


DUFRY WORLD

WorldClass.WorldWide.


**CORPORATE
MAGAZINE**

ISSUE 18
MARCH 2016



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Great Effort for Achieving Strong Performance in a Transformational Year

By Julián Díaz

In the most transformational year for our company, Dufry managed to deliver a strong performance. While the full integration of Nuance and the acquisition of World Duty Free allowed us to reach new levels in growing our company, they also generated the need for important structural changes, which lead us to adapt our organization, to review our business operating and financial model and to create a new corporate culture, including a new identity. And most important, we continued to drive organic growth by opening 189 new shops across the globe.

Our acquisition of World Duty Free (WDF) marked a new milestone for Dufry allowing us to considerably enhance our presence in key strategic markets. Moreover, it has refined our geographic diversification with a good balance of important operations in emerging and mature markets, while growing our market share in airport retail to 24%, which is three times bigger than the next competitor. Overall, by having more than doubled our turnover since 2013 and by currently operating over 370 locations in 63 countries on all five continents, Dufry has become an ever more important partner for global brands through this unique worldwide retail network we can offer.

In 2015, we have also completed as originally planned the integration of Nuance, which has helped us to strengthen our presence in Europe with locations in Switzerland, Sweden, and Turkey, as well as in North America and Asia. We have successfully combined all Group, divisional and operational functions and aligned business models by using best practices from both companies to adapt the related processes. And most important, first synergies in the magnitude of CHF 34 million are already reflected in our 2015 full-year results. Since the acquisitions of Nuance and WDF considerably changed the size of the Group and added further complexity, we also needed to prepare the company for this new reality. To this end, we first implemented a new organizational structure reflected in the enlarged Group Executive Committee – which includes executives from Nuance, World Duty Free and Dufry.



The integration of Nuance and WDF has considerable internal and external implications, since three established corporate cultures and well-recognized duty-free brands need to be aligned. One of the key success factors to master this challenge is Dufry's common starting point for our corporate culture, new identity and the values proposition. At the same time, it represents a consistent branding approach for the markets, allowing to maintain the powerful commercial brands and to benefit from their positive image in their specific markets.

2015 was a challenging year for Dufry and I thank all the colleagues and teams around the world who have made the extraordinary achievements possible with their huge efforts and exemplary motivation. I also thank our suppliers, landlords, business partners and shareholders for their support, trust and contribution to make our company WorldClass.Worldwide. In 2016, we have greater challenges to tackle, with a difficult economic international environment, and the challenge to perform on the integration, the delivery of the synergies and re-initiating our path of positive organic growth.

I am sure, that if we are able to best manage our professionalism and enhance our motivation properly, we will be very proud of the New Dufry we are going to build together. ■

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HQ Strong Performance in a Transformational Year

2015 was a transformational year for Dufry, which led to a change of the company's business profile, as a consequence of the Nuance integration and the acquisition of World Duty Free. The implementation of the new Group structure, the launch of the new operating business model as well as the definition of the new branding strategy, including the refreshing of our corporate identity are the most visible changes made in the context of the transformation triggered by our two latest acquisitions. As part of our challenge to integrate three well-established cultures and ways of working into one aligned and strong organization with a unique operating business model, we successfully completed the Nuance integration as planned and are currently executing the integration of World Duty Free.

From a business perspective, Dufry achieved solid operational and financial performance, despite the challenging economic environment and the high currency volatility seen in the emerging markets throughout the year: Turnover increased by 46.3% and reached CHF 6,139.3 million and EBITDA amounted to CHF 723.8 million, with EBITDA margin reaching 11.8%. Dufry also continued to prove its cash generation capability by considerably increasing its free cash flows to CHF 338.4 million (before acquisition related cash outflows).

Dufry also focussed on driving organic growth by implementing a whole array of operational and marketing initiatives at global level. In the 2015 business year, we opened a total of 189 new shops and added 18,700 m² of retail space to our portfolio. Organic growth excluding sales to Russians and Brazilian reached 4.0%, reflecting the overall positive performance in the vast majority of our operations. Organic growth will remain a key priority going forward and will become even more important for the future development of our company. ■

Inprint

Publisher: DUFY AG, Brunngässlein 12, 4010 Basel Switzerland

Editorial Team Headquarters: Julian Díaz, José Antonio Gea, Andreas Schneider, Jordi Martín-Consuegra, Salvatore Arico, Javier Gonzalez, Renzo Radice, Jorge Muñoz, Lubna Haj Issa

Design, Text Writing and Process Coordination: Match Communications, Zurich **Production:** Match Communications, Zurich and x-site, Basel **Published languages:** English, French, Italian, Portuguese and Spanish

emagazine.dufry.com
dufry.com

DI Hellenic Duty Free Shops Wins “Leaders of the Greek Economy” Award

During the Greek crisis, Hellenic Duty Free shops has continued investing to be distinguished and to play an active role in the travel retail industry. For this reason, the Direction Business Network has honored the company with the “Leaders of the Greek Economy” award. This award recognizes businesses, which during the Greek crisis, managed not only to survive but also to stay profitable and to grow.

