



## Flemingo International scoops Asuncion duty free contract

Global duty free and travel retail operator Flemingo International has announced the signing of another contract in its expanding Americas business and has brought in a familiar executive from the region to oversee its operations.

Flemingo reports that it has been awarded a four-year-contract to operate arrival and departure duty free stores in a newly built terminal at Silvio Pettirossi Airport in Asuncion, the capital city of Paraguay.

The operation will be managed by Javier Brandwain, COO LA-TAM & Caribbean, who joined Flemingo last month following his previous position as Travel Retail Director, Latin America for Calvin Klein, heading the Calvin Klein brands Travel Retail division.

The Asuncion space will carry core categories such as liquor,

including wines from Chile, Uruguay and Argentina; perfume, cosmetics, confectionery, tobacco and branded fashion accessories, says the company.

The airport served 1.2 million international passengers in the last year – mainly business travelers, regional passengers (Uruguay, Brazil, and Argentina) and international passengers from the US, Panama and Spain -- and has projected growth of around 17% for this year.

To handle the new contract – along with its existing operations in St Maarten, Costa Rica and Brazil - Flemingo International will be opening a LATAM & Caribbean HQ in Montevideo, Uruguay during the last quarter of the year.

Javier Brandwain comments: “Flemingo has been closely working with Silvio Pettirossi author-

ities since September 2013 and we are extremely excited with this breakthrough for Flemingo in this region. This has been possible thanks to the cooperation of the Paraguayan Government as well as Airport and DINAC authorities.”

TMI understands that incumbent operators Mannah Duty Free and Bright Star will continue to operate their current stores, for the time being.

Flemingo says it will be announcing further expansion plans within the Travel Retail industry in the region by next quarter.

A spokesperson from Airport Authority DINAC welcomed Flemingo to Silvio Pettirossi International Airport as “a world-class company with operations in major international airports in the world.”

## 1H revenue up at “resilient” LVMH but profits fall

Luxury products group LVMH Moët Hennessy Louis Vuitton turned in a +3% increase in revenue in the first half of 2014, reaching 14 billion euros. Organic revenue growth was 5% compared to the same period in 2013. The strongest organic growth came from the Selective Retailing Group – DFS and Sephora – in which revenues were up by +9%.

Profit from recurring operations for the first half of 2014 was 2,576 million euros –down 5% from the same period last year -- and current operating margin reached 18%. Impacted by heavy destocking of cognac in China, and negative exchange rates from the American dollar and Japanese yen, first half profits were down by 137 million euros. The strong negative exchange rate particularly affected the Fashion & Leather Goods and Watches & Jewelry groups, says the company.

The weak currency impacted the Selective Retailing operations as well. Despite its revenue growth, profit from recurring operations was 398 million euros, down 3% from 412 million euros in the first half of 2014, hurt by the fall in spending by Japanese tourists due to the weakness of the Yen, at the same time that DFS was investing heavily in major expansion and renovation work at several airport concessions.

Sephora continued its growth in all regions, with “particularly remarkable performance” in North America, the Middle East and Asia, strengthening its position in key markets, and growing its online sales significantly.

LVMH notes that the Group continued to grow in the United States and Asia. Europe demonstrated resilience despite a still challenging economic environment.

“The results of the first half demonstrate LVMH’s excellent resilience, thanks to the strength of its brands and the responsiveness of its organization in a climate of economic and financial uncertainties,” commented LVMH Chairman and CEO Bernard Arnault.

“Despite an uncertain European economic environment, LVMH will continue to gain market share thanks to the numerous product launches planned before the end of the year and its geographic expansion in promising markets, while continuing to manage costs,” says the company in its outlook for the rest of the year.

“Our strategy of focusing on quality across all our activities, combined with the dynamism and unparalleled creativity of our teams, will enable us to reinforce, once again in 2014, LVMH’s global leadership position in luxury goods.”



Duty Free Americas and the Falic Family Foundation announce the 1<sup>st</sup> Annual **Duty Free Americas Golf Tournament** to benefit The Breast Cancer Research Foundation. The event will take place at the Weston Hills Country Club on **Wednesday, September 17th, 2014.**

The event is open to individual golfers as well as full teams. It will be 18 holes in a scramble format, with various other competitions along the course. Before the start of the round, golfers will have the opportunity to participate in a putting contest.

### Extras

In addition to 18 holes of golf, all attendees will be invited to enjoy a BBQ lunch and a winner’s ceremony including a silent auction and raffle. A list of raffle prizes will be posted as they are received. If you or your company would like to donate a prize, please contact Jonathan Bonchick at

[jbonchick@dutyfreeamericas.com](mailto:jbonchick@dutyfreeamericas.com)

To become a Sponsor, click here to learn more (<http://www.dfagolf.com/default.asp#myevent>).

