dufry, continued from page 1.

In US & Canada, Diaz says: "the pipeline keeps healthy" with 17 airport shops covering 1,400 sqm opened in the 1Q. "... these new shops already reflect the new Hudson model with new logo, shop layout and assortment. We also opened brand boutiques in Newark, New York, Chicago and Sandford. Looking ahead, our project pipeline still shows several opportunities for expansion being as duty paid or duty free with total area of almost 3,600 sqm to be opened almost entirely in 2014."

Diaz adds that the Hudson operation continues to deliver excellent results: "Our plan is to roll out the concept further outside US & Canada. Today we are present in 12 countries including Brazil, where we opened our first Hudson shop earlier this year in April. In addition, we have been awarded to operate 9 Hudson shops with a total retail space of 1,900 sqm at five airports in Spain [in] 2014. Our target going forward is to double the number of Hudson shops internationally to about 200 shops by 2015 and for that we have developed an internal group that will focus all the effort and expertise to achieve it."

"Regarding the travel retail industry, we continue to see a positive scenario for the economy and the travel retail in general. So far the number of international passenger grew by 6% in the year and is expected to grow by 4% in 2014."

"... We are committed to our strategy of profitable growth organically or through acquisitions and we continue to develop new projects," says Diaz.

Marcolin and SKECHERS renew licensing agreement

Italian eyewear specialist Marcolin Group, has renewed its licensing agreement with lifestyle and performance footwear brand SKECHERS USA, Inc., for the design, production and worldwide distribution of SKECHERS optical frames and sunglasses.

Initially launched through a licensing partnership with Viva International in 2010, this new multiyear agreement has been expanded to include the Marcolin Group.

"The solid partnership with a world-wide brand like SKECHERS strengthens our position in the American market and gives us further opportunities for other markets that we are now targeting," says Giovanni Zoppas,

Marcolin Group CEO.

"The eyewear business has always been key to establishing SKECHERS as a head to toe brand," added Michael Greenberg, president of SKECHERS. "We're excited to be extending one of our first and most successful licensing partnerships, and we look forward to growing in this market with the expanded reach of the Marcolin Group."

The collection includes offerings for men, women, boys and girls and takes its inspiration from the fashion-forward styling and attitude found in the brand's footwear designs, with a variety of sporty elements, including soft-touch temple trims, sculpted detailing and two-tone colorations.

Marr Int'l Group partners with IBBI to expand eyewear distribution into the Americas' TR market

Designer eyewear Company Marr Int'l has partnered with International Brand Builders Inc. (IBBI) to expand its distribution of designer eyewear brands Missoni, M Missoni, Moschino, Love Moschino, Loewe and FILA.

IBBI is representing these brands in the DF/TR markets throughout the Americas.

"The eyewear business in Travel Retail is growing and our brands offer a variety of styles and price points that are sought after by today's traveling consumers," reports Michelle Tiganila, Marr Int'l President. "Our goal is to expand to all travel channels, including airports, borders, cruise lines, airlines and down town duty free doors, to reach the global consumers who seek after our brands when they travel."

IBBI has a complementary portfolio and has already started working with retailers in key locations since the partnership began in April. Katherine Patch Sleipnes, President of IBBI, and Astrid Amoriggi Steinhaeuser, brand manager, will be presenting the brands and the 2014 collections at the upcoming ASUTIL Conference in Mexico City, to be held June 3-6.

For more information, contact astrid@internationalbrandbuilders.com Mobile: (954) 304-1266

Maui Jim unveils new retro styles and smaller size sunglasses



Honomanu

Premium sunglasses supplier Maui Jim will be featuring a number of new styles at TFWA Asia Pacific.

Among these are three new retro sunglasses styles – Breakers, Legends and

Honomanu – that feature Maui Jim's proprietary advanced lens technology. The hybrid, injection-molded, de-centered lenses are the lightest lens material in the Maui Jim portfolio and are optically clear.

Maui Jim is also debuting two new styles in its collection of 112 sunglasses for a wide range of outdoor activities, which are similar in design but sized for larger or smaller faces.

Spartan Reef and Kipahulu are full-frame nylon styles that wrap eyes with the maximum sun protection and are 20 percent lighter and thinner than conventional glass lenses.

All Maui Jim lenses are packed with up to nine layers of patented PolarizedPlus² lens technology that has received the Seal of Recommendation from The Skin Cancer Foundation because the technology cuts 99.9 percent of glare and eliminates 100 percent of UVA and UVB rays, an important part of an effective defense program against skin cancers of the eye and eyelids.

A distinguishing feature of all Maui Jim lenses is the rich and vibrant color that you see, and the colors you see are pure and true. MauiPure lenses also are protected with coatings to shed water and snow and to repel grease and smudges.

For more information about Maui Jim in travel retail, visit stand K9 at TFWA Asia Pacific, or contact gmarks@mauijim.com





IN THE SPIRIT: A NEWS ROUNDUP

TRAVEL MARKETS INSIDER

Jack Daniel's, Pernod Ricard-Kenwood, The Glenlivet & Bacardi's single malts

New Jack Daniel's Ass't Master Distiller goes to Asia Pacific TFWA

Chris Fletcher, the grandson of Frank Bobo, the fifth of only seven master distillers in the history of Jack Daniel's, will be making his first appearance at a Travel Retail event when he attends the Asia Pacific TFWA show in Singapore this May.

