

Dufry World

Corporate E-Magazine of the Dufry Group






D U F R Y

Issue 4 / May 2011



 **A new website to serve a leading global company**

-  **Dufry One Award: recognizing successful teamwork**
-  **Dufry Group: strong growth and financial performance**
-  **New store at Houston Bush International Airport**

new webportal: www.dufry.com



Editorial

A successful website relaunch

Editorial by Jose Antonio Gea

This issue, the first of 2011, goes deeper into one of the initiatives launched by Dufry to reinforce its links with our customers, suppliers and investors and, last but not least, our staff. I refer to the renewed website, the Dufry Portal.

As Part of the Dufry Plus One project, and as part of the improvements in the customer service initiatives, a website targeting worldwide national and international travelers, was unveiled in September 2010.

Thanks to the latest technologies, the website, which is available in six languages, shows a more commercial and innovative look which offers the latest information for our investors and customers, new content from shops & products, travel information and customs allowance.

Another highlight is the Pre-order service, which enables the passenger to select and purchase Dufry's articles online and pick them up in our stores. This service will be available both at the arrival and departure areas and the customer can use it from a cell phone, laptop or any standard computer. It is fast and easy.

Moreover, we can announce that Dufry's website will offer soon another feature to expand the company's commercial potential. An e-commerce tool will make it possible to buy products online that will be delivered to the address that the customer chooses. This home delivery service will be kicked off in Brazil with a view to an international rollout. ■



Jose Antonio Gea, Global Chief Operating Officer

Content

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Symbols and Sections



Editorial

Statements and announcements by CEO/COO/CFO, editorials, facts & figures, milestones, company commitments, management changes.



Regional News

New or modified shops, concepts, contracts, promotional activities, awards, local highlights or efforts.



Key Story

Main topic or interview with important people (usually aligns with the cover image). Focus on special activities, business, occasions.



Well Done

Success Stories, local background stories, best practice cases.



Dufry People

Presentation of an employee for a special reason: new ideas, doing a good job, special interests, remarkable hobby.



Favorite Shop

New or refurbished shop (e.g. Shop of the month) Back cover of printable PDF

INPRINT

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Dufry is a global travel retailer with 12'000 people serving customers in more than 1'130 shops in 41 countries.



Dufry News

Regional News

Headquarters: Strong growth and financial performance in 2010

The strong results of 2010 are a consequence of our continued efforts in the past years. The development in 2010, as well as the medium-term expectations, confirm the strategy that Dufry defined back in 2004 focusing on emerging markets and tourist destinations. Furthermore, the regional diversification of Dufry has again proven to be key to risk management. As a result, the company consolidated its global leading position in the travel retail industry not only in terms of turnover but also in terms of profitability.

Every region increased its turnover on constant FX rates, with region South America being the one with the biggest growth of 40%. In general, Dufry's turnover increased by 15% based on constant FX rates, of which organic growth accounted for 10.1%. Gross margin improved by 1.6 percentage points to 57.5% and EBITDA grew by 19.2% on constant FX rates. Net earnings increased by 48.8% to CHF 144.8 million. Dufry again generated a significant amount of cash flow from operations of CHF 362.5 million.

As Julian Diaz, CEO of Dufry Group, commented: "In 2010, we confirmed the strength of our business model. We are convinced that our current strategy will also be successful in the coming years and we will continue to improve top line growth and gross margin, as well as to leverage the company's cost structure. The implementation of our mid-term plans "Dufry Plus One" and "One Dufry", which we started in 2010, will be key to further develop our business and to drive profitability". ■

Basel: Voucher success



The winners of the sales challenge: Daniel Garcia congratulates Jasmin Banak (above), Delphine Cholin-Latouche and Ricardo Pinto (below).

At the end of 2010, Dufry's shop team in Basel International Airport put themselves a challenging task. "We wanted to reach 5% voucher sales versus total sales", explains Franck Emorine, communications manager from Region Europe. The challenge started on October 4th and went on for twelve weeks. The whole sales team had to reach this 5% target and the three employees who sold most would be the individual winners. The Basel team finally succeeded and the three individual winners were: 1. Jasmin Banak; 2. Delphine Cholin-Latouche; 3. Ricardo Pinto. ■

Guadeloupe: Brilliant opening

The new shop that opened in February at Guadeloupe Pôle Caraïbes Airport has gotten off to a flying start. The 506 m² store, located airside, has shown a strong performance in its first month of operation. This retail space includes a Hudson News store as well as a general duty free store including categories such as perfumes, spirits, chocolates, souvenirs and local products from Guadeloupe. The team in charge of the opening has worked very hard. Many thanks to Michel Millet, Marielle Vatran (both logistic assistants) and Christophe Mazaud (retail manager). ■

Morocco: Boosting growth figures



A high motivated team.

