

Gebr. Heinemann
Gegründet 1879

REVIEW. INSIGHTS. OUTLOOK.

Business Year 2016





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Dear Reader,

We live and work in turbulent times – and worldwide political developments have touched us greatly this year.

Our entire industry was directly affected by drastic political and economic changes around the globe. Nevertheless, we were able to cope successfully with this challenging business environment in 2016. It was a demanding and exciting year, and we are satisfied with the economic outcome. In particular, we are pleased about the development of our shops in Sydney because Australia experienced a stronger demand from Chinese travellers than Europe, for example. This means that we were even able to exceed the anticipated result. The media visibility of our presence in Sydney Airport was particularly high in the opening year, surely also due to the successful interaction of size, innovation and customer service.

In our Hamburg head office all employees are now under one roof since completion of the building extension in Koreastrasse 5 in the autumn. We would like to thank all those involved for their strong commitment. We succeeded in harmoniously combining aesthetics and operating efficiency.

In view of the global political situation, we are focusing even more intensively on people who need help – and this includes across borders. For example, we are supporting a refugee accommodation centre together with our employees in Hamburg HafenCity.

We hope you enjoy reading our annual report!

Best regards,


Gunnar Heinemann


Claus Heinemann

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III. Imprint



CORPORATE NEWS

About the current situation of Gebr. Heinemann worldwide

NAVIGATING TURBULENT TIMES WITH KEEN EYES AND A CALM HAND

A year of unexpected events – worldwide. That is how the year 2016 in politics and economics could be described in a single sentence. Whether Brexit, the attempted coup in Turkey, or the startling presidential election in the United States, there were ample news stories with a significant effect on world politics. In most cases, the international travel market was directly affected. An interview with Claus and Gunnar Heinemann, Kay Spanger, Raoul Spanger, Stephan Ernst and Peter Irion about corporate balance in a global market.

The political events of 2016 have directly affected the international travel retail market ...

Claus Heinemann: "We have never experienced such a dramatic geopolitical year. The referendum in the UK on Brexit and the attempted coup in Turkey were and are fundamental changes for our company and for the entire Duty Free industry. Having said this, we are meeting the challenges of the new situation by deliberately setting a counterpoint – with more humanity, collegiality, openness and humour. We cannot change the events, but we can practice our values!"

Gunnar Heinemann: "The more globally we position ourselves, the better we can offset country-specific risks. And we want to go further, to wherever growth is taking place. However, currency fluctuations are a risk that is difficult to control and can actually quickly push a profitable business into the red. That and many other factors need to be weighed when making an investment decision. Winning the concessions in Sydney and Kuala Lumpur has given us the opportunity to show what the European retailer Heinemann is capable of in the Asia Pacific market. And in Miami, for instance, the distributor Heinemann is showing what it can do."



Kay Spanger: "The political upheavals have presented us with economic challenges. The course of the Turkish lira fluctuated so much that we had to change the cigarette prices in our Turkish shops up to three times in a single year – with success: Since the Turkish passengers continued to travel during the troubled times, we were able to maintain our customers and thus our revenue. That was very important for our performance for two reasons: First, because the price of cigarettes has a signal effect; and second, the proportion of tobacco products sold in the arrival shops in Turkey is traditionally high at 45 percent."

Raoul Spanger: "In all, our sales at the Istanbul, Ankara and Izmir airports in 2016 only decreased by five percent while decreases at the country's airports with high tourist traffic were up to 40 percent. And that is in the context of the outstanding year of 2015. We are now on a par with the sales figures from 2014, which is quite an achievement. In Tunisia, the situation is more delicate: Tourist air travel has decreased by up to 80 percent; but business travellers in the capital city of Tunis have allowed us to achieve a slight increase in revenue compared to the previous year. Our advantage is that we have continued to invest in new shops."

Peter Irion: "The Russian and Russian Commonwealth market has also been very challenging, especially due to the weakness of the rouble. And we have shown courage and invested precisely during this difficult phase! We invested in new business, especially in border shops in Georgia, the Ukraine and in Belarus. At the Moskau-Sheremetyevo Airport, we took over the important Terminal D together with our joint venture DFI when a competitor was in difficult straits. Overall, our growth in the Russia/CIS region was 33 percent in 2016."

Were there also good surprises in 2016?

Raoul Spanger: "No, but pleasing developments, in particular when we exceeded our ambitious plans. For instance, we opened the largest airport Duty Free shop in the world in Sydney. We also opened the world's largest arrival Duty Free shop at Oslo Airport. When looking at 2016 on the whole, the openings in Oslo and Sydney and the political



upheavals elsewhere were only felt as a discrepancy – we always plan long term and that is what makes us so strong."

Claus Heinemann: "We were especially satisfied with the result in the various distribution channels. It turns out that our strong logistics, our good purchasing conditions, and our comprehensive service package were successful with our distribution customers."

Peter Irion: "We focus on the globalisation of our business so that we can find a balance with the various retail and distribution activities between the continents. We succeeded very well at doing that in 2016. In addition, we offer customers who are also present throughout the world our services worldwide."

How do you feel about these signs with regard to further corporate investments?

Raoul Spanger: "We are an internationally sought-after partner; our comprehensive Duty Free business know-how as well as our flexibility in decision-making processes are perceived very positively. In certain countries, there is still a future path for Gebr. Heinemann to be represented in the market via partnership models. This will allow us to further advance our internationalisation efforts – Amsterdam and Malaysia are the best examples of this – as well as secure our home market in the long term. And this also applies to our new joint venture in Frankfurt (FAR)."

Kay Spanger: "We have achieved a market positioning that provides us with high awareness for new projects. Even the suppliers expect us to be involved in every major tender in the world. That

applies not only to Asia, but also to the United States – and that would not have been the case five years ago."

How important is the initiation of global processes for Gebr. Heinemann?

Kay Spanger: "We must use our total global volume to achieve the best commercial result. We look at the different characteristics and demands of the markets in order to view them from above. This approach is valued and simultaneously respected by our suppliers because our clear strategic orientation means that we are both reliable and dynamic, and can make important global decisions. That is what sets us apart from our competitors."

Stephan Ernst: "We know the importance of the most efficient processes and the corresponding IT infrastructure. That is why a significant portion of our total investment, which is about 100 million euros, is spent on organisational optimisation. In order to achieve our vision of the Heinemann family being the first choice in the global travel retail market, we have derived strategic directions, objectives and measures for every relevant company dimension – finance, customers & market, business model & processes, as well as training & employees. In 2017, all the departments will further detail this so that everyone can be involved in the successful implementation."

Do you expect the business to develop similarly in 2017 as it did in the past year? Which strategic goals have you set?

Gunnar Heinemann: "We want to place even greater emphasis on the global components, continue to be well positioned in the Istanbul New Airport megaproject, and maintain our growth mo-

mentum in Sydney as well as in Kuala Lumpur. In the United States, we want to gain new cruise liners as customers."

Stephan Ernst: "Despite the existing difficult conditions, we expect further growth in 2017, especially in Russia/CIS and in Turkey. Because our business now has so many bases, we will once again balance the various world regions in 2017."

Peter Irion: "The context will be more-or-less as difficult as in 2016. In distribution, it will be a matter of focusing our services even more strongly on what will contribute to the long-term success of our customers. We will work together and show them the added value."

Raoul Spanger: "At the moment, more than 20 Gebr. Heinemann employees regularly commute between Hamburg and Istanbul. As shopping centre manager, we have a huge responsibility, which we approach with great enthusiasm. That is why Istanbul New Airport continues to be a priority!"

Kay Spanger: "Our planned growth won't happen on its own. Especially since European low-cost airlines are gaining significant market shares, but the additional passengers do not automatically lead to an increase in Duty Free sales at the airports. We therefore intend to undertake a great deal regarding the appeal, atmosphere and range for these passengers. However, that will not compensate for the possible absence of Asian travellers in Europe."

Let's take a look at your company headquarters in Hamburg. Two very special buildings have just been added ...

Claus Heinemann: "Oh, yes, that fills me with pride on a daily basis! With the Elbphilharmonie, Hamburg has received a new world-famous landmark in the heart of the city and in the immediate vicinity of our headquarters. Just a few weeks before this striking building opened, we put the Gebr. Heinemann extension "K5" into operation. Thus our headquarters now comprises two connected buildings in which 900 employees work together. We are particularly pleased that the construction was delivered on time, on budget, and to the satisfaction of all our employees. Thus the investment has already paid off, because we wanted to create a perfect working environment for our employees.

In addition, we now have more meeting space for our staff, customers and partners, which was also important to us."

How will the family-owned company Gebr. Heinemann continue to develop with its values in 2017?

Gunnar Heinemann: "I do not see the need to adjust or even renew our four guiding principles – We are one family; We lead through trust; We persevere; We delight customers. Quite the contrary! If we practice these values wholeheartedly internally and externally, we will hopefully receive recognition and favour. I feel our business style is pleasant and supported by our values. They are our success factors."



Gunnar Heinemann, Raoul Spanger



Stephan Ernst



Kay Spanger

THE CORPORATE PHILOSOPHY OF GEBR. HEINEMANN

Foundation of success and guidance for the future

For Gebr. Heinemann – a globally active, family-run business – a distinctive culture of values forms the basis for effective working relationships rooted in trust. Gebr. Heinemann employs 6,000 people around the world. The corporate philosophy serves as a guide, and as the foundation of success for their shared efforts. It not only lays out the principles of cooperation and work practices, it also defines the mission and vision of Gebr. Heinemann. In a constantly evolving market environment, Gebr. Heinemann aims to be the first choice on the travel retail market by virtue of the vitality and long-term outlook of an independent family-run company.

The trading firm therefore supports customer journeys with the best multi-channel offers. Service and the shopper experience are continually enhanced, driving customer-related developments with innovative services spanning all sales channels.

OUR VISION:

**The Heinemann Family.
First choice in Travel Retail.
Worldwide.**

OUR MISSION:

**We live and breathe service,
and we create value in an
inspiring and emotional way.**

FOUR PRINCIPLES AT GEBR. HEINEMANN

Peter Irion, Executive Director Distribution, describes the first principle **"We are one family"**. *"Gebr. Heinemann is a family-run company, and we want to bring that family feeling into the workplace. We are guided by family values, we support and respect one another and we enjoy working with each other."*



"We lead through trust" is the second principle. As Stephan Ernst, Executive Director Finances & IT, points out, *"This principle not only applies to the managers, but also to the way each individual works and their basic attitudes. We are reliable, open, honest and we take responsibility for our actions. Trust must always be based on give and take."*

"Our successful development as a company over the years is down to the fact that we have always stuck to our course persistently, even when times were tough. Our goals are clear, and we understand that when you stop trying to get better, you stop being good," says Kay Spanger, Executive Director Purchasing & Logistics. With this in mind, guiding principle number three in our mission is: **"We persevere"**.

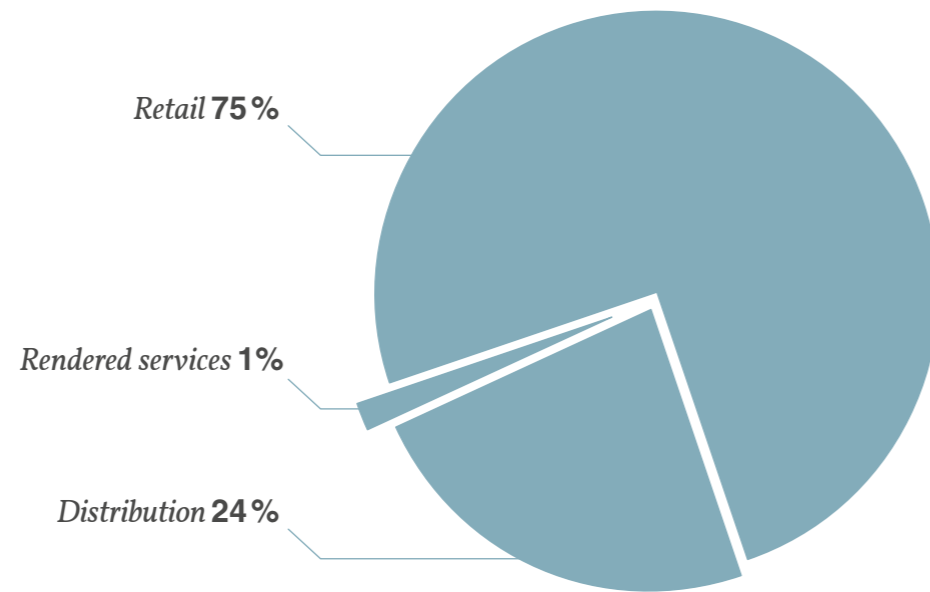


"We delight our customers" is the fourth principle. *"This applies to our clients in both the retail and distribution areas,"* explains Raoul Spanger, Executive Director Retail & HR. *"The principle implies that we are consistently personally committed to meeting customer demands, delivering unrivalled service and establishing long-term relationships."*

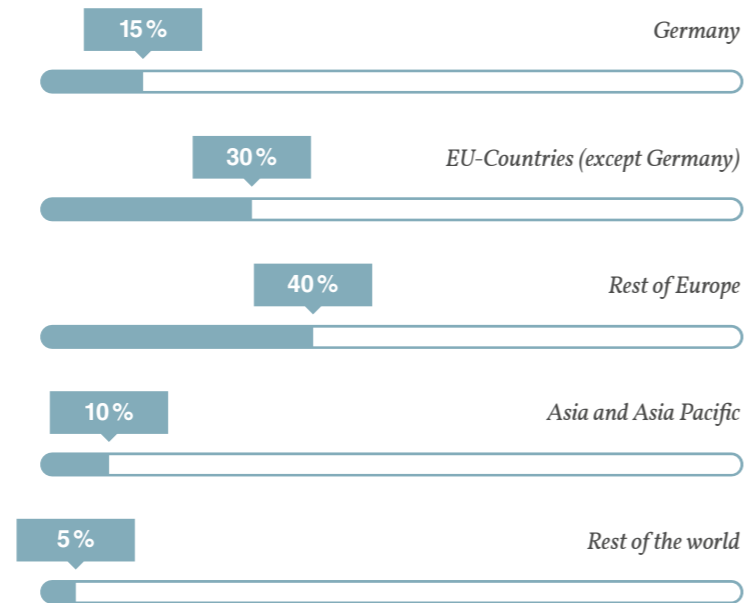
Gebr. Heinemann Group Turnover: 3.8 billion €*

+5.6% Δ PY

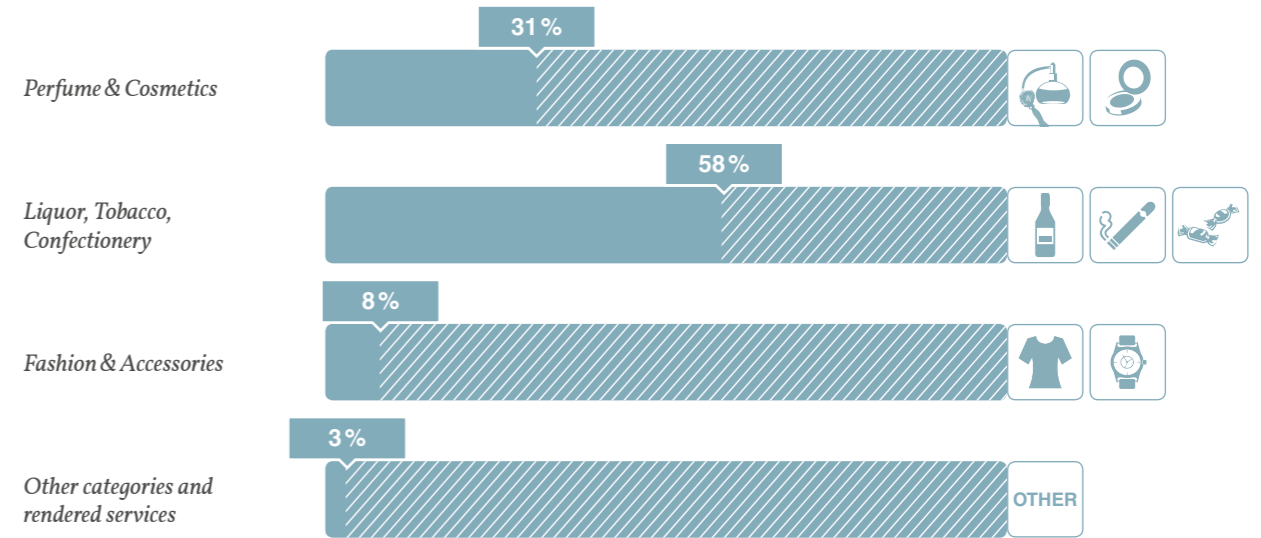
*Preliminary group turnover of Gebr. Heinemann and affiliates.
Consolidated Gebr. Heinemann turnover according to HGB: 2.9 billion euros.



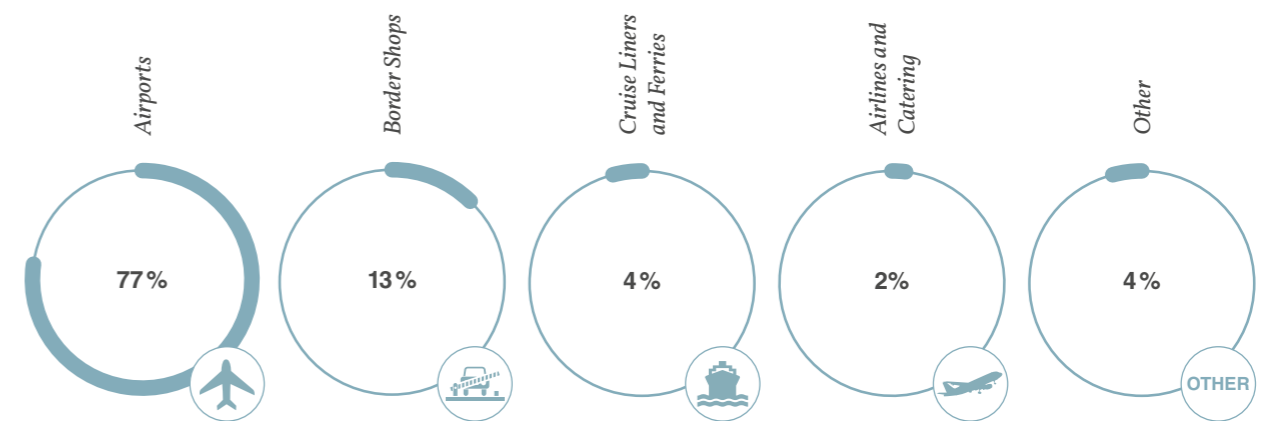
Total external sales by regions



Total external sales by categories



Total external sales by channels





A WORLD OF INFINITE OPPORTUNITIES

Strategy Days 2016 in Hamburg



At the beginning of September 2016, Gebr. Heinemann invited over 300 representatives of international brand manufacturers and the travel retail industry to meet in Hamburg's HafenCity. The event was staged at the Prototype Car Museum close by the company's headquarters, and was to bring the participants up to date with the global developments at Gebr. Heinemann as well as provide an opportunity to network across various categories. The primary goal was to give suppliers the chance to get involved in the activities of the growing company.