The criteria for the selection of the winners were the increase of financial figures, openness and the belief in Greek manpower, furthermore a healthy economic structure and enough capital to support the investment strategy.



George Velentzas, Managing Director of Hellenic Duty Free receiving the „Leaders of the Greek Economy” award.

The event took place under the auspices of the Ministry of Economy, Development and Tourism and SEV-Hellenic Federation of Enterprises at Athens Concert Hall. Around 600 people from the business, institutional, academic and journalistic community attended.

George Velentzas, Managing Director, participated in the panel of speakers and received the award on behalf of Hellenic Duty Free Shops. Asked about whether the geopolitical turbulences would affect the company's strategy, he replied: “The Company is dynamic but we have been impacted by external events. We extend our branches, we operate anew, we modify the product mix and we redesign promotions. We constantly develop synergies with companies in the travel scene to maximize both profit and influence. We combine technology, new promotional and advertising media. We invest in market, image, trends and price researches. And the most important, we train our staff on a regular basis.” ■

HQ Be a Dufry Brand Ambassador

As part of the launch of the new Brand, Dufry's Marketing department has started to distribute corporate "Welcome Packs" for Dufry office staff across the different locations - from Basel to Rio and from Moscow to Melbourne. A good opportunity to feel the brand closer, share values and, why not, a way of celebrating the beginning of a new era for our company.



The „Welcome pack“ is a practical bag containing office items and a brochure with the new brand guidelines.

The over 5,400 packs contained a bunch of items for the day-to-day work, including a Dufry branded notepad and pen, a USB stick, a mousepad, a lanyard, a bag and a brochure with the new brand guidelines. ■

D2 Lindt Brings Swiss Chocolate Masterpieces to Zurich

Master chocolatier Lindt has partnered with Dufry to offer travellers the first opportunity to enjoy the new Lindt Swiss Masterpieces Praline Collection, which is exclusive to travel-retail. The pre-launch of the collection took place throughout February at Zurich airport.

As focal points of the campaign, the Lindt Boutique on the upper level and the Lindt Island on the lower level of the Airside Center at Zurich airport were transformed into a celebration of Swiss Masterpieces.

At both locations consumers were able to see the Lindt Master Chocolatiers in action as they make the centerpiece of the collection - the Dôme de Noisette. Travelers were also able to taste the pralines during a series of sampling events.

The pre-launch at Zurich was followed by a major launch initiative at Dubai airports. The promotional event runs across all concourses including the new Concourse D, allowing both transit and departure

passengers the opportunity to sample the new range. At the Lindt Master Chocolatiers counter in Dubai - unique to the Middle East region - the Lindt Master Chocolatiers are crafting the Dôme de Noisette from mid to end of March, while a liveried promotions team will be touring the concourses to offer sampling. ■



A Lindt Master Chocolatier delicately displays chocolates on a tray.

D2 World Duty Free among DFNI Product Award Winners 2015

Duty Free News International (DFNI) has announced the winners of its 2015 product awards. The accolades attributed by the DFNI editorial team are for Best New Store, Product Launch and Marketing Initiative across the categories liquor and wines, beauty, gifts and electronics, watches, jewelry, confectionery and fine foods, fashion, and leather goods and tobacco segments as judged by the DFNI editorial team. World Duty Free won two awards, one for the Best New Store in the tobacco category, and one for the Best New Promotion in the beauty category for the "Style Goes Live" concept.

The new World Duty Free tobacco area at Dusseldorf International airport, awarded in this year's edition, has 75 m² of space and includes a humidor for high quality cigars. The tobacco is housed in a far larger area than



The new World Duty Free tobacco area at Dusseldorf International airport.

one often sees in European duty-free stores, with personalized shelving for cigarettes and an elegant cigar area with an armchair and photos adorning the walls and the use of wood and brick to add the feel of a vintage tobacco lounge.



