

CDFG/Lagardère and Shilla secure key HKIA contracts

A Lagardère Travel Retail and China Duty Free Group partnership (CDF-Lagardère Company Limited) has won the revered duty free liquor and tobacco contract at Hong Kong International Airport (HKIA), while Shilla Travel Retail Hong Kong Limited (Shilla) has been awarded the Perfume & Cosmetics and Fashion Accessories shops.



Shilla alone is promising to deliver almost 100 brands that will be new to HKIA, along with a dedicated zone for male-specific products, as well as a new generation zone providing a platform for emerging Korean and Japanese brands.

Both new concessionaires have also promised to deliver omni-retailing initiatives, including new ideas to deepen customer engagement through digital initiatives. Interactive zones with virtual reality (VR), interactive and digital devices, together with iBeacon technology are also to be installed inside shops to enhance in-store navigation and real-time promotional offers.

In terms of the Lagardère/CDFG L&T contract, the JV partnership will now open eight stores totalling 3,400sqm which were made available under this tender, with the handover from incumbent DFS Group set to see the new operation begin from the end of this year.

Charles Chen, President, CDFG stated: "It is such a distinguished honour to be awarded the Liquor and Tobacco concession at HKIA.

This is a significant milestone for CDFG to grow globally. We genuinely appreciate the trust and confidence the AA (*Airport Authority Hong Kong*) has placed in us.

CDFG in partnership with Lagardère Travel Retail, shall deliver a world class duty free shopping experience at HKIA".



**Charles Chen, President,
CDFG.**



**Dag Rasmussen, Chairman and
CEO, LTR.**

Dag Rasmussen, Chairman and CEO, Lagardère Travel Retail commented: The award of the Liquor and Tobacco licence at HKIA to Lagardère Travel Retail's joint venture with CDFG is a recognition of our mutual category leadership and respective operational expertise.

We are grateful for the trust placed in us by the AA and look forward to growing our long-standing partnership with one of the world's finest airports.

Our teams across the world are excited by the opportunity of working in close collaboration with our brand

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partners to bring to life a new benchmark for quality and engagement in travel retail.”

CUSTOMER INTERACTIVE ZONES

CDFG Chief Operating Officer Lee Charn Cheng added: “We aim to set a new benchmark in duty free through an exciting and engaging customer experience journey as they enter the stores.

We will introduce customer interactive zones that include showcasing the manufacturing process of products, VR shopping, and tasting bars.

Leveraging on the combined strength of CDFG and Lagardère Travel Retail, our merchandise offer will be exciting and unique, including the world’s largest Chinese Liquor and Tobacco corner, a House of Single Malt plus an exclusive Asian Liquor concept store and a dedicated Hong Kong Gourmet section to name a few.



CDFG CEO, CC Lee.

To build our Customer Service Promise programme, we are dedicating customer service desks as well as an instore VIP lounge.



An artists impression of how the Terminal T1 East Hall North-Asian Liquor Store might look in future.

NEW TYPE OF DUTY FREE EXPERIENCE

Adding his comments, Emmanuel De Place, COO of Lagardère Asia Pacific commented: “At HKIA, destinations in China and South East Asia are the key part of the mix, complemented by a wide coverage of European and American gateways.

These are passengers we know well thanks to our global footprint. East meets West in Hong Kong where Lagardere Travel Retail’s alliance with CDFG will build on the respective strengths of the partners to bring a new type of duty free shopping experience to customers at HKIA.

At Lagardere Travel Retail we strive to be recognized as a leader in merchandising, customer service and innovation.

Our presence in the Asia-Pacific region has been expanding. CDFG has a unique Travel and Duty Free model and already reaches 500m passengers annually.

LEVERAGING STRENGTHS

This approach leverages the diverse resources of CDFG's parent companies, including over 2,100 travel agencies, 140 hotels and 12 tourist attractions. The partnership between our companies creates exciting possibilities.

Today, CDFG claims to be the leading duty free operator in China with 248 duty free stores across mainland China, Hong Kong, Macau, Taiwan and South East Asia.

Besides operating the world largest single duty free shop at Sanya International Duty Free Shopping Complex, CDFG's parent company China National Travel Service Group, is China's largest tourism group, following the strategic merger of CTS Group and the CITS Group last year.



An artists rendering of the envisaged new T1 West Hall 1 Entrance.



An artists impression of the T1 East Hall North Tasting Bar & Service Counter that the CDF-Lagardère Company Limited has proposed.

HIGHLY COMPETITIVE WIN

Turning to the perfume and cosmetics and fashion concessions, Roberto Graziani, President, Hotel Shilla Travel Retail was similarly upbeat. He said: "This highly competitive win is attributed to our teams innovative category insights, our

deep understanding of customer needs, as well as our long-standing operational excellence.

We are grateful to the AA for this vote of confidence and look forward to warrant to our customers and all stakeholders, offers, services, and operational performances which will stay abreast of trends and changes in the consumers preferences, always maintaining a strong competitive edge throughout the length of the concession.”

The L&T, P&C and fashion concessions are currently all run by DFS Group which declined to take up its extension options on these businesses, effectively triggering Airport Authority Hong Kongs new tender processes.

A NEW SHOPPING JOURNEY

Commenting on the appointments in general Cissy Chan, Executive Director, Commercial of the Airport Authority said: “As a world-class international and regional aviation hub welcoming over 70m passengers in 2016, we strongly believe that this collaboration will form HKIA’s signature stores introducing attractive and diverse choices, sought after brands, as well as unique and engaging shopping experiences.

We are confident that the new concessions will elevate the overall airport experience and create a new shopping journey for the worldwide passengers.”

Both of these concessions are now expected to open for business from November and December 2017 respectively.



**Cissy Chan,
Executive Director,
Commercial, Airport
Authority.**