By implementing a whole package of measures, including Dufry Plus One training, Morocco has continued to grow double-digit. Casablanca is a good example: "We changed

completely the way we work by introducing a new shop manager, three product managers, and enforcing team trainings. We also spent time reworking and re-implementing all the basics (cleaning, uniforms, customer service...)", comments Tijani Djaziri, Regional HR Manager of Region Africa. The results could not be better and Casablanca enjoys a strong growth since January 2011. ■

Ghana: Breaks with the past

Ghana has the distinction of offering two approaches to the retail business: the diplomatic shop and the store in the Kotoka International Airport. One of the first challenges has been transforming the shops to increase their commercial appeal. Dufry's team has combined this change with a strong field implication and still respected the basics of the activity (sizeable stock of fastmovers, one item/one price and clear offer). This strategy is paying off: since October 2010, Ghana has increased its turnover double-digit compared with the same period last year and the profitability has grown in line. ■

Tunis: Responding to wine demand

To respond to an increase in wine demand in Tunis, Dufry reopened its wine store in the Carthage International airport's departure area in December 2010. This wine cellar occupies 56m² of a large duty-free shop. The assortment is composed of 76 different wines from 16 brands and six countries. ■



Regional News

China: Staff wins customer service awards



Some of Dufry's employees in Shanghai's Airport were recognized.

The Shanghai Airport Authority (SAA) checks regularly on customer service levels of the retail and food & beverage offers at Hong Qiao International Airport. Based on

reports and surveys, awards were bestowed on the highest achievers as follows:

Best customer service by retail employees: Cartier Boutique (Mr. Li Cong); Perfume & Cosmetics (Ms. Gu Wen Ting); Swarovski Crystal (Ms. Li Qing); L'Occitane Shop W4 (Ms. Chen Yuan Yuan).

Top performer in the customer service category: Cartier Boutique.

Six stars award shop (with the highest levels of service and customer satisfaction): Hermes (accepted by Miss Nina Qing on behalf of the whole Hermes team). ■

Moscow: extension at Domodedovo



Dufry has opened a new 63m² store with confectionary and tobacco.

When passengers come through security control at the Domodedovo Airport in Moscow they start walking towards the gates surrounded by Dufry shops. On the left, they find

the big main Dufry shop and on the right, since November 10th 2010 there is a new, small, 63 m² shop with confectionary and tobacco. ■

Belgrade: New Speak Easy coffee shop



The perfect place for travelers to take a break.

On February 1st Dufry inaugurated a coffee shop at Belgrade Airport, located in the Arrivals part of Terminal 2. In the 195m²

store customers can choose from a large selection of food and beverages such as: coffee, cakes, sandwiches, liquors, beers, soft drinks and cocktails. ■

Puerta Maya: Dufry opens big store



A highly frequented store during the opening days.

A new 1'014 m² shop was opened on 31st March in the Mexican port of Puerta Maya. Located on Cozumel Island this port, which is operated by Carnival Cruises,

is an important tourist location, visited every year by 1.5 million passengers. The new store is mainly general travel retail space (650 m²) and it includes an area for Colombian Emeralds (204 m²) and Hudson News (160 m²). ■

Brazil: Citizenship Award for Humberto Mota



Humberto Mota, president of Dufry Brasil

The president of Dufry Brasil, Humberto Mota, has been recognized as an important part of his country's society with the prestigious Brazilian Citizenship Award. The Center of Information of the United Nations, the Brazilian National Press Association and the newspaper Folha Dirigida composed the jury. In this 2011 edition the other elected personalities, who will receive their

award in an official ceremony on June 12th, have been: the Minister of Labour, Carlos Lupi; the Mayor of Rio de Janeiro, Eduardo Paes, the Archbishop of Rio de Janeiro, dom Mariano Beltrame and the current most influential Brazilian journalist, Ancelmo Gois. ■

Brazil: Project Fênix, improving the logistic system

Since June 2010 and until December 2011 Dufry has launched a logistic project in Brasil called Fênix to support the growth of the local market. This project's objectives are: To implement a modern tool called WMS (Warehouse Management System) which will control the operations of warehouses in airports; to restructure warehouses, adapting them to new operations' requirements; to improve



Regional News

processes of receiving, storing, shipping and inventory; and to organize training sessions for employees covering new tools and procedures knowledge. ■

Brazil: Dufry takes part in the Ultramarathon

Dufry will be represented for the first time in the ComRades Marathon. On May 29th, the company-sponsored Regional Operations Director Pedro Custódio, and legal counsel Claudia Lacerda, who both work at the Rio de Janeiro office, will take part in the race that takes 89 km from Durban to Pietermaritzburg, in South Africa. As they compete in South Africa, the two will also be helping a humanitarian relief institution. Dufry's sponsorship includes an unprecedented social responsibility action: In addition to funding the duo's training and travel expenses, Dufry will act with partner companies to raise funds for every kilometer the athletes complete. ■