The campaign "Style goes live" was running through September in some of the WDFG major airport locations in the UK and Spain. Developed in partnership with brands including Dior, Paco Rabanne, Belvedere and Burberry, the promotion was posting a series of entertainment events such as performances from British musician and songwriter Ben Montague. ■

D2 World Duty Free, Awarded as Best Food and Beverage Partner at Belfast Airport

George Best Belfast City airport hosted its first ever Commercial Partner Awards event, recognising the success of its food and beverage, retail and service tenants. These awards focus on customer service and encourage entries from businesses operating within the airport and their employees across four categories: Best Retail Business Partner, Best Food and Beverage Partner, Best Customer Service Agent and Best Service Business Partner.

The Bushmills Bar run by World Duty Free won the Best Food and Beverage Partner category, and one of World Duty Free staff members, Shirley Graham, was recognised as the Best Customer Service Agent. Both Bushmills Bar and Mrs. Graham received a personalised trophy and a recognition badge, as well as Belfast Giants tickets and Visit Belfast vouchers to celebrate their success. Following the initial application process and a series of mystery shopper visits, the entries were reviewed by both the airport's commercial team and independent guest judges Mary Jo McCanny, director of Visitor Servicing at Visit Belfast, and Bill White, managing director at Lucid Talk. ■

D2 A Vibrant New Look for Dufry's Nuance Store in Cardiff Airport

Dufry has officially launched its refurbished Nuance tax and duty free store at Cardiff Airport. The shop has been allocated an additional 100 m² of floor space and has undergone an extensive redesign aimed at making it easier for passengers to navigate. With a total surface of 580 m² of retail space, it features a full walk-through format with clear sight lines across the various product categories.

At the entrance to the store, customers are welcomed with an extensive beauty area incorporating new brands such as OPI nail care and The Body Shop. Strong wall personalisations showcase key international brands such as Chanel, Dior, Lancôme and YSL. The liquor space puts a strong focus on Penderyn, a whisky produced by one of the first Welsh distillers. In the tasting area, customers are able to 'try before they buy' and experience the unique flavour of this locally produced whisky.

The focus on local products continues throughout the store with the rare Welsh gold pieces of Clogau Gold jewellery, together with international jewellery brands such as Follie Follie, Links of London, and Hugo Boss watches. Passengers will also find an extensive range of Welsh football and rugby merchandise, as well as Welsh confectionery brands such as Gwynedd and Brays and Brecon Careg water. The fashion area showcases a number of the UK's most popular brands including Fat Face, Superdry and Animal.



From left to right, Cardiff Airport Managing Director and Chief Operating Officer Debra Barber, international Welsh rugby referee Nigel Owens (Guest of Honour) and Dufry Group General Manager (UK) Paul Donaldson.

The iconic international Welsh rugby referee Nigel Owens was the guest of honour for the photocall and ribbon cutting ceremony. As a regular user of the airport, Mr. Owens was delighted to join store staff and Senior Directors of Cardiff Airport and Dufry, to celebrate the opening of the new look Nuance store. New routes added in 2015 have increased annual passenger numbers for Cardiff Airport by 13% and the completion of this store refurbishment is set to build on that success. ■

D2 World Duty Free Unveils Helsinki Retail Operations

World Duty Free officially unveiled 11 refurbished stores in Terminal 1 and Terminal 2 of the Schengen and non-Schengen areas at Helsinki Vantaa International airport. This follows the completion of its 12th store (third tax and duty-free store) in November.

WDF won the concession at the end of 2013 representing its first contract in the Nordics and has since undertaken an extensive refurbishment program. Helsinki airport is the busiest in Finland and a major European transfer hub especially for flights between Europe and Asia. It handled almost 16 million passengers in 2014 and a major redevelopment program by airport operator Finavia is on the way to accommodate up to 20 million passengers annually by 2020.

T1 Schengen walk-through

The 66 m² walk-through shop places a strong emphasis on Finnish brands to cater for the many short-haul non-domestic European flights from the terminal. A sense of place is enhanced with the introduction of WDF's shop-in-shop concept "Thinking Finland", which gives additional local flavor with its range of premium souvenirs and food items.

T2 Schengen walk-through

T2 Schengen has a wider European passenger profile with the main nationalities being Scandinavians, Italians, French, Spanish and Polish, prompting WDF to tailor its offer in the 956 m² shop accordingly. Beauty is the key category in-store spanning 327 m² and 55% of surface space. Several new brands have been introduced into the main store including L'Occitane, Rituals and Sisley fragrance. Besides, there is a focus again on Finnish products.