A native of Lynchburg, Tn., home to the Jack Daniel Distillery, Fletcher, 32, will be available on the Brown-Forman stand (M1 & M2) to discuss the company's North American Whiskey portfolio with particular emphasis on the Jack Daniel's Family of Brands.

In his role as assistant master distiller, Fletcher will report to current Jack Daniel's master distiller Jeff Arnett.

"I'm very fortunate to have two of the best mentors - the fifth master distiller, my grandfather and the seventh master distiller, Jeff Arnett," Fletcher said.

Pernod Ricard reinforces its wine portfolio with Kenwood Vineyards

Pernod Ricard has announced it has agreed to purchase Kenwood Vineyards in Sonoma Valley, California from F. Korbel & Bros.

Kenwood produces a portfolio of premium Sonoma wines, primarily distributed in the United States and Canada.

Commenting on this transaction, Pierre Pringuet, Chief Executive Officer of Pernod Ricard, said: "Kenwood will support the company's ambition in wine and fits ideally within Pernod Ricard's multi-origin wine portfolio strategy.

"In addition, this transaction illustrates Pernod Ricard's ability to seize tactical growth opportunities that can benefit our entire portfolio in key markets such as the United States."

The acquisition is expected to close before June 30, 2014.

The Glenlivet Nàdurra expands into a range of cask experiences

The Glenlivet is expanding its Nàdurra brand into a range of single malt whiskies featuring different cask experiences.

Each expression in The Glenlivet Nàdurra range is crafted in small batches using traditional production methods and is matured exclusively in a different cask-type. The range is bottled without chill-filtration.

The Glenlivet Nàdurra Oloroso is the first new permanent expression in the range, and is the first major The Glenlivet bottling in living memory to be matured solely in ex-sherry casks, reports the company.

It will be introduced to Travel Retail Europe in May 2014 via immersive experiences to help travelers gain an understanding of the new whisky's unique taste profile.

The Glenlivet Nàdurra Oloroso will be unveiled first at Heinemann Frankfurt airport before launching in London Heathrow Terminal 5 as part of the World Duty Free Whisky Festival 2014.

The Glenlivet Nàdurra features refreshed packaging with prominent batch number and cask-type stamps, an artisanal typeface, an emphasis on the Gaelic translation of Nàdurra, and a distinctive handmade finish.

Bacardi launches travel retail exclusive whiskies

Bacardi has launched a series of travel retail exclusive single malts, taking the next step in its commitment to the single malts category, says the company.

Following its success in select European markets in 2013, Glen Deveron, Royal Burgh Collection launches globally this month. It is joined by the re-launch of a reinvigorated Aberfeldy Highland Single Malt Scotch Whisky, including the introduction of an 18 year old expression, exclusively available in global Travel Retail.

"Bacardi has an amazing opportunity with single malts. Our distilleries produce sublime whiskies. Single malts are enjoying a massive surge in popularity right now as collectors and connoisseurs seek out the new and the rare. We're leveraging that power with a strong innovation pipeline for the category, gathering pace to craft a range of superb Travel Retail exclusives. Building on our success in white spirits, we are equally ambitious as a major player in the whisky category and our recent launches are testament to the energy and drive we'll be injecting. We're confident the Aberfeldy range is set for success," says Mike Birch, Managing Director of Bacardi Global Travel Retail.

The *Aberfeldy Single Malt* features a new bottle design and packaging. The Travel Retail range comprises: 12 YO, 21 YO and – exclusively available for travelers – the 18 YO.

The *Aberfeldy* range is a key component in Bacardi's strategic drive to create category differentiation, with an immediate pipe-line of exclusive innovation and activations in brown and white spirits, says Birch.



MWAA requests bids for a 7-year DF/DP contract

The Metropolitan Washington Airports Authority is inviting bids from retailers for the operation of seven duty-free/duty-paid stores covering around 10,830-sft of retail space at Washington Dulles International airport and two duty-free/duty-paid locations totaling 950-sft at Ronald Reagan Washington. The contract is for seven years starting from August 1, 2014.

The Dulles bid includes post security locations located in Concourses A, B, C and D. The concession at Washington National will service trans-border passengers in terminals A and C, to open in mid-2015 at a location still to be determined.

A pre-bid conference took place on May 7 2014, and the deadline to submit proposals is May 28, 2014.

Bidders who make accepted proposals will then need to submit bids to the authority, with a deadline and subsequent decision on June 11, 2014.

ESSENCE CORP.

has an immediate opening for an **Area Manager**

This position is based in the Miami Office and the ideal candidate must be willing to travel 50% of the time. Must have minimum 3 years within the luxury brand industry.

Candidate must be organized, dynamic and self-motivated, with strong sales skills and proficiency in Excel, Word, PowerPoint and other MS Office applications.

Fluent in English and Spanish both written and oral.

Please send resumes to musallan@essence-corp.com

BPI –
Beauté Prestige International
has immediate openings in the Miami office for the following positions:

AREA SALES MANAGER TRAVEL RETAIL for Central/South American Region.

Ideal candidate must have a minimum of 3-5 yrs experience in the luxury brand industry, preferably in TR. Must be highly organized with outstanding sales and managerial skills. Must be fluent in English and Spanish and have good computer skills. Ability to travel 40-50%.

MARKETING ASSISTANT for TRAVEL RETAIL

Candidate will assist Brand Manager with marketing plans, visuals, merchandising, etc. Must be organized and detail oriented and have excellent computer and communication skills in both English and Spanish. Experience in the luxury industry is preferred.

Send resumes to gcamplani@bpi-sa.com