Las Vegas: Hudson celebrates strong year at annual conference

Some 600 Hudson executives, business partners and vendors participated in the Hudson Group's eighth annual Management Seminar & Vendor Show, held between the 1st and 4th of December 2010 in Las Vegas. The meeting consisted of a general session and roundtable meetings and a full-day Vendor Show. Above all, the Managers Awards were presented on December 2nd. ■



Dufry's People

Bill Terwilliger



Bill Terwilliger, Vice President of Business Analysis, Hudson Group

Request for Proposals (RFPs) outline what kind of retail an airport wants newsstands, cafes, bookstores, specialty retail and/or duty free shops. The early analysis of these business opportunities for Hudson in the US and Canada is spearheaded by a single member of the Business Development Team: Bill Terwilliger, Vice President of Business Analysis, who works in New Jersey.

Calling on his 15 years of experience with Hudson/Dufry, Bill carefully sifts through every page of the RFP, looking for clues that will assist the larger team in developing a winning response. Then he works with the other team members to craft the response.

Depending on the direction of the airport, the number of books produced for a single RFP response can number anywhere from 10 to a couple of hundred. The number of RFPs in production, due this quarter, is 17. Which explains why Bill Terwilliger is one of the busiest (and most dedicated) members of the Business Development team. ■



"BillT" as he is known recently celebrated his 15th year with the company.

Dufry World Quiz: Where do you dream to travel?

Dufry offers all its employees the possibility to win a trip to any Dufry shop in the world. You only have to read carefully this issue's articles and find the answers to following questions:

1. What is the name of the logistic system launched in Brazil?
2. How many categories do the Dufry One Awards have?
3. Which department coordinated Dufry's website's renewal?

Please, send your answer until 30.06.2011 to Lubna Haj Issa (Global Corporate Communications) by email suggestions@dufry.ch. We also need your family name, first name, address, city code, country, work location.

* Only employees of Dufry can take part in this competition. Only participants with correct answers can be recognized. There is one winner only, chosen by drawing lots. The winner will be notified by mail. The jurisdiction of the courts is excluded, as is any cash equivalent. No correspondence will be entered into. Subject to additional conditions based on applicable legal requirements. The name of the winner will be published in the next issue.



Read & Win
a trip to a Dufry shop

And the winner is...

Mr. Melroy Noronha,
Sharjah International Airport

(Right answer of quiz issue 3: 1. June 30 2010; 2. Russia, China, India, Brazil; 3. to argue with a customer)



Well Done

Dufry's website, the perfect mirror for a global company

Renovating a website in a global company is a very challenging project. Dufry made great efforts last year and has since September 2010 an appealing and updated tool to show its face to the world.

Business cards, brochures, letters, faxes or phones – most of the tools that companies used in the old days to communicate with their stakeholders – look with envy to the present king of corporate communications: the website. It is not only an essential marketing instrument for a global company like Dufry, but also gives the opportunity to interact more and better with customers, clients, suppliers, staff and investors.

Therefore, our company has been working hard to launch a website that can be both appealing for customers and a marketing tool for other stakeholders. "The project was coordinated by the Global Customer Service Department. However it was very bold and complex, and only possible with the support and commitment of several areas: Marketing, I.T., Operations, Investor Relations, Corporate Communications, etc.", comments the Global Customer Services Department Director, Mario Portela.

To achieve the goal of having an actualized web portal, each section has an "owner" whose responsibility to maintain the content. In Brazil, for example, they are responsible for sections like: Customer Service, Dufry Shopping, Pre-order Duty Free and Dufry Magazine. The section "Our Company" is updated with institutional information by the Head Office Department. The Investor Relations Area, located in Switzerland and Brazil, are in charge of the "Investors" section.

The website is easy to use. For example, there is a section in the main menu called Dufry Shopping. There, a visitor selects a country where Dufry operates stores, and then, brands, promotions and local offers appear. "Apart from this commercial part, we also offer valuable and interesting content for travelers, like a Travel Tips Guide. Not to mention the section Dufry World Magazine that talks about lifestyle, travel ideas, gastronomy and shops", explains Dufry's Website Manager, Karine Moura.

Another important tool is the Customer Service section, where it is easy to find our customer service policy, customs allowances by countries, or information or hour to get in touch with Dufry in English, Portuguese, Spanish and French through chat, email and toll free numbers. The increase of the range of languages for navigation was another objective for the team responsible for the website. "Because Dufry is a multinational company, our portal is available in 6 languages: English, Portuguese, Spanish, German, French and Mandarin", adds Mario Portela.

