

DUFRY WORLD


WorldClass.WorldWide.

**CORPORATE
MAGAZINE**
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December 2019



 Quo Vadis Dufry? **7**

 Interview with Yves Gerster **12**

 Driving Employee Experiences **4**

Employee Satisfaction Supports Customer-Centric Business Model and Drives Operational Performance



The articles in this issue of Dufry World show very impressively how overall employee satisfaction and engagement positively influence the customer-centricity of our business model and drive operational performance. Reading the respective stories, you will see how the equation of satisfied employees leading to satisfied customers and ultimately to improved sales, works perfectly. It has allowed us to accelerate continuously performance over the last quarters and to achieve some important growth steps for the future.

Positive feedback from our employees

25,213 colleagues – which represents 73% of our total workforce – have participated in this year’s Employee Engagement Survey, which as such is already an excellent result. But more importantly, is the feedback that we have received, as this allows us to assess the level of satisfaction within our company. 75% of those surveyed said they were satisfied to be working at Dufry. This clearly positions us above the travel retail industry average of 63%, and 78% of our col-

leagues would also recommend Dufry as an employer. I am really pleased with these results as we have been working intensively over the past three years with several initiatives such as ONEDUFRY and Women@Dufry to foster engagement and contribute to a modern working environment. Read the fully story in this edition of Dufry World.

Delivering one global, more customer-centric Business Model

If you are interested to learn where our company is heading for, I recommend that you read “Quo Vadis Dufry”. The story is an excellent overview of where we have come from, what we have achieved, what the current challenges are to our internal development, and how we need to change to reach a better customer-centric business model during the acceleration phase from 2019 to 2022. We have already covered some of the stages of the acceleration plan in the last edition of Dufry World. This time we want to focus on providing a fuller picture to give a better understanding of where Dufry is today, where we want to get to and the outline of our plan for the coming years.

Acceleration of organic growth and cash flow generation

Organic growth has continued to accelerate in the third quarter of 2019, reaching 4.1% and benefitting from solid contributions from new concessions and like-for-like growth. With the continuous improvements seen quarter by quarter, organic growth for the nine months further improved to 2.9%, which shows that we are on the right track to achieve our targets. Excluding South America’s organic growth for the nine months amounted to 5.4%, indicating that most of our operations delivered a good performance. In the first nine months of 2019, Dufry’s turnover

reached CHF 6,682.0 million, while our Gross Profit margin expanded by 40 base points to 60.3% over the period. This improved performance underlines and strengthens once more our cash flow generation capability, with adjusted operating cash flow coming in at CHF 805.3 million and Equity Free Cash Flow amounting to CHF 406.6 million. We have consequently confirmed to the financial community and our shareholders our medium-term goals, with an average Equity Free Cash Flow target of CHF 350–400 million and the medium-term organic growth target of 3% to 4%.

Successful renewal of Spanish concession

The agreement with AENA for the successful extension of our contract in Spain can be considered the business highlight of the third quarter. I am very pleased with the renewal of this long-term partnership for up to five years, as we have managed to improve some of the operating conditions and the minimum guarantee (MAG) containing a lower annual increase than before, now amounting to 1.56%. In recent months, Spain has improved its performance, driven by our successful commercial initiatives, and as, with the rolling out to further locations of the best practices already tested across five pilot airports, we will be able to further increase the profitability of the operation.

Further growth steps and positive market developments

In October, we have been able to announce to the market two important acquisitions done through our Hudson subsidiary in the US, in line with our strategy of focusing on small and mid-size acquisitions.

The Brookstone acquisition, which includes 34 stores and the exclusive right to expand further the brand in US airport retail and to sell selected Brookstone products in our Hudson stores, further strengthens our duty-paid business in the United States with a well-known local brand and provides new opportunities to grow this resilient channel.

The second one, the acquisition of OHM Concession Group LLC adds new food & beverage concession capabilities, but most importantly also brings additional food & beverage skills and know-how to our group. This will allow us to expand our footprint across North America and to penetrate further the attractive airport food and beverage market. The acquisition will add approximately 60 additional food & beverage units to the existing 50 currently operated by Hudson. OHM Concession Group LLC generated sales of USD 62 million in FY 2018.

Moreover, good news also came from the Brazilian government, who have approved the increase of the duty-free allowance at arrivals, which will double to USD 1,000, effective as of January 2020. This is a considerable improvement, as we will be able to

extend and increase our product assortment in the country, offering higher-priced products in the USD 500–1,000 range, and also increase the potential spend per transaction up to USD 1,000. ■

Division News **9, 14, 21, 25**

People **12, 15**

WorldClass **4, 18, 23**

Key Story **7**

Favorite Shop **28**

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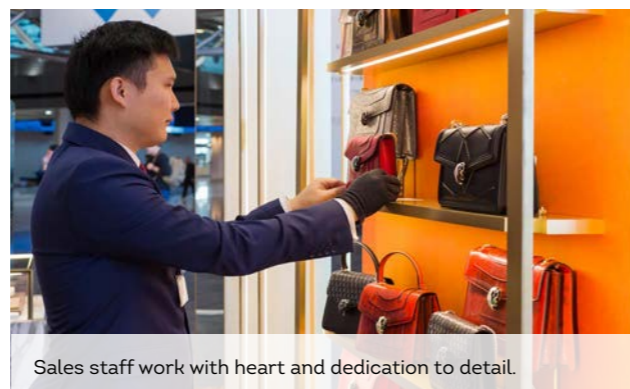


Driving Employee Experiences to Create a Great Place to Work and Grow

At this point in time, the results of the Engagement Survey shouldn't be new to you. And the general score of 78 points out of 100 has resonated across all our operations as part of the results cascading process. But what does this really mean?

By Pantelis Valentzas

In the last few weeks, you are bound to have heard about the results of our 2019 Engagement Survey. Your line manager has probably shared the results with you, along with the strong points and areas for improvement. The overall engagement level and the amount of improvement on the last survey are results to be proud of, especially given the changes to the working environment at Dufry over the last few years. However, you may not be that familiar with what this survey is, what it really measures and, more specifically, why this is so important for Dufry. The 2019 wave of the Engagement Survey started back in June with an email invitation sent to all of our staff. Over 25,213 Dufry employees – representing



Sales staff work with heart and dedication to detail.

73% of our workforce – took part in this anonymous survey, which was carried out by two reputable external consultants: Willis Towers Watson for the vast majority of Dufry and McLean for our colleagues in Division 3. But what is the actual purpose of such a survey? In a nutshell, an employee engagement survey measures the degree to which employees feel valued in a company. And it is interesting for large companies such as Dufry to track progress on a regular basis. The last survey of these characteristics took place when Nuance and World Duty Free were integrated into today's Dufry. We also know how much the company has changed since then! As such, it was about time to run a "health check" on our company.

Why is this important for Dufry

If you are familiar with the ONEDUFRY principles, you will know that engaged employees lead to satisfied customers, which in turn drives more sales (and hence business results). This very simple equation, which applies to Dufry and for all companies worldwide, encapsulates the importance of surveys such as this one, which we have recently run for Dufry.



We all are aware that without creating a great place to work and grow, it is difficult to drive positive business results, which is the primary objective of any company. The engagement survey allows managers and employees at all levels to understand what is working well and what is not, in the light of this common objective of creating the right environment for each of us to deliver our best.



And although the ultimate objective should be 100 points out 100, the results of this global survey give all of

us a clear snapshot of where, as a company, we have to focus in the next few months in order to build upon that objective of creating a great place to work.

Alignment with ONEDUFRY

An employee engagement survey is conducted with one or more purposes. The survey questions serve to give the management an insight into employees' perspective on changes in the organization, their motivation to be productive, how closely they relate to the work culture and mission, etc. As previously mentioned, this global pulse taking comes almost 3 years after the previous one and in the wake of profound changes within our organization and to our ways of working and behaving.