The call to suppliers issued by Kay Spanger, Executive Director Purchasing & Logistics, and his management team was clear from the start of the meeting: "A global company expects globally-minded partners and global prices", and the challenge is to create internationally valid terms and innovative

ways to inspire and bind customers across the world. All the presentations by the Purchasing and Sales Departments focussed on the significance of the Gebr. Heinemann global strategy. In addition, the guests were encouraged to work even harder on developing common ideas for promotions and cross-category activities. The presentations were rounded off by insights into the new Fulfillment Department, housed in Purchasing, and the digital strategy of the company.

The successful cross-category promotion stage "Here comes the sun" presented in the retail locations of Hamburg and Frankfurt last summer, was rebuilt in the event area. The promotion was managed as a perfect example of how to successfully run a campaign with a cross-category character. Katja Diehr, Head of Activity Management P&C/ Accessories and involved in the Strategy Days

organisation team, got straight to the point: "Gebr. Heinemann stands for quality in the shops, in cooperation and also in the implementation of promotions. We offer our suppliers a huge world of possibilities – and expect commitment and financial engagement in return. Together we can inspire our customers across the world."



Ann-Kathrin Fürer, Head of Activity Management LTCE, and Katja Diehr



Kay Spanger



Claus Heinemann



Peter Irion





ONE PLUS ONE IS ONE OF A KIND

First joint venture between Gebr. Heinemann and Fraport

In 2016, Gebr. Heinemann and Germany's biggest airport operator, Fraport AG crowned their 45 years of collaboration by signing a joint venture agreement. This agreement established the "Frankfurt Airport Retail GmbH & Co. KG" (FAR), with both partners each taking a 50-percent share of the company. Since 1 January 2017, the joint venture has taken on the operation of the 27 HEINEMANN Duty Free & Travel Value Shops and Concept Stores at Frankfurt Airport that Gebr. Heinemann brought to the partnership. The 750 local Gebr. Heinemann employees have also been transferred to the new company. The FAR joint venture is led by Managing Directors Johannes Sammann (Gebr. Heinemann) and Georg Fuhrmann (Fraport AG).

One new service has already begun in Frankfurt: as a premium partner on the airport online plat-

form, FAR is able to offer its customers the option to reserve products that can then be picked up at the airport. Using the shared platform and the data in the customer loyalty programme "HEINEMANN & ME", FAR is also planning to optimise the customer experience all along the travel chain. *"The joint venture will allow us to respond to future developments in the international travel retail market as well as the changing needs*



of travellers, particularly in the e-commerce field," predicts Raoul Spanger, Executive Director Retail & HR at Gebr. Heinemann. With the founding of FAR, the airport operator also takes on a share of entrepreneurial risk in terms of retail. *"Thanks to the close cooperation and bundled expertise, we expect to further strengthen the retail business at Frankfurt Airport. This also opens up an opportunity for us for more profound value creation",* explains Karl-Heinz Dietrich, Senior Executive Vice President Retail and Real Estate at Fraport AG.



Georg Fuhrmann and Johannes Sammann





THE FAR EAST IS MUCH CLOSER NOW

Joint venture with DFZ in Malaysia

** 2016 was the Year of the Monkey in Asia*

The joint venture between Heinemann Asia Pacific (HAP) and the Malaysian DFZ Capital Berhad, a subsidiary of DFI, the biggest multi-channel Duty Free supplier in Malaysia, was announced in March and became official in June 2016. The company operates border shops on the border to Thailand and Singapore as well as Duty Free shops in airports.

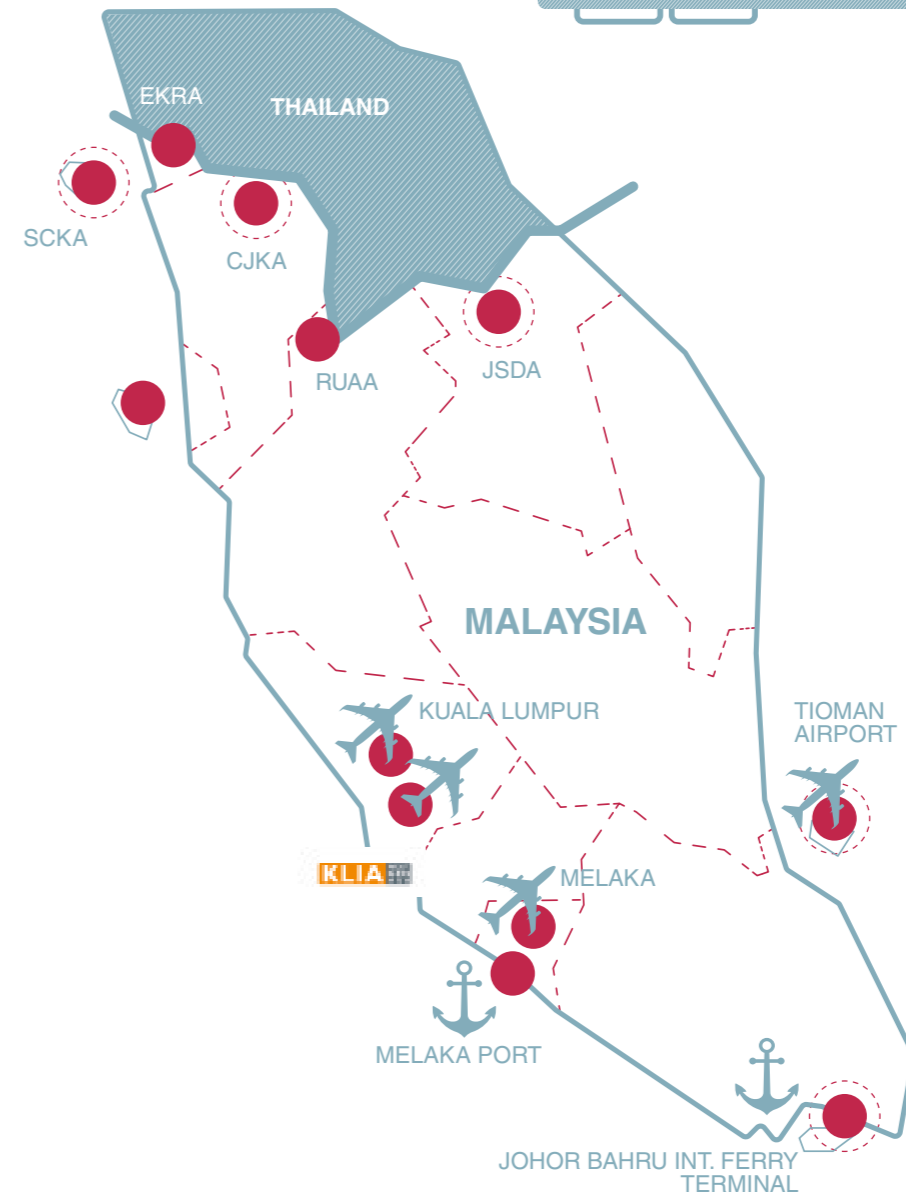
It was agreed that Gebr. Heinemann would hold a minority stake of 10 percent in DFZ. With two seats on the board of directors of the Malaysian Duty Free company, Heinemann Asia Pacific has a disproportionate share; Max Heinemann and Marvin von Plato represent HAP's interests. HAP is also involved in strategic and operational day-to-day matters with Hendrik Heyde as COO and Andreas Winnen as CEO.

The joint venture makes Gebr. Heinemann the exclusive supplier of spirits, perfumes and sweets. For these two individual companies with their separate cultures, 2016 was a year marked by the creation of a shared structure. *"That we managed to do that smoothly in such a short time is a colossal achievement,"* says Andreas Winnen, CEO of DFZ's ZON Duty Free shops. *"Gebr. Heinemann's size and its good relationship with suppliers gives DFZ a chance to sit more squarely behind the wheel going forward, for example, in promotions."*



Andreas Winnen

The significance the Asian market has gained for Gebr. Heinemann is clear with a look at the growing international logistics network. Last year, the Heinemann logistics centre in Singapore – operated by external service provider YCH – was extended to cover 5,600 square metres, making it the largest international logistics centre for the company. And from here the only way is up: Gebr. Heinemann has created the ideal conditions for further growth in the Asia Pacific region.



Max Heinemann, CEO Heinemann Asia Pacific, and Dato' Sri Adam Sani bin Abdullah, Non-Executive Chairman DFI





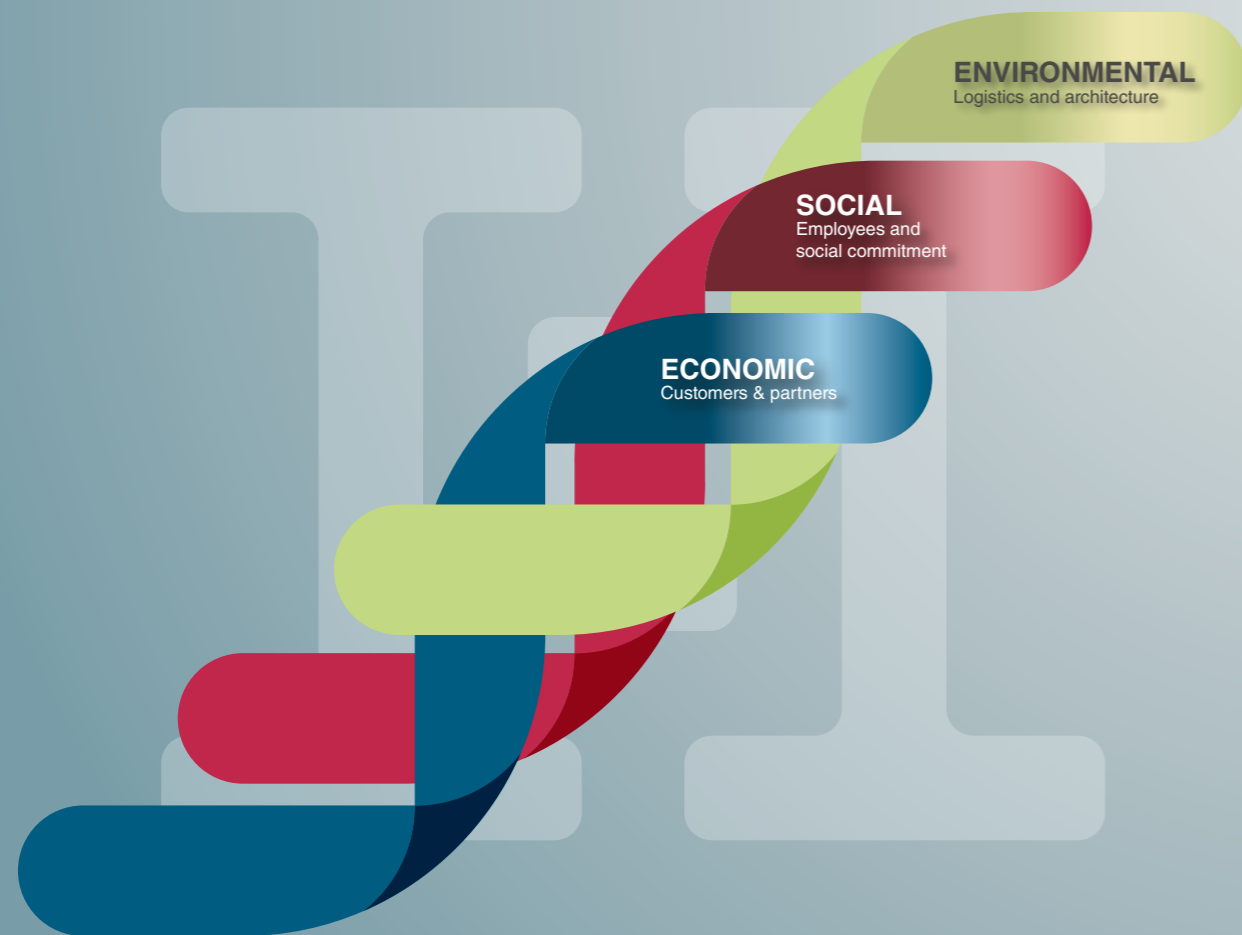
ONLY WITH GLOBAL EMPATHY, THERE CAN BE GLOBAL SUCCESS

Gebr. Heinemann submits global Corporate Responsibility Report

A company such as Gebr. Heinemann, which is represented in many travel destinations throughout the world, would like to make its mark with care. It wants to push forward and be formative – but when possible, in harmony with the environment. Whether with regard to the regional customs of the countries where Gebr. Heinemann is a distributor or retailer, or nature on the whole – the company strives to integrate its environment harmoniously. Corporate responsibility is at the heart of its DNA; Gebr. Heinemann has been committed to the traditional ideal of the "honourable merchant" since it was founded in 1879. The first overview of the company's activities in this field was published in 2015. Now Gebr. Heinemann publishes a more developed and even more globally oriented report. This provides information on the existing and planned sustainability services as well as the corresponding strategic orientation of the company.

“ For us, corporate responsibility is not about what is trendy at any given moment in time. It is part of our company DNA. ”
 (Claus Heinemann)

The CR approach of Gebr. Heinemann is based on the classic three-pillar model. This makes it possible to evaluate the corporate activities according to three aspects: social, environmental and economical. The three-pillar model is subdivided into five core areas focusing on business relations, employees, social commitment, architecture and logistics, each of which are considered separately.



New Corporate Responsibility Report from Gebr. Heinemann

COOPERATION WITH THE MARINE PROTECTION ORGANISATION OCEANCARE

Gebr. Heinemann is also committed to changing mindsets: Up to 90 percent of the rubbish found in the world's oceans is made up of plastic, most of which is not degradable. That is why the travel retail company from Hamburg decided in a 2016 pilot project to only provide single-use plastic bags in the German and Austrian HEINEMANN Duty Free Shops for a fee and to offer alternative high-quality reusable bags otherwise. On the one hand, this reduces the number of used bags; on the other hand, the proceeds are donated to the marine protection organisation OceanCare.

A first look: Since the project was launched at the beginning of January 2017, the number of plastic bags has already been reduced by more than 30 percent on average. And the number of reusable bags used has increased by an amazing 400 percent.



More information about the CR activities of Gebr. Heinemann can be found online in the new 2016 report at <http://www.gebr-heinemann.de/en/Philosophy#csr>



**5 CONTINENTS,
4 SEASONS,
1 ENTERPRISE**

Gebr. Heinemann makes a difference around the globe



SHOP OPENINGS AND TENDER WINS 2016

TENDER WINS



Location: Ljubljana Airport
Size: total area 564 sq m
Contract term: until 2024
Opening: currently operating



Location: Kaunas Airport
Size: total area 370 sq m
Contract term: until 2022
Opening: 2017



Location: Amsterdam
Size: total area 1,000 sq m
Contract term: until 2025
Opening: 2018

SHOP OPENINGS

Location: Istanbul-Atatürk Airport, Extension Departure Level and Extension Service Level
Size: 404 sq m and 352 sq m
Opening: May / August 2016



Location: Sydney Airport, T1 Departure
Size: 8,000 sq m
Opening: 8 May 2016



Location: Oslo Airport, Arrival and Departure North
Size: 4,000 sq m and 2,394 sq m
Opening: 1 September 2016 and 1 December 2016



Location: Frankfurt Airport, Burberry
Size: 77 sq m
Opening: 8 December 2016



Location: Vienna, HEINEMANN Duty Free Kids Shop
Size: 130 sq m
Opening: 9 September 2016



Location: Riga and Riga Bus Gate
Size: 100 sq m and 150 sq m
Opening: 1 November 2016



Location: Skopje, Main Shop
Size: 265 sq m
Opening: 29 October 2016



SHOP OPENINGS

Location: Moscow-Sheremetyevo
Size: more than 20 shops (about 2,500 sq m in total)
Opening: February / April 2016



Location: Moscow-Zhukovsky International Airport
Size: 205 sq m
Opening: November 2016

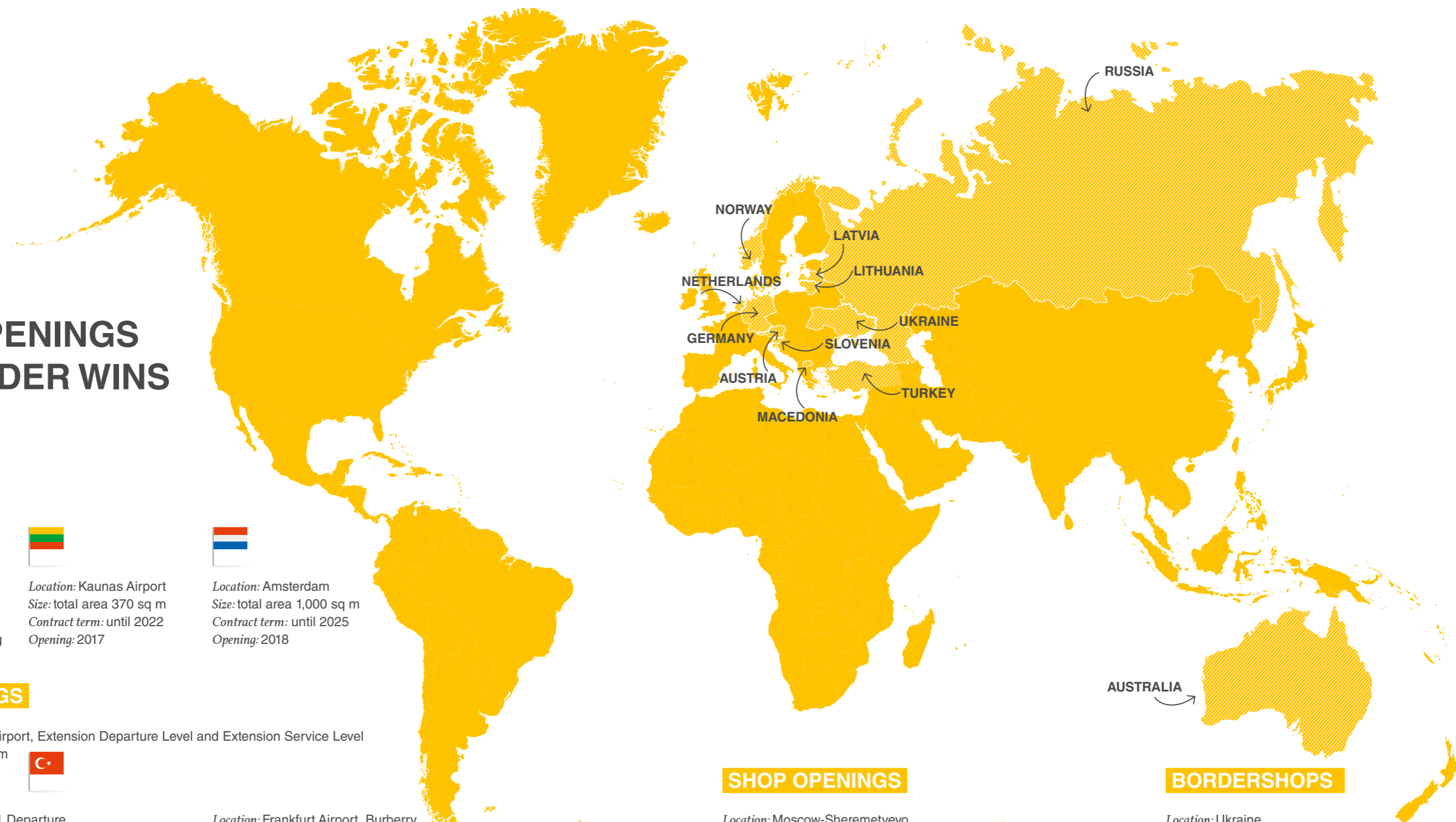


Location: Ekaterinburg Airport (Koltsovo International Airport)
Size: 2 shops (1,500 sq m in total)
Opening: May / June 2016