### Registration Process

Registration will take place exclusively online at [DFAGolf.com](http://DFAGolf.com) from July 1st to July 31st.

Payment may be made by credit cards (Visa, MasterCard and AMEX) and checks payable to The Falic Family Foundation.

Golfers and non-golfers must register online in order to be confirmed to participate even if paying by check.

See chart on page 2 for breakdown of results by product category

**BY THE NUMBERS**

## UNWTO: strong peak season for international tourism anticipated

In a week marked by three tragic plane crashes and the limitation of flights into and out of Israel due to security concerns, the World Tourism Organization released its mid-year travel forecasts, predicting at this time a very positive peak tourism season.

The latest UNWTO World Tourism Barometer reports that demand for international tourism remained strong in the first four months of 2014, with international tourist arrivals worldwide growing by 5%, the same rate as during the full year 2013. Prospects for the current peak tourism season remain very positive with over 460 million tourists expected to travel abroad in the May-August 2014 period, says WTO.

Some 317 million international tourists (overnight visitors) traveled between January and April 2014, 14 million more than in the same period of 2013. This 5% growth consolidates the already strong increase registered in 2013 (+5%) and is well above the long-term trend projected by UNWTO for the period 2010-2020 (+3.8%).

Growth has been widely spread with nearly all sub-regions recording increases in international arrivals of 4% or higher. By region, the strongest growth was registered in Asia and the Pacific and the Americas (both +6%), followed closely by Europe and Africa (both at +5%). By sub-region, Northern Europe, Southern and Mediterranean Europe, North Africa and South Asia, (all +8%) were the star performers.

“The encouraging start to 2014 and the overall positive sentiment in the sector raise high expectations for the current peak tourism season, benefiting destinations from both advanced and emerging economies,” said UNWTO Secretary-General, Taleb Rifai.

“The 5% growth in the number of international tourists crossing borders in the first months of 2014 further reflects the impact of the increase in public support to the sector as well as the immense capacity of tourism companies to adapt to changing markets,” he added.

### Most destinations share in growth

**Asia and the Pacific** (+6%) consolidated its growth of recent years, with South Asia (+8%) and North-East Asia (+7%) in the lead.

Growth picked up in **the Americas** (+6%), with all four sub-regions showing significant improvement compared to 2013.

**Europe**, the most visited region in the world, maintained the strength it showed in 2013 with international tourist arrivals growing by 5% through April. Northern Europe and Southern Mediterranean Europe (+8% each) led growth.

**Africa**'s international tourist numbers grew by 5% as the recovery was consolidated further in North Africa (+8%).

International tourist arrivals in the **Middle East** are estimated to be down by 4%, although UNWTO says that this figure should be taken with caution as it is based on limited available data for the region.

By source markets, WTO says that international tourism expenditure data indicates that demand continues to be strong out of emerging markets, in particular from China, the Russian Federation, Saudi Arabia and India. Demand from advanced markets is strengthening as the economic situation improves gradually, with encouraging growth registered in expenditure from Italy, Australia, the Republic of Korea, the Netherlands, Norway and Sweden.

### Peak tourist season ahead

Indicators point to a strong Northern Hemisphere's summer peak season.

Over 460 million tourists are expected to travel abroad during the four months from May to August, which account on average for 41% of all international tourist arrivals registered in one year.

For the full year 2014, international tourist arrivals are expected to increase by 4% to 4.5%, slightly above UNWTO's long-term forecast of 3.8% per year for the period 2010 to 2020.

### LVMH Revenue by business group: Euro millions

	1H 2013*	1H 2014	% change Report/Organic**	
Wines & Spirits	1 795	1 677	- 7 %	- 1 %
Fashion & Leather Goods	4 711	5 030	+ 7 %	+ 4 %
Perfumes & Cosmetics	1 804	1 839	+ 2 %	+ 6 %
Watches & Jewelry	1 275	1 266	- 1 %	+ 3 %
Selective Retailing	4 198	4 382	+ 4 %	+ 9 %
Other activities and eliminations	(151)	(185)	-	-
<b>Total LVMH</b>	<b>13,632</b>	<b>14,009</b>	<b>+ 3 %</b>	<b>+ 5 %</b>

\* Restated to reflect the application of IFRS 10 and 11 on consolidation.

\*\* With comparable structure and constant exchange rates. The structural impact, essentially linked to the integration of Loro Piana, is +2% and the exchange rate impact is -4%.