ONEDUFRY, the program launched in 2018 to mobilize hearts, minds, and hands (see Dufry World Issue 27), was intended to give cohesion to that change, identifying the drivers that would permit Dufry to succeed in creating a great place to work and to drive results. Being part of a great team, belonging to a fantastic company, having learning opportunities led by inspiring leaders, enjoying career development opportunities, experiencing motivation, recognition, reward, and being engaged in internal cooperation are some of the Dufry drivers that are used in this survey to measure employee engagement. Moreover, this 2019 edition of the survey not only evaluates the general climate in the company, but also the progress made towards ONEDUFRY in general.



The global picture

Naturally, what it is critical in one area may not be so crucial in other parts of Dufry – even in the same location. However, we can extract several global headlines

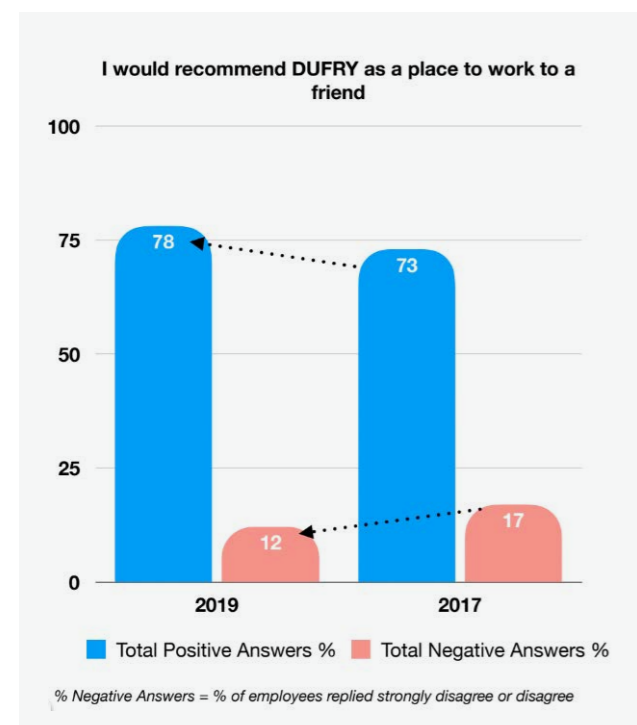
from the survey. Without going too much into the details – something that we encourage you to do with your line manager – our staff continues to be our greatest asset. Teamwork and reliance on our colleagues' work ranks high in the results, as do our understanding of what is expected of each of us, what our responsibilities are at work and the freedom to use our skill and abilities to achieve the objectives. Recognition for work done, a clear career path, and development and cooperation between departments seem to be the clearest areas of development for Dufry on a global basis.



Benchmark

As the saying goes, sometimes you cannot see the wood for the trees. And while this is an area for future improvement, 75% of us responded that we were satisfied with working for Dufry (vs. the retail industry average of 63%), and 78% would recommend Dufry as a place to work.

Tracking employee engagement is important in determining whether or not your employees are happy and how long they will stay with your company.



We need to talk: next steps

What is next after knowing the results? Simple: reinforcing what we do well and improving areas where we are weak. Changes do not happen overnight, however; they require work and effort. But every issue requires a diagnosis – and the survey is just that.

Now is the time to sit down with your line manager and go through the results in detail, discussing what is working, what isn't, and jointly putting together an action plan. The work that needs to be done extends to all levels of the organization, so do not expect there to be a global fix. The survey has set the course, and senior management are putting the areas of improvement at the top of the global agenda and ensuring we are moving in the right direction. But in most of the cases improvements will come from that individual plan that you agree with your manager and from your more detailed conversations.



The HR team is here to help, to spark and enable these conversations. So please do not hesitate to engage with us and let us work together to make Dufry a WorldClass place to work and grow. ■



Quo Vadis Dufry?

For those who are not that familiar with Latin languages – or are not so much into 1950's cinema thrillers – Quo Vadis is a Latin expression that means, "where are you going?" Often, our day-to-day work does not let us see the bigger picture and understand where our company is heading. Hopefully this short story will give you a better understanding.

By Jorge Muñoz

The rear-view mirror

It is important to look in the rear-view mirror; seeing what we have achieved to understand where we are now and where we are aiming to be. The last 15 years for Dufry have been a story of growth and delivery. Since the creation of the current Dufry in 2003, Dufry has gone through two distinct phases.

Between 2004 and 2012, we established the foundations of what our company is today. The IPO of Dufry in 2005 was followed by a number of acquisitions, which permitted Dufry to obtain critical mass to become the industry leader and a geographically diversified business. Between 2014 and 2018, the transformation of Dufry took place, with two key milestones: the transformational

acquisitions that permitted Dufry to expand substantially its reach and turnover, and the transformation of the company – and the adoption of a strong Business Operating Model (BOM) – that followed.

The new context

We are living through a digital transformation in our industry. And much as travel retail is "a world apart" in the retail sector, our industry is changing too. Moreover, at a very fast pace. The changes in the consumer profile and buying patterns are perhaps a more critical factor for our business. The prominent role of low-cost carriers (which are driving passenger growth), the increasing relevance of hyper-connected consumers (millennials and Generation-Z consumers) within the wider profile

of shoppers and the change in duty-free shopping motivation (from price to value, experience and service) are factors that have changed the shape of our customers. In addition, for the next phase in the Dufry story, we have to adapt our business to meet their requirements.



Digitalization is a key part for Dufry.

Acceleration phase

The 2019 to 2022 period is meant to be the acceleration phase and pursues one ambition: to deliver a one global, more customer-centric model that permits us to drive growth.

This phase is to be built around four major levers:

1. Integrated commercial platforms, closer to the business
2. The Retail Store Excellence Program
3. Small and medium-size acquisitions
4. Expansion of the travel retail market value

Both the commercial platforms and the 'Retail Store Excellence Program' were covered in our last issue of Dufry World, as both of these initiatives are also pioneering new ways of working within Dufry. But we couldn't omit them here as they play a fundamental part in the short-term growth of our company.

With the integrated commercial platforms – led by Nigel Keal – we are bringing commercial decisions closer to where our business is made, reducing complexity and the time-to-market of our commercial decisions and the execution of commercial initiatives. With this new model, we continue to take advantage of Dufry's robust global commercial structure but we are now more connected to the operations, ensuring a closer collaboration between global and local teams and a better understanding of each individual market. As a result, the commercial function is more agile and, crucially, more responsive as it permits us to react quicker to market changes.

The 'Retail Store Excellence Program' is probably the most visible part of the initiatives, as it involves revisiting what we do in store with the sole objective of increasing interaction with our customers as a way of driving higher average spend. It is bringing to life our aspiration of being a WorldClass retailer, and we can do this by em-

powering teams through strong leadership, staff planning and improving their selling capabilities, enhancing in-store communication and, of course, by developing the stores of the future.

As part of the growth plan in the medium term, we will also consider potential acquisitions of small to medium-size companies that can be easily integrated. The recent acquisition of RegStaer Vnukovo and OHM Concessions in the USA are examples of these potential acquisitions that come to complement our portfolio. Lastly, the most ambitious part of our plan includes the expansion of the travel retail market value. That is a longer-term objective, but we are beginning to see the first results. Brands continuously recognize travel retail as a relevant channel and a unique opportunity to position certain products in front of a very attractive audience. At the same time, landlords are continually investing in improving the retail spaces as a way of increasing their non-aeronautical revenues. We can leverage our global footprint (2,300 shops in 64 countries) against our capacity to generate memorable shopping experiences, an asset that not many retailers can claim to have, and maximize the opportunities to generate additional growth.