As a result of all this effort, customers are spending 40% more time than before navigating the website (comparing the last trimester of 2009 to the last trimester of 2010).

"Even though it was a huge project, and considering we are located in Brazil, with a different time zone, we had many inputs and help from all regions. We felt very integrated with Dufry's headquarters developing this project and it was good to know that people who work for Dufry share ideas and are willing to receive feedback," points out Karine Moura. ■





Key Story

Dufry ONE Awards: rewarding great performance

Our accomplishments so far, such as those under the One Dufry and Dufry Plus One projects, have only been possible due to the teams of Dufry people all across the group who have worked to improve and grow our business. Consequently, Dufry has recently launched the Dufry One Awards in order to recognize outstanding teamwork in three key areas: Productivity, Customer Service and Innovation. Each category winning team will receive an award acknowledging their outstanding contribution to the business. These new awards for 2011 are:

1. The Dufry One Productivity Award – Open to all shop operations and recognizing year on year improvement in productivity, based on a set of criteria: Sales, Number of Tickets and Average Spend per Ticket.
2. The Dufry One Customer Award – Open to all shop operations participating in the global Mystery Shopper Program and recognizing individual shop performance in Store Appearance, Product Provision, Customer Service and Checkout Standards.
3. The Dufry One Innovation Award – Open to all Dufry teams, with nominations coming from all Regional COO's in conjunction with their Regional HR Directors, the Global CFO and the Global COO, and recognizing innovations that have delivered positive and measurable results for the business.

Introducing for 2011

D U F R Y
one
AWARDS

Excellence Recognised

RECOGNIZING EXCELLENCE IN PRODUCTIVITY, THE CUSTOMER EXPERIENCE & INNOVATION

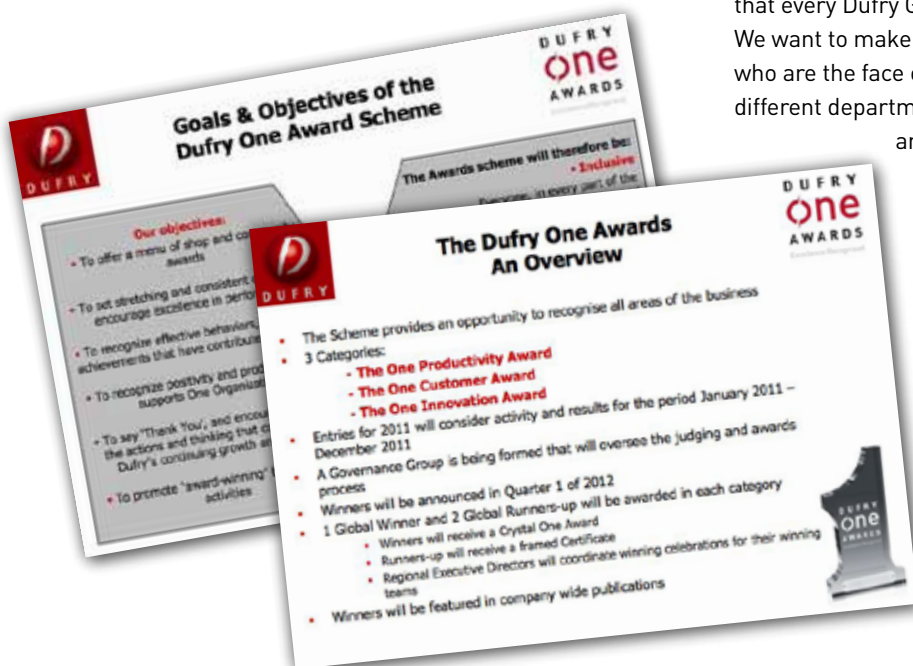
An opportunity to show all you have to give... and for us to say Thank You and Well Done.
It takes all of us to be the Best!

For further information please contact
Global OHR or your local OHR representative

D U F R Y

Awards are open to all employees. Your HR department will inform you in detail

The 2011 Dufry One Awards are an opportunity to acknowledge the work performed this year. They are designed so that every Dufry Group employee can win with their team. We want to make sure we recognize both shop personnel who are the face of Dufry to our customers, as well as the different departments and communities who help support and innovate the Dufry services. ■





Favorite Shop

The “Bloomingdale’s” of airport retailing

At Houston Bush International Airport, Terminal E, passengers can enjoy a luxurious shopping experience with the new Dufry store. Through out its 783 m² this modern shop offers a comfortable and relaxed atmosphere. Customers can choose from a large selection of duty free products such as liquor, tobacco, chocolates, fragrances and cosmetics.

Based on its luxurious décor and easy shopping ambiance, this shop has been designed to become the “Bloomingdale’s” of airport retailing. ■

