

Vinci Airports acquires AERODOM, operator of six airports in the Dominican Republic

Vinci Airports, the airport subsidiary of French concessions and construction company VINCI Group, signed an agreement with US private equity firm Advent International to acquire Aeropuertos Dominicanos Siglo XXI, SA (AERODOM) on Dec. 14.

AERODOM, which reported revenues of US\$130 million in 2014, is one of the biggest airport operators in Central America and the Caribbean. The company has a concession contract with the Dominican government to develop, operate and manage six airports in the Dominican Republic until 2030.

The airports include Las Americas International Airport in Santo Domingo, which serves as the principal international gateway to the country's capital and is the second-largest airport in terms of passengers (after Punta Cana); Gregorio Luperon in Puerto Plata; Samana and Arroyo Barril, both near Samana; La Isabela in Santo Domingo; and Maria Montez in Barahona.

The transaction and the transfer of operations are expected to take place by the end of the first quarter of 2016.

AERODOM's six airports in the Dominican Republic handled 4.3 million passengers in 2014, 98% of them international.

Las Américas, serving Santo Domingo since 1959, reported total traffic of 3.3 million passengers in 2014; Gregorio Luperón in Puerto Plata is the gateway to the island's second largest tourist destination, with 787,000 passengers in 2014; Presidente Juan Bosch and Arroyo Barril in Samaná, La Isabela in Santo Domingo and María Montez in Barahona together served a total of 247,000 passengers in 2014.

With an average annual growth rate of 5% over the past 10 years, the Dominican Republic features an attractive economy and forms a dynamic region, reports Vinci. The country notably benefits from North American growth and the local authorities' ambitious tourism expansion policy.

Vinci Airports currently manages the development and operations of 25 airports: 11 in France, 10 in Portugal (including the hub of Lisbon), 3 in Cambodia and, since Oct. 1, 2015, one in Santiago, Chile.

The new acquisition will bring the number of airports operated by Vinci Airports to 33, including two Kansai airports in Japan, for which Vinci Airports, in partnership with Orix, signed a preliminary agreement last November.

Terms of the AERODOM transaction were not disclosed. Local press reports indicated that Advent paid \$350 million for the company in 2008.

Advent

Advent International bought Aerodom in September 2008 from local conglomerate Grupo Hazoury and Canadian airport operator Vancouver Airport Services, along with other minority local investors. Advent has since worked with management to improve and grow the business significantly.

In 2014, Las Américas received the ACI Airport Service Quality award for "Best Improvement" by an airport in Latin America and the Caribbean.

"We are proud of what we have achieved at AERODOM in partnership with the company's management team," said Luis Solórzano, a Managing Director for Advent in Mexico City. "Together, we have improved operations and expanded both the commercial and aeronautical sides of the business, resulting in significant revenue and productivity growth. We believe Vinci Airports is the ideal partner for AERODOM as it enters the next stage of its development and wish the company continued success well into the future."

"The acquisition of AERODOM by one of the world's leading airport operators underscores the importance of our company in the Dominican Republic and will allow us to operate at the highest international standards," said Mónica Infante, AERODOM CEO.

Stella David to step down as CEO of Wm. Grant & Sons



Stella David

William Grant & Sons today announced that **Stella David** will step down as CEO at the end of February 2016. She will be succeeded by current chief commercial officer, **Simon Hunt**.

David joined the independent family distillers in August 2009 and has overseen impressive growth of the company, overseeing the acquisition of Tullamore D.E.W. Irish Whiskey and Scotch whisky liqueur Drambuie. She also delivered great growth for brands such as Hendrick's gin and The Balvenie single malt Scotch whisky.

Simon Hunt has been with WGS since October 2007, initially as managing director, North America. In April 2013 he was promoted to chief commercial officer. Hunt will take over the role of chief executive on March 1, 2016 and David will continue in an advisory capacity until the end of May.

Glenn Gordon, William Grant & Sons Chairman, said: "We are all very grateful for Stella's enormous contribution to the business in recent years. In particular, she has brought an exceptional level of energy and drive to our business, while significantly enhancing the premiumness of our brands and their appeal to consumers."

David will now focus on building upon her existing portfolio of non-executive directorships, including C&J Clark Ltd and HomeServe plc.