The acquisition of RegStaer Vnukovo is an important asset in Dufry's portfolio.

Back to the future

Much as it is not possible to scrutinize the future through a crystal ball, or drive a Delorian to 2022 to see if our strategic plan delivered the desired results, we can play the game of imagining what the Dufry of the next three to four years will look like! Moreover, what we can see is that Dufry has adapted retail concepts, shops and product assortment to meet the new needs and desires of customers: multiple commercial formats feature Dufry-exclusive products, limited editions and novelties created in close partnership with our brand partners. That digital technologies are present throughout the whole customer journey, expanding the number of touchpoints Dufry has with customers; that we have really managed to deliver a 360° in-store experience and have the capability to engage (and surprise) our customers in a new way. The "bad news": we still cannot see flying skateboards (as we would have liked to!), but the future looks promising for Dufry. Are you ready to take this ride with us? ■

D4 Extension of Concession by AENA for 26 Airports in Spain

The Spanish airport operator AENA SME S.A. has decided to extend Dufry's current concession contract to operate duty-free shops across the total of 26 Spanish airports for a minimum of three and up to five more years. The maximum duration of the extended contract will therefore be October 31, 2025. Dufry will implement and rollout to other airports the commercial initiatives and best practices which have been successfully launched and tested across five pilot airports (Barcelona T2, Malaga, Alicante-Elche, Gran Canaria and Bilbao) since June 2018 as part of the common program to identify and implement actions to improve commercial perfor-

mance. These initiatives included pricing policy, improvement of shop design and layout, product assortment and brand optimization, marketing and digital partnership actions as well as sales staff incentives. ■



Malaga Airport is one of the 26 Spanish airports where Dufry's concession was extended until 2025.

D3 Agreement to Acquire 34 Brookstone Stores

Hudson Group has signed an agreement to acquire assets related to the operation of Brookstone stores in US airports. Hudson has also obtained the right to be the exclusive airport retailer to operate Brookstone stores through a license agreement. Brookstone is an established American brand, well known for its unique selection of innovative products in the travel and wellness sectors and in the home and entertainment categories. As part of the agreement, Hudson will also have the exclusive right to sell select Brookstone merchandise in its travel convenience stores. The agreement covers 34 airport stores, of which 30 are currently

open and operating. Of these 34 stores, 33 stores are in airports where Hudson has existing operations. ■



Carry On is one of the Brookstone stores that Hudson has acquired.



Brookstone is an established American brand well known for its unique selection of innovative products.

D3 Acquisition of Food and Beverage Operator in the USA

Hudson Group has signed an agreement to acquire a controlling stake in the assets of OHM Concession Group LLC (OHM), an award winning food and beverage concessions operator in North America.

The addition of OHM adds notable food and beverage options to Hudson's existing concessions catalog and complements Hudson's current footprint in the quick service restaurant space.

Puck, the Bracket Room Sports Lounge, Chick-fil-A, Currito, Dunkin Donuts, Jamba Juice, Einstein Bros. Bagels and more will provide travelers with a variety of culinary options in travel hubs across North America.

Based in Missouri, OHM was founded in 1998 and is privately held. OHM operates restaurants at 13 airports across the US. Well-known OHM food and beverage (F&B) concepts such as &pizza, the Kitchen by Wolfgang

Puck are subject to customary closing conditions. The transaction is expected to be completed in Q4 2019 or Q1 2020. ■



The acquisition of OHM enhances Hudson's current footprint in the quick service restaurant space as in the picture &pizza.



The Kitchen by Wolfgang Puck is one of the well-known OHM concepts.



Modern and spacious food and beverage operations.



“South”

“South”, published in 1919, is Ernest Shackleton’s account of the Endurance, his third expedition to the South Pole, and probably one of the most thrilling ones. It tells the story of the shipwreck of the Endurance and the efforts of Shackleton and the crew to survive.

Far from, the epic of this early 20th-century expedition, Yves Gerster, Group CFO of Dufry, navigates the rough seas of the financial markets these days and in the interview he tells us a bit about his background, how he made his way up to become our CFO, and the complex scenarios he is handling in his new role.

By Renzo Radice

There is no doubt that 2019 will be a year to remember for you. After 13 years in various positions at Dufry, you have progressed to become the group’s CFO. What have been the main highlights over these years?

For me personally, the key highlights were all the projects and especially the acquisitions. If I have to highlight one specifically, it is probably the one in Greece in 2012. We had to work with a complex structure, involving a number of elements, which had to be orchestrated seamlessly to make it work. From a finance perspective this included several local and global financing arrangements, various regulatory hurdles, the initial rating by the agencies Moody’s, Fitch and Standard and Poor’s, as well as many other elements. At the same time, we had to convince the lending banks and other stakeholders that an investment in a Greek company, at the peak of the Greek crisis, was actually not a bad idea. And in hindsight, we all now know that it was actually a brilliant idea!

Markets seem to be living through strange times. With the trade war, Brexit, currency devaluation, and political uncertainty here and there – amongst many other factors – it does not look like it is “the best sea to sail”. How have the first 9 months as CFO of Dufry been?

There are indeed some challenges, but this is what actually makes it a great sea to sail. If you are looking for a lull in the wind, Dufry is probably not the right place to be! I believe that things are never purely good or bad. But in most cases, something which at a first glance seems to be a threat can in fact be seen as an opportunity. You mentioned Brexit, which is probably the perfect example of that. Indeed, the current discussion around Brexit bears certain risks for the company. The Pound Sterling may devalue, which may result in different traveling behavior among British passengers. However, it also brings two potential advantages. Traveling to the UK and especially spending money in the UK may become more attractive for trav-



Yves Gerster is since April 2019 Chief Financial Officer of Dufry Group.

elers visiting the UK – which incidentally, is exactly what happened two years ago, when the result of the referendum was first announced. And the second, much more important factor is related to taxes. Once Brexit finally happens, all sales generated with passengers traveling from the EU to the UK and vice versa will become duty free post Brexit. This has an immediate positive effect on our profitability.

All economic indicators seem to be anticipating an economic slow-down. How prepared is Dufry for such a scenario?

I am not yet entirely convinced that the global economy will enter into a recession in the next 12 to 24 months. The economic data is certainly weak and we may see some quarters with very low growth. However, I believe that we may have reached the low point. A key aspect remains the trade war between the US and China. How it evolves over the next quarters is the key risk for the global economy. At Dufry, we are as prepared for such a scenario as one can be. There are two factors that are important to mention. Firstly, we have a very flexible cost structure, which minimizes the effect of a sales downturn on profitability. The second element is our disciplined financial approach when entering into

new opportunities, be it new concessions or acquisitions. We give high importance to returns, cost control, and cash generation. Even in a scenario of a downturn, there are some self-healing initiatives we can launch, which allow us to mitigate part of the risk. Our global footprint also means that we are less exposed to local or regional impacts. A slowdown in one region has a relatively low impact on the group. Normally when something like this occurs, we are able to compensate for the lower turnover in one country by additional sales in other locations.

On top of all of the above, you are continuing the task of educating the market on our business, especially with the accounting standards. What are, in your opinion, the metrics a CFO should always monitor in a company like Dufry?

For me, it has always been cash. Maybe I am biased, because I used to work as treasurer for many years. The accounting is obviously important, no doubt about that. However, it represents an interpretation of a reality. You will always find many different interpretations of the same topic, when, actually, none of these interpretations are factually wrong. With cash, it is different – cash is fact.

Dufry’s operational business has always been a very strong cash generator. Given that we have neither any of our own production sites, nor R&D or any other structural elements tying up a lot of money for the operational business, we have always generated a substantial amount of cash. So probably, the most relevant KPI that we are reporting to the financial markets is Equity Free Cash Flow. The group is currently generating around CHF 350m-400m every year.