### LVMH Profit from recurring operations by business group:

Euro millions	1H 2013*	1H 2014	% chg.
Wines & Spirits	539	461	- 15%
Fashion & Leather Goods	1,493	1,487	+ 0%
Perfumes & Cosmetics	200	204	+ 2 %
Watches & Jewelry	155	107	-31 %
Selective Retailing	412	398	-3 %
Other activities and eliminations	(86)	(81)	-
<b>Total LVMH</b>	<b>2,713</b>	<b>2,576</b>	<b>-5 %</b>

\* Restated to reflect the application of IFRS 10 and 11 on consolidation.





## Actium holds memorable BA seminar in NYC for L'Oreal Luxe brands

Miami-based distribution company Actium held its annual beauty advisor seminar for the L'Oreal Luxe brands that it represents in the Caribbean at the end of June.

"The select group of Actium beauty advisors from the Caribbean Islands experienced three dynamic days filled with interactive workshops and activities in New York City," says Marta Castellanos-Campana, Director of Actium's Lifestyle & Beauty Division.

"[The Seminar] was an extreme hit not only achieving its objective of providing the attendees with extensive product training, brand exposure and additional support in representing the Lancôme and GADF (Giorgio Armani & Designer Fragrances) brands but exceeded them, by sending off their key players enthused and motivated to represent Lancôme, Giorgio Armani, Ralph Lauren, Viktor & Rolf, Cacharel, Diesel, Paloma Picasso and Guy Laroche with more knowledge and valuable tools."

During the BA Seminar the group was presented with upcoming novelties and initiatives for 2014 for both Lancôme and GADF, says Castellanos-Campana.

Lancôme's international makeup artist, Delvin Gonzalez, demonstrated and trained the Beauty Advisors on Lancôme Effortless Chic looks offering application



tips and suggestions on how to best introduce a client to Lancôme's '3 axes.'

Other workshops focused on achieving "Excellence of Luxury Service" and the importance of optimal merchandising.

Supplemental activities included a visit to Ralph Lauren's flagship stores as well as a mystery shopping activity with competing cosmetic brands that illustrated the importance of exceeding expected service in the luxury segment and an opportunity to experience the sale as a consumer.

A number of tools and resources to aid the beauty advisors and encourage building a loyal Lancôme client list were also implemented during the seminar.

After some traditional sightseeing around New York City, the beauty advisors experienced a once in a lifetime and unique opportunity to have a private tour of the Giorgio Armani boutique on Fifth Avenue.

The seminar concluded with a superb dinner at the Giorgio Armani restaurant located inside the store, reports Castellanos-Campana.

## London Supply Foundation completes "Mother Teresa of Calcutta" Nursery School in Puerto Iguazu

Argentine travel retailer London Supply has announced that its London Supply Foundation has completed the latest phase in its multi-faceted educational and community project in the Primero de Mayo neighborhood of Puerto Iguazu, Argentina.

The latest phase of the project – the "Mother Teresa of Calcutta" Nursery School – offers child care and education for children as young as 45 days old. The Nursery School joins the Dona Mercedes Garcia de Taratuty primary school and the Don Jose Taratuty secondary school, which were opened in 2010 and 2012 respectively. With the opening of the Nursery School, the Foundation project is providing services for children between nearly two months old to 18 years of age. The schools have been designed and constructed by the London Supply Foundation and donated to the local Province of Misiones government.

The new Nursery School will be officially inaugurated at the end of August.

The London Supply Foundation says that it also presented the architectural plan for a police station and first aid room, which have been constructed by the province government and are now operational. With the completion of the three schools, the Foundation announces that the next phase of its Primero de Mayo project will be the design and construction of the Jean Paul II parish church, to be constructed alongside the educational park.

This latest example of corporate social responsibility fits in with London Supply's stated philosophy to ensure equal opportunities to the communities in which it operates.



### Brazil airline Azul applies for first US routes

Low-cost carrier Azul Airlines, Brazil's third-largest air carrier, plans to start nonstop service between two US destinations, pending federal approval, the *Sun Sentinel* reports. If approved, Azul's US launch includes service between Sao Paulo/Campinas and Fort Lauderdale-Hollywood International Airport in early December, to be followed by service between Sao Paulo/Campinas and Orlando airports.

In Brazil, Azul operates nearly 900 daily flights to more than 100 destinations with a fleet of 141 aircraft.

In April, the carrier announced its intent to launch U.S. operations in early 2015, says the *Sun-Sentinel*. Currently, most non-stop flights to and from Brazil use Miami International Airport, with American, TAM and Gol airlines offering direct and connecting flights to at least 11 Brazilian cities.