A separate 108 m² luxury store showcases premium brands such as Porsche Design, Armani and Versace together with a wide range of sunglasses brands. Located on the opposite side of the walkway, WDF's Ralph Lauren Polo store focuses mainly on clothing and some accessory lines.

The T2 Schengen beauty store, created in partnership with Estée Lauder Companies (ELC), brings together a collection of premium ELC brands including Tom Ford

Beauty, La Mer, Jo Malone London, Bobbi Brown, Mac and Origins. The Jo Malone London concession is the first in Scandinavia and Mac and Bobbi Brown are both new to the airport.

T2 non-Schengen walk-through

Spanning 1,280 m², this is the largest WDF store at the airport. With a high proportion of Asian and Chinese passengers – the airport has 19 Asian routes at the moment –, 70% of the passenger profile is transit. Consequently, there is a much stronger focus here on



View of the main entrance to the Helsinki Duty Free shop at Havaas airport in Finland.

international brands and several new brands have been introduced to give a depth of range including Crème de la Mer, La Prairie and Sisley.

The liquor area in-store incorporates WDF's Connoisseur Collection concept, which showcases premium cognacs and whiskies. Sampling alcohol in-store is illegal in Finland so retailers offer to passengers to explore aromatic notes in different liquors rather than their flavours.



A large sampling area is included in the 212 m² food and confectionery area to allow a regular cycle of promotions and product sampling for customers. Fazer, the number one confectionery brand in Finland, has a significant presence in-store and a delicatessen area has also been implemented offering chilled meats including reindeer and bear as well as Finnish cheese.

In addition, WDF has focused on premium souvenirs including items from Finnish design brand Arabia, which produces mugs and other china pieces decorated with iconic Moomin characters.

Luxury is a small part of the mix in-store, which revealed plans to revisit the category in the first quarter of 2016 and potentially add some new brands and remove certain existing ones.

T2 non-Schengen boutique stores

These stores all have a premium product offer to suit the passenger profile. Japanese travelers in particular. The 69 m² Max Mara store occupies a prime location in the terminal just after security and offers the most current and up-to-date collection for the season.

The multi-brand luxury store, with 126 m² of commercial space, consists of Montblanc, Loewe, Etro and Bally – the latter is particularly popular with Asian passengers and is the biggest accounting for 40% of total sales in-store.

The 85 m² Burberry boutique attracts high interest from Chinese passengers, while the Chocolatique outlet provides a final opportunity to purchase premium confectionery items from brands such as Godiva, Butlers and Fazer. Lastly, the offer also comprises a VIP Lounge store, which offers a small range of the main core categories such as liquor (cognac and whisky). ■

D4 New Hudson Shop Expands Dufry Retail Space at Santos Dumont Airport in Brazil

Hudson is opening at Santos Dumont Airport a 224m² space to attend domestic passenger flights and also the general public, with access from both boarding and public areas of the airport. The new space expands Dufry's commercial surface at this Brazilian airport. Hudson is the leading convenience store concept in US and Canadian airports and now is up to conquer Brazil. The opening has to be seen as part of Dufry's strategy to internationalize the Hudson concept into markets with high domestic passenger volumes. The new store offers a mix of core products aligned with the other units of the chain, including confectionery, alcoholic beverages, personal care items, souvenirs, toys as well as the traditional newspapers, magazines and books.

Gustavo Fagundes, Managing Director Brazil and Bolivia commented on the initiative: "Dufry is bringing to Brazil, the Hudson concept, which is internationally successful

and which has already shown great customer response at airports where we operate. In our expansion plan we expect to open new stores in several airports, thus creating a convenience chain able to meet the passenger needs with a great variety of products". ■

D4 Dufry Opens a 1,300 m² Store at Viracopos' New Terminal

A 1300 m² Dufry duty-free shop has opened its doors inside the new terminal for international flights at Viracopos airport, in the state of São Paulo, Brazil. A wide range of perfumes, cosmetics, clothes and accessories including sunglasses, confectionery and food products, beverages and spirits, and electronics are available in this spacious walk-through concept store. Passengers find brands such as Carolina Herrera, Dior, Ralph Lauren, Armani, Dior, Bourjois, Lindt, Absolut and Ray Ban. Also an online reservation service is available 24/7 at www.dutyfreedufry.com.br for the product range of this new Dufry store.



The new 1300 m² walk-through concept store at Viracopos International airport.

The newly opened commercial space will complement the already existing 550 m² shop located at the international arrivals area, and the duty-paid Dufry Shopping store at the domestic flights terminal. ■

“Be positive and embrace the change. Let’s go with the flow.”