What’s your biggest challenge right now?

Managing the expectations of the financial markets. Investors, analysts, and the press in general seem to have a hard time understanding all aspects of our business model. We are sometimes confronted with arguments that lack any basis. And we also see, for example, analysts trying to “build a story” based on issues that they believe to be having an impact on the business, but in reality do not. One of the challenges is that it is probably difficult for the financial community to “pigeonhole” us, or put us in a clear box. We are at the crossroads between retail, the travel industry, and luxury. It is also difficult for the market to find peers that allow the comparison of our performance against other companies. The reason being that even if we look at our industry and our competitors, there are different factors making a clear difference individual players. Some of them are privately held and do not disclose any performance information; some of them are part of a larger conglomerate, who again do not disclose data at this level of detail, while others have different business models, e.g. focusing more on downtown locations, like the Koreans. All these factors complicate the comparison of Dufry and our achievements against other travel retailers.

What do you think you need to become a CFO? Not just at Dufry, but in general terms.

I believe it really depends on the company, and that is true not only of the CFO role, but many others, too. I was the treasurer of Dufry for more than a decade. During that time, we completed a number of large-scale acquisitions, which had to be financed by debt. As a treasurer, I became a specialist in complex financing arrangements. I also had regular interaction with the financial markets, including banks, investors, and other stakeholders. That background was also one of the building blocks for my move to become CFO of Dufry, as it further widened my experience and allowed me to prepare for one of the important responsibilities of a CFO: to interact with all stakeholders of the finance industry, going beyond pure treasury.

Sustainability, and particularly anything related to climate change, seems to be a key priority on most corporate agendas worldwide. What’s your view on that, and where does Dufry stand in regard to this?

We have done a lot already in that respect, but there is still a long way to go. It is important that we read the Zeitgeist (spirit of the times) properly and meet the needs of our customers and stakeholders alike. When talking to the markets, we are getting more and more questions relating to this topic. It is critical for us to make a meaningful contribution to the societies and the environment in which we operate.

Additionally, it is important to understand that today the term Corporate Social Responsibility goes beyond purely social and environment aspects, as it did in the past. Instead, the focus is also on other topics such as health and safety, corporate governance, compliance, and diversity, to name but a few. Thus we need to be aware and aligned with today’s and future requirements of this kind, as there is an increasing number of investors focusing on these topics, before making an investment decision.

Tell us a bit yourself – what do you like doing outside the office? Any real passions – or dislikes?!

Dislikes – not that many. Although, I would definitely dislike it if you put a big spider in my office! In my free time, I love to travel. For me, the journey starts with the planning, which in my case typically takes a lot of time. I rarely stay at a single place, but plan road trips to remote locations far away from the crowds. You will find me hiking in the Engadin region of Switzerland or the Dolomites in Italy. I also love the deserts of Africa or the Atacama in South America. Having a passion for expansive landscapes, I also love to go to the far north of Scandinavia during winter season. Be it snow-covered mountains combined with the deep blue sea in Norway, or Finnish Lapland covered in meters of powdery snow – these are places I enjoy spending my time. I am an enthusiastic photographer and there are so many opportunities for great shots in these places. ■

IN A MINUTE:

- A meal: Sushi, and on a cold winter day in Switzerland, a delicious Swiss cheese fondue
- A book: The Selected Poetry of Rainer Maria Rilke
- A city: London
- A film: Burn after Reading from the Coen brothers
- A hobby: Photography
- A leader: Ernest Shackleton – his expedition to cross Antarctica failed. The ship sank after being trapped in the ice for seven months. The achievement of Shackleton was to keep the crew's motivation up while they were living on the floating ice shelf, and he sailed 1,300 km to South Georgia in a tiny rescue boat to get help. All the men survived.
- An Airport: Carrasco International Airport, Montevideo, Uruguay. By far the most beautiful airport in the world!

Divisions

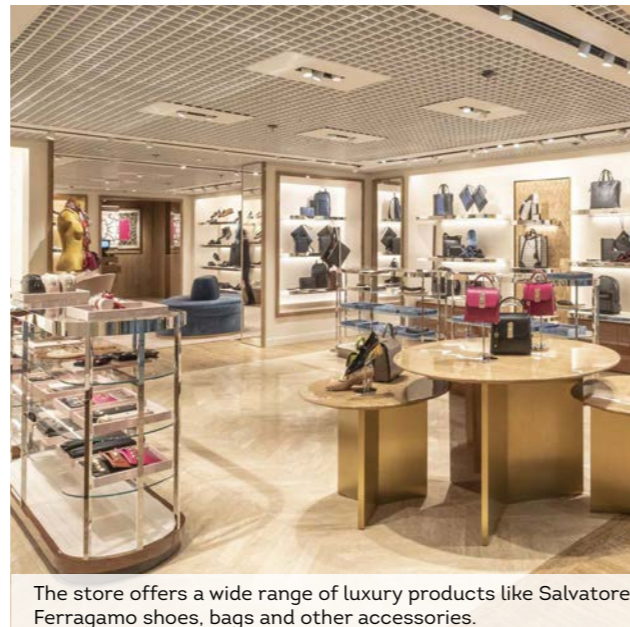
D2 New Salvatore Ferragamo Boutique at Hong Kong Airport

Dufry unveiled its new Salvatore Ferragamo store on October 10, 2019, at Hong Kong International Airport. The store is located in the East Hall of Terminal 1 departures. Fully renovated with fresh, contemporary design elements, the store covers an area of 124 m² and carries a wide range of men's and women's products, including shoes, bags and silk accessories.



The Salvatore Ferragamo store at Hong Kong Airport is fully renovated with contemporary design.

For the opening of the store, Ferragamo hosted a special exhibition to mark the launch of its new iconic bag, BOXYZ. The rising artists Kate Chung, Age of Brocade and Du Meng have created three specially curated art pieces inspired by the bag. ■



The store offers a wide range of luxury products like Salvatore Ferragamo shoes, bags and other accessories.

Behind the Scenes – Five Ladies Brighten Up Headquarters in Basel

When we office people have almost finished the working day, a fantastic team of ladies appears to clear up the traces of busy office life and bring everything in order again, ready for the next day. The housekeeping team members Maria-Pia Fusco, Sultan Sakiz, Yudelka Arias Stadelmann, Paola Rovito-Urso and Romina Urso-Causo are the heart and soul of the Dufry headquarter office building at Brunngässlein in Basel.



From left to right: Romina Urso-Causo, Maria-Pia Fusco, Yudelka Arias Stadelmann, Paola Rovito-Urso and Sultan Sakiz.

By Lubna Haj Issa

The housekeeping team is as multi-cultural as Dufry is. Three of the team members are from Italy, one from Turkey and one from the Dominican Republic. All five women have been with the housekeeping team for over a decade and some of them were already part of the company before it was renamed as Dufry. They are always so cheerful, with winning smiles and full of positive energy! All the office staff love to have a chat with them when they arrive in the late afternoon.

- Maria-Pia (her nickname is "Fiorella") is the longest-serving team member with 26 years of service! She comes from the Eternal City of Rome. She has many anecdotes and stories to tell – one of them is that the team likes to make jokes with the CEO Julián Díaz. Last year they were preparing their cleaning trollies when Julián Díaz passed by and Fiorella told him – much to everyone's amusement – that their "fleet" of vehicles consisted of the luxury brands of one Ferrari, one Alfa Romeo and three Fiat 500s.
- Sultan from Turkey has been part of the "Dufry Family," as she describes it, for 21 years. She arrives full of joy and enthusiasm for each working day and loves to

create a pleasant and clean working environment for her colleagues.