BORDERSHOPS

Location: Ukraine
Number: 14 shops taken over





NEW SUPPLY CONTRACTS AND CONCESSIONS 2016

EXTENDED SUPPLY CONTRACTS



Norway
Location: Oslo, Color Line Ferries
Customer/Contract partner: Color Line



Denmark
Location 1: Hellerup
Customer/Contract partner: Peter Justesen

Location 2: Billund Airport
Customer/Contract partner: Billund Lufthavn A/S



Russia
Location 1: Perm Airport
Customer/Contract partner: Ural Duty Free

Location 2: St. Petersburg
Customer/Contract partner: St. Peterline
(Princess Maria, Princess Anastasia)

Location 3: St. Petersburg,
Marine Facade Seaport
Customer/Contract partner: Globus Distribution



Afghanistan and Kosovo
Location: Deployment areas of Afghanistan and Kosovo
Customer/Contract partner: Federal Republic of Germany,
German Armed Forces



Croatia
Location 1: Dubrovnik Airport
Customer/Contract partner: Zračna Luka Dubrovnik

Location 2: Split Airport
Customer/Contract partner: Zračna Luka Split



Belgium
Location: Nato HQ, Mons
Customer/Contract partner: Supreme Headquarters
Allied Powers Europe



Moldova
Location 1: Leuseni Bordershops
Customer/Contract partner: Dufremol

Location 2: Chişinău Airport
Customer/Contract partner: Dufremol

NEW SUPPLY CONTRACTS 2016



Germany
Location 1: Bremen Airport
Customer/Contract partner: Shop & Fly GmbH (B&S Paul Global)

Location 2: Erfurt Airport
Customer/Contract partner: Flughafen Erfurt GmbH

Location 3: Saarbrücken Airport
Customer/Contract partner: Finetime GmbH



Ireland
Location: Ireland West Airport Knock
Customer/Contract partner: Ireland West Airport Knock



Italy
Location: Cagliari Airport
Customer/Contract partner: Ambrosio Olbia Fly Shop SRL



Mali and Lithuania
Location: Deployment areas of Mali and Lithuania
Customer/Contract partner: Federal Republic of Germany,
German Armed Forces



Norway
Location: Bergen, MS Bergensfjord, MS Stavangerfjord,
MS Oslofjord, HSC Fjord Cat
Customer/Contract partner: Fjord Line



Africa
Location 1: Mozambique, Rwanda, Cape Verde
Islands, Uganda, Zambia (various airports)
Customer/Contract partner: Flemingo



Location 2: Botswana (Gaborone Airport)
Customer/Contract partner: Evolution



Location 3: Malawi (Lilongwe Airport)
Customer/Contract partner: GFS



Georgia
Location: Georgian Borders (Bordershops)
Customer/Contract partner: Duty Free Alliance



Belarus
Location: Belarus Borders (Bordershops)
Customer/Contract partner: Bela Market Duty Free

EXTENDED CONCESSIONS



Germany
Hamburg, until 2027
Hannover, until 2022
Dortmund, until 2026



DOWN UNDER ON THE RISE

An update on the world's largest Departure Duty Free shop in Sydney

The official opening of HEINEMANN Tax & Duty Free at Sydney Airport at the beginning of May 2016 marked the culmination of one of the most comprehensive Duty Free projects of recent years in the Asia Pacific region, resulting in the biggest Departure Duty Free in the world. Built over 8,000 square metres (comprising a sales area of 5,700 square metres), the "Mega B" presents a new dimension of airport shopping, welcoming travellers with international brands and a design concept that invites relaxed browsing before departure.

In landing at Sydney Airport, Heinemann became a global brand. This only goes to prove once again, what the Hamburg family-owned company can do on a global scale. In addition, the development made it clear just how far the brand had come. The design for the Departure Duty Free at the international airport of the Australian metropolis challenged the traditional concept of a shop: The idea was that the Mega B, despite its size and walk-through layout should still look like "one shop". This was achieved by linking the different retail areas with elements that connected with each other visually all along the passenger walkways.

SLOWING DOWN PASSENGERS FOR A MORE RELAXED SHOPPING EXPERIENCE

Two restaurants, the "Bridge Bar" and the "Coast Café and Bar" as well as an electronic retailer (JB Hi-Fi) were included in a sales area for the first time. This way of presenting brands and retail planning is unique, and allowed for the successful implementation and creation of a relaxed shopping atmosphere.

"Given the size of the space, it was about getting passengers to slow down as they progress through the walk-through shop at various points," explains Richard Hoyer, Director Global Subsidiaries at Gebr. Heinemann

and Project Head for the opening at Sydney Airport. The perfume and cosmetics areas alone cover 2,000 square metres, and the LTC range is also extensive. In achieving this, Gebr. Heinemann worked with the renowned Australian Trippas White Group (TWG), which operates the two locally inspired restaurants within Mega B. They were included in the fashion and accessories areas, as well as in LTC and fine foods. An area was also let to JB Hi-Fi, the leading electronics retailer in Australia. "All the retailers at the airport are competing – not just for the passengers' money but also for their time," says Richard Hoyer. "That is why everyone benefits when Duty Free and electronics come together as they do here."

One of the biggest departments in Mega B is that of Fashion & Accessories, which carries luxury brands like Ferragamo, Fendi, MCM, and the exclusive Australian cult brand UGG. They are pre-



sented with their own backwalls and are staffed with a competent sales team that is responsible specifically for that brand. Local brands are strongly represented throughout the whole HEINEMANN Tax & Duty Free range. That includes brands like the famous Tim Tam biscuits from Arnott's in Confectionery, skincare from Jurlique in Perfume & Cosmetics, and the wine selection, which carries products from more than half of Australia's wine-makers.

The airport is supplied by a logistics service provider (Mainfreight) and a logistics centre which is also located in the greater Sydney area. The on-site storage facility at the airport is operated by Heinemann Australia.

One of the special characteristics of Sydney Airport is the number of Chinese tour groups that pass through. "We don't encounter travellers from China anywhere else in the way we do here," says Richard Hoyer. "That is why we have a 'Chinese Tour Groups Team' of up to eight people that only deal with these tour groups. The groups register in advance, and members of our tour group staff organise and accompany them through the whole shopping process. The current developments in the travel market means that Sydney is profiting from more Chinese passengers in general. The insecurities in Europe – terror in Paris, Berlin and Istanbul – and the resulting reduction in travellers from China to those destinations means that we are able to recoup some of the losses suffered in Europe through our business here in Australia."

Heinemann has also implemented a "Ready for Collection" concept in Sydney: passengers can purchase products in the Departure Duty Free shop before their flight, and collect them at a "Pick-Up Counter" in the Arrival shop – also operated by Heinemann – on their return.



Max Heinemann, CEO Heinemann Asia Pacific, Kerrie Mather, CEO Sydney Airport, and Constantin Wiesmann, Managing Director Heinemann Australia

MASTERFUL COLLABORATION BETWEEN SINGAPORE AND HAMBURG

"The implementation of the plans for all the shops within a few months was a masterful display of collaboration between Heinemann Asia Pacific in Singapore and the head office," stresses Richard Hoyer. "In peak times, there were up to 50 members of staff from Hamburg in Singapore and in Sydney. We also took full advantage of our international operational strength, by bringing people from our biggest sites in Frankfurt, Copenhagen and Vienna to train our sales team in Sydney."



AT THE END OF A SUCCESSFUL 2016,
THE COMMERCIAL OUTLOOK FOR SYDNEY IS POSITIVE:
the plan was to finish the third year with a profit – and Heinemann is sure that they will achieve that in 2017.



A HUGE WELCOME!

Largest Arrival shop worldwide opened in Oslo

At 4,000 square metres, the Heinemann Arrival Duty Free Shop at Oslo Airport has taken on a whole new dimension: 43 cash registers, 5,500 perfume and cosmetics articles and a range of wines that includes approximately 700 labels. Even before its expansion, the Arrival Duty Free at the international aviation hub in Norway's capital was one of the biggest in terms of sales. Now, as part of the terminal expansion carried out by airport operator Avinor over the last few months, the joint venture Travel Retail Norway (TRN), between Gebr. Heinemann and its Norwegian partner Norse Trade, has created the biggest Arrival Duty Free in the world. A shopping experience that exceeds travellers' expectations, providing a true "Welcome Home Duty Free" for all Norwegians, while also welcoming visitors to Scandinavia.

When aircraft from Miami, Amsterdam, Dubai, Zurich and countless other destinations land at Oslo Airport, all within a few minutes of each other, things get very busy in HEINEMANN Duty Free Arrival. These "rush hours" are typical for the shop's business, and the demand is enormous. Over 90 percent of the customers are Norwegians. They appreciate Duty Free shopping on their return, as domestic prices are high. At the airport, they can save significant amounts when buying wine, spirits, perfume, cigarettes and other products. The increase in the number of passengers at Oslo Airport over recent years meant that the shop had reached full capacity, despite regular extensions.

Florian Seidel, Director Retail at Gebr. Heinemann, reports: *"Travel Retail Norway and Gebr. Heinemann have grown together successfully over the last ten years. This strong partnership is based on close collaboration and a lot of trust. The terminal expansion gave us the chance to make a huge leap forward with the Arrival Duty Free. We took advantage of this opportunity to create a shop that*



would make Norwegians feel at home again as soon as they arrived, and that would welcome foreign visitors to Scandinavia. Together, we are proud to present a new generation of Arrival Duty Free in Oslo."

NORWEGIAN DESIGNS, MORE REGIONAL BRANDS, PREMIUM AREAS

The new construction has more than doubled the retail area, the aisles of the shops are more generous, and product presentation has become more refined. The design concept takes in natural as well as local elements, such as a wall of plants, light wooden flooring and imposing stylised boulders displaying digitised impressions of Norway, as well as advertising special offers. The total product range has been significantly expanded to include 5,500 perfume and cosmetics articles that attract a lot of interest from travellers. Makeup is presented as part of the new design "Eyes, Lips, Nails" offering a comprehensive selection of trends encompassing 2,500 items (SKUs). The specially designed "Men's World" contains fragrances and care products, including the new lifestyle brand Bad Norwegian. More Norwegian brands have also been included throughout the whole product range.

A special "Gifting" area displays sets and articles well suited as presents, while premium highlights in design and architecture have been used for wine, spirits and sweets. Thus, high-priced products are optimally displayed, further highlighting HEINEMANN Duty Free's expertise and product range. The wine

list boasts approximately 700 international labels and the shop also pays homage to various beers, with over 70 different offerings, including some high-priced, trendy "craft beer" labels from local breweries.



FIRST TIME IN AN AIRPORT: DTS SUPPLIES THE SHOPS

Behind the scenes, the logistics challenge is high. As restocking the Arrival Shop requires large amounts of products in a short space of time, product deliveries have to be quick and comprehensive. In order to meet this need, Gebr. Heinemann Logistics developed a DTS, a "driverless transport system" especially for use at Oslo Airport. Use of this kind of DTS in an airport is a world first. It has up to six self-driving fork-lifts, controlled by means of a laser navigation system, that bring goods from the warehouse to a preparation area in front of the shops, where the staff can unload them. After testing this innovative system in the first half of 2017, it will be put into operation.



Florian Seidel is looking to the future:

"With the steady development of passenger numbers at Oslo Airport we are expecting a positive effect on sales, and with the new technical developments and the improvements to the retail space, we are well equipped to meet the rise in customer demand."





TOGETHERNESS SPREADS AROUND THE WORLD

Heinemann Australia, Asia Pacific and Americas – a global interview

Gebr. Heinemann is now represented on all five continents. What was it like for you personally to step out "into the world"?

Constantin Wiesmann: "I had already been working for Gebr. Heinemann in Europe for six years, most recently as a Retail Manager in Vienna. When I moved from there to Singapore, almost everything was different, from the people, to the time zone, to the weather. One thing remained constant however: the cordial work atmosphere that we create at Gebr. Heinemann. That is our common denominator everywhere."

Max Heinemann: "I have been working in our family business for more than six years, and from the beginning, Singapore was my professional home. It is very multicultural here, which both challenges and fascinates me. To be honest, my first thought at the time was: What are we actually doing here? It is part of the Heinemann character to allow time for the development of a plan. The target was to go there, discover what was possible and set a focus."

I also remember my first report back to Hamburg: We need an office. I looked for a suitable apartment. We were a true start-up and pretty much on our own. But I knew we would soon find our place in Asia."

Nadine Heubel: "Our American company had been operating for two and half years before I went to Miami, and I had already begun working with the team there while based in our Hamburg office. So, for me, there was no real 'first day' in that sense. I was made part of the team straight away. We started with a big shared breakfast that the team had organised for me. Everyone had brought something to eat. It was a brilliant surprise that immediately made me feel completely 'at home' even though I was 9,000 kilometres away from Germany."

Where does this common denominator come from?

Max Heinemann: "It all happens quite naturally actually. The head office in Hamburg is the heart of the company, from here we try to convey our

values to the world. It feels good to have that sense that our values permeate their way into our international offices. Of course, a lot of attention is paid to employees from Hamburg and we must live up to that responsibility. That includes being respectfully open to all the aspects of a new country, the culture and the religion, which is not always easy."

Nadine Heubel: "Yes, that really is important. I listen a lot to our people in Miami, to understand what the normal practices are in the USA. I want to know what they are, so that I can adapt accordingly."

Constantin Wiesmann: "For me it was a bit different, as I am a guy from Cologne – and not from Hamburg (*laughs*). When I went on to Australia after only eight months in Singapore, I was able to build on the activities started by Richard Hoyer in Sydney. The work atmosphere is very positive, Heinemann and the people of Sydney suit each other well. That is also because Heinemann's foundations are global: open, accessible, attentive, interpersonal and with a flat hierarchy. By the way: as the 'Gebr.' is difficult to pronounce and for others to understand, we refer to the Heinemann Group. It's much easier for the people we're talking with to understand."

Max Heinemann: "No-one knew us in Asia. Maybe with the exception of a few serious industry experts, who knew us as Duty Free experts in Europe. The positive side-effect was that we were always able to surprise, maybe even because we came to Asia so late in the game. Duty Free was already very successful here when we started our new office."

Nadine Heubel: "American business people always want to know our goals. I have even been asked 'What are you doing at our party?' People quickly get down to specifics here. When I then talk about our targeted growth, they start listening immediately."

Max Heinemann: "That happens to me too! In Asia, people are very interested in the fact that we are a family company in our fifth generation. That earns us a lot of respect."



Nadine Heubel



Max Heinemann



Constantin Wiesmann



Constantin Wiesmann, Managing Director Heinemann Australia, Max Heinemann, CEO Heinemann Asia Pacific, and Nadine Heubel, CEO Heinemann Americas

Have there been any disappointments?

Max Heinemann: "Being an expat is not always easy and can cause some difficulties. For example, moving your whole family to another country and a completely unknown environment. It is not just about you as an individual employee, because the decision to move again has to be made by the whole family, as well as the company. Also, making your way back into the head office is definitely not easy."

Nadine Heubel: "I sometimes experience people making the odd insinuation with regard to Miami's sunny climate and beautiful beaches. It means that I have to remind my colleagues in other locations that they won't find me on Miami Beach during the day, but at my desk. And of course it's a balancing act between being a strong presence in the office and being equally present privately, with a partner who moved with you, and for whom it is often a bigger challenge to meet people."

Constantin Wiesmann: "Miami, Singapore, Sydney – these are all sensational cities. But when we're there, we're often left to our own devices – especially given that we are on different continents and far from head office. What we do professionally only works when we are constantly learning, extremely personally committed and putting in many hours of hard work."

What do you think of the description of your companies as "big little companies"?

Nadine Heubel: "Can I put forward an alternative? Quick, decisive and personal."

Max Heinemann: "Singapore saw itself as a start-up for quite a while, although now, after almost seven years, we can't really talk about being in a start-up phase anymore. We are now part of the Heinemann system, and we see ourselves as an established subsidiary and an established player in Asia with plenty of growth potential ahead of us. That was and is a challenging learning process for everyone involved, as being global means being

individually responsible for your own work. We are always looking for solutions that our local staff can understand and stand behind."

Nadine Heubel: "That's so true, as individuality is the cornerstone of Gebr. Heinemann's global success. Take for example the hierarchies in the company both internally and externally. They are, by design, very different in the various countries. That's why we have a different style of working here in Hamburg than in Sydney or Miami, and Singapore has another operational practice again."

Constantin Wiesmann: "...at the same time, our staff all appreciate that we go our own Heinemann way, for example with our lunches that are open to all levels."

How have all these customs and experiences affected you? Have you changed during your time outside of Germany and Europe?

Nadine Heubel: "I have only been working in the USA for a few months, so I can't really say anything about big changes, but I have come to appreciate my country of Germany even more. There are so many little things that become more important when you live far away from home."

Max Heinemann: "I have been away from Hamburg for eleven years, first in Spain and now in Singapore. Of course this time has had an effect on me. I hope that I have learned to 'keep an open mind', without blinkers. The many personal experiences I've had have definitely enriched me. For example, I now have a greater understanding for other people, for their cultures, for their religions. Especially with regard to the discussions of a 'multicultural nature' coming up now in Germany, this makes me feel confident that our company and its international responsibility and international base can have a positive effect on integration."

Constantin Wiesmann: "After placements in Riga, Vienna, Singapore and Sydney, I have learnt to adapt quickly and to respond to other cultures. So

I know, that in the end, a positive approach, reliability and a good dose of humour are appreciated everywhere – whether it is in Eastern Europe or Oceania."

We are talking today in the new extension of the Heinemann building in Hamburg's HafenCity. How does it feel to be here for the first time?