Pedro Castro, CEO Southern Europe & Africa, shares his impressions and key learnings after the first 100 days as CEO of Division 1. Planning your summer holidays? Find out Pedro’s insider tips and his favourite destinations.

Interview by Jorge Muñiz

Dufry World: In a nutshell, how would you describe the first 100 days after your appointment in October last year?

Intense and a steep learning-curve. I think this is the case for everyone, not just me, and it’s not just a result of my appointment; the announcement of the sale of WDF S.p.A., the process of completing the acquisition and the organizational announcement have all played a part. The most important thing for us to understand is that we are part of a new era, and thanks to the acquisition, part of a company that is the world leader in travel retail. I am proud that I have been given the opportunity to lead one of the Divisions of Dufry, and that as such, I will be able to contribute to shaping the future of the Company. These 100 days have passed in the blink of an eye; transferring World Duty Free’s international operations to their new Divisions, while at the same time learning about the new countries and colleagues assigned to my Division. It has been 100 days of learning on the go and with the commitment to help move this great Company into its new era.

After almost 20 years in the industry, would it be true to say you are facing your biggest challenge?

Without a doubt, this has been the biggest challenge for me so far, as I imagine it has been for all ‘ex-WDF’ colleagues. I say this for several reasons. Firstly because of the size of the project; we now form part of the largest travel retailer in the world. Secondly, because the integration of such large and developed companies is a difficult and complex task in itself. Thirdly, on a more personal note, because I am committed to paying back the trust and responsibility placed on me. I am demanding of myself and I don’t want to disappoint the people I’ve worked with in the past and that I am starting to work with now. This motivates me every day to embrace this challenge.

What is it that has caught your attention in the first days of leading Division 1? What do you expect?

The most remarkable thing is something I had already anticipated. After visiting all of the operations in my



Pedro Castro takes stock after 100 days as CEO of Dufry’s Division 1 (Southern Europe and Africa).

Division, either from Dufry origins (such as Italy), Nuance origins (such as Turkey or Portugal), Hellenic in Greece or World Duty Free in Spain. I’ve convinced of the excellence of our people and of the quality of our stores, regardless of the company they came from. Naturally there are differences from one place to another, but these are minor. What is common to all countries, is the high level of professionalism and the willingness to do things right.

We all are in the middle of a process of change. What would be your best piece of advice?

I would say the cornerstone is as an old saying goes: “only change is constant”. Change is something natural. Our memory is short sometimes, but we have all gone through a lot of changes in our life, even though we only tend to remember the latest change. During a period of change, fear of the unknown is something natural. In the case of this period of change, being on the frontline and playing role in it, I can see that it is an exciting one. We are part of a project to consolidate a large part of the travel retail industry, and become its leader. Regardless of the unknown, it is a unique and interesting time for all of us and as such, my advice is to be positive and to embrace the change. Let’s go with the flow. Let’s choose realities over rumours and not be rash in making judgement calls. As one guru once said, we have to take things ‘match-by-match’, step by step.

Tell us about yourself. What do you like to do outside the office?

I'm lucky to have a lot of hobbies, but paradoxically, the one I most like is travelling. There is no greater thing than discovering new places and new people, especially if they are very different to you what you are used to. Travelling helps to open minds and creates unforgettable memories.

... and now that we are all starting to plan our summer holidays, which destination would you recommend?

I always recommend travelling to any destination that has a duty free store, especially if it is a Division 1 Dufry store! Now seriously, I'd recommend three places within our Division. First of all Turkey, because I find this country to be a paradise for culture and history lovers. Egypt, for the unparalleled experience of taking a cruise on the Nile to discover old Egypt. And

finally, a destination for sun and beach lovers, Cape Verde; a unique place full of contrast and charming people. ■

IN A MINUTE:

A meal: "Papas arrugadas with Mojo" from the Canary Islands

A book: "Leo Africanus", by Amin Maalouf

A city: Las Palmas de Gran Canaria (without any doubt)

A film: "One, Two, Three", directed by Billy Wilder (to learn how to manage a business)

A hobby: Opera. It is not all about football

A leader: My football team on the last day of the season ...

D4 The Polo Ralph Lauren Style Arrives at Guarulhos

Polo Ralph Lauren has opened a shop in Dufry's duty-free store located in the arrivals area at Guarulhos International Airport's Terminal 3 in São Paulo, Brazil. Located in the heart of the "luxury corridor" of famous international brands, the 50m² store offers a mix of exclusive men's and women's wear. Ralph Lauren began 40 years ago with a collection of ties that has grown into an entire world of fashion outfits, redefining American style with its quality products. Polo Ralph Lauren is the casual line of the brand, and offers a full range of classical yet relaxed outfits. ■

connected, allowing customers to naturally move from one space to the other. According to Bhavesh Pattel, Denver International Airport Chief Revenue Officer, both brands complement one another very well and offer high quality products. ■



Kiehl's and Urban Decay shops are connected and customers can easily move from one shop to the other.