- Yudelka comes from the Dominican Republic's capital Santo Domingo. This island in the Caribbean is a dream destination for tourists. Yudelka has been part of the team for 12 years. She remembers that when she started in 2007, two months later, she attended the Christmas party and Julián Díaz – after he had finished his welcome speech to the employees – asked her to present herself in Spanish! She was very excited and nervous to speak in front of such a big audience, but she rose to the challenge and was rewarded for her courage by winning a camera in the party raffle.
- Paola comes from the historic city of Lecce, in the region of Puglia in southern Italy. Her history with Dufry spans 13 years and she is very proud that ever since she took over the responsibility for the fourth floor, all the orchids are blooming again! She also likes the fact that one of the employees on this floor (we will not mention his name!) is very happy when he sees her as then he knows it will soon be time to go home!

- Romina also comes from Lecce and has been with the team for 12 years. She loves working for Dufry and she has only one wish – to win just once at the annual Christmas party raffle!

Andreas Sziedat, Central Services team leader, explains how important the work of the housekeeping team is: "Cleanliness is very important because it builds loyalty, generates positive praise and drives overall well-being and comfort. Housekeeping is a methodical and repetitive process that requires close attention to detail. To ensure that nothing is missed, the housekeeping team follows the same steps in sequential order on each working floor each and every day."

Above all, whenever they have something to celebrate, e.g. an anniversary or birthday, they invite us for an

aperitif and we have the opportunity to experience their culinary skills as they usually prepare delicious delicacies from their countries of origin.

Making people happy with their dedication also seems to have had a positive impact on their overall luck, which seems to be always on their side. They often win lovely prizes in company raffles, for example at the Christmas parties. Most recently, this was the case at a Camel event held on September 12, 2019, when Paola and Romina won a magnificent gift basket. However, winning prizes is also familiar to their colleagues: Fiorella won a scarf at a Christmas raffle – but unfortunately lost it years later, also at a Christmas party. Yudelka won a camera as already mentioned, while Paola won a watch and some perfume. Sultan was particularly lucky and won the main prize of a travel voucher. ■

Wall of Fame



D2 - Gorica Kerleta,
Senior Sales Assistant,
Belgrade (Serbia)

Gorica is the best example of what a perfect employee needs to be: professional, a provider of great service to customers, a dedicated colleague and a seller with fantastic results and clear leadership skills. Most importantly, Gorica has maintained this great performance during her ten years with Dufry Belgrade. A professional model of performance. Well done!

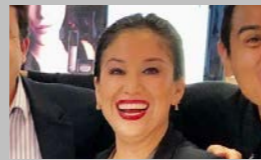


D4 - José Carlos Selayarán
Shift Supervisor and Store Leader,
Carrasco Airport,
Uruguay

When José Carlos started at Carrasco Airport 25 years ago, he knew that was going to be his place. He started as a cashier, but he was made to communicate and engage with customers. He recognizes that the continuous contact with people is adrenaline for him and he loves going to work because no two days are the same. Over these 25 years, José Carlos has shown an incredible ability to quickly assimilate and adapt to the different organizational changes, with his attitude of adaptation to changes, collaboration and support for the continuous growth of the operation and his collaborators distinguishing him. He is an example at a professional

and personal level for his values, engagement with the company and passion he puts into the job. Another example to follow!

Lucy Belinda Martínez
Junior Counter
Manager, Mexico DF
Airport



We strive every day to make our customers' experience in our shops an extraordinary one. The art of selling is not just about getting customers to fill their baskets, but rather about listening, really understanding their needs and expertly advising them on what products to consider and how best to complement their purchase. This skill is one that Lucy Belinda seems to have mastered! At least according to feedback submitted by an executive of a large multinational... to our CEO in Basel! This delighted customer wanted to express gratitude for the service delivered, which he said was the highest standard he had ever received. He especially thanked Lucy for her positive, respectful attitude and willingness to understand what he might want to buy in the store, honoring the saying "I don't want you to sell something to me - I want you to help me find what I want to buy". The experience finished with him taking a selfie shot on his phone, which he then sent to Julian Díaz with his letter of praise and the promise to visit Lucy again on his next visit to Mexico DF. Thanks Lucy for your dedication and congratulations!

Wall of Fame



D1 - Salpie Dekermendjian
Sales Advisor,
Arlanda Airport, Sweden

With a great commitment, a smile on her face and a positive attitude, she spreads joy at the entire Arlanda Pier B, both among customers and colleagues! A superstar on RED by Dufry who delivers world-class service every day, that's our Salpie. Many thanks for your effort. You inspire us all!



D2 - Heghine Hakobyan
Sales Associate,
Armenia

Only a Dufry Armenia member since November 2018, Heghine has rapidly taken over the position as best Armenian tourism ambassador! She is fond of presenting Armenian goods to customers (wines, souvenirs, chocolate) while educating them about Armenian culture and history – an additional value our customers happily take with them after visiting our store! Since she joined the team, she has proven to be an active and committed team member and to have a special skill for handling conflict situations easily and positively. Though Heghine is an economist by education, she has a wide range of interests, which makes her very interesting and gives her a charismatic personality. She likes walking and fitness. Her favorite hobby is sewing. She designs and sews clothes for herself and her family members. She has a little dog, which she has trained to do different tricks.



D2 - Thorn Sopheara
Dalmore Promoter,
Phnom Penh Int. Airport
Cambodia

Thorn joined Dufry Cambodia over two years ago as a sales associate and recently got promoted to Dalmore promoter due to his great sales skills. He puts a lot of passion into his work and brings a deep knowledge of whiskies, which suits him perfectly in this new position. He received the award of Employee of the Month due to his outstanding performance by not only meeting and exceeding expectations when it comes to his behavioral competencies, but also

delivering his personal budget on a monthly basis. He loves playing soccer during his time off and learning new languages (he already speaks English, Vietnamese, Thai, Malaysian, Mandarin and native Khmer!).

D1 - Shanti Pulkkinen
Store Supervisor,
Helsinki Airport, Finland



Most of us here have at least heard what opening a store means. It is a great relief when you see the first customer crossing the threshold and starting to browse. That makes you forget the big effort that many people have put behind that moment. This moment, however, is sweeter thanks to people like Shanti, who made the opening of the MaxMara store in Helsinki her priority, showing an admirable ability to work under pressure and motivating all the teams with a never-fading smile on her face. Thanks, Shanti, for showing that great attitude when it was needed most!

D1 - Dimitris Boskidis
Sales Assistant,
Thessaloniki, Greece



Dimitris joined Hellenic Duty Free in 2011 as a sales assistant. And ever since he has sought to be trained not only within the company, but also on his own and then shares it with us. He loves reading and writing. He had been an employee for just a couple of years when he decided to collect information about all liquors and many kinds of tobacco products in order to help his colleagues better understand our products. He did that by presenting a small book for each category. Besides that, he is an awarded writer and poet. His poems received many awards during the last years. In 2000, he was awarded third prize by the Greek Literature Union. In 2005, he received an honorable distinction from the Publisher's Union of North Greece. In 2008, one of his poems won first prize in a national contest and this year, he was included in the Literature and Art Encyclopedia of Greek Ambiclyons. Furthermore, he started classes at Greece's Open University for math and physics, until this year when he decided to take the examinations in order to enter university and study economics at the age of 43.



Hong Kong MTR Dufry Shops Show Asian Ambitions

The state-of-the-art West Kowloon Mass Transit Railway (MTR) Station on Hong Kong's impressive skyline opened in September 2018 as well as Dufry's duty-free stores. In March of the same year, Dufry has won a five-year contract to run stores in the new station, which is part of a new high-speed railway connection with mainland China.