LAX inaugurates first charter California to Cuba flight since easing of rules

Los Angeles International Airport and American Airlines celebrated the inaugural charter flight from the West Coast to Havana last Saturday, Dec. 12.

The high profile flight took off from LAX Terminal 4, following a gala ribbon cutting that included Los Angeles Mayor Eric Garcetti; Deborah Flint, Executive Director, LAX; Juan Carlos Liscano, Managing Director, LAX, American Airlines and Michael Zuccato, General Manager, Cuban Travel Services, Inc.

This was the first charter flight from California to Havana, Cuba, since the White House eased travel restrictions earlier this year. U.S. law still restricts most tourist travel to Cuba, but the new rules allow some Americans to visit the island without advance approval.

Juul-Mortensen re-elected TFWA president, launches strategy review

Erik Juul-Mortensen has been elected to the presidency of the Tax Free World Association for a further term of one year. This marks 16 years that Juul-Mortensen holds the top position at the Association.

The election took place during the quarterly meeting of the TFWA Management Committee on December 7 in Paris. The vote was unanimous.

Commenting on his re-election, Juul-Mortensen said, "I am honored to be asked to assume the Presidency of TFWA for a further year. Among our priorities in 2016 will be the mid- to long-term strategy review of TFWA and its activities. I look forward to working alongside the TFWA Board, Management Committee and executive team on this important project which will, ultimately, define how our

activities evolve in the next five to ten years."

Juul-Mortensen has been a member of the TFWA Management Committee since the Association was founded in 1984. He was elected to the Board in 1986, serving as Vice President Marketing & Communication for ten years with a further year as VP Special Projects. He was elected President in September 1999.

In other news from the Management Committee meeting, members of the Board and executive team provided a detailed report on the success of the Association's activities over the past year, and discussed plans for forthcoming events as well as the objectives of a mid- to long-term strategy review for the Association which will be conducted in early 2016.



Erik Juul-Mortensen delivering the State of the Industry report at the 2015 TFWA Conference in October.

TFWA CARE

The Management Committee also decided on the charities that will receive financial support from TFWA Care in 2016.

The executive team reported that TFWA Care is receiving requests for funding from charities all over the world in ever-increasing numbers and reiterated that each request is assessed according to the operating criteria of the organization.

The Management Committee was also given a summary of the financial affairs of the Association for the period May 1, 2014 to April 30, 2015.

Frederic Garcia-Pelayo, TFWA Vice-President Financial commented, "I am pleased to report that the financial affairs of TFWA are in good order, with a healthy net profit after tax from our activities in the last financial year which will further consolidate the Association and enable it to invest in future activities for the benefit of members and the industry as a whole."

Agreement signed to resume commercial flights between Cuba, US

The United States and Cuba have reached an agreement to resume commercial air travel between the two countries for the first time in more than half a century, the State Department announced Thursday.

"On December 16, the United States and Cuba reached a bilateral arrangement to establish scheduled air services between the two countries," the release said.

The deal was finalized last night although US law still bars travel to Cuba for tourism.

US citizens are allowed to travel to Cuba for 12 specific purposes that are listed in the Treasury Department's Cuban Assets Control Regulations. They include journalistic, educational, religious, professional and humanitarian activities, in addition to family visits and "support for the Cuban people."

American Airlines, United Air Lines, and JetBlue were among the members of the airline industry that issued statements immediately applauding the deal.

President Barack Obama relaxed travel restrictions to Cuba earlier this year. This has led to a boom in US citizens' visits to Cuba, which are up 71% this year, with 138,120 Americans arriving over the first 11 months, reports CNN.

According to WTDC, operators of the Miami Foreign Trade Zone, as a result of discussions held in Miami on Thursday, December 10, the United States Postal Service and Cuba have also agreed upon a pilot program to send mail directly between the two countries several times per week instead of routing it through a third country.

Regular mail service and commercial flights between the United States and Cuba had been suspended since the 1960s.

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SUPPLY SIDE SPOTLIGHT

TRAVEL MARKETS
INSIDER

Brown-Forman celebrates Frank Sinatra's 100th birthday with limited edition, promotions

Brown-Forman Travel Retail is celebrating the 100th anniversary of the birth of Frank Sinatra with a series of promotions around the globe and the launch of an extremely limited-edition Jack Daniel's Sinatra Family Reserve to eight key airports.

