

DFS enters Europe through Venice's Benetton-owned Fondaco dei Tedeschi.



In a landmark move for the world's leading luxury travel retailer, DFS has officially announced that it will open an 'unconventional', multifunctional, department store on Venice's Grand Canal, operating in the second largest historical building in the city; the Fondaco dei Tedeschi.

The Venetian store is the retailer's first in Europe and promises not to be the last. After much speculation and numerous reports from international press that DFS would be entering **Europe through Paris** – at the **LVMH-owned La Samaritaine** – yesterday the Group finally confirmed that it would be taking up residence in the Italian Fondaco dei Tedeschi – a 13th century building, owned by Edizione, a private, unlisted company which is wholly controlled by Italy's Benetton family.

It was first constructed in 1228 as a place of exchange for German merchants, and used for centuries to trade spices, silk and other goods between the Orient and Northern Europe. Located in the city centre, DFS and Edizione hope to reassert the building as a 'commercial and cultural destination' by summer 2016, assuming there are no delays.

The project is a departure from the group's ultra modern and spacious gallerias found in Asia and its efficient, cross-category duty free stores in airports dotted around the world. Space is a premium and the traditional Venetian architecture will be preserved at all costs. Only minor changes to the interior structure of the building will be made with the approval of Edizione.

DFS enters Europe through Venice's Benetton-owned Fondaco dei Tedeschi.



The Fondaco dei Tedeschis courtyard in its current state.

DREAM DESTINATION

"This is not a value proposition," CEO, Philippe Schaus told international journalists at a press conference held at the Monaco Hotel Grand Canal yesterday. "DFS comes from a duty free background, but the business has evolved...we will operate under the same conditions as any other retailer in Italy."

Schaus then went on to point out that, today, the majority of the company's business is duty paid or operates where there are no duties. However, the company's ambition to be 'the preferred luxury shopping destination for travellers' remains the same.

As mentioned, many thought that the obvious choice for DFS' entry into Europe was Paris, but Schaus was adamant that Venice was the most logical choice. "It's in the heart of Europe; every trip to Europe includes a trip to Italy and every trip to Italy includes a trip to Venice...It is the ultimate dream destination."

According to Schaus other Italian cities were considered; Milan, Florence and Rome all made the shortlist. "What could we bring to Milan that isn't already there [in terms of retail]?" said Schaus. "Rome and Florence are not ideal places for retail and finding a building in which to operate would have been challenging."

DFS enters Europe through Venice's Benetton-owned Fondaco dei Tedeschi.



The Fondaco dei Tedeschi is the second-largest historic building in Venice.

FIRST BUT NOT THE LAST IN EUROPE

Although DFS is reluctant to reveal too much too soon, it does concede that this is the first but not the last European stop on its journey. "Look, there will be other steps into Europe, but right now we are focused on this project." And it has just two years to get it right.

The culturally-focused and 'unconventional' department store is also unique in terms of its target audience; a veritable global melting pot dominated by Italians and US citizens. Although nearly 5% of the city's international visitors come from Japan, Schaus makes it clear that this project is about broadening DFS' appeal to a wider range of nationalities. "We're not just targeting one or two nationalities with this store, so I guess in that respect this store is unique because it really will attract a mix."

DFS enters Europe through Venice's Benetton-owned Fondaco dei Tedeschi.



The new Venice department store is currently under construction and is slated to open in the summer of 2016.

The centuries-old building will house international luxury brands as well as niche Italian brands across beauty and fragrance, watches and jewellery, fashion and accessories and Italian food, gifts and wine. However, the store will be multi-functional – retail will account for 7,906sqm – and will act as an extra venue for the city, promoting public events and liaising with the city's cultural institutions.

According to the current plans, divulged by DFS at yesterday's press conference, the first floor will be populated by food and beverage outlets, namely an Italian café. The second floor will comprise a selection of men's fashion and accessories brands as well as a strong watches and jewellery contingent.

DFS enters Europe through Venice's Benetton-owned Fondaco dei Tedeschi.



FIRST MULTI-BRAND SHOE SALON IN VENICE

The third floor will be reserved for a multi-brand shoe salon – something which has never been seen in Venice previously – as well as beauty and fragrances, conveying both Italian glamour and ‘Veneto know-how’.

The fourth floor and terrace areas will be ‘public spaces’ to be made available for events. The contingent of Italian brands will differ from category to category. Schaus told journalists that fashion and accessories would be dominated by Italian brands while the watches category would be mainly a showcase for Swiss brands. Beauty and fragrances will be a combination of international and Italian brands such as Acqua di Parma.