By Lubna Haj Issa

Dufry operates duty-free shops with a total floor space of 1,500 m² on both the departure and arrival sides of the West Kowloon terminal for the Guangzhou-Shenzhen-Hong Kong Express Rail Link. The departures flagship store spans over 1,200 m², and the arrivals shop 300 m². Both stores highlight Dufry's travel retail expertise and are tailored to meet the needs of Chinese and Hong Kong travelers across the core categories of beauty, liquor and tobacco, confectionery, and fashion, as well as health and wellbeing, which is a very important category in the Asian market. Terminal Manager Jenny Li comments, "Our best performing categories are

liquor and tobacco. These two categories account for almost 75% of our business thanks to a large assortment of Chinese tobacco and cognac brands and our best-selling Moutai (a distilled Chinese liquor, made in the town of Maotai in China's Guizhou province). We are now investing in space to support the development of trending sub-categories such as Malt Whisky and Health & Wellbeing products, which are extremely popular with Chinese customers." Andrea Belardini, Divisional CEO for Asia Pacific and Middle East underlines the importance of this special operation: "Today our duty-free shop is arguably the largest duty-free shop operation



Hong Kong Duty Free shop is the departures flagship store at MTR West Kowloon Station.

in any railway station in the world. Years of preparation have gone into preparing to participate in this highly competitive bid, and in the run-up to submitting our proposal; we tried to develop the best possible intelligence by analyzing passengers' profiles, reviewing performance of adjacent businesses, and creating scenarios to simulate the effect of specific spend-drivers in a train station."

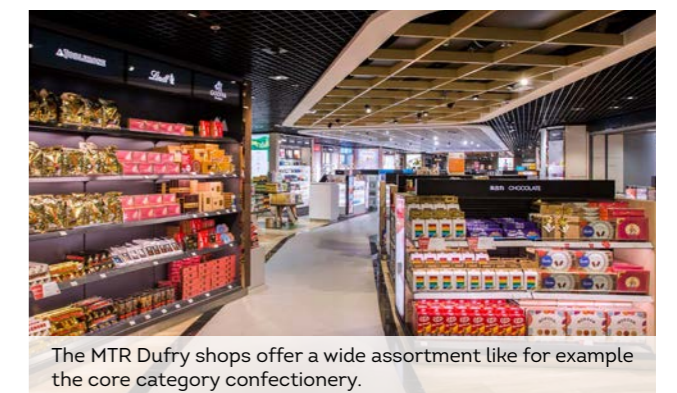


Best customer service and practice is very important at the MTR shops.

The West Kowloon station is part of a 140 km express rail link operating between Guangzhou in the south of mainland China and Shenzhen, which is adjacent to Hong Kong. The railway link cuts travel time between Hong Kong and Guangzhou roughly in half, to about 50 minutes, bringing an expected rise in tourist and business traffic to the dynamic city, which is also a top choice for luxury shopping.

Hong Kong is known as a glamorous and vibrant city and is also recognized as a global business and financial center and a tourist destination. As such, Andrea Belardini is very enthusiastic about the opportunities. Recalling the opening of this development, he says, "One of the most exciting bits was meeting the deadline for the shop construction. Not any standard deadline though! A few days after we were given the space, we were told that the government was planning to inaugurate in just

65 days! I can't praise highly enough the incredible efforts and professionalism of the wider Dufry teams that made it possible to deliver against this tightest of deadlines and helped demonstrate the strength and responsiveness of our company! You can imagine the level of apprehension over the days before the opening! I will never forget the first day of trading. We were walking up and down in the shops with the teams and checking the sales progress at the tills every half hour. What we could see was definitely encouraging, but nothing was more encouraging than closing the first day of trading with sales exactly in line with the business plan!" Chinese customers respond very positively to promotional activities. They like to discover opportunities to win something, whether a discount or gift. We have partnered with the largest payment systems in the market, Alipay and Wechat, and online tour operators like Ctrip, to create joint promotions and offer discounts to these customers to help further boost sales. In addition, the Dufry RED loyalty program is helping to drive footfall into the MTR stores and has become very successful with frequent travelers who use the MTR and at other Dufry airport locations in the region.



The MTR Dufry shops offer a wide assortment like for example the core category confectionery.

The MTR operation includes an arrival store for which a specific wine store concept offering up to 25% discount

when buying 3+ bottles was developed. This promotion has become very popular among frequent MTR travelers. Starting in November 2019, free home delivery to Hong Kong residents buying at departure and arrival stores is another initiative expected to be a very successful, based on surveys we conducted earlier this year.

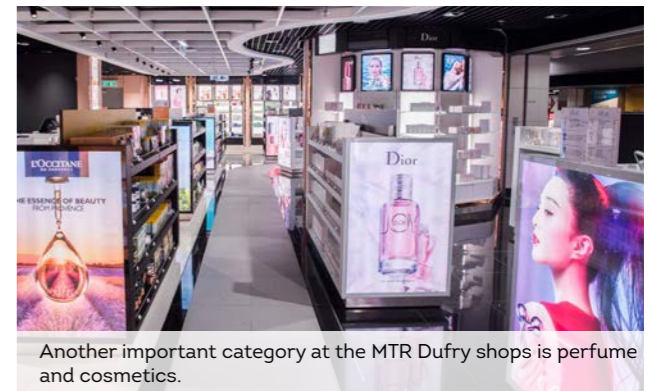
The sales staff at the MTR Dufry shops particularly enjoy the fantastic working environment. For example, Leung Kei Oscar LAM, Shift Supervisor, comments, "I used to work in our Sound & Vision electronic store at Hong Kong International Airport, when I was offered the opportunity to work in MTR in a multi-category store. This gave me the chance to learn new retail best practices such as the use of mobile tills to reduce waiting times for the customers during peak hours, the use of the RED by Dufry app, Alipay, and WeChat to promote add-on sales, and of course learning about new categories. I am delighted to work in this brand new retail

environment and to develop such positive and close working relationships with other members of the MTR Dufry family". Ka Man Karman NG, Shift Supervisor, also expresses his satisfaction: "Great teamwork is a key part of our success and is really evident within the team, from the sales staffs to the cashiers, particularly as our customers usually have a very short amount of time for shopping. The exposure to other categories and specific brand training to upgrade my retail skills have all been a great learning experience. It really is great to be part of the MTR Dufry family."

Finally, after more than a year of operating these shops, Andrea Belardini sums up the experience: "We are very satisfied with the performance of this new business. The reality, however, is that we were dealing with a significant business and the associated risk that it did not have a previous trading history. Since then we have continued to build on the learning curve and delivered a continuous

increase of the 'spend per passenger' that, a year later, is up 42%. Of course, we are now dealing with the challenges posed by the social unrest in Hong Kong, which has caused a reduction in traffic. However, we are taking a very proactive stance as we work closely with the landlord to identify jointly development opportunities."

Hong Kong West Kowloon Station is conveniently located next to the West Kowloon Cultural District. Its unique architecture and beautiful landscape make it a new hotspot for tourist visits and photo opportunities. There are 3 hectares of public space outside the station, including the Green Plaza and Sky Corridor with stunning views of Victoria Harbour as you walk along the Sky Corridor to the rooftop of the station. ■



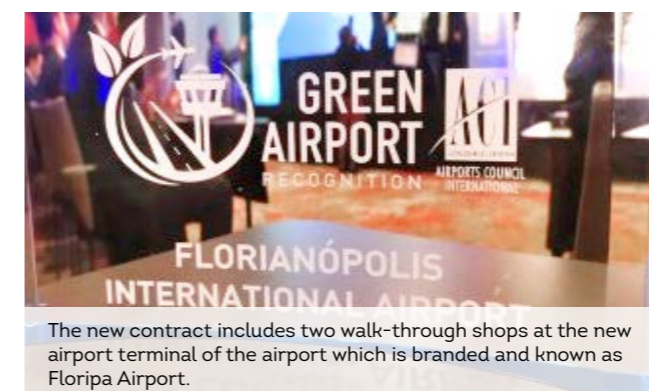
Another important category at the MTR Dufry shops is perfume and cosmetics.