The company produced only 15 bottles of Sinatra Family Reserve, which at \$1,500 a bottle is the most exclusive Jack Daniel's whisky ever sold. Sinatra Family Reserve comes with a special signed letter from Frank Sinatra's children and each bottle is individually numbered and comes with a commemorative plaque.

The airports receiving a single bottle of Sinatra Reserve to sell are: Hong Kong, Sydney, Munich, Atlanta, Heathrow, Changi, Los Angeles and Schiphol.

Brown-Forman also rolled out a series of promotions celebrating the 100th anniversary of the singer's birth in 26 airports around the world, along with considerable social media support including Facebook and Twitter feeds.

Frank Sinatra had a life-long relationship with Jack Daniel's and was even buried with a bottle of the Tennessee Whiskey in his casket.

Brown-Forman Travel Retail began its Frank Sinatra/Jack Daniel's partnership with the launch of Jack Daniel's

Sinatra Select at the TFWA show in Cannes in 2012. Since then, the Kentucky-based spirits producer has continued to build on that momentum, most recently introducing Jack Daniel's Sinatra Century.

Jack Daniel's Sinatra Century was developed in collaboration with the Sinatra family to celebrate the day Frank would have turned 100 years old.

The 100 proof whiskey, drawn from a rare selection of only 100 barrels handpicked by the Master Distiller, gains its rich oak character and smooth finish from specially crafted, grooved "Sinatra barrels."

The whiskey comes with a never before released recording of Sinatra at the Sands in 1966 and a commemorative book all wrapped in a luxury gift package. Only a limited number of bottles of Sinatra Century are available in Travel Retail and while prices vary from market-to-market, the suggested retail price is \$450.

On Friday, December 11, 2015 – the 100th anniversary of the birth of Frank Sinatra in Hoboken, NJ (December 12, 1915) – Delta Air Lines served tastings of Jack Daniel's Sinatra Century on first class flights between JFK and LAX.

During the entire month of December the signature cocktail on all Delta flights will be "Frank's Way" which features Jack Daniel's Old No. 7, ice and a splash of water – just the way Frank liked it.



Jack Daniel's Sinatra Century gift box presentation.



The Jack Daniel's – Frank Sinatra 100th Anniversary presentation at Schiphol airport in Amsterdam.

Luxottica, Marcolin announce license renewals



Dolce & Gabbana

Luxottica Group and Dolce&Gabbana have renewed their eyewear license agreement, extending the partnership to December 31st, 2025.

The Dolce&Gabbana eyewear collection interprets the style and values of the fashion house with creations enriched by materials and details of great value that represent the originality and the consistency of the strong brand DNA, said the company announcement.

Marcolin Group and Kenneth Cole Productions, Inc. this week announced the early renewal of an exclusive global license agreement for the Kenneth Cole New York and Kenneth Cole Reaction sun and optical eyewear. The partnership between the two companies, started in 2003, will be extended until December 2021.

"We are very pleased of this renewal because Kenneth Cole covers a specific position in our brand portfolio. The brand is strong in the USA, representing a reference market for Marcolin with a consistent heritage in accessories. The Marcolin Group and Kenneth Cole Productions partnership is strengthened by both organizations' strong commitment to globalization," said Fabrizio Gamberini, Chief Executive Officer of Marcolin USA.



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Argentina's new president ends restrictions on buying/selling dollars

John Gallagher reports

Since Mauricio Macri, the Centrist-leaning Mayor of the city of Buenos Aires, won Argentina's second-round runoff election on November 22nd to become the country's next president, Argentines have been expecting major changes in fiscal and business regulations, including steps to improve relations with foreign creditors and the U.S.

Macri narrowly won with 51.4% of the vote. But this was enough to defeat Daniel Scioli, the heir apparent of outgoing Peronist president, Cristina Fernández de Kirchner, whose populist policies have propelled the country into ever deeper financial crises.

Less than a week since taking office, Macri has started to reverse the currency controls, trade restrictions and subsidies implemented by his predecessor, reports Bloomberg.