Constantin Wiesmann: "When I arrived in Koreastrasse, it felt like I was coming home. The extension is really great, amazing offices and so much natural light. The materials they used and the building's clean lines speak a clear language. That suits Gebr. Heinemann really well. Coming back to Hamburg several times a year for meetings is an important constant point of reference for me – particularly given that I move as often as I do."

Nadine Heubel: "Germany is grounded, people here traditionally have both feet on the ground. That is authentic."

Max Heinemann: "As a Hamburg native, of course I enjoy being in my home country, but my current home town is Singapore. When I am in the city of my birth, I always like catching up with friends. At the same time, I miss the feeling of being in a 'melting pot' when I'm in Hamburg – that would really suit this cosmopolitan merchant city with its rich traditions. Germany has so much potential – we all have a responsibility to bring ideas and values from across the world back to Hamburg, and into the Gebr. Heinemann company. The same way we convey the ideas of Gebr. Heinemann all over the world."





They live and work in different time and climate zones: the 6,000 employees in the global Heinemann family are dedicated to serving customers from Kristiansand to Kuala Lumpur every day. One morning at the end of December 2016, we asked nine of them to tell us what they do between 11 and 12, and here is what they said.


TURKEY


MALAYSIA


GERMANY

Klaus Prenger Berninghoff	Johar Arifin Baki	Oksana Tykocinski
Head of Architecture	General Manager, HEINEMANN Duty Free	Receptionist at Gebr. Heinemann
Istanbul	Kuala Lumpur International Airport 2	Frankfurt Airport
<p>"My first meeting has just finished. I head back to my desk where I read through urgent emails and speak to my contact partner at Airport Operator IGA to discuss the most important points for the next meeting. After that I check up on the employees in the team and have a chat with my partner Burak on the status of the calls for tender and the commissioning of projects. Over lunch I then enjoy a relaxed chat with the other departments."</p>	<p>"Most of the time, I scan through the 50 to 60 emails that I receive every day and decide which ones need to be answered immediately and which I can save for later. On less busy days, I walk through the shops to talk to staff. Occasionally, I have an early lunch if I have skipped breakfast."</p>	<p>"I can use this hour flexibly for various things depending on the day of the week and in line with my broad range of tasks at reception: I might have a team meeting with the HR department, or be doing invoice checks or complaint and customer management; I might be assisting employees on the topic of uniform, coding ID cards, organising catering for meetings and training, or planning travel and making flight bookings."</p>
 <p>windy, cloudy, 6°C</p>	<p>wet, wet, wet – here comes the rainy season again, 28 - 30°C</p> 	<p>cloudy, occasional sunshine, 5°C</p> 
<p><i>Favourite Heinemann product</i> White wine from Robert Weil</p> 	<p><i>Favourite Heinemann product</i> Chocolates on sale, any kind</p> 	<p><i>Favourite Heinemann product</i> Versace Eros, Pour Femme Eau de Parfum</p> 

THE COMPANY THAT NEVER SLEEPS

Employees across all time zones tell their stories





ITALY



USA



AUSTRALIA



GERMANY



AUSTRIA



NORWAY

Roman Koch	Ual Bradley III	Wendy Chien	Sabine Boll	Petra Mitchell	Trine Gresaker
Managing Director of Travel Retail Italiana S.r.l. a socio unico	Logistics Manager	Asia Market Manager	Team Leader for Training in Distribution	Customer Advisor / Beauty Consultant of Christian Dior	Trainer LTC
Bologna, Pisa, Turin, Catania	Miami, Florida	HEINEMANN Tax & Duty Free, Sydney Airport	Headquarters in Hamburg	HEINEMANN Duty Free Salzburg Airport	HEINEMANN Duty Free Kristiansand Airport
"After I have started the working day at our warehouse in Calderara di Reno, at 11 a.m. I drive to Bologna Airport, six kilometres away. There I do a round of the shops with our retail manager. After that I have a meeting with the management of Bologna Airport about the conversion and opening of a new warehouse area that is to be made available to us."	"My typical 11-12 hour is usually filled with coffee, meetings, customer and vendor shipments, and a growling stomach! Often I am assisting in the speedy clearing of inbound shipments for import or receipt in the warehouse, as well as expediting documentation and the coordination of outbound deliveries to our customers around the Americas. Not to mention checking out the lunch menus to see what meal I will dig into at 12!"	"It is the busiest time of the day for me as I am responsible for liaising with many of our Tour Group Leaders and customers in the store. It is really important to execute payments accurately and timely as many of the travellers have time restrictions prior to their departure from Sydney. I am also responsible for correcting any tour group customer issues, whereby my main focus is to ensure that all of our customers are provided with exceptional customer service as well as an enjoyable shopping experience at Heinemann."	"Today we have the presentation of P&C innovations for the product range discussions in Distribution. This training session has been a firm fixture in Distribution for many years now. Here the specific features and the sales arguments of the most important innovations are summarised: follow-up products, limited editions, travel retail exclusives, trends, new technologies with care products and make-up."	"My responsibility in the area of customer consultancy and as a Dior Beauty Consultant is something I breathe fresh life into every day with a great deal of passion. I am aware that these days customers expect not only good products at good prices, but most importantly appreciation, attention, a personal approach and good advice."	"Besides recommending good wines to our customers, I'm preparing my LTC courses for the staff in our Kristiansand-Kjevik Duty Free Shop."
cloudy, 5°C	partly cloudy and very humid! 26°C, not a snow flake in sight.	sunny, 26°C	cloudy, 3°C	sunny, 4°C	sunny, 4°C
<i>Favourite Heinemann product</i> Dolce & Gabbana Light Blue Homme EdT 	<i>Favourite Heinemann product</i> Yellow Rose Whiskey. It's great! 	<i>Favourite Heinemann product</i> Bally leather products 	<i>Favourite Heinemann product</i> Must-have – always at hand: Sensai Cellular Performance – Lifting Radiance 3D Mask. The perfect red: Chanel Rouge Allure 99 Pirate – everlasting. 	<i>Favourite Heinemann product</i> One Essential Serum by Christian Dior 	<i>Favourite Heinemann product</i> I am very fond of Brunello wines.





HAPPY CUSTOMERS TODAY AND TOMORROW

Customer-oriented concepts for the future



A FOCUS ON THE TRAVELLER

HEINEMANN Duty Free strengthens the global dialogue with its customers

HEINEMANN
heinemann-dutyfree.com

Acquiring customers and connecting them with the company – that is part of the strategy at Gebr. Heinemann. And since the opening of "HEINEMANN Tax & Duty Free" in Sydney as the world's largest Airport Departure Duty Free and the increase in the number of participants in the HEINEMANN & ME loyalty programme to around 500,000 people worldwide, the ongoing development made by the brand in recent years has become clear. The focus has always been clearly on travellers.

"When we launched the HEINEMANN Duty Free brand in 2008, that was the starting point to enter into a dialogue with our end customers," explains Raoul Spanger, Executive Director Retail & HR at Gebr. Heinemann. That was when the company first gave Duty Free a face. It wanted to gain travellers' trust, and for that they had to consciously choose the shop. Since then, Heinemann has continuously developed this basic idea. "Originally, our brand value 'personal' meant the interaction between the customer in the shop and our staff," continues Raoul Spanger. "Then came the Online Shop and a CRM programme, including HEINEMANN & ME. Today with Connected Travel Retail, CTR for short, a new dimension of the connection with our customers has been created. We are in continuous dialogue with them at the POS and online through an exchange of data and information, before, during and after their journey." This interaction as well as the feedback along the travel chain enable strong customer retention around the world while supporting the perception of the brand. This works in Europe just like in Australia, where HEINEMANN & ME registered nearly 30,000 new members after the opening of HEINEMANN Tax & Duty Free at Sydney Airport from May to the end of 2016. The Heinemann brand also proved its international

strength in 2016 with the opening of the world's largest Arrival Duty Free shop at Oslo Airport. "Heinemann has always been customer-oriented," says Raoul Spanger.

“
Today the classic POS business is combined with digital business. We have more strategic approaches, but are still close to people. And travellers all over the world say: Duty Free has a face for me.
”

Raoul Spanger



THE SHOPPING NETWORK

Communication across all locations and media, along the complete travel chain

IC – two letters with a tremendous effect. It stands for "Integrated Communications", i.e. linked, strategic marketing with campaigns in all media, every location and across every category. In 2016, Heinemann launched six such campaigns throughout the world, using this effective brand presence to inspire customers and further increase penetration in the HEINEMANN Duty Free Shops.

Whether "Hello Summer" or "Magical Christmas" – for the first time 37 locations in 12 countries were included in the seasonal campaigns that also played on a variety of digital channels. Typical for this and upcoming IC campaigns: product lines

with a cross-brand and cross-category approach as well as the numerous points of interaction that Heinemann uses along the entire travel chain to communicate with customers. In addition to POS, this 360° concept also includes the webshop, the Heinemann app, social media, online marketing, the newsletter, as well as direct mailings to members of the HEINEMANN & ME customer excitement programme. "Our overriding objective is to further increase penetration in our shops," explains Anja Zettel, Head of Trade Marketing at Gebr. Heinemann. "The campaigns regularly immerse the shops in a new look and feel, which are meant to inspire the passengers to stop, browse and buy. We are also demonstrating

that Heinemann is doing something different from its competitors – and on a high, international level. That is brand-defining." Considerable team effort is required for this to succeed. "The complexity of this kind of marketing campaign as well as the advance planning period of nearly one year are the biggest challenges," says Anja Zettel. "The core team consists of 18 employees from eleven departments. Integrated communication means integrated working and is widely considered the epitome of marketing. We are well on the way and have already achieved terrific results. Since we only began with IC in 2016, we are still developing benchmarks and our achievements will be readily visible next year."



Anja Zettel, Head of Trade Marketing

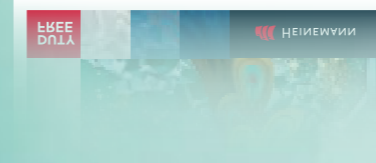


**MAGICAL CHRISTMAS –
FROM A FAIRYTALE FOREST TO E-CARDS**

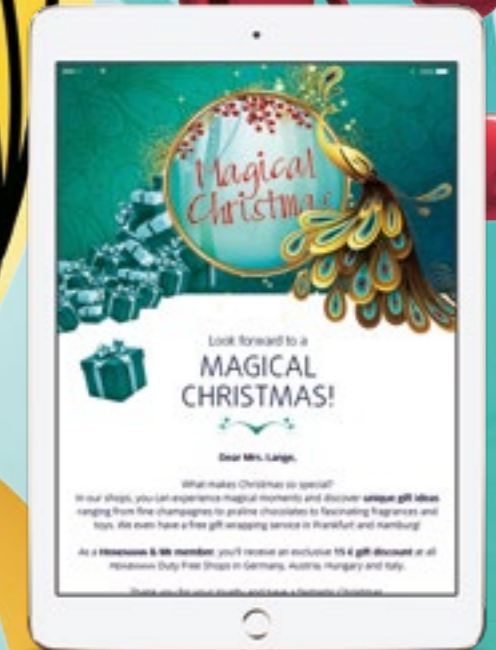
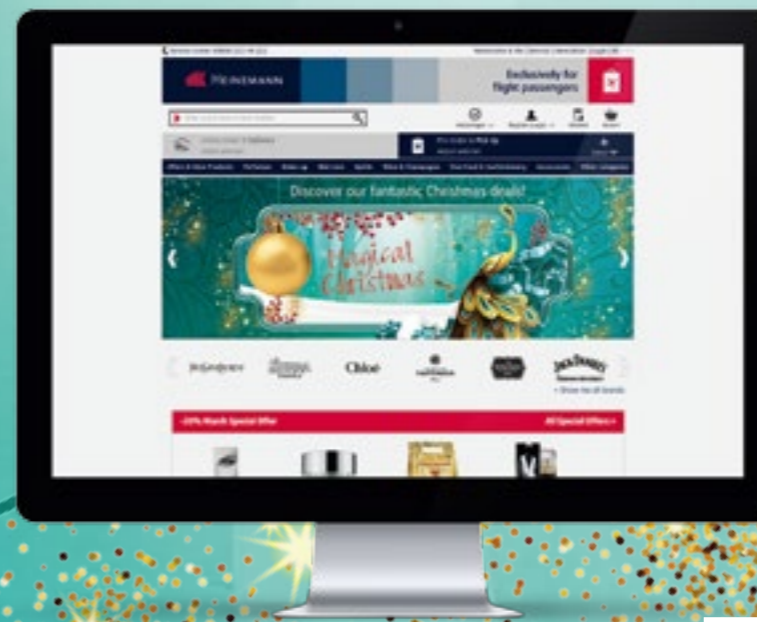
In November and December, Heinemann decorated its Duty Free shops in the "Magical Christmas" theme and led travellers into a magical fairytale forest where Christmas products and gift ideas awaited them next to interactive terminals such as selfie stations. During the promotion period, HEINEMANN & ME members residing in Germany, Austria, Italy and Hungary received an exclusive mailing that included a discount coupon as well as a gift tag as a little extra something special. On Facebook, for instance, the campaign was flanked by a contest, product recommendations and e-cards. A themed newsletter as well as a specifically created landing page with product recommendations, Christmas stories and Christmas lists complemented the operation online. In conclusion: The extraordinary, modern and effective appearance of "Magical Christmas" attracted customers into the shops. On social media, it was one of the most successful campaigns of the past year with numerous postings on the HEINEMANN Duty Free Facebook page, an above-average newsletter open rate and an equally high download and redemption rate for the discount coupon that ultimately led to an increase in the average amount spent at the POS. After its impressive launch last year, Trade Marketing is planning five IC campaigns for 2017.



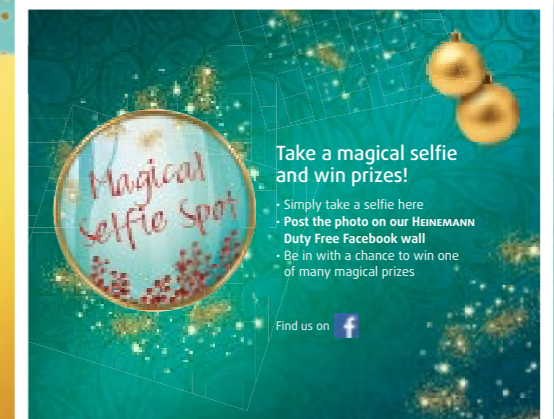
Showcard



Banner



Newsletter



Selfie Corner

MORE PRACTICAL THAN EVER: HEINEMANN & ME

The flexible customer programme now delights over 500,000 members worldwide

500,000 people have already made it their constant (travel) companion: the "HEINEMANN & ME" customer excitement programme. And that number is increasing. In 2016 alone, 110,000 new members registered worldwide, nearly 30,000 of them at the new HEINEMANN Duty Free location at Sydney Airport. In all, 20 locations in five countries have partnered with HEINEMANN & ME.

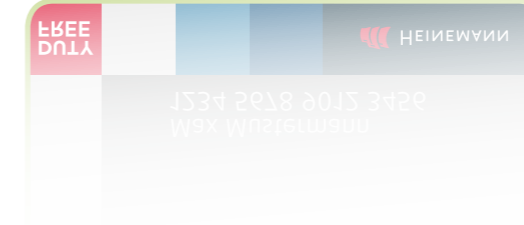
"The aim of the customer excitement programme is, indeed, to delight our members and make travel and shopping as easy and as attractive as possible," says Anja Zettel, Head of Trade Marketing at Gebr. Heinemann. For instance, the new digital customer card is available anytime in the Heinemann app on smartphones, which also allows members to redeem the discount coupons they receive simply by presenting it at the till in the shops. The customer excitement programme service also includes an exclusive hotline and advantages for hotel and rental car reservations.

HEINEMANN & ME is also an important component of the company's focus on Connected Travel Retail (CTR), i.e. digitally dialoguing with customers at the various points in the travel chain. The information and data exchanged via HEINEMANN & ME

allows Gebr. Heinemann to understand customers better and tailor its offer and service to their individual desires. This focus on travellers' very individual needs will continue to be expanded in the future, for instance in the form of personalised newsletters.

2017 also promises to be an exciting year for the HEINEMANN & ME members. The new loyalty point collection system, "Collect Me", will be launched. And "Surprise Me" will give customers the chance to randomly benefit from extra surprises – such as instant discounts – when they make a purchase. *"This makes the programme extremely relevant for every customer group, whether they are frequent or infrequent fliers,"* explains Claus-Peter Hoff, Loyalty Team Leader in Trade Marketing. *"Within the next five years, we aim to reach one million members at HEINEMANN & ME."*

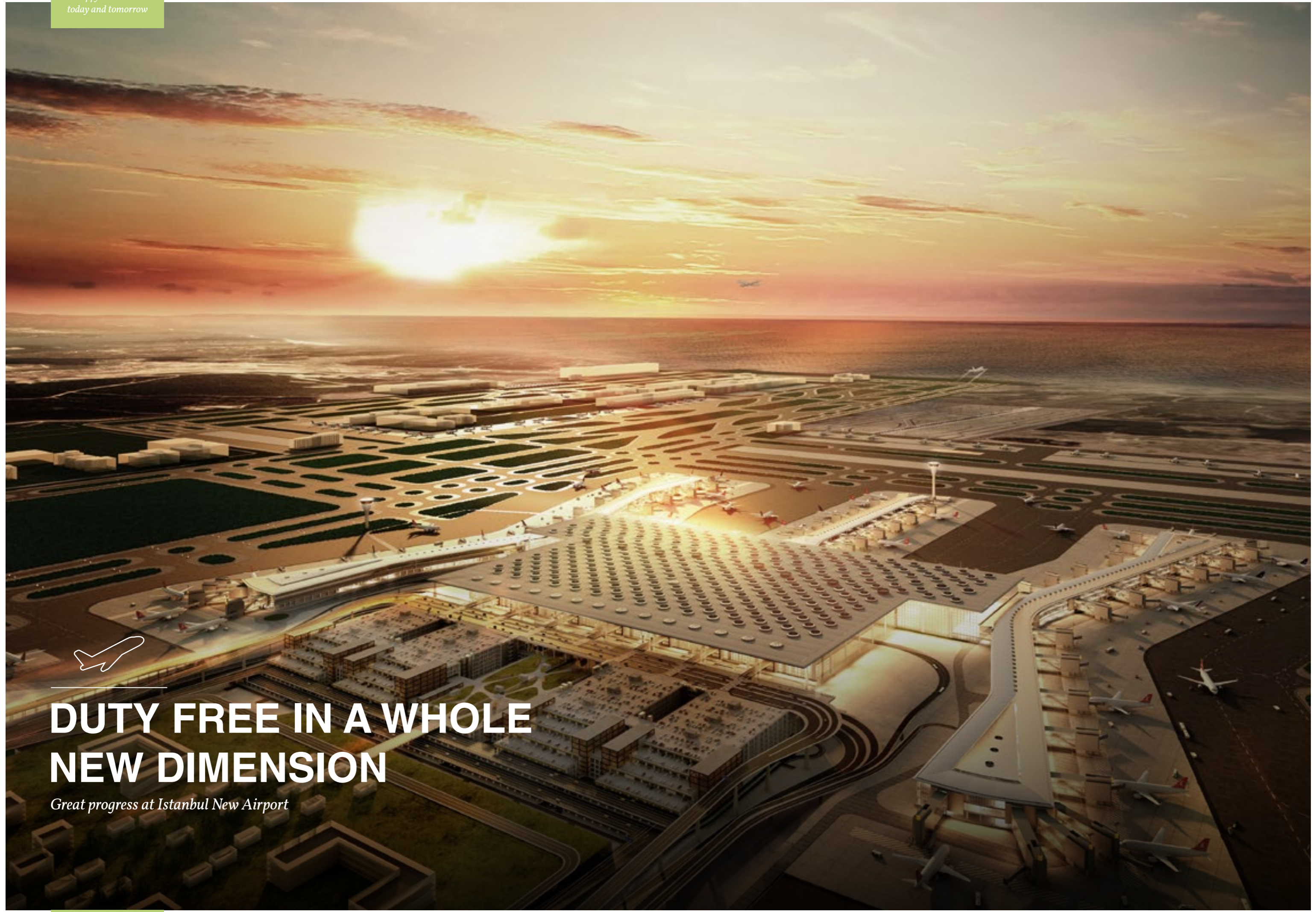
500,000 MEMBERS IN TOTAL



110,000 NEW MEMBERS WORLDWIDE IN THE PAST YEAR



ALMOST 30,000 OF THOSE AT SYDNEY AIRPORT



DUTY FREE IN A WHOLE NEW DIMENSION

Great progress at Istanbul New Airport

The Bosphorus is to be home to one of the most important international aviation hubs with the construction of Istanbul New Airport (INA). A major project for Gebr. Heinemann and Unifree as well, who jointly won the world's biggest Duty Free contract for the future mega-hub in 2015. Time now for a look at the current planning and construction progress at Istanbul New Airport and the team behind this ambitious project.