D5 More Beauty at Denver Airport with Kiehl's and Urban Decay Openings

Dufry has added Kiehl's and Urban Decay stores to the beauty offer at Denver International Airport. Both located in the centre of the C Concourse, Kiehl's is a New Yorker brand specialized in premium skin, hair and body care products; while Urban Decay, well known for its Naked Palettes, offers lip, eye and nail products. The Kiehl's and Urban Decay shops are physically



“We must always make the most of every opportunity, everyday”.

“Customer first!” – says Peter Cunningham’s, Retail Head – UK, Germany & Finland. This is a principle that has marked Peter’s long career in travel retail. A veteran in this field, he has lead the team responsible of making excellent customer service a standard in the UK airports. Now, with more areas to supervise, he will extend the model to more territories.

Interview by Jorge Muñiz



Peter Cunningham is Retail Head - UK, Germany and Finland, and joined Dufry in 2000.

A seasoned travel retail professional with over fifteen years experience in duty-free, Peter joined World Duty Free in year 2000. He is responsible for 21 airports in the UK, including London Heathrow airport concession. Over the years he has helped to develop several customer service initiatives, which have continually improved business performance and profit contribution. Peter’s team efforts towards customer service excellence where recognised in 2006 when the team won the National Customer Service Award, beating 2500 Retailers in the UK.

What’s the most challenging situation you have faced?

The eruptions of the Eyjafjallajökull volcano in 2010 and the ash cloud that blocked air traffic in most of Europe was probably the single most challenging situation, as it was an unprecedented event. The pressure was on and we had no business because there were no flights and we didn’t know how long this would go on for! What was phenomenal about that year was how all of the business rallied together, from Head Office to the Distribution Centre, our Airport Partners and the teams on the ground. The result was that we managed to pull the lost sales round and still have a very successful year. That said, 2015 has also been an incredibly challenging year with more disruptive issues that I can remember in a long time. To mention just a

couple, in August 2015, our teams had to face a lot of abuse from customers, confused and frustrated, as a result of an intense media campaign surrounding the use of Boarding Passes in the UK and VAT. Moreover, we have also been through some really challenging times in France which have been well documented, with both immigration issues at Calais and the awful Paris attacks. This has been hugely testing but I am confident we can turn this round in 2016 due to the incredibly resilient and dedicated teams we have in the Stores who were fantastic last year.

What’s the key to success for your role in your opinion?

Always being commercially customer focused, delivering great customer service and standards through my teams, that drive revenue for our business and Airport Partners. Constantly working the teams on how they can add value to the business by improving their focus on the customer and listening to feedback from our Airport and Business partners on how they believe we can improve.

In 15 years I have witnessed so many external impacts that really can challenge the business, so you need to be prepared for anything and always be ready to react. However what always comes through is how solid and focussed our people are to protect the business and deal with whatever comes their way. We must always make the most of every opportunity, everyday. We work in a fast paced, dynamic retail industry that is always on the go, 24/7 during 365 days a year.

You mentioned that taking out the most of every opportunity as way of driving a successful operation. But how can this be achieved?

Always thinking about what is right for the customer and how we can maximize sales, giving feedback to the team on what works and calling it, when I believe we are missing that focus. My role in driving sales, is by supporting our teams to deliver great service, consis-

tently across our business. Nobody knows the business better than our teams on the ground and I always ask the opinions of the teams of what is working or not working, if we are to make the right commercial and operational decisions. There is nothing more invigorating than spending time with the teams out in the terminals.

Our teams are well aware that once passengers step through the security scanner a “golden hour” begins. It is all about knowing the flight schedules and shopping habits of passengers, then we can accommodate our shops to what the customer wants. Having the right people, in the right place at the right time, with the right language skills, we can ensure that we can make the most if all those opportunities and drive sales through increased conversion and increased ticket sales.

Do you have any favourite shop?

That is a tough question, as we have many fantastic businesses. Nevertheless - I have to admit -, having spent six years there, Heathrow T3 Main Store is my favourite because I have so many amazing memories there and

together with the team we achieved so much there, including the highest sales in the group for many years, even after Terminal 5 opened. With the support of the Head Office team, Brand and Airport partners we even illuminated the whole Terminal pink for an Estée Lauder Breast Cancer Awareness Campaign! It is very exciting that this store has been one of the ones highlighted for the potential “Dufry Dreamstore”, which is a new chapter in the group.