Of most interest to travel retail, Alfonso Prat Gay, the new Finance Minister of the Macri government, announced the end of restrictions to buy or sell dollars.

Anyone can now buy or sell without getting permission from the AFIP, the government Tax Office. People making cash settlements as opposed to bank debits will be charged a 5% surcharge. The daily limit, which previously was capped at \$2,000 and needed the permission of the tax authorities, is now \$2 million and no prior permission is required.

There will be only one exchange rate, compared to the three or four that have existed

during the past few years, and that rate will be a free float with the financial markets dictating the value of the Argentine Peso. The market opened today at around 14.5 Pesos to the US Dollar compared to 9.8 yesterday. At close of business the US Dollar could be bought for 13.93/13.95

The government and the opposition parties have now entered a political debate as to whether this effectively means a devaluation or a true free float to reach the true market value of the dollar. Government sources have argued that the Peso had effectively been devalued by the previous administration, given the difficulty the majority of people and business had to purchase foreign currency.

The 35% surcharge to international air tickets and to the use of credit cards abroad will also be removed as of Dec. 17.

Importers will be able to freely import, paying the corresponding excise taxes.

Most observers agree that the 4 years of restrictions have not done anything to improve the economic situation in Argentina. Indeed, the country's foreign exchange reserves have fallen to a record low.

Duty free stores in Argentine territory had benefited from local residents using their credit cards at official exchange rates with no surcharge and with foreign tourists exchanging cash in the black market to use in the stores. These advantages have effectively disappeared as the foreign exchange markets returned to one single exchange rate.

Bacardi highlights its premium rums in San Juan

Bacardi Global Travel Retail ran a Bacardi rum portfolio shopper campaign with Dufry at San Juan's Luis Muñoz Marín International Airport in September with strong results, says the company.

The month long activation emphasized Bacardi's premium rums Bacardi Gran Reserva Ocho Anos and Bacardi Gran Reserva Maestro de Ron, which were supported by staff offering shoppers a choice of sampling options.

"As the category leader and the world's most awarded rum Bacardi has unmatched strength to drive this relatively under-premiumized category forward, presenting consumers with a clear ladder of premium offerings. By featuring a diverse range of variants from across the Bacardi portfolio the promotion demonstrated quality, range and versatility in providing a perfect serve to meet the needs of every type of rum lover," says Geoff Biggs Regional Director Americas, Bacardi Global Travel Retail.

The most popular serves included the Bacardi Old Fashioned as well as Bacardi Gran

Reserva Maestro de Ron presented over ice with a twist of fresh orange zest. Shoppers could take home free recipe cards to try to replicate the cocktails at home.

The airport is located just a few miles from the Bacardi rum distillery in Cataño, which the company says added to the sense of place appeal for tourists departing the island.



Bacardi at San Juan Airport

Sylvia Sulkes joins Distell

Sylvia F. Sulkes has joined Distell as General Manager Americas-Travel Retail effective July 2015.

Previously she was with Brown-Forman as Territory Manager Travel Retail (USA, Mexico & Caribbean).

SSP America adds industry leader Stanton to development team

SSP America, operator of food and beverage brands in travel locations, has appointed 30-year industry veteran Robert "Bob" Stanton as Vice President of Business Development.

Stanton comes to SP from Delaware North Companies, where he was Vice President of Business Development for Travel Hospitality Services. At Delaware North, Stanton helped secure over \$1 billion in new business, and built a network of partnerships that include the region's most prominent leaders in airport operations and development, including the wider airport communities.

In his new role, Stanton will help identify future industry trends as well as develop strategic growth opportunities as SSP continues to expand operations throughout North America. SSP America obtained major contract wins at Tampa International, Orlando International, Houston's George Bush Intercontinental and Montréal-Pierre Elliott Trudeau International Airport in 2015.

Frontier DF Association moves into new offices

Please be advised that the FDFA will be moving to a new office effective January 1/2016. The building address, postal code and phone/fax numbers remain the same, at 402-116 Lisgar Street, Ottawa, ON K2P-0C2, but the Association will be in suite 402. [613-688-9788](tel:613-688-9788) (F): [613-701-4289](tel:613-701-4289)