In a year, dominated by tension in domestic political events in Turkey and the travel market in general, the stability of the partnership developed over many years between Unifree and Gebr. Heinemann came once again to the fore. A project of this scale has no comparison. In planning, it was divided into three phases: initialisation, development and testing. The initialisation phase was completed by the INA Steering Committee, made up of the Duty Free operators Unifree, Gebr. Heinemann and the IGA Group, which is responsible for the construction and operation of the airport.

From the outset, Gebr. Heinemann was closely involved in the development of the terminal architecture. Florian Seidel, Director Retail at Gebr. Heinemann and member of the INA Steering Committee, explains: *"We were able to bring in our retail expertise from the beginning of the project and structure the build around customer needs from an early stage."* One major consideration for the Steering Committee for example is coordinating the relevant players, such as the airport operator, airlines, authorities and shop operators. The focus for Gebr. Heinemann is currently on issues of architecture and design, to achieve the best possible traffic flow for passengers and the most efficient solutions for the retailers. Florian Seidel is aware of the pressure to keep the necessary work moving forward to meet the planned opening date in 2018: *"As Unifree/Heinemann*



we are managing the challenges involved with the biggest airport by combining global retail experience with concentrated local expertise. We are creating the necessary local independence in conjunction with synchronised processes. That will create the basis for a shared, long-term successful future for our business."

MORE THAN 50,000 SQUARE METRES OF RETAIL SPACE AT ISTANBUL NEW AIRPORT

The so-called central processor in the central terminal building of the INA covers an area of 750x140 metres. This is approximately the same size as



15 football fields. All departing and transit passengers will pass through here. Altogether, the departure area of the central processor has 36,000 square metres of shopping area, of which 18,000 square metres are for Duty Free shops and two Turkish bazaars. In the arrivals area, passengers will be greeted by another 11,000 square metres of Duty Free area. Pier shops and transfer shops will make up a further 7,000 square metres.

Luxury brands will be at the heart of the customer experience, flanked right and left by two impressive main Duty Free shops. Five villages with different identities and a varied array of products will represent the course of the Bosphorus. Every village will have its own marketplace to increase the quality of

the time spent in them. They will provide a soothing space for passengers, with food and drink and pop-up shops as well as entertainment opportunities. This entertainment will be organised and paid for by the Tenant Advertising Commission. So, for example, in the "Family Palace" village, there will be clowns or magicians providing regular exciting entertainment for younger travellers. In addition to attractive Duty Free offers, passengers will find that every village is also stocked with standard travel supplies like international newspapers, books and consumer electronics for their onward journeys from Istanbul.

Jens Degner, Director Global Business Development at Gebr. Heinemann and also a member of the INA Steering Committee, emphasises the scope of the project: *"We are faced with the challenge of being a convincing general tenant and master concessionaire. The industry mix is determined by the diversity of passengers carried by the globally operating Turkish Airlines. In this, the quality of the passengers' experience during their transit is of the utmost importance."* It is estimated that approximately 50 well-known international and domestic brands will have the opportunity to present themselves to a global clientele.

And Jens Degner knows that brands from Turkey as well as from all over the world are very interested: *"In searching for the right leasing partners, we are leaving nothing to chance. The professional procurement procedure with invitations to tender sent to exclusively selected brand partners guarantees us as the general ten-*



ant an economically significant full tenancy on opening day. Negotiations are due to continue until summer 2017, and then the contracts should be ready to sign." In addition to the Duty Free shops and the two bazaars, Gebr. Heinemann and Unifree are also planning to operate three brand shops themselves: Hermès, Ferragamo and Bulgari.



The INA project team, which brings together virtually all areas of expertise from both Unifree Duty Free and Gebr. Heinemann, can look back on a successful 2016. Head of Architecture, Klaus Prenger Berninghoff, who has been pulling the strings for Gebr. Heinemann in Istanbul for over a year, is looking to the future with hope and anticipation: *"Now that the first runway has been successfully sealed by IGA and the outlines of the Istanbul New Airport have become clearly visible, we are looking to start with the construction of our Duty Free shops by mid-2017. This project is a milestone in the history of both Unifree Duty Free and Gebr. Heinemann – and for every one of us!"*



Klaus Prenger Berninghoff





FROM A TO B, FROM A TO Z

On the challenges of global logistics in the travel retail market

The current logistics manager at the Miami location began here, as did the one in Vienna and the manager in Singapore: They all started as trainees at the Gebr. Heinemann logistics centre in Hamburg-Allermöhe. As the company grew, its logistics became increasingly internationally orientated and it trained its employees correspondingly. That has established a network that advises and supports the subsidiaries that manage their own warehouses around the world and also includes the integration of external transport and stock keeping service providers. Two major projects are emblematic of the division's activities in 2016: The development of a logistics concept for the major Istanbul New Airport project together with the Turkish colleagues and a new, innovative supply system at the expanded airport in Oslo.

"We see ourselves as a competence centre for consulting and support with projects as well as with daily operations," says Marco Rebohm, Director of Logistics Gebr. Heinemann. "Our team trains new colleagues as well as service providers on-site throughout the world to handle our demanding product range, whose diversity and complexity make it quite challenging. In addition, we develop standard logistics processes and tools to manage service providers." Consulting at Munich Airport for the Gebr. Heinemann distribution customer Eurotrade which opened three shops in a new terminal this year, was also one of the specialists' tasks in 2016 along with developing logistics for the HEINEMANN Duty Free Shops at Sydney Airport, developing the transport and storage structures of Heinemann Americas in Miami, as well as supplying the newly founded joint venture in Malaysia.

ISTANBUL NEW AIRPORT: LAYOUT AND BASIC CONCEPT FOR WAREHOUSE LOGISTICS CONCLUDED

Istanbul New Airport is continuing to grow behind the scenes. And for the right storage at the future major hub, the logistics operators from Gebr. Heinemann together with the experts from Unifree Duty Free (a company in which Gebr. Heinemann holds a majority interest) in Turkey set a milestone in December 2016: They decided on the layout and basic concept for the warehouse logistics. In doing so, the project teams from Hamburg-Allermöhe and Istanbul worked closely together. Now the details for the approximately 15,000 square metres of storage space inside the airport complex are being planned. "We have a common understanding for a sensible amount of automation and new commissioning techniques," specifies Marco Rebohm.

The layout of the warehouse was developed in the past few months on the basis of the existing physical structures at Istanbul New Airport. In doing so, existing data were used as a basis for future projections: Which items rotate at which speed? What are the different product categories that must be taken into consideration? What is the scope of hazardous goods and refrigerated products in the range? The structural requirements, such as the load-bearing capacity of the floor, the ceiling height, fire protection regulations, as well as the design with its guidelines and standards were subsequently included. Other key points were the consideration of the supply routes to the warehouse and shops, customs regulations, as well as restrictions or special



Marco Rebohm

requirements for the storage of certain products. "We then produced a forecast for the possible growth of the warehouse over a defined period of time," explains the Director Logistics. "This was coordinated together with Purchasing, Sales and Marketing." Based on this data and the layout, the next step was planning the implementation of the project and designing the corresponding automation. For instance, the voice-controlled picking called "Pick by Voice" was first conceived here. In addition, a software system for the corresponding stock management was also developed parallel to this "hardware".

OSLO AIRPORT: LARGE QUANTITIES AND LONG DISTANCES ARE A CASE FOR DTS

Everything is ready: As soon as the expansion work at Oslo Airport is complete, the Gebr. Heinemann industrial engineering team together with its on-site colleagues will deploy the first driverless transport system (DTS) in the world at an airport to supply the shops. Marco Rebohm explains: "In Oslo, we move large volumes of goods every day over very long distances, so the implementation of a driverless transport system makes sense. Here, we are underlining our expertise in innovative logistics. We use standards and the newest developments on the market and are able to do this in our projects with our own engineers and technicians. We can also control the technology used ourselves. Only a few companies are capable of that." In addition to the long routes, the challenges faced by the driverless transport system, which transports the goods on self-driving forklifts controlled by laser navigation at Oslo Airport, include managing the various levels, the "secure supply chain" requirements, and the fact that people as well as other machines use the areas in which the autonomous forklifts operate. The test phase will be completed in the first half of 2017 and the driverless transport system will be put into operation.

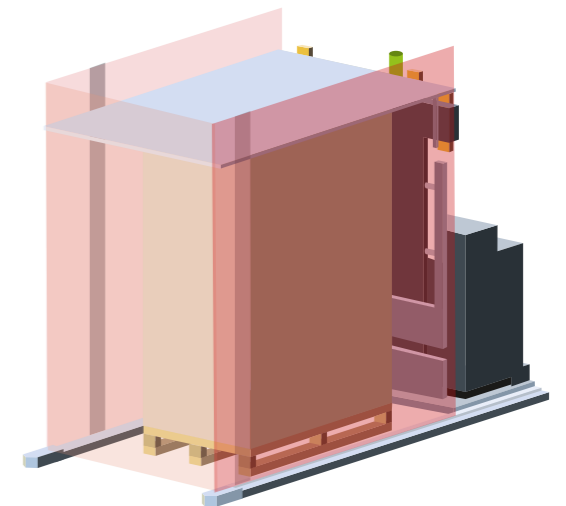


Illustration of DTS



CELEBRATING SHOPPING AS AN EVENT

Innovative purchasing strategies at the crossroads between global pricing and range policies

Global price considerations and strategic price structuring – these are part of the area of tension in which the Purchasing department of Gebr. Heinemann operates. The other is the design of product ranges, which should be as innovative and surprising as possible and as efficient as necessary. Investments made by the suppliers also play an important role here, because Gebr. Heinemann strives to get the best financial support in the market.

"We want to be the best in terms of product range and price structuring," explains Kay Spanger, Executive Director Purchasing & Logistics, with regard to the challenges facing Gebr. Heinemann. *"To do this, we want to create a commercial framework with our suppliers worldwide. Our goal is to achieve the optimum local result in each case, through the global volume of the goods we move."*

Under these conditions, the company designs striking product ranges for the complex worldwide marketplaces through price and image, and develops global partnerships such as that currently in place with Penfolds, Australia's largest wine producer. In addition, in 2016 the Hamburg-based retail company provided impetus by advancing the Fashion & Accessories category with even more luxury brands and increasing customer awareness of the Watches & Jewellery category.



"Our goal is to achieve the optimum local result in each case, through the global volume of the goods we move."

Kay Spanger

THE TIME IS RIPE FOR A GLOBAL SUCCESS STORY

A rewarding cooperation with Treasure Wine Estates



Chinese customers at Sydney Airport have very high standards. They are looking for original premium brands – and in wine, the noble "Penfolds Grange" is a particularly sought-after brand. HEINEMANN Tax & Duty Free in Sydney sold 1,600 bottles of this most famous of Australian wines in 2016, for a price equivalent between 500 and 550 euros. The Heinemann flagship shop Down Under also offers a wide selection of the various wines created by the traditional Penfolds winery, which is part of Treasury Wine Estates (TWE) portfolio. There has been a close level of collaboration between Gebr. Heinemann and Australia's largest wine producer for almost a decade. Until recently, the focus had been on European sales. In the past few months, however, the current global structure of Gebr. Heinemann has presented Penfolds with attractive prospects for expanding their presence in the international travel retail market.



"With the opening of our shop in Sydney, Heinemann has become the most important global partner for Penfolds. That gives us a firm basis for even more comprehensive collaboration," reports Rüdiger Stelkens, Director Purchasing LTCF at Gebr. Heinemann. *"Penfolds is the strongest Australian wine brand, both in Australia and across the world, and recorded a high proportion of sales at 37 percent within the wine range at HEINEMANN Tax & Duty Free in Sydney. That's why it was important for us to reach a global agreement. The conditions we were able to negotiate with Penfolds for our business model at Sydney Airport have positively influenced our joint international activities."*

Local Purchase – International Solutions

Gebr. Heinemann's global structure, with three purchasing offices in Hamburg headquarters, in Singapore and in Miami provides the backbone for these activities. It lets the company use the relevant local expertise when purchasing local product ranges and, thanks to its worldwide network it provides an opportunity for regional suppliers to expand their business internationally. The large market share of Australian wines in Sydney meant that a strong regional wine buyer was appointed there: Bryn Lucas is responsible for the purchase of local wines as well as the Heinemann range at Sydney Airport. He works closely with Sven Thiele, Global Senior Buyer for wine at the Hamburg headquarters. Based on their strong and on-going exchange and their business in Australia, Gebr. Heinemann was able to offer Penfolds listings in Scandinavia, one of the strongest wine markets in Travel Retail. In addition, they agreed to the expansion of the Penfolds range in European HEINEMANN Duty Free Shops and in Gebr. Heinemann's distribution.

In Southeast Asia the collaboration between Gebr. Heinemann and the famous Australian wine company also continued to develop through 2016. "Penfolds wines are very popular in the border shops on the Thailand-Malaysian border, operated by the Duty Free International joint venture," explains Rüdiger Stelkens. *"That put us in a good position to negotiate conditions for supply to the whole joint venture."*

Australia, Malaysia and Europe – the path that has opened up for Gebr. Heinemann and Penfolds shows the possibilities that Heinemann's global structure can offer its suppliers to expand their business.



FAR-TRAVELLED FRAGRANCES



Innovative promotion and campaign concepts in Perfume & Cosmetics

Gebr. Heinemann created a comprehensive "toolbox" for the Perfume & Cosmetics category in 2016 to provide travellers with an extraordinary and eye-catching range across the world: new categories within Perfume & Cosmetics, Travel Retail Exclusives, innovative promotion concepts, exclusive perfume collections and commercial niche brands as well as sales and pricing activities.

"We offer a range that appeals to both price-sensitive customers and those looking for luxurious options, as well as being a range that suits the needs of complex global markets," says Britta Olschner, Director Purchasing Perfume & Cosmetics at Gebr. Heinemann. "It is becoming increasingly important to create ranges with a global focus as well as with a clear separation from the national and online offers available. That is the challenge we set for ourselves, and thus also for our partners in the industry. This is where we find the opportunities for growth."



Pricing Activities

Alongside the well-known special offers and multi-buy activities, a greater focus was placed on extending the price points for perfumes. In addition to the expanded offers of 29.90 euros and 39.90 euros, Heinemann is also planning to bring in a price point of 49.90 euros to round out customers' shopping baskets. The clear savings over domestic prices is an incentive for price-sensitive customers to treat themselves: in the first half of 2016 this area aimed for growth of 13 percent, which is well above the average. Heinemann also successfully introduced these price points for their distribution customers as well.



New Category: Hair Care for the Scandinavian Market

In Copenhagen, from March until July, Heinemann presented an elaborate, professional Brand Box from Kérastase, the world-renowned hair care brand. The successful test, accompanied by a launch event featuring hairstylists and beauty bloggers, created a solid place in the range. Heinemann is thus continuing its expansion of the hair care product range commenced in the previous year, in order to respond to the strong demand in the Scandinavian market for hair care products in travel retail.



Travel Retail Exclusives

Travel Retail Exclusives, which features products or product styles not available on the domestic market, has become a market segment with significant growth. Britta Olschner explains: *"The requirements regarding innovation and attractiveness of these products are constantly increasing: great content, good prices, beautiful design – and only available at Heinemann. They have to combine all the elements to trigger a 'must-have'-response in travellers. For this significant market segment, we will be expecting more exclusive products from our suppliers in the future. For example, right now, we are working with L'Oréal Luxe on a body lotion size of Biotherm, that will be sold exclusively through travel retail, for example in the Heinemann shops and by our distribution customers."*

In addition to Kérastase, travellers can also find brands such as Moroccanoil, the salon brand Toni&Guy, and products from Norwegian manufacturers JanThomas in airport shops in both Copenhagen and Oslo. All the brands are also offered by Gebr. Heinemann Distribution.



Innovative Promotion Concepts

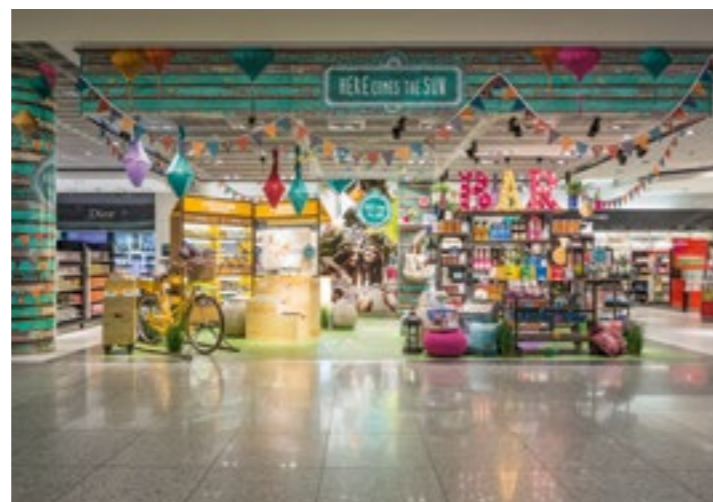
To inspire customers worldwide, Heinemann relies on exceptional promotions and cross-category activities. *"Future collaboration with international brand manufacturers will focus even more strongly on creating innovations that surprise our customers, and set us clearly apart from domestic retail,"* says Britta Olschner. The highlights from the summer of 2016 already pointed in this direction. For example, the cross-category promotion "Dior Riviera" featured light scents from the French luxury brand and Ice Impérial Rosé, which was created especially for the warmer months, by champagne producer Moët, to capture a demanding clientele at the airports in Istanbul, Frankfurt, Copenhagen and Vienna. The products were accompanied by special activities such as hand massages and the opportunity to create personalised photographs.



