

World Duty Free Group and That Es-Salasil renew partnership with Kuwait International Airport for five additional years

Milan, Italy, 19 February 2015 – World Duty Free Group (Milan: WDF IM), together with its local partner in Kuwait That Es-Salasil, has signed with the *General Directorate of Civil Aviation* of Kuwait (DGAC) a five-year contract to operate the duty free stores at Kuwait International Airport. The new contract, which is effective as of 1st March 2015, includes an option for an additional year under the same conditions. World Duty Free Group and That Es-Salasil have been operating at this airport since 2006.

World Duty Free Group and That Es-Salasil won the tender after presenting an offer of a flat annual investment rent fee of KWD 7.77 million (equivalent to EUR 23.08 million at today's FX rate) for each of the 5 years of the concession. As part of the agreement with the airport, the contract includes an additional 6-month refurbishment period to carry out the necessary store renovations (with EUR 0.9 million capital investment). The rent fees are hence payable as of 1st September 2015.

Unlike other concessions, where World Duty Free Group agrees rent as a variable percentage of sales – with the option of including a Minimum Annual Guarantee – the agreement in Kuwait consists of a fixed fee over the life of the concession, regardless of sales performance. This permits increasing rates of profitability as traffic and sales grow.

The tender was organised through a competitive bidding process. According to the information supplied by DGAC, World Duty Free Group–That Es-Salasil offered just a 6% premium over the second bidder, making it the best offer.

Under the new contract, World Duty Free Group will operate two stores at the existing location in departures: a store with WDFG's beauty range and Pure Gold jewellery and a store which offers a selection of tobacco and food and confectionery products.

*"We are very pleased to have made a very competitive offer to retain the Duty Free business in Kuwait and to keep partnering with the General Directorate of Civil Aviation in Kuwait," commented **Pedro Castro, International COO, WDFG.** "As the incumbent bidder, and operator of the stores in this airport since 2006, we know the dynamics of Kuwait International Airport and its potential very well. In partnership with That Es-Salasil, we have streamlined cooperation with the DGAC to make this operation a real success story and we are delighted to extend this partnership".*

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For further information

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About World Duty Free Group

World Duty Free S.p.A., is the holding company of **World Duty Free Group**, one of the world's leading travel retailers, operating mainly in airports and with a broad geographical reach. It has operations in **19 countries** through **102 locations** with over **490 stores**, from its heartland in Western Europe, to the Americas, the Middle East and Asia. In 2013, the company posted a **turnover** of more than **2,078 million Euros**.

World Duty Free Group's core business is tax and duty free shopping and its proposition covers the complete spectrum of airport shopping including Beauty, Wines & Spirits, Food & Confectionery, Tobacco, Sunglasses, Watches & Jewellery and Souvenirs. World Duty Free Group operates some of the most exciting and engaging airport shops in the world, with focus on the customer and innovative marketing programmes, including multi channel digital and live in-store interactive promotions.



World Duty Free S.p.A. is listed on the Italian FTSE MIB 40 since 1 October 2013 with the ticker symbol WDF:IM. World Duty Free Group was named Airport Retailer of the Year in multiple locations for the second consecutive year in the 2013 Frontier Awards. For more information, please visit www.worlddutyfreegroup.com