What does Peter do outside the office?

I have two children, Mia 11 and Charlie 8, so as you can imagine, with all the travelling around in the job and nights away, when I do get time at home it is with my kids. I am the coach of my boy’s Under 8 football team so most weekends are taken up with training and matches. I also love a game of badminton and find this is a good way to release the stress of the day, but travelling has reduced available time for this. I also like to go on holidays to Spain so that I can practice my Spanish, but I need to practice more as I am always very impressed at how our international colleagues speak such amazing English. ■

D3 Nuance Sweetens Bengaluru with Choko La Chocolates



Choko La offers India inspired chocolates in exotic flavors.

2016 started in the best way at Bengaluru International Airport, India. Choko La chocolates will now be available for international travelers at the Nuance duty-free shop’s confectionary section. Choko La, India’s premium chocolate brand, will offer India inspired chocolates in exotic flavors such as chili surprise, tropical coconut, dark mocha and fennel fusion. About this opening, Dimantha Kinigama, Nuance India Country General

Manager, said: “Choko La is one such addition and I am sure it will add cheer to the celebrations of our customers, especially of those ones with a sweet tooth”. ■





HQ Logistics Workshop – ‘The European Supply Chain’

Supply Chain is pivotal to the operational success of a retail company. Integrating the several different existing supply chains of Dufry, Nuance and World Duty Free into one single organization poses a challenge to the Company. Apart from the technical aspects and the human factor to consider, discussing current and best practices will be key. Therefore, a supply chain workshop was held on January 20th and 21st 2016 at the Dufry headquarters in Basel.

By Lubna Haj Issa

The intention of the workshop was to bring together different people from the logistics community across Dufry, Nuance and World Duty Free, and to present the various changes affecting all operations served by the European Distribution Center. These changes will have an impact on many areas of the business, including Operations Service, Purchasing & Planning and Warehouse & Transport.

The European Distribution Centre will begin by serving all Dufry & Nuance operations located in Europe, Africa and the Middle East, with core category products; tobacco, liquor and confectionery, as well as fragrance & cosmetics. Since the closure of the warehouse in Embrach, Switzerland, operated by Kühne & Nagel, at the end of 2015, the Fiege warehouse in Oftringen, Switzerland, is the only warehouse supplying these

locations. Fabrizio Graneris, Supply Chain Director, explains the decision: “This is the result of the consolidation of the two Swiss warehouses, the Dufry warehouse in Embrach and the Nuance Oftringen warehouse. The service was tendered, both the former service providers presented a bid, and Fiege made the better offer, winning the bid. It is expected that these changes will achieve immense savings.”

Wayne Hughes, Logistics and Customs Manager Europe, introduced the new combined warehouse to the workshop audience: “We now have a total warehouse space of 12,500 m², versus the 20,700 m² that we previously had in the two separate locations. In addition, there is an area of 2,000 m² available that can be used for trading peaks. In this warehouse we handle 45,000 active items across all categories and we serve more than 20 coun-

tries, with more than 50 ship-to-locations. The optimized flow of goods, sophisticated storage solutions and the additional cross-docking area are further benefits. This distribution centre indeed offers many opportunities for future growth. A team of 60 warehouse clerks as well as 10 administrative employees currently support the business needs, with the further benefits of additional staff available on short notice through the concepts of a Multi-User warehouse complex. This places the company in a position to better deal with any seasonal peaks which may arise."

Other topics presented were the change of the company name from Dufry Travel Retail, DTR to International Operations Services Switzerland, IOS (CH), the change in IT systems from Navision to SAP, and the new organizational structure.

To bring together key stakeholders, supply chain has created a platform to exchange ideas and to openly discuss issues such as terms of transportation, documentation requirements, customs regulations and packing lists. Furthermore, Constantinou Eliopoulos, Logistics Director at Hellenic Duty Free Shops, presented the launch of a new global initiative called "Project Lean" that aims to achieve reductions in assortment, stock and business complexities.

Matthias Knauber, EMEA Distribution Center Head of Global Logistics, commented positively about the outcome of the workshop: "The meeting was a complete success and well-received by the attendees, who appreciated the open communication and detailed information that is necessary for their daily work. We are all very confident that the supply chain will remain a reliable service provider." ■



One of the intentions of the workshop was to bring together different people from the logistics community across Dufry, Nuance and World Duty Free.