Clarins skin care products were presented in July at Oslo Airport with surprising and interactive elements as part of the "On Board with Clarins" promotion targeting younger travellers. Their favourite skin care products and travel sizes were presented in a playful way on a decorative moving band and given away as part of a lucky draw.



At the retail locations in Hamburg and Frankfurt, an elaborately designed stage with the theme "Here Comes The Sun", decorated in a colourful flower-power style featured offerings from such brands as L'Occitane, Schlumberger and Toblerone, in another successful example of a top-selling cross-category activity.



Exclusive Collections & Commercial Niche Brands

In locations frequented by affluent passengers, Heinemann offers exclusive scent collections in a special selection of the highest quality exquisite brand products. For example, in Istanbul, the Chanel, Dior, Armani, Bulgari and YSL collections are very popular, selling for a high average price and showing above-average growth.

At Frankfurt Airport, a range of perfumes from the French brand for connoisseurs and perfume lovers, "Atelier Cologne", was launched. The impulse buy presentation delighted customers with a special gift with purchase: travel sizes of their favourite scents, presented in a high-quality leather sleeve personalised with their own initials.





MAKING DREAMS OF LUXURY COME TRUE

Offers targeted at the most demanding travellers

Anyone looking to be first choice in the travel retail market for travellers and airports alike must create ranges of products that offer extra value to an international clientele, and that stand out from the competition. This is the motivation behind the further expansion of Gebr. Heinemann's brand portfolio. The focus is clearly placed on targeted presentation, particularly in those airports frequented by customers with a penchant for high trend premium and luxury articles. Sydney has already seen the creation of a successful combination of lifestyle and luxury products, while a luxury shopping experience is being planned for Istanbul. The two categories Fashion & Accessories and Watches & Jewellery play a special role in this process – and this year, they have also made their mark on board cruise ships.

The further development of these categories at Gebr. Heinemann rests on three pillars: bringing additional luxury brands to the existing brand portfolio, increasing their presence in core Duty Free, and creating concept stores that serve to further set them apart from the competition. In this way, the company is building on its skills and expertise, and proving that it can present the right product range for even the most demanding customers, anywhere in the world – all with the goal of being the first choice for airports, consumers and suppliers.

Watches & Jewellery

Olaf Benjamin is developing a strategy designed to create greater customer awareness of the Watches & Jewellery category. The Director Purchasing provides an example from his product category: *"The Bulgari boutique will be reopened in Frankfurt. As part of this process, we are also working intensively on the modification of our merchandise management system with regard to inventory planning, warehousing and logistics for these exclusive articles."* In addition, the range of classic, high-quality watches will be expanded in response to the strong demand for these products, particularly at the airports in Moscow. Gebr. Heinemann is also expanding its range in the lower priced, more trend-oriented segments: the Kate Spade



watch line is currently being rolled out together with trademark owner Fossil in Heinemann shops around the world. In the past year, the Watches & Jewellery category was also expanded to include the exclusive jewellery brand "Solitaire World of Diamonds", which has already been launched on the "Mein Schiff" 1, 2, 3 and 5, and will be presented on the new "Mein Schiff 6" as well. Cruise passengers can also look forward to other new products in the shops. Olaf Benjamin reports: *"For the first time, we are presenting Gucci and Thomas Sabo on board the 'Mein Schiff 5' as well as Longines, Tissot and Thomas Sabo on the 'Mein Schiff 6'."* Heinemann also welcomes fashion brands Cluse and Paul Hewitt into its range.



Fashion & Accessories

In the Fashion & Accessories category, luxury-savvy customers can look forward to an expansion of the brand portfolio at big international airports. *"We want to upgrade the marketplace at Frankfurt Airport to a luxury experience, and we are currently in negotiations with a range of luxury and lifestyle brands,"* explains Jan Richter, Director Purchasing Fashion & Accessories, who is responsible for the development and implementation of this strategy. *"We are planning a similar marketplace strategy for Istanbul New Airport and other locations as well, and we are already in discussions with classic luxury brands like Hermès, Gucci, Bottega Veneta, Saint Laurent and Prada."*

The Fashion & Accessories range will also be expanded in other premium price ranges and tailored to each location. This is exemplified by two projects, which won new brands in 2016: Heinemann has begun working with Kate Spade – and has been operating a stand-alone boutique at Oslo Airport since February 2017, presenting the New York design label's unusual and colourful handbags and accessories there for the first time. *"We are bringing new brands to the airports. Scandinavian customers are very trend oriented, which means that Kate Spade is a perfect fit for Oslo Airport,"* explains Jan Richter.

The Director Purchasing provides a further glimpse into the developments at another exciting location: as part of the terminal expansion at Moscow's Sheremetyevo International Airport planned for 2018, Gebr. Heinemann has begun planning for a high-quality Fashion & Accessories concept made up of a mix of stand-alone and multi-brand areas. Max Mara Weekend already signed up in 2016 for

the future stand-alone boutiques, and cooperation with Paul & Shark has also been expanded. The premium segment has also been enlarged in Cruise Liner Retail. For example, the shops run by Heinemann on the Hapag-Lloyd cruise liner fleet now feature the Marc Cain brand, and fashion label Delicatelove, known for its cashmere pullovers.

Regardless of location and customer base, the year 2016 saw significant development in the sunglasses market, showing a 24 percent increase in sales, representing the strongest growth in the Fashion & Accessories category.





OPTIMALLY ORGANISED

Fulfillment ensures efficiency and customer satisfaction

Suppliers from Europe to Australia, HEINEMANN Duty Free Shops in airports and on cruise liners, pre-orders, home delivery and online shopping, supplying customers throughout the world and travellers with high expectations when it comes to availability, selection and information on international brands: The increasingly global and multi-channel presence of Gebr. Heinemann sets the tone for the company's product flows and value chain. In order to continue to come up with the best solutions for customer satisfaction and profitability, a new purchasing and order processing competence team was established in June 2016: Fulfillment. The team is directed by Inken Callsen. She explains why master data management is the basis for everything and how the new data pool provides added value.

What is the Fulfillment Department?

Inken Callsen: "With Fulfillment, this is the first time we have created an independent functional department for all categories that is the interface for all the operational departments, i.e. Retail, Distribution, Controlling, Purchasing and Logistics. This department comprises the already existing Master Data Management, Customer Order Management and Supplier Order Management teams, as well as the future Demand Management team. We are in constant contact with customers and suppliers and create synergies and efficient communication channels between them and Gebr. Heinemann."

What is the goal?

Inken Callsen: "We ensure that all the practices correspond to the international growth of Gebr. Heinemann and automate what should be automated. The more globally the company operates, the more systematically our knowledge must be bundled and usable. Our goals: Optimal inventory planning and constant availability of bestsellers, even better demand management, excellent data quality with a high degree of digitisation and automation as well as the highest customer satisfaction with fast order processing."

How will you do that?

Inken Callsen: "The basis for everything is master data management. That includes, among other things, customer, supplier and retail location master data, as well as certificates, product information – also in various languages – and photo material for the items. The latter is also especially important for our multi-channel strategy. Our online business as well as our Digital Instore Assistant (DIA), which allows travellers to find information on tablets and screens in the HEINEMANN Duty Free Shops, also require reliable data, excellent photos and exact descriptions of the products. We will create a worldwide data pool via which we will work together with our suppliers. For this pool, the suppliers allocate all the master data centrally and in a standardised manner, thus making it easier to provide and maintain the data. The development of a specific travel retail data pool also enables us to provide the industry with data for its customer bases efficiently. Our goal is the continuous digitisation of the data exchange process along the supply chain. This prevents errors caused by data handling process breaches. The travel retail data pool is a revolution for the market and a necessary step for globalisation and the related management of big data."

What support do the other teams provide?

Inken Callsen: "The Customer Order Management team handles customer specific topics, such as optimising the ordering process – also with regard to best before dates – and improving the speed and quality of communication with the customers via EDI, i.e. electronic orders, as well as reaching an optimal service level. Supplier Order Management ensures, among other things, that bestsellers are always available, the ordering process is automated with data transmission via EDI, and that the concrete service and quality requirements that Gebr. Heinemann places on its suppliers are clearly formulated. Demand Management, which has yet to be set up, is to be responsible for optimising and managing the demand planning process and, in the case of bottlenecks, making goods distribution decisions and accelerating the reduction of excess stocks."

What are the benefits of this new structure for you, your suppliers and your customers?

Inken Callsen: "Forecasting is a key issue for all parties involved in the processes and for us as a company as a management tool. The new system makes it possible for us to make better forecasts. Connecting our international suppliers to a joint data pool with Gebr. Heinemann and the EDI-supported communication ensures globally valid standards and thus speed, a high degree of efficiency, optimised evaluations and statistics, and leads to better planning for all. This represents a significant quality improvement along the value chain that will support and further develop our global business."



CRYSTAL-CLEAR ANALYSES FOR BACARDI



Forecasts, processes and data management

"The creation of the Fulfillment Department at Gebr. Heinemann makes a lot of sense, as it puts all the specialists along the supply chain 'under one roof', thereby allowing even closer communication. That is an advantage for us as suppliers, as it further improves the forecast data. In addition to this, structures are clearer, and the contact people are defined," summarises Nicolas Hoeborn, International Key Account Manager for Bacardi Travel Retail. The world's largest privately held spirits company supplies Gebr. Heinemann with its famous eponymous rum and numerous other internationally popular brands such as Martini and Bombay Sapphire.

Forecast data is an important issue in the collaboration between the two companies. At the beginning of every month, Gebr. Heinemann provides this data to its supplier. It is based on the sales figures of the last two years and the current inventory in the shops, logistics centres and at distribution customers. It also considers seasonal factors such as holiday periods and Christmas as well as any activities or promotions Bacardi has planned, where increased sales are expected. It aims to ensure optimal inventory planning and product availability.

Nicolas Hoeborn explains: "We use this very detailed forecast for each of our steps. It helps our sales and logistics teams to create a budget and stick to it. In production, it helps us to avoid bottlenecks. Gebr. Heinemann is



our biggest customer, and that makes it particularly important for us to always be in a position to deliver suitably." The forecast is analysed by Bacardi, and feeds into quantity planning, which is then forwarded to the company's production facilities throughout the world. Any discrepancies or questions that may arise are discussed directly with Gebr. Heinemann. In the words of Nicolas Hoeborn: "We do not get forecasts that are this detailed and of this quality from any other company."

Bacardi and Gebr. Heinemann also discuss work processes and data management via the Fulfillment Department, such as how future pallet deliveries should take place. The challenge: At the moment, the various production facilities use different pallets for their deliveries, the contents of which must then be transferred to the standard Europallets used in the Gebr. Heinemann Logistics Centre. Although Bacardi covers the costs of this operation, it still takes time. The solution lies in a fundamental change to the process chain for the spirits manufacturer. "We are currently looking internally as to how we want to handle this," explains Nicolas Hoeborn. "Gebr. Heinemann is holding a mirror up for us to see where our processes are not optimal, and where improvements can be made in the system." The same goes for the request made by the Hamburg-based trading company to establish a shared data pool along the supply chain for its international suppliers.

"That means a lot of work for us," says Nicolas Hoeborn, "but I think it is good that Gebr. Heinemann is pushing something that could be relevant for the whole industry: the use of an optimised and standardised master data process."



Nicolas Hoeborn, International Key Account Manager, Bacardi Travel Retail

KNOW-HOW GROWS BIGGER WHENEVER YOU SHARE IT



Knowledge exchange with joint venture partner BF & GH Travel Retail

Bringing together the operational departments in Fulfillment streamlines the communication channels so processes flow faster and with greater transparency. The Fulfillment Department has thus stepped up to the principle of "specialists speaking with specialists", as this speeds up many of the day-to-day tasks and leads to increased customer satisfaction. That includes of course also visiting customers at their place of business – which is why Alexandra Schulze Niehoff, Head of Customer Order Management in Fulfillment at Gebr. Heinemann, and Nataliya Lerschmacher, Team Leader of Customer Order Management for Russia/CIS, travelled to Kiev in autumn 2016. There, they visited joint venture partner BF & GH Travel Retail, responsible for the operation of the shops at Boryspil International Airport. *"We got to know all the shops and were given a tour of the warehouse. Communicating on equal terms means understanding the problems, and even better, knowing the situation on the ground and how the customers work,"* explains Alexandra Schulze Niehoff. The key task of Customer Order Management is to make sure that orders are carried out seamlessly and to the greatest satisfaction of the customers. This has to be based on close exchange with the colleagues

in Distribution along with the dedicated knowledge of the Customer Order Management team about the customers and their specific requirements. At the same time, it is crucial to always have an eye on optimising the work processes with the goal of increasing efficiency. That's why, in Kiev, a wide range of topics were discussed with the customer's purchasers, category managers and logistics managers in order to make the most of any optimisation potential. That included for example EDI (Electronic Data Interchange). *"This interface is relatively new for our customers, which is why we took the time to provide in-depth knowledge about it, showing where the advantages lie for them, as well as explaining the structure and how to use it properly,"* adds Alexandra Schulze Niehoff. Additional important points covered during the two-day meeting included the ordering process, dealing with one-off orders, optimising the processes for articles with a best-before date and increasing awareness of the timing for lorries sent by the joint venture to collect goods from the Gebr. Heinemann Logistics Centre in Allermöhe. The customer was thrilled with this specific, direct exchange and the points that were discussed were implemented by the end of the year. The next visit for the Customer Order Management team has already been planned: to Moscow Sheremetyevo and Domodedovo Airports to continue the discussions begun in 2016.



INNOVATIONS IN MASTER DATA MANAGEMENT

Foundation of the Travel Retail Data Innovation Group

It is a relevant topic that requires action in the entire travel retail sector. As a result of the growth of Gebr. Heinemann in different international markets in which legislators, suppliers and end customers are placing increasing demands on transparent product information, the company has made it its task to create a central data pool with standards for digitised and automated data exchange that could be useful for the entire travel retail sector. Internally, the recently created Fulfillment Department manages the realisation of this idea. To support the cooperation with industry partners in this pioneering project, Gebr. Heinemann has now initiated the Travel Retail Data Innovation Group (TRDIG). The Group is developing global standards to enable automation between travel retailers and the industry. In the national consumer goods market, using a pool to exchange data is already an established practice. A large part of the LTCD suppliers of Gebr. Heinemann shares data in this manner with the food retailing industry. Douglas and Sephora increasingly require that P&C suppliers provide data in a pool. Inken Callsen and her team are now applying this standard to the international travel retail market. The initiative ensures that the requirements of Gebr. Heinemann will influence the standard decisively.

The founding of TRDIG as a forum is an important step in this direction. Already in its initial phase, Gebr. Heinemann received great feedback from its suppliers. That shows how important this topic is for everybody. The kick-off meeting of the TRDIG at Gebr. Heinemann headquarters in Hamburg was attended by 30 representatives from around a dozen brand manufacturers from different categories. The company is especially proud of having brought together its partners' global specialists in this field so they can develop solutions together. In addition to partners from the industry, the data pool provider 1WorldSync, a globally established company, is also participating in the development of this standard.

Inken Callsen, Director Fulfillment, describes the aim of the TRDIG: *"A digital and automated exchange of data with only one interface worldwide increases data quality and reduces process costs. In addition, high-quality master data guarantee compliance with statutory regulations in the respective markets, for instance, concerning customs and compliance. And omni-channel trading with e-commerce also profits as a result of secure and reliable product information and gives our customers a comprehensive image of the products."*





THE DISTRIBUTION REVOLUTION

*Securing clients' sustainable success
through extraordinary distribution strategies*

Product range and service, everything from a single source, tailor-made, aligned with the customers' needs – and worldwide. Through its locations, subsidiaries and joint ventures on all continents, Gebr. Heinemann combines global know-how and local expertise in a strong, continually growing network. Distribution customers benefit significantly from this.

"We want to make a lasting contribution to our customers' long-term success and create added value for them," explains Peter Irion, Executive Director Distribution at Gebr. Heinemann. *"We have market proximity and optimise our service according to their requirements. Through our global organisation we can offer our services worldwide to customers who also operate internationally, such as cruise operators or airlines."*

An example of this was the supply and merchandising for the on-board shops of the MSC Lirica on its first voyage to China through the Cruises & Ferries Distribution Department in cooperation with Heinemann Asia Pacific in 2016. With the concept of "Wine Plus", which has been tailored to the needs of the customer Eurotrade at Munich Airport, the Airports Europe team demonstrated the successful combination of individual customer support, product range expertise and service.

Worldwide, Distribution at Gebr. Heinemann gained new customers in 2016, including in the African market, where supply agreements were concluded with 17 new customers at airports in

nearly 20 countries on the continent. In addition, the company invested in new business in the Russian market with the acquisition of the three border shop chains, with 27 shops in Belarus, 14 in the Ukraine and 7 in Georgia through the Travel Retail Domodedovo joint venture.

"We want to make a lasting contribution to our customers' long-term success and create added value for them."

Peter Irion



WINE SUCCESSFULLY INVADES THE HOME OF BEER

New presentation concepts for Eurotrade at Munich Airport

Location is essential for wine growing – and equally important for selling wine in travel retail. However, success not only depends on an excellent location but also on having extensive knowledge about the range and providing the best, most comprehensive service possible. In April 2016, when Eurotrade opened their three shops in the newly completed Terminal 2 satellite building at Munich Airport, the "My Duty Free" shops all featured impressive presentation and customer advice for their wine sections as Gebr. Heinemann introduced the new "Wine-Plus" concept for their biggest customer in Distribution.