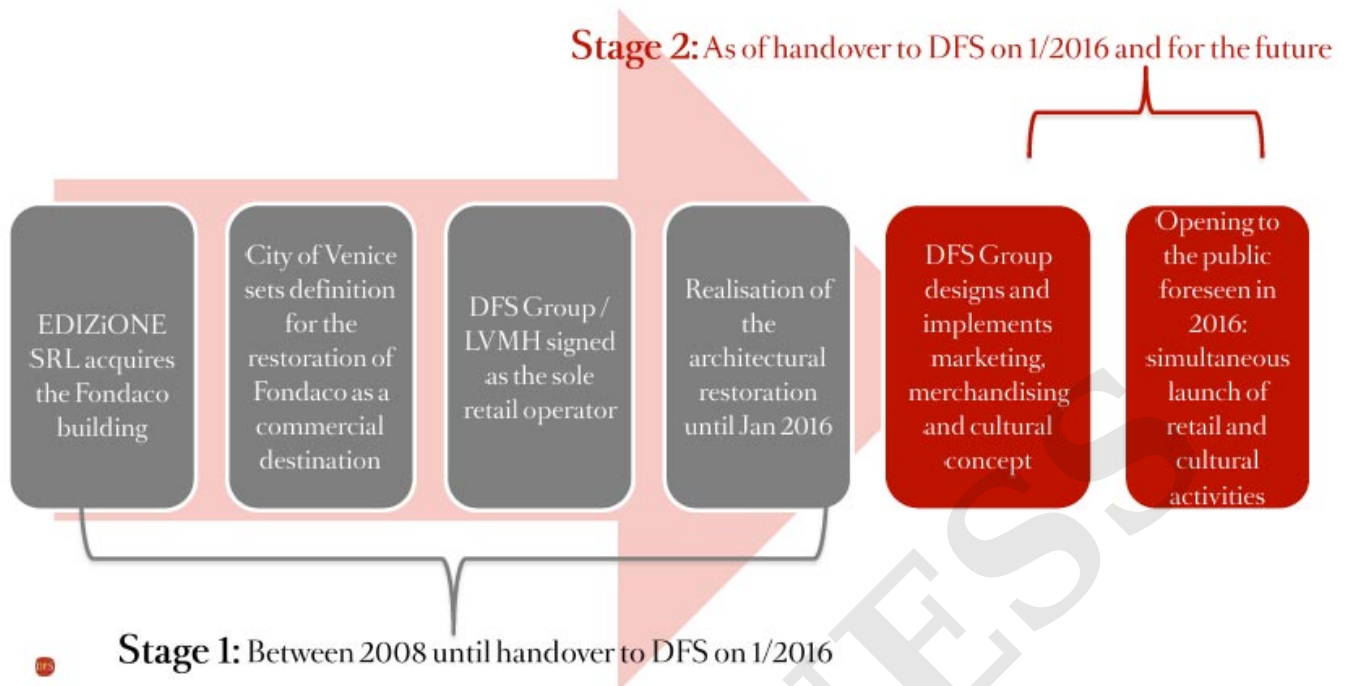
Current plans for its restoration, which has been commissioned by Edizione, are built on a concept to re-establish the historic Venetian connection between culture and commerce “which will not only attract discerning travellers but also give Venetians the opportunity to indulge in all the things for which their city is renowned,” says DFS.

In explaining the significance of this project to the LVMH Group, Antonio Belloni, Group Managing Director of LVMH, said: “DFS is one of the most global units in all of LVMH and has exceptional know-how, cultural sensitivity, and an unwavering desire to explore new territories.

WAITING FOR THE RIGHT OPPORTUNITY

“LVMH has been waiting for the right opportunity and partners for DFS’ European entry and hence we are thrilled to collaborate with Edizione, and the city and people of Venice in offering a perfect combination of history, cultural traditions, craftsmanship, retail and hospitality in this outstanding location.”

DFS enters Europe through Venice's Benetton-owned Fondaco dei Tedeschi.



DFS will begin its retail fit-out in 2016.

Gilberto Benetton, Chairman of the Edizione Group, welcomed DFS' upcoming entry into Italy and said: "Our aim is to foster new life into historic Venice by creating a venue for Venetians and visitors alike to revel in Italian architecture, craftsmanship, performing arts, and services, all alongside a beautifully curated product offering.

"We are confident that LVMH's DFS will be a trusted steward and the right, high quality partner to occupy and nurture this building rich of history."

Commenting on this important development, Philippe Schaus, Chairman and CEO of DFS Group added: "We feel truly honoured and humbled by the opportunity and responsibility of becoming the guardians of this iconic landmark. In opening our first European location in Italy, our vision for Fondaco dei Tedeschi is to re-create, in the modern world of travel, the enjoyable experience this historic building plays in connecting culture and commerce in Venice. "

"We will showcase the best of what Venice and indeed, Italy has to offer the world a truly unique culture and the city's long tradition of exceptional craftsmanship. Our cultural program will include entertainment as well as a curated selection of products, brands and services that together will provide a memorable and sought-after experience," he said.