D4 New Contract at Florianópolis Airport

Dufry has signed a contract to expand its presence at Florianópolis International Airport, which is managed by Flughafen Zürich AG. The agreement includes two duty-free and one duty-paid shop totaling 650 m² of additional sales space in the new airport terminal inaugurated on October 1, 2019. This terminal is four times bigger than the existing one and will double the annual passenger capacity, reaching 8 million.

The duty-free shop located in the departures area covers almost 280 m², while the shop in arrivals encompasses over 170 m² of retail space. Both walk-through shops feature an attractive selection of luxury items across several categories.



The new contract includes two walk-through shops at the new airport terminal of the airport which is branded and known as Floripa Airport.

The duty-paid store located in the domestic Departure Lounge will feature two of Dufry's most successful retail concepts, Dufry Shopping and Hudson, combined

in a single store with around 200 m² of retail space, to attract predominantly domestic travelers. ■

D4 Dufry Chosen as "Best Airport Retailer" in The Americas



In the '2019 Regional Duty Free Reader's Choice Awards,' Dufry Group was recognized as the "Best Airport Retailer" in the Americas. The winners were chosen by the readers of the Americas, Asia and Gulf-Africa Duty Free & Travel Retailing magazines, through online voting in seven different categories for each of the three regions. The voters were made up of retailers, suppliers, distributors, airports, airlines and other companies involved in the industry. These awards are digital without a formal awards ceremony. ■

D4 Dufry Opens First Border Duty-Free Shop in Brazil

The new duty-free border shop is located in Uruguaiana, Southern Brazil, at the border with Argentina. It covers 850 m² of retail space and offers customers a wide assortment of products from the traditional duty-free categories, featuring worldwide renowned brands such as MAC, Carolina Herrera, Victoria's Secret, Shiseido, Lindt, Godiva, Johnnie Walker, Chivas, Absolut, Tanqueray, JBL, Lacoste and Desigual among others. Customers will enjoy ongoing launches of novelties, exclusive products and limited editions. In the new shop, customers can also benefit from two of Dufry's best-known customer services: RED by Dufry, the Group's loyalty program, and

Reserve & Collect, which allows customers to pre-order their purchases online. An array of interactive and digital technologies supporting the selection of perfumes and cosmetics helps create a memorable shopping experience. ■



The duty-free border shop is located in Southern Brazil, at the border of Argentina.



D4 New Contract at Mexico City Airport

Dufry has signed a new contract with Aeropuerto Internacional de la Ciudad de México (AICM) to operate three new duty-free shops occupying 1,400 m² in Terminal 2 at Benito Juárez International Airport, better known as Mexico City International Airport. With the new contract, Dufry will manage total retail space of almost 7,400 m², reinforcing its presence in Mexico. The new shops will cover a space of 1,400 m² with different retail concepts, including a main duty-free shop in the departures area, a Last Minute shop offering Dufry's best sellers and an Express shop focused on perfumes.

The new main duty-free shop in Terminal 2, at 1,140 m², will offer a wider range of premium brands across

the main categories, such as perfumes and cosmetics, wine and spirits, confectionery, luxury, fashion and tobacco. The other two shops will cover almost 270 m², comprising a 230 m² Last Minute shop and a 35 m² Express shop. ■



Dufry will reinforce its presence with the new contract at Mexico International Airport.

WorldClass

The Annual Travel Retail Industry Networking Marathon

By Sherin Branquinho

Every year, thousands of travel retail experts from around the globe meet in Cannes to showcase brands and trends, negotiate, celebrate, and network at the annual Tax Free World Association (TFWA) global event. This year was no different: the show attracted over 7,500 visitors, amongst them a team of around 70 Dufry colleagues, based in locations from Vancouver to Russia. As always, every second of the day was filled with meetings, presentations, and workshops while the evenings were occupied with brand presentations, networking events, and the opportunity to meet with colleagues and business partners who are not normally on the same continent, let alone in the same time zone. So, well prepared for the week ahead, the Dufry team put on their walking shoes and headed out on their 2019 journey across the nearly 25,000m² of exhibition space that hosts the TFWA World Exhibition & Conference. Here are the highlights...

By the Trade for the Trade

Erik Juul-Mortensen, President of the TFWA for 19 years, stepped down at the end of last year, and this was Alain Maingreud's first year as TFWA President. As is customary for the person holding this role, he opened the TFWA World Conference & Exhibition 2019 with a 'state of the industry' speech. He gave two direct key messages: 1) that the travel retail industry lacks reliable data to be able to paint a clear picture of the current situation and future outlook, and 2) the importance of investing in sustainability.

It should be mentioned that the TFWA is a not-for-profit organization that is run by and for industry players. About the first point, Maingreud's message was clear: without sufficient and reliable data from all of the industry stakeholders, the TFWA is not in a position to help guide, support, and protect the interests of the

travel retail business; so as it stands, any efforts are blind. For any other billion-dollar industry, this would be unimaginable. The second point was also crystal clear: governments, non-profit organizations and most importantly travelers themselves are asking for us to 'clean up' the aviation and maritime industries, which are perceived as having a big impact on climate change. What is each of us doing to help?

The main Dufry event

Following a long-standing tradition that brand and airport partners now have firmly in their calendars, on the Monday evening Dufry hosted its annual brand and airport partner cocktail event. The event is a networking opportunity for the most senior Dufry management to meet in a speedy and efficient way with the most senior management of the brands and airports that we partner with. Having this group of people in the same room represents a unique opportunity, so brands are delighted to be invited and demand to attend from senior executives always outstrips capacity. In his speech, Julián Díaz thanked our partners for their support and underlined the hard work being carried out with our landlords to defend the contracts we have and keep on expanding. He also highlighted the importance we place in having new and most importantly exclusive products in our stores to offer customers the most exciting and unique experience, and the value of our strong partnerships in order to achieve this.



Key people in the travel retail industry were recognized for their contribution to the sector.

Recognition for Dufry colleagues

Last but not least, there were several 'wins' to be celebrated for Dufry teams and individuals across the business. Dufry was delighted to win in two categories of this year's Sunglasses Vision 2020 Awards: 'Best Dedicated Sunglasses Sales Team' for its team at Zurich Airport and 'Best Marketing Activity: On-Airport'. The Sunglasses Vision 2020 Workshop & Awards are a category initiative co-sponsored and judged by leading sunglasses suppliers De Rigo, Essilor, Kering Eyewear, Luxottica, Marcolin, Maui Jim, and Safilo. Their objective is to "reward excellence in sunglasses retail, shining the spotlight on the most progressive travel retailers in one of the channel's consistently fastest-growing categories".

In a new twist this year, each retailer was allowed to enter only one submission per award category, and, crucially,

the previous year's winners were not able to win an award from the same category in which they were successful the previous year. As Dufry was the winner of the top retailer award in 2018, "Sunglasses Retailer of the Year (Turnover Over US\$2 billion), this year, we were invited to pass the baton to the 2019 winner. At the Frontier Awards, Duty Free News International (DFNI) magazine's annual awards ceremony, the Mondelez entry for a joint Dufry-Cadbury Premier League activation in the 'Supplier Campaign of the Year' category received the highly commended prize, another example of the close collaborative relationship between Dufry and its brand partners.

Jean-Paul Hewlett (Retail Manager, Dufry) was one of the eight winners of 'Talent of Tomorrow', an award that recognizes the achievements of young people (under 35) in travel retail and duty free and that represent the industry's talent pipeline and next generation of future leaders.