With 52 gates and a capacity of up to 11 million passengers, the Terminal 2 satellite building offers an exclusive travel and layover experience to Lufthansa and Star Alliance passengers from all over the world. These travellers include many German and European business people as well as visitors from Asia. *"Once it became clear just how broad the design possibilities were for retail in the T2 satellite, we approached our customer Eurotrade with a proposal that focused strongly on wine and wine presentation,"* reports Carsten Menck, Sales Director Airports Europe in Gebr. Heinemann's Distribution Department. *"The wine product category has real potential in travel retail. We know from experience in our own shops, as well as from our Distribution customers, that this product category has been growing strongly for a while. This was also noticeable at Eurotrade. However, the existing retail space available in terminals 1 and 2 is limited. Now, the new*

building has given us an attractive new opportunity." For many years, Gebr. Heinemann has been one of the largest suppliers of Duty Free products to the Munich Airport retailer. Now the collaboration has been expanded: *"Our 'Wine-Plus' concept is tailor-made to Eurotrade's needs, and means that we are the exclusive supplier for the whole wine range while also providing extra support with consultants to advise customers as well as wine tastings and special dispensers,"* explains Carsten Menck.



Carsten Menck, Sales Director Airports Europe



Oliver Hein, Category Manager

PRODUCT VARIETY AND COMPETENT ADVICE

Gebr. Heinemann first extensively revised the range of wines sold in the Munich Airport shops. This was done in close collaboration with Category Manager Oliver Hein, who handles the whole LTC category for his Munich customer, as well as with Purchasing. This means that travellers are now offered an intriguing range of wines from a number of different countries and regions, as well as a greater selection of high-end wines starting at 25 euros. The first months have already shown that this has been very well-received by customers. Two excellently trained consultants, financed jointly by the wineries on display provide travellers with active and expert advice, as well as wine tastings for the whole range of wines available. In addition, they ensure that the displays are maintained and that merchandising is optimally presented at all times. Eurotrade and Gebr. Heinemann meet to discuss the sales in detail. Based on this, Heinemann creates analyses of the range and information for the supplier, thus tailoring the range on offer perfectly to suit demand.





"L Plus" at Bucharest Henri Coandă Airport

"L Plus" stands for the successful service concept that Gebr. Heinemann further expanded at Henri Coandă Airport in Bucharest this year. Heinemann is the exclusive supplier for the whole range for Millenium Bucharest and also holds a minority stake in the retail business. In the airport shops, Gebr. Heinemann's Distribution has provided an effective combination of products and consultants for the spirits sector (the "L" stands for liquor). The concept, begun with two consultants in 2015, was expanded to four consultants this year. They serve as specific "brand ambassadors" for products from Criollo, Pernod Ricard, Campari, and Brown Forman (which includes Jack Daniel's), and are trained and financed by the manufacturers themselves. The growth in sales in these articles shows the value of their professional service – and it has already been planned to increase the number of brand ambassadors to eight in 2017.



Stefan Koenen, Director of Marketing for Eurotrade, points out that wine is becoming an increasingly attractive product category from the point of view of travellers: *"We have significantly expanded our product range and tailored it to an international clientele. Many airports only offer certain, select brands, while we have a broad range structured by country and region. Wine is an interesting product at the airport. And we went down this new presentation path together with Gebr. Heinemann, as the company has a good reputation for wine, and also offers a broad range of brands. This has allowed us to further intensify our already high level of collaboration and service-oriented partnership."* Carsten Menck summarises the results of the past few months by saying: *"The right range of products and the expert advice given by the consultants are what make our 'Wine-Plus' concept work so well. And the increased levels of sales are proof. We are delighted that we can make a lasting contribution to the success of our Distribution customer Eurotrade."*

RIGHT ON COURSE

Just-in-time deliveries to international cruise ships

From dropping anchor to casting off in less than 12 hours, every day a new harbour, the Mediterranean in the summer and the Caribbean in the winter – all the things that attract travellers to ocean cruises create the greatest challenges for logistics. That is because the holiday experience includes browsing through on-board stores, well-stocked with beautifully presented products that suit both the climate and the clientele. Gebr. Heinemann Hamburg supplies 87 cruise ships from 20 international shipping companies. In 2016, one of these ships, the MSC Lirica, sailed from Brazil to Italy and, for the first time, on to China. This required the full flexibility, expertise and worldwide network that Gebr. Heinemann Distribution offers.

"Only Gebr. Heinemann can provide shipping companies with everything from a single source – from a complete range of products to in-store merchandising," explains Thorsten Repenning, Sales Director of the Cruises & Ferries Distribution Department, getting to the heart of the challenge. *"We stand for always having the right range of products, at the right time in the right place."* The company has warehouses in Germany, Spain, Australia, Singapore and the USA, stocked with the relevant global and local brands. Even when a ship has to make a last minute route change due to dangerous situations or even just because of the weather, Gebr. Heinemann and its shipping partners can react quickly and deliver to a harbour other than the one originally planned – and all of course while observing the relevant statutory and customs requirements. Thorsten Repenning knows that *"Time is a key factor in supply. Within the twelve hours that a ship is approximately in port, there is only a limited time-frame for loading – and we have to get it exactly right."*



Anne-Kristin Hohnschild and Thorsten Repenning

LOCAL SKILLS AND GLOBAL EXPERTISE

Having sites across the world also provides Gebr. Heinemann with global expertise, which means that the company has local skills and knowledge of the Asian, European and American market. This is something that is highly prized by distribution customers like MSC Cruises, the industry leader in the Mediterranean market, Brazil and South Africa, and Harding Retail, concession holder for shops on board cruise giants from shipping companies like Cunard Line, P&O Cruises and Carnival Cruises. The Cruises & Ferries Department advises its customers on the extent of the product range, brand selection and pricing. For this, the Gebr. Heinemann departments of Distribution and Purchasing work closely together to coordinate the expectations held by both the brand manufacturers and the shipping companies. For example, if the same ship cruises the Mediterranean in summer and the Caribbean in winter, a lot has to change in the on-board shops. Pricing is a particular challenge, as while the shipping company is expecting to pay a certain price for a specific article, manufacturers often wish to offer different prices for their goods in different markets to reflect the prices charged locally on land. Add to this the fact that Gebr. Heinemann Purchasing invoices in two currencies and the Distribution customers trade in up to ten different currencies around the world. Flexibility is also essential in merchandising. *"Many brands have a different significance in different regions and change their market positioning accordingly,"* explains Thorsten Reppenning. *"We organise the presentation of products for our customers to suit the specific route and the clientele on board."*

FROM BRAZIL TO CHINA VIA ITALY

FOR THE FIRST TIME: THE MSC LIRICA

The full range of skills and experience as well as the existing network within Gebr. Heinemann was required on board the MSC Lirica, for which the company is the exclusive supplier. The cruise liner, which carries up to 2,680 passengers, was prepared for its first voyage into Chinese waters. For this, it was first rebuilt at the dock in Italy, according to the layout designs of Irella Casco from the Heinemann America team, before sailing to Brazil. Anne-Kristin Hohnschild, Category Sales Manager for Perfume & Cosmetics in the Cruises & Ferries team, provides detail: *"The perfumery on the MSC Lirica was expanded to 100 square metres, that is very big for a cruise ship. The first stop was Rio de Janeiro, so we aligned our merchandising and product range to suit Brazilian passengers, with whom fragrances are in particularly high demand. The next leg of the journey led back to Italy. The key task there was to transform the shop layout and the product range within three weeks, to be more representative*

of the Chinese market, which has a higher demand for skin care products. Our colleagues Bernard Junget and Chunhua Xue from the Heinemann Asia Pacific Office in Shanghai flew over to Italy to lend their enthusiastic support." The MSC Lirica then cast off for Singapore. There, the staff from Heinemann Asia Pacific came on board for a second time. Anne-Kristin Hohnschild says: *"In Europe we didn't have all the products in stock that Chinese passengers expect at sea. Additionally, Chinese passengers*



use a cruise ship differently from Europeans. The trips are shorter and the clientele is more diversified. Our colleagues in Singapore therefore expanded the product range and finalised the shop layout. Prior to that they had drawn on their knowledge of the market to advise our customer MSC Cruises on the general profile of the Chinese cruise ship customer, their purchasing behaviour and the types of brands they are looking to buy."



THE COOPERATION WITHIN THE GEBR. HEINEMANN NETWORK AROUND THE WORLD IS A STORY OF SUCCESS:
on the first trip to China the perfumery on the MSC Lirica recorded excellent sales.

Anne-Kristin Hohnschild



SPOTLIGHTS 2016

A glimpse behind the scenes of Gebr. Heinemann

ON A PERSONNEL NOTE

About daily routine in the HR Department of a globally operating company

Of the global players in the travel retail industry, Gebr. Heinemann with its 6,000 employees is the only family-run company. Now they are creating a global HR community, which is connecting the company's headquarters with its subsidiaries in Singapore and Miami as well as with sites that manage their own HR independently. The key principle here is "central support and local responsibility", with the goal of implementing the majority of HR tasks locally within a uniform company-wide framework. Legal regulations and cultural norms as well as Gebr. Heinemann's company policies and HR strategy provide the basis for that.

International locations share in what drives Gebr. Heinemann: our values, company policies and established expertise. Additionally, everything that happens locally is shaped around our employees there. The result of this is local responsibility with central support," explains Dr. Wolfgang Thiele. *"In international projects we cooperate closely with our local colleagues in the regions. We rely on local expertise to implement and promote a global exchange of experience."*

The HR services are divided into standard company-wide processes and support from headquarters. *"We offer our colleagues many HR instruments we have developed, which they can use, such as employee appraisal or our onboarding approach for new employees,"* explains Corinna Bug, Head of HR Marketing & Recruiting. *"If the local circumstances make it necessary, for example for legal or cultural reasons, we can adapt these instruments specifically to the local requirements."*

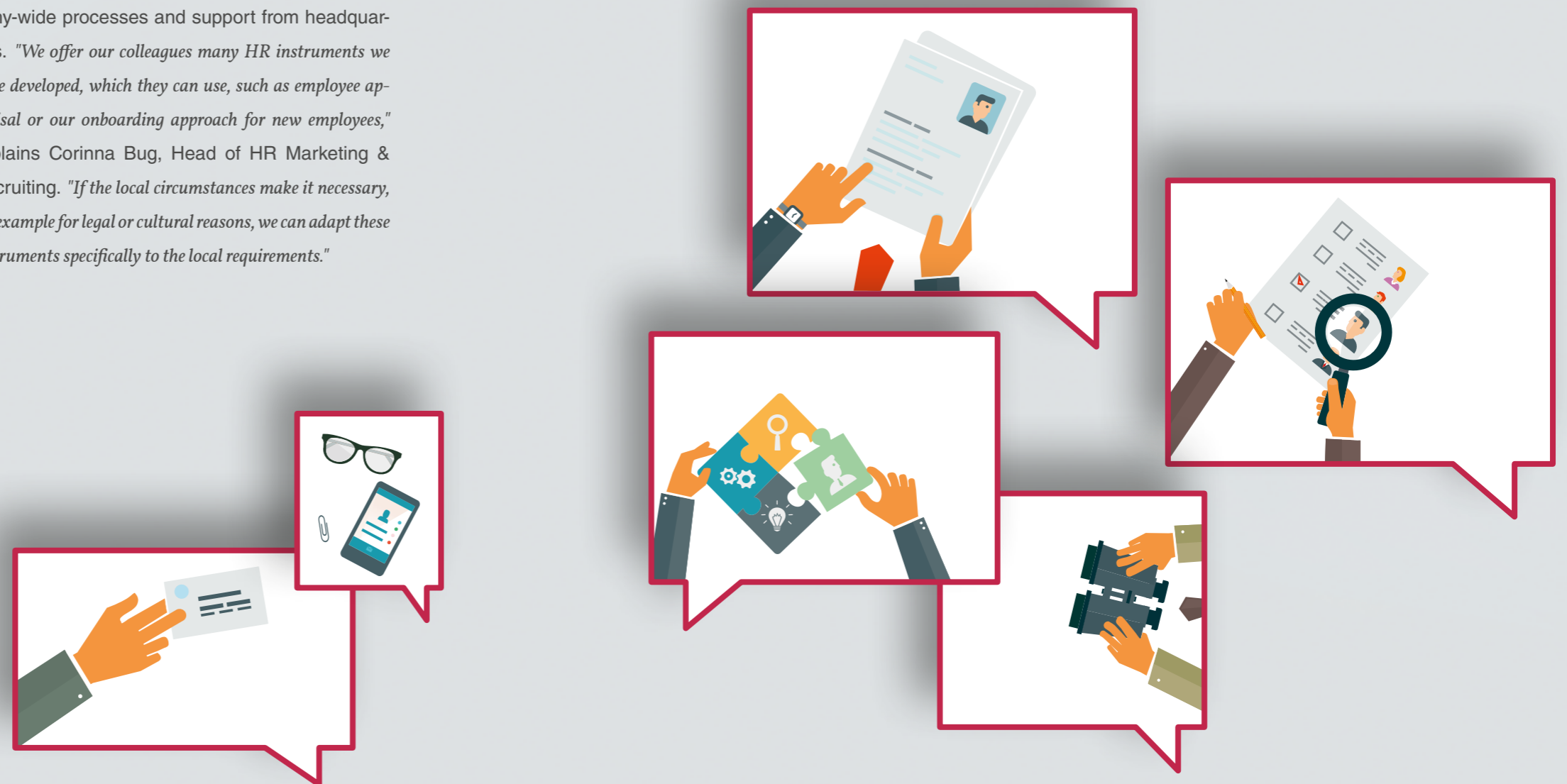


In order to achieve this goal, Dr. Wolfgang Thiele, Global Human Resources Director at Gebr. Heinemann got involved in recruiting the HR managers for the new Heinemann site in Sydney and for the future Istanbul New Airport. Together with local staff, he interviewed the applicants on site. *"It is very important that those responsible for HR at our in-*

The challenge within the growing global organisation of Gebr. Heinemann is to foster communication between the international human resources managers, both with each other and with head office. That is why new HR managers are invited to head office to learn the proven tools and strategies used there. They also meet with the regional HR managers and the HR leadership from head office once a year in one of the participating locations.

To promote the international HR network and its structures, Gebr. Heinemann has created the new position of HR Manager International. Janina Stucke has been fulfilling this task since August 2016. She is the contact person for any questions regarding HR at the international sites. Her key duties include providing HR support at new locations, developing international HR standards and optimising expat management.

All this makes Gebr. Heinemann HR an organisation that is strong, internationally active and constantly learning, with stakeholders communicating with each other on a level playing field.



3 QUESTIONS FOR JANINA STUCKE

Janina Stucke has been HR Manager International at Gebr. Heinemann since 1 August 2016. Here, she talks about what that means and what it has to do with "SharePoint" and "Whitebook".

What does your job entail?

Janina Stucke: "One of my key tasks is advising the international locations on HR matters. At the same time, fostering a partnership between all our HR staff across the world is very important. Many of our national and international locations have brilliant ideas and initiatives from which other locations as well as we at headquarters can learn a lot. That's why my goal is to get the HR side to work closer together – by, for example organising an annual international HR meeting at one of our locations, conducting on-site visits, having regular video conferences and collaborating on projects. I also provide support in the construction of new locations. That begins with input for the tendering process and also includes, among other things, the selection and training of new employees. One other key part of my job is optimising expat management. Going forward, our employees will be better prepared for their posting, receive more assistance during their transition and we will be addressing reintegration from an early stage."

Which tools do you use?

Janina Stucke: "To facilitate international exchange on HR matters we have built a SharePoint, an internal communication platform. In it, we have also created a virtual library with the most important HR information at Gebr. Heinemann, to serve as a resource for our international offices on staff development tools, position descriptions and recruitment ideas. We are also working on an HR Whitebook that we will use as a basis for setting up new locations in the future."

In practice, what is the first step?

Janina Stucke: "I have already visited some of our sites and been able to welcome several international HR managers here in Hamburg. We have already taken the first steps to optimising the preparation of staff for an international assignment – in the future, every expat will be given intercultural training, language training and security training if necessary before being sent abroad."





LET'S WELCOME OUR NEW NEIGHBOURS: OURSELVES

Hundreds of employees move into the head office's new wing

The first employees moved into the building extension of the Gebr. Heinemann company headquarters right on schedule on 1 September 2016. Over the next three months, "K5", as it is known, short for the address "Koreastrasse 5" in Hamburg's Hafencity, began to fill with life. Altogether, the modern building provides 420 new workspaces. Its generous glass facades and internal brick structure means it blends into the existing company headquarters at Koreastrasse 3 and the adjacent International Maritime Museum. The nine-storey building has also been awarded the Gold Standard Certification for "Sustainable Construction in the Hafencity".

The building site was on the canal front itself, which proved to be the biggest challenge, explains Kai Böckler. As Head of the Architecture Department at Gebr. Heinemann, he was responsible for the "K5" project that spanned over a construction period of 28 months. The first thing that needed to be done was to firm up the waterlogged substrate of the old Elbe riverbed to support the new building. This was done in the traditional way using bored piles, but with modern concrete instead of the traditional oak logs. In total, 102 of these piles were drilled into the Elbe riverbed to carry the structure. Owners Claus and Gunnar Heinemann had a clear idea for the future "K5": a modern interpretation of the old Hamburg style warehouses, with the International Maritime Museum and the existing building on Koreastrasse 3 creating a uniform ensemble of three centuries and become an investment for the benefit of all employees. The tender for the construction was won by the renowned Hamburg architects Gerkan, Marg und Partner (gmp) who carried out the construction together with Kai Böckler and his team.

CERTIFIED SUSTAINABLE

The extension building was awarded Gold Standard Environmental Certification for the Hafencity, a recognition for new buildings with low resource consumption, low operating costs and a high level of occupant satisfaction. Kai Böckler says: *"Gebr. Heinemann has done a lot to ensure the comfort of its employees. We used environmentally-friendly building materials and natural materials like wooden parquet flooring, as well as technologically advanced air conditioning and ventilation. We have tested and proven that the air in the building is clean and low in pollutants, and we engaged a specialist to guarantee optimal acoustics in the space. Intelligent lighting with flexible floor lamps and movement sensors ensures that the work areas are well-lit as part of a light, open and friendly space."* In addition to the new workspaces, there are also 20 meeting rooms, six video conference rooms and the so-called "communication kitchens" in central areas that can be used for meetings in a more informal atmosphere. The two buildings at Koreastrasse 3 and 5 are linked by glassed-in bridges.



Gerd Lange and Michael Wendt

DETAILED MOVING LOGISTICS

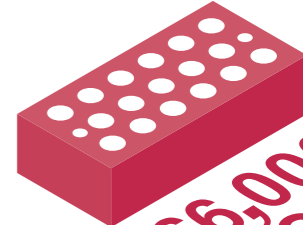
Gerd Lange, Head of Facility Management at Gebr. Heinemann, organised the move during day-to-day operations over a total period of three months from September to December 2016. Approximately 700 of the 900 employees at head office moved with 300 going into the new building and the others being redistributed in Koreastrasse 3. *"When distributing the space we looked at the size of the departments, the linkages between them and their need to communicate with other departments,"* explains Kai Böckler. The move was tightly planned, in close communication with IT, so that each employee could be working in their new space within a maximum of three hours. Renovations were subsequently carried out in the existing Koreastrasse 3 building as well. The building project was successfully completed at the end of the 2016 – both within the original time and budget planned.