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TRAVEL MARKETS  
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## One Red Kite to offer expanded services

UK-based specialist travel retail consultancy One Red Kite is expanding its current service offering to include more video serves, based on its research into Social Media in 2013.

Kevin Brocklebank, Founder & Managing Director, explains: "Our research has identified that Video is an incredibly powerful medium both in-store and on social media. Used in the right way, brands & retailers can amplify the effect of their campaigns on the path to purchase and beyond."

Brocklebank cites a recent internet phenomenon "All By Myself," as an example. The video Richard Dunn created during an overnight stay in Las Vegas airport (<http://youtu.be/L1bGwGdFtjE>) has gone viral, with well over 11 million views.

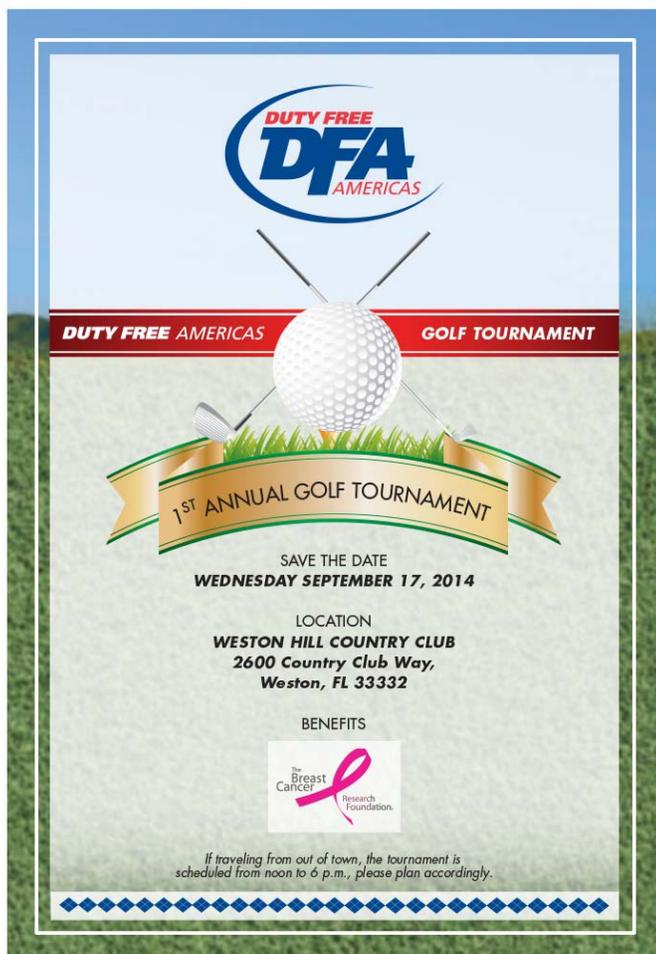
"This is just one example of how video can engage people," says Brocklebank.

To address this growing demand for video within Travel Retail, One

Red Kite has brought onboard some of the UK's best media talent who have been responsible for the direction and production of television adverts for leading UK and global brands. This combination of Travel Retail knowledge and a leading media skill set means that its clients now have access to the most appropriate writers, directors and crew to deliver their message.

"We know that people are able to recall 15% of what they hear but that jumps to 85% when powerful messages are combined with visual stimulus. In a brand-building environment such as the major airport hubs, this is a key tool to bring brands to life," says Brocklebank.

One Red Kite will be making the key headlines from their 2013 research freely available at the TFWA 2014 show in Cannes. For more information, please contact [kevin.brocklebank@oneredkite.com](mailto:kevin.brocklebank@oneredkite.com)



### CLARINS DIVISION

has an opening for a  
**West Coast Sales  
Coordinator** based in Los  
Angeles.

Willing to travel 50% - 60%  
of the time.

Area:

LAX, SFO, Hawaii and Vancouver.  
Weekly follow up with the main  
stores, responsible for Retail Sales  
performance, emphasis on  
supervisory role.

Please send resumes to:  
Samira Fayad

[sfayad@essence-corp.com](mailto:sfayad@essence-corp.com)

### ESSENCE CORP.

has an immediate opening for an  
**Acct/Area Manager  
Caribbean**

The ideal candidate will be based  
in Miami and must have a  
minimum of two years' experience  
in Travel Retail.

Candidate must be extremely  
organized, dynamic, self-motivated  
with strong sales skills and willing  
to travel 55% of the time.

Proficiency in Excel, Word,  
PowerPoint (MS Office) and  
Mandatory Bilingual:  
English/Spanish, written and oral.  
French is a plus.

Please send resumes to  
[musallan@essence-corp.com](mailto:musallan@essence-corp.com)

