



## Press release

Monday, September 3<sup>rd</sup>, 2012

### **LS travel retail has continued to expand its business activity during the first half of 2012.**

The international growth strategy undertaken by LS travel retail is proving successful.

With a turnover of over €1.1 billion, sales realized by the Group in travel retail during the first half of 2012 confirm the increases recorded over the course of the previous year, i.e. an increase of 8% compared with the first half of 2011.

This impressive performance in a challenging environment (a marked global economic slowdown, sluggish growth in passenger traffic and particularly adverse weather conditions in Europe), is based on the continuing policy of profitable growth (the gain of new air and rail concessions), a drive to acquire new businesses across the four continents where the Group operates (Asia-Pacific, Europe and North America) and on the improved performance of existing networks, with the successful implementation of a number of business initiatives and collaborations.



Dag Rasmussen, CEO of Lagardère SERVICES states: *“Our ambitious policy of investing in stores and our on-going efforts to recruit and train staff enable us to perform at a very high level in relation to our environment. This trend is expected to accelerate further in the coming months, thanks to our latest developments, notably in Rome as of October and in Xi'an in China”.*

The period has been marked by a number of events:

## Europe :

- In **France**, the turnover generated on duty free & luxury sales was up by **+23%** by the end of June, due to the acquisition of fashion outlets at the Paris Airports, the modernisation of retail outlets and commercial initiatives undertaken in French airports, particularly in Lyon, not to mention the opening of the site on Réunion Island and good in-flight performances.

The travel essentials business increased by **+3.2%**, due to the effects of transforming and developing the network and especially due to the opening of new concepts (Hubiz on rail networks and TRIB'S in airports and railway stations) as well as winning new calls for tenders.

- In **Germany**, business was up by **+10%** notably through the opening of six new airport outlets. It should be pointed out that the scheduled opening in June 2012 of Berlin International Airport, where there are to be nine new sales outlets, has been postponed until March 2013.



- Business increased by **+19%** in **Poland**, thanks to the favorable effects of Euro 2012 with a marked rise in traffic and the sale of souvenirs and a weakening in competition at Warsaw Airport and the expansion of the network with the takeover of 3 sales outlets.
- Performances recorded in the Czech Republic are especially worthy of note with an increase in sales of **+34%**:
  - There was a rise of **90%** in duty free & luxury sales with the purchasing of 16 sales outlets from UG-AIR (on a like-for-like basis, the increase is over 10%),
  - The travel essentials turnover has increased by **+4%** despite the decline in press sales,
  - With the acquisition of the 24 *FEE* outlets on 1<sup>st</sup> January 2012 and the development of sales outlets in the *Paul franchise*, the Food Service turnover has increased by **+6%**.
- **Romania** and **Bulgaria**, where sales rose by **+20%** as a result of the expansion of the network, are grouped together under the responsibility of a joint General Manager.
- Duty free & luxury business activity showed a growth of **+10%** in **Spain**, largely due to sales in fashion outlets in Malaga and Alicante.
- In **Switzerland** the Group acquired Airport Fashion on 1st March, i.e. two fashion boutiques at Geneva Airport.



## Asia-Pacific

- Despite being affected by a very high Australian dollar and declining book sales (the fall in prices and the transfer of sales to digital and e-commerce), business activity in the Pacific region increased by **+4.5%**, largely thanks to the effect of modernising the shops at La Tontouta Airport - New Caledonia (**+40%**) and the revenue generated by the New Zealand retail outlets taken in the first half of 2011.
- Business activity continued to develop in **Asia** in the first half of 2012 due to the favourable growth in traffic and the gaining of new concessions, namely 57 extra sales outlets in China, Singapore and Hong Kong. Turnover has thus increased by **+43%**.

## North America

- Retail trade in **North America** has increased by **+2%**, particularly with the gain of concessions for travel essentials in Boston, Edmonton, and Montego Bay and the success of the iStore concept, despite the shutdown of operations in Winnipeg.

## Outlook for 2012 :

Against this backdrop, the driving force behind the Group's projects remains strong: the first half of the year was marked by the completion of a number of acquisitions, including DFS WL in the Pacific, Geneva Airport Fashion and Duty Free businesses at Rome Airport and by the continuation of organic growth and efforts to modernise networks (the opening of Terminal S4 and the link connecting terminals 2A and 2C at Paris CDG, gain of the fashion concession in Xi'an (China), winning food outlet calls for tenders at Frankfurt railway station and travel essentials in Dallas, as well as the call for tenders for the "boutiques du quotidien" on the French rail network).





**LS travel retail**, a division of Lagardère Services, operates an international network of 2,000 retail outlets in more than 130 airports and 700 railway stations in over 20 countries. Its annual retail turnover is 2.9 billion euros. With its leading brand *Relay*, *LS travel retail* operates a network of 1,200 Press & Convenience retail outlets. The group additionally operates nearly 200 duty free shops selling perfumes, cosmetics, alcohol, tobacco, fine foods, confectionery, fashion items, electronic goods and accessories. The group is a world leaders in duty free & luxury goods trading.

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