D4 A Very “Aircrafty” Duty Free Store in Sao Paulo

Dufry wanted a state-of-the-art duty-free retail store at Sao Paulo Airport, with a new and original concept covering the creativity and design expectations of a global market. The project, no doubt, constituted a challenge, as the company’s vision is clear: to become the most innovative and profitable firm in travel retail.

The Spanish company Marketing Jazz took up the gauntlet and developed the concept “Travel safely” – a phrase often used when someone is setting off on a trip – to create the design for the 169 m² shop.

They designed aircraft wings for the walls to display multi-brand product ranges and created a runway for the ceiling combining with the floor to create a wrap-around environment.

The graphic communication also shows a re-interpretation of the traditional aircraft cabin windows. Inside, promoted products are presented by the use of luggage carts also specially designed for this commercial space.



The new store concept in Sao Paulo is full of elements recalling aircraft.

According to Marketing Jazz, “this project constituted a leap in terms of the client’s demands, the degree of professionalism required and also in terms of focusing our new services of creativity and design on a global market. On the one hand, it was something new for us to work in the highly competitive and regulated world of travel retail for a market leader, which. While on the other hand, creating a new and original concept while developing the entire design project remotely from Madrid without visiting the point of sale in Brazil was a unique experience. And all of this in the record time of one month.” Challenge met. ■

D4 The Big Heart of Dufry Mexico

Employees of Dufry Mexico participated in the social work program “No kid without a toy” organized by INPAVI-Integración Para la vida (“Integration for life”), an international Non-governmental Organization. Their purpose is to transform the society in order to help favor social inclusion of the most underprivileged sectors.



On January 16th, a group of Dufry employees and their families participated in an event where 1,495 toys were donated to more than 360 children with limited income and resources.



The beneficiary families came from a small community in the city of Atlacomulco, Mexico. The NGO INPAVI recognized the efforts of Dufry employees who supported this good cause with volunteer activities and donations. ■



World Duty Free to Fund The Dementia Research Infoline

Dementia is not a disease in itself, it is a definition used to describe a group of symptoms that occur when brain cells stop working properly and die off. Because of the high impact these symptoms have in everyone's life, it is of great importance to get people informed about dementia. This is what Alzheimer's Research UK does - and from on with the support of Dufry.

By Mónica Subietas

People with dementia may start to have problems with remembering, thinking, concentrating or speaking. They may find it more difficult to do everyday things and their behavior or personality might begin to change, so they start saying or doing things that seem strange.

Not everyone gets all of these symptoms at once and at first they may just have one of them. Slowly but still, the impact in people's life (the patients and their relatives) gets extremely high. By fundraising The Dementia Research Infoline, World Duty Free staff will help Alzheimer's Research UK - the leading dementia research charity in the country - provide more people with information about dementia, how they can get help, and what's being done to cure it. The funds will also help the organization to sign up more volunteers to take part in medical research.

The Dementia Research Infoline

The Dementia Research Infoline is a telephone, email and letter service that offers help to anyone wanting to:

- Learn more about Alzheimer's and other forms of dementia
- Find out about, or get involved in, the latest dementia research
- Find out what other organizations there are that can help

Many people think dementia is a natural part of ageing, but this isn't the case - it is caused by different diseases of the brain, being Alzheimer the most known. But there are many others.

For more info about dementia please visit Alzheimer's Research UK website at www.alzheimersresearchuk.org. Help us spreading the word! ■



“Emozioni”, a delicatessen temple at Malpensa airport

Milan Malpensa Airport went recently through a re-vamp and makeover as part of its ambitious expansion project. With the goal of offering travelers arriving into Milan a taste of the city style and comfort, the commercial area was split in two big spaces: Piazza del Lusso (Luxury Square), with luxury shops of the most prestigious brands, and Piazza del Gusto (Taste Square). The renewed retail offer Piazza del Gusto has been now completed with the opening of “Emozioni” (Emotions), a 490 m² delicatessen store operated by Dufry with a selection of the best domestic and international food products and wine.

The new space features a modern design with charming spaces and an attractive lighting enhancing the selected product range. Well trained and dedicated staff will welcome and assist the customers, while tastings and cooking shows will be offered to improve the shopping experience and to create a very unique atmosphere. The contemporary-designed wine cellar includes 100 different labels that will satisfy both wine lovers and experts. “Emozioni” will provide customers with a top quality offer, letting them discover some of the Italian delicacies with the opportunity to take a little piece of Italy home. ■