From left to right: Rene Riedi, CEO Division Central & South America; Jean-Paul Hewlett, Retail Manager; Nigel Keal, Global Commercial Director and Denis Hourigan, Global Business Development Head.

Sarah Branquinho was given the award for 'Outstanding Contribution' to the industry following her many years as a key player in travel retail and a staunch defender of its interests.



Sarah Branquinho was awarded for her outstanding contribution to travel retail for decades.

We are extremely proud to have the talents of our exceptional colleagues recognized and ask everyone to give huge congratulations to all those who received prizes, either individually or as part of a team.

TFWA 2019 ended on that happy note. Only 312 days to go until TFWA 2020.

We are counting the days! ■

D1 Inauguration of Morocco Stores in Casablanca and Marrakesh

On October 22, 2019, Dufry inaugurated its refurbished stores at Morocco's two busiest airports: Casablanca Mohammed V International and Marrakesh Menara. The inauguration ceremony took place at the new walk-through store in Casablanca Mohammed V International Airport Terminal 1, which initially opened in January after the completion of an extensive refurbishment of the terminal.



The Hudson News shop at Casablanca Airport.

Dufry has a long-standing partnership with airport operator ONDA, having opened its first store in a Moroccan airport in 2002, so the inauguration was also a celebration of the 17-year partnership.

Both Casablanca and Marrakesh airports have recently undergone major renovations; this has given Dufry the opportunity to introduce a new walk-through store at both locations. The design of the stores is light, spacious and reflects a 'Sense of Place' with its Moroccan-inspired design features.



Customer service and best practices at both airports Casablanca and Marrakesh are important for a great shopping experience.

A unique feature of the new Casablanca store is its layout with the core categories placed on one side and fashion, accessory and luxury brands in a multi-brand section on the other. Several brands in both the luxury and core duty-free categories are new, for example L'Occitane, Michael Kors, Nuxe, Rituals, Zadig & Voltaire and Zegna in perfumes and cosmetics. In fashion and accessories, Armani, Bric's, Calvin Klein, Desigual, Eden Park, Montblanc, Pinko, Samsonite, Superdry, Tommy Hilfiger, Tumi and Victoria's Secret. Dufry now operates 26 stores across eight airports in Morocco, including nine in Casablanca and four in Marrakesh. ■



D1 The Davis Cup Showcased in Madrid World Duty Free Store

The Davis Cup, probably one of the oldest tennis tournaments in the world, which began in 1900 as a challenge between Great Britain and the United States, is now the premier international team event in men's tennis. It is run by the International Tennis Federation (ITF) and is contested annually between teams from competing countries in a knockout format.

This year, however, the Davis Cup inaugurates a new format and the Davis Cup finals will take place in a city (Madrid in 2019) with the participation of 18 teams, a similar format to the football and basketball world cups.

At the time of writing this article, the competition had not started (it took place between November 18

and 24). However, World Duty Free customers going through Madrid's Barajas Airport had the chance to experience a part of the Davis Cup glory first hand.

Any passenger visiting the airport between the end of October and November 15 was able to see the famous Davis Cup finals trophy inside the World Duty Free store, and the spectacular display became one of the main attractions of the airport. The trophy, popularly known as the "salad bowl," rests on three bases, each decorated with plaques engraved with the names of the previous champions. The total structure weighs 105 kilograms and is more than a meter high!

Unlike other awards, for which a new cup is created each year for the winning team to keep, the Davis Cup trophy changes hands each year. Thus, the "salad bowl" that, for a couple of weeks, took pride of place in our World Duty Free store, has passed through the hands of the very best tennis players in history during the trophy's lifetime of over 100 years. ■



From left to right: M^º José Cuenda, Director General Commercial, Real Estate and International Development, AENA; Ricardo Fraiz, Spain Commercial Director, Dufry and Albert Costa, former tennis player and Director of Davis Cup by Rakuten Finals.

D3 New Retail Contract at Newark Liberty Airport

Hudson Group signed a contract for six new duty-free stores at Newark Liberty International Airport (EWR) in Terminal B. As part of a joint venture with Byrd Retail Group, Hudson's contract includes over 696 m² of expanded retail space inside EWR.

Newark Dufry Shopping will feature design elements iconic to New Jersey, with inspiration from key areas including Elizabeth, NJ, the 'Ironbound' area of Newark, NJ, the boardwalks along more than 100 miles of coastline and agricultural touches from the Garden State's famous farmlands.

The six new stores will open by mid-year of 2020 in Terminal B at EWR, providing an excellent assortment of

premium duty-free cosmetics and fragrances, fashion watches, jewelry, sunglasses, tobacco products, fine wines and spirits to one of North America's busiest commercial airports. ■



Extraordinary design elements at Newark Dufry Shopping will feature key areas of the region.

BIM - RENDERING 1
NEWARK DUFRY SHOPPING



An outline of one of the new six shops which will open mid of 2020.

D3 Inauguration of Six New Stores at Indianapolis Airport

On October 22, 2019, Hudson Group unveiled its first six stores at the Indianapolis International Airport (IND). The concepts include well-known travel and luxury retail brands FAO Schwarz, Tumi, Vineyard Vines, Ink, Hudson and tailored local staple Pitstop by Hudson.



Cutting the ribbon of the new FAO Schwarz store at Indianapolis Airport.

Hudson celebrated the grand opening of the iconic FAO Schwarz by surprising and delighting consumers with life-size board games, nostalgic toy soldiers, a balloon artist and a photo booth to capture the memorable moments among travelers and executives from Hudson Group, FAO Schwarz and the Indianapolis Airport Authority. ■



Representatives of Hudson and the Indianapolis Airport congratulate each other after cutting the ribbon.

D4 Dufry Puerto Rico: Mejores Patronos and Best Employer 2019

Dufry Puerto Rico made its debut in the Mejores Patronos and Best Employer Awards in the 2019 edition. This is the first time our Puerto Rico operation has received the award since Dufry started operating in the country in 2006. The awards, organized by the consultancy Kinecentric (which recently acquired the AON business in Puerto Rico) included two categories this year: Mejor Patrono, a legacy award from AON, which recognizes companies with staff over 25 employees. Best Employer, for companies of over 50 employees and that benchmarks results against international standards.



On the very right Marcus Griffin, Division Central & South America Human Resources Director, celebrating with the team in Puerto Rico the Mejores Patronos and Best Employer Award 2019.

Both programs recognize leading employers, using the most objective measure possible - employee opinion. It differentiates based on people factors, which are key to accelerating success: high employee engagement, inherent agility, engaging leadership and a passionate focus on recognizing and developing talent. ■



New Kuwait Duty-Free Main Store at Terminal 4

The new Kuwait duty-free main store in the state-of-the-art Terminal 4 at Kuwait Airport started operations on July 25, 2019.

The design concept follows the idea of "a heritage that remains." The modern and luxury retail concept has a strong 'Sense of Place' with elements that reflect the cultural richness and the heritage of the country. The "Dhow", which is the generic name of a traditional sailing vessel with lateen sails used traditionally in the region, inspires the geometric shapes and sightlines within the store. The triangular-shaped open ceiling resembles the traditional "Al Sudu", a Bedouin hand-woven textile pattern. These figurative patterns and symbols reflect the traditional tribal lifestyle, the desert environment

and the creative self-expression of the culture. Arabic patterns, locally called "Mashrabiya", are also present in the cladding of the posts along the walkway, resembling traditional Arabic golden lanterns.

The 1,039 m² walk-through store will be a key retail area in Terminal 4. It will offer a wide assortment of products across the core categories of beauty, confectionery and tobacco. The beauty area will be a real focal point, with a large area dedicated to fragrance, skincare and cosmetics, including many regional fragrances popular with travelers in the Middle East. In addition to the core categories, the store will also offer electronics, some fashion accessories and gold jewelry. ■