9,853
CUBIC METRES
EXCAVATED VOLUME

 **30%**
LESS ENERGY
USED


166,000
BRICKS

"K5" in Numbers

- The building stands on 102 bored foundation piles
- Bricks laid by hand: 166,000
- Excavated volume: 9,853 cubic metres, the equivalent of 545 articulated lorries
- Reinforced concrete: 4,959 cubic metres poured, the equivalent load for 828 concrete trucks
- Steel: 850 tonnes
- 30 percent less energy used than required by energy-saving regulations
- Wood from certified cultivation, proportion of renewable building materials is 20 percent over the average
- 9 floors plus 2 basement floors
- 420 new workspaces
- 9 communication kitchens



THANKS FOR 3,460 YEARS SPENT TOGETHER

The jubilees of 2016 at a glance



40 YEARS

Ute Schmidt, Frankfurt, since 1st July 1976
Ingrid Kühlewein, Berlin-Schönefeld, since 2nd August 1976

35 YEARS

Dagmar Lunz, Frankfurt, since 1st April 1981
Rosemarie Tubazio, Frankfurt, since 1st August 1981
Stefan Müller, Hamburg-Allermöhe, since 1st September 1981
Harold Coester, Erlensee, since 21st September 1981

30 YEARS

Ingrid Schäfer, Frankfurt, since 1st January 1986
 Susanne Herlich, Frankfurt, since 17th March 1986
 Sabine Hüsken, Frankfurt, since 1st June 1986
 Inge Gebhard, Frankfurt, since 1st October 1986

25 YEARS

Andrzej Hermanski, Hamburg-Allermöhe, since 1st January 1991
 Doris Nagel, Hamburg-Allermöhe, since 1st January 1991
 Matthias Baldeweg, Head Office, since 25th January 1991
 Carsten Menck, Head Office, since 1st February 1991
 My-Linh Tran, Frankfurt, since 1st February 1991
 Jörg Brand, Frankfurt, since 1st March 1991
 Simone Hurst, Hamburg-Allermöhe, since 1st March 1991
 Olaf Mai, Hamburg-Allermöhe, since 12th March 1991
 Sabine von Appen, Head Office, since 1st April 1991
 Anke Kögler, Frankfurt, since 1st April 1991
 Sabine Lampe, Head Office, since 1st April 1991
 Klaus Koller, Hamburg-Allermöhe, since 1st May 1991
 Martina Motschke, Frankfurt, since 1st May 1991
 Abdul Wakil, Frankfurt, since 23rd May 1991
 Christine Hoogma, Frankfurt, since 11th June 1991

20 YEARS

Sabine Bauer, Berlin-Tegel, since 1st January 1996
 Jutta Beyer, Head Office, since 1st January 1996
 Elfi Dyllong, Frankfurt, since 1st February 1996
 Anita Halupczok, Frankfurt, since 1st February 1996
 Miriam Hausburg, Frankfurt, since 1st February 1996
 Grace Hoffmann, Frankfurt, since 1st February 1996
 Thomas Petermann, Head Office, since 15th February 1996
 Kirsten Clausen, Head Office, since 1st March 1996
 Stephan Kexel, Head Office, since 1st March 1996
 Nicole Schlüter, Head Office, since 1st March 1996
 Stefanie Herrmann, Frankfurt, since 1st April 1996
 Karin Zimmermann, Frankfurt, since 1st April 1996
 Diana Neuschl, Berlin-Tegel, since 3rd April 1996
 Nektaria Safi, Frankfurt, since 15th April 1996
 Ramona Stapelfeldt, Head Office, since 24th April 1996
 Harald Herr, Frankfurt, since 1st May 1996
 Birgit Schmeding, Hannover, since 1st May 1996
 Hatice Duyamaz, Hamburg, since 15th May 1996
 Doris Doubek, Hamburg, since 1st June 1996
 Miranda Sobert, Frankfurt, since 15th June 1996
 Kathrein Resener, Hannover, since 24th June 1996
 Arno Donath, Berlin-Tegel, since 1st July 1996

Irmgard Scheuermann, Frankfurt, since 1st October 1986
 Regine Schlicht, Frankfurt, since 16th October 1986
 Ilona Leyk, Hamburg-Allermöhe, since 17th November 1986

Beate Bang, Head Office, since 1st July 1991
 Pia Esser, Frankfurt, since 1st July 1991
 Uta Hädicke, Head Office, since 1st July 1991
 Stephan Dikkafa, Head Office, since 1st August 1991
 Petra Kröner, Hamburg-Allermöhe, since 1st August 1991
 Michaela Kitic, Frankfurt, since 15th August 1991
 Tatjana Gvojic, Head Office, since 1st September 1991
 Diana-Anne Hoffmann-Rodriguez, Frankfurt, since 1st September 1991
 Tanja Kowalewski, Head Office, since 9th September 1991
 Joerg Stehle, Frankfurt, since 1st October 1991
 Gabriele Weidlich, Frankfurt, since 1st October 1991
 Bernd Borrmann, Erlensee, since 1st November 1991
 Gabriele Harm, Head Office, since 1st November 1991
 Leokadia Strzeja, Head Office, since 1st November 1991

Torsten Ehlers, Head Office, since 1st August 1996
 Kirsten Hagemann, Head Office, since 1st August 1996
 Gina Kasten, Berlin-Schönefeld, since 1st August 1996
 Karsten Hubert, Erlensee, since 6th August 1996
 Jan-Christoph Novy, Frankfurt, since 6th August 1996
 Carmen Schröder, Frankfurt, since 12th August 1996
 Ahmed Faouzi Youssef, Frankfurt, since 15th August 1996
 Dr. Wolfgang Thiele, Head Office, since 16th August 1996
 Gerlinde Creter, Frankfurt, since 1st September 1996
 Heinz Liebing, Frankfurt, since 1st September 1996
 Jörg Messerschmidt, Hamburg-Allermöhe, since 1st September 1996
 Martina Kronenburg-Huss, Frankfurt, since 15th September 1996
 Sven-Marcus Wichmann, Head Office, since 16th September 1996
 Gabriele Jünger, Head Office, since 1st October 1996
 Poula Poulsen, Frankfurt, since 1st October 1996
 Walter Fiedler, Frankfurt, since 21st October 1996
 Jörg Desens, Head Office, since 1st November 1996
 Claudia Mayer, Hamburg, since 1st November 1996
 Kirstin Petersen, Head Office, since 11th November 1996
 Birgit Kräber, Frankfurt, since 1st December 1996
 Filiz Sen, Frankfurt, since 9th December 1996
 Wichai Buddee, Frankfurt, since 16th December 1996

15 YEARS

Jan Fricke, Head Office, since 1st January 2001
 Attilio Masili, Hamburg-Allermöhe, since 1st January 2001
 Huldreich Christoph Raithle, Head Office, since 1st January 2001
 Maria Paloma Rodriguez Fernandez, Head Office, since 1st January 2001
 Denise Schärlicke, Head Office, since 1st January 2001
 Ronald Ullrich, Hamburg-Allermöhe, since 1st January 2001
 Tanja Winning, Frankfurt, since 1st January 2001
 Mekdess Workalemahu, Frankfurt, since 1st January 2001
 Sandra Baron, Frankfurt, since 1st February 2001
 Criselda Dammann, Frankfurt, since 1st February 2001
 Touria Elbaji, Frankfurt, since 1st February 2001
 Yvonne Göke, Frankfurt, since 1st February 2001
 Sertan Satan, Frankfurt, since 1st February 2001
 Vanessa Schlig, Köln, since 26th February 2001
 Sergei Bertram, Hamburg-Allermöhe, since 1st March 2001
 Grit Johannsen, Leipzig, since 1st March 2001
 Detlev Ruschmeyer, Hamburg-Allermöhe, since 1st March 2001
 Karin Upmann, Frankfurt, since 1st March 2001
 Jacqueline Wagner, Frankfurt, since 1st March 2001
 Esther Young, Frankfurt, since 1st March 2001
 Ines Himburg, Dresden, since 12th March 2001
 Johnny Arora, Frankfurt, since 1st April 2001
 Katja Führ, Frankfurt, since 1st April 2001
 Gabriella Palfy-Trunell, Frankfurt, since 1st April 2001
 Günther Berschneider, Erlensee, since 17th April 2001
 Philippa Oberpichler, Köln, since 19th April 2001
 Jolanta Maria Diwisch, Frankfurt, since 1st May 2001
 Kim Katharina Funk, Frankfurt, since 1st May 2001
 Alexandra-Isabell von Hobe, Head Office, since 1st May 2001
 Petra Keller, Frankfurt, since 1st May 2001
 Nicole Negenborn, Frankfurt, since 1st May 2001
 Eleana Peter, Frankfurt, since 1st May 2001
 Susanne Sedlak-Kempf, Frankfurt, since 1st May 2001
 Bianca Szimkus, Berlin-Tegel, since 1st May 2001
 Anna Burruano, Hannover, since 2nd May 2001
 Norbert Otte, Frankfurt, since 12th May 2001
 Caroline Rau, Frankfurt, since 16th May 2001
 Dirk Wyrembelski, Hamburg, since 19th May 2001
 Stephan Ernst, Head Office, since 1st June 2001
 Elena Kahler, Berlin-Tegel, since 1st June 2001
 Christiane Marx, Head Office, since 15th June 2001
 Astrid Beatrice Wenzel, Hamburg, since 15th June 2001
 Christiana Haselbach, Head Office, since 18th June 2001
 Imri Abdulahu, Frankfurt, since 1st July 2001
 Özlem Atan, Köln, since 1st July 2001
 Ingrid Mahlmann, Head Office, since 1st July 2001
 Heike Motzkus, Hamburg-Allermöhe, since 1st July 2001
 Nicole Nölker, Frankfurt, since 1st July 2001

Tanja Pipping, Head Office, since 1st July 2001
 Annabelle Joy Riedel, Head Office, since 1st July 2001
 Claus Rosycki, Hamburg-Allermöhe, since 1st July 2001
 Hildegard Schmit, Frankfurt, since 1st July 2001
 Gordana Zivakovic, Frankfurt, since 1st July 2001
 Andrea Timm, Hamburg, since 5th July 2001
 Nils Früchtenicht, Head Office, since 9th July 2001
 Ricarda Lindequist, Hamburg, since 15th July 2001
 Sonia Rüdiger, Head Office, since 15th July 2001
 Sarah Smith, Hamburg, since 18th July 2001
 Frone Kostewicz, Hamburg, since 1st August 2001
 Anett Laws, Leipzig, since 1st August 2001
 Gundel Pehlke, Hannover, since 1st August 2001
 Jennifer Pingel, Head Office, since 1st August 2001
 Carolin Plagwitz, Hamburg, since 1st August 2001
 Andre Quédau, Berlin-Tegel, since 1st August 2001
 Rebecca Rothhaar, Frankfurt, since 1st August 2001
 Arzu Koeseler, Hannover, since 13th August 2001
 Waltraud Beck, Frankfurt, since 1st September 2001
 Heike Friedrich, Frankfurt, since 1st September 2001
 Maryan Koohestani, Frankfurt, since 1st September 2001
 Stephan Langer, Frankfurt, since 1st September 2001
 Sören Maaß, Frankfurt, since 1st September 2001
 Claudia Purol, Head Office, since 1st September 2001
 Alisa Selimovic, Frankfurt, since 1st September 2001
 Merja Sinkkonen, Head Office, since 1st September 2001
 Thorsten Struckmann, Hamburg-Allermöhe, since 1st September 2001
 Sven Vieten, Hamburg-Allermöhe, since 1st September 2001
 Viktor Wiens, Hamburg-Allermöhe, since 1st September 2001
 Berit Wolf-Lorenz, Hamburg, since 1st September 2001
 Gabriele Barschow, Hamburg-Allermöhe, since 11th September 2001
 Sabine Kühne, Hamburg, since 15th September 2001
 Julia Calla, Head Office, since 1st October 2001
 Betty Chan Brauer, Frankfurt, since 1st October 2001
 Hafize Demiral, Frankfurt, since 1st October 2001
 Laleh Farajnejad, Frankfurt, since 1st October 2001
 Parna Häusler-Saba, Hamburg-Allermöhe, since 1st October 2001
 Britta Johannsen, Head Office, since 1st October 2001
 Vivien Keegan, Frankfurt, since 1st October 2001
 Andrea Pietsch, Hannover, since 1st October 2001
 Eveline Slumski, Hamburg-Allermöhe, since 1st October 2001
 David Busch, Hamburg-Allermöhe, since 1st November 2001
 Mirjam Thater, Head Office, since 1st November 2001
 Frank Kähler, Head Office, since 1st December 2001
 Jürgen Mehl, Hamburg-Allermöhe, since 1st December 2001
 Sascha Rothausen, Berlin-Tegel, since 1st December 2001
 Jens Wolf, Head Office, since 1st December 2001



My Highlight 2016

Employees and business partners from around the world report



"After two years in a row of extraordinary performance, Dior and Gebr. Heinemann focused their winning strategy on a long-term partnership based on trust and effective communication. Both companies are convinced that efficient business partnership is also a matter of valuable human relationships, made up of special moments spent with passionate people."

Valérie Hospital Richard (3rd from left), Sales Director Dior Travel Retail Europe, and a team from Dior and Gebr. Heinemann

"My Heinemann moment of 2016 was celebrating the seventh year in a row with revenue growth higher than passenger growth. This is a result of hard work between the Heinemann and Billund Airport team. Thanks to all concerned at Heinemann! In addition to this achievement, the two teams also had the opportunity to enjoy some time together."

Jan Hessellund, Chief Commercial Officer, Billund Airport



"A special moment every year for me is the Sunday evening in Cannes, before the official start of the TFWA on Monday, and the colleagues see our stand – and everything looks just as it should! I am responsible for the organisation of the Gebr. Heinemann exhibition stand. When everything is finally finished, that is the moment that my adrenaline levels return to normal and I can say: YES, the show can begin!"

Petra Böttger, Executive Assistant, Gebr. Heinemann Head Office



"My colleague Satish Kumar noticed a married couple arguing in our shop. Each partner was accusing the other of not having turned off the coffee machine at home. Satish asked if he could help. 'No,' came the answer, and the argument continued. When the boarding call for London was announced, the couple changed their minds and decided to put their trust in Satish. He said that if they were willing to give him their key, then he would go to their house to check. He got the key and the number of a neighbour, since he didn't want to go into the house alone.

Satish met the neighbour in front of the house and together they checked the coffee machine: and of course it was switched off. The key was left with the neighbour. Everything was documented by photo. In London the couple saw via WhatsApp that Satish had sorted everything. Marriage and holiday saved! They were incredibly grateful. Personally, I can't imagine a better 'Highlight moment' at work. It gives you goose bumps...hearing stories like this and so many others from my team!"

Kai Langnickel (r.), Managing Director Gebr. Heinemann Vienna, with Satish Kumar

"My special moment 2016 with Gebr. Heinemann was a farewell. Naturally, not my own, but rather that of Michael 'Mike' Schulte, the founder of our very own advertising agency, Terrahe, which was managed by him for more than 30 years with great passion, humour and know-how. Mr Schulte didn't want a big 'fuss' made over his farewell, so that's how the idea of a surprise party came about. Under the cover of the annual Terrahe summer party, we invited him to a restaurant near the Alster. What Mike Schulte did not know: In addition to the colleagues from the agency, the entire Gebr. Heinemann management showed up, as well as former employees and long-standing business partners as surprise guests. That wasn't all: A colourful social programme and two films produced just for this event provided an unforgettable party where no eye (and also no palate) remained dry. Clearly the weather didn't let us down, and the evening took place on one of the last days of summer. Thank you to everyone who made this magical moment possible. Most of all, of course: Thank you Mr Schulte, for 16 wonderful years with Gebr. Heinemann."

Claudia Grey, Terrahe Advertising Agency



"My personal 'Highlight' moment was when we trained the store staff on one of the AIDA ships for the exclusive Travel Retail launch of the SKAGEN Connected Collection. The crew already knew the brand for its design but was excited about the connectivity feature and now holds the key to a whole new consumer – the Millennial. This shows me that a company with more than 130 years of history can be as innovative as a startup, by embracing new technology and products and having a staff that is dedicated to delivering a world-class customer experience."

Wolfgang Czepiczka, Director Travel Retail EMEA, Fossil Group Europe



"This moment occurred during Heinemann's official launch in May 2016, where both Sydney Airport's teams and Heinemann's wider family enjoyed the spoils of their combined hard work to deliver an exceptional T1 Duty Free experience. The photo was taken just before the official reception commenced and captures a special moment between the partners."

Glyn Williams (r.), General Manager Retail Sydney Airport, with Gunnar Heinemann, Kerrie Mather, Max Heinemann and Claus Heinemann



"My personal highlight of the last year was the cooperation with Heinemann as part of our big Captain Morgan and Zacapa Rum festival in Frankfurt and Hamburg! The Captain Morgan ship and the visits by Captain Morgan himself were really rather special – the attention of customers was guaranteed and it gave a powerful boost to sales. The project was planned well in advance and was hugely successful thanks to the close cooperation between Heinemann and ourselves!"

Anika Richter (L), Sales Manager Diageo Global Travel, and Franziska Berndt, Gebr. Heinemann



"In October 2016 we exclusively launched the first promotion both GTR and globally of the new Jägermeister Brand World look and feel at the Frankfurt T1 Z Main Category Stage. This tailor-made club was an exciting and special promotion for us as it was the first opportunity for consumers to interact with our new concept. Launching our new concept with the team at Gebr. Heinemann was the perfect and natural fit. The close working relationship meant a successful promotion due to the available data, feedback and support from the team. We look forward to the rollout of our new concept in 2017."

Stephanie Cleary, Team Lead Trade Marketing – Global Travel Retail, Mast-Jägermeister

"One of the highlights of the close cooperation with Heinemann is meeting suppliers together. The 'field visits' not only improve our mutual relationship but also allow a deep dive into product assortment and commercial discussions benefiting all parties. Obviously vineyard visits are probably the most educational and attractive ways to spend some time together enhanced by some hardcore tastings. This time it was with Bottega."



Sari-Anna Mäki-Koivisto (r), Head of Travel Retail Finnair, with a team from Finnair, Bottega and Heinemann



"Since November 2014, Kérastase has opened 15 salons in the world's most prestigious travel retail locations conveying the premium positioning and professional know-how of the Kérastase brand. In partnership with Gebr. Heinemann, L'Oréal Travel Retail revealed its first Kérastase counter in European Duty Free shops in Copenhagen Airport in March 2016. The success of this launch is the result of a great alliance between Gebr. Heinemann, Copenhagen Airport, L'Oréal Travel Retail and the local market hairstylists. Given the sales success, we look forward to expanding the offer to many other customers across Gebr. Heinemann shops in the months to come!"

John Mangan, General Manager Travel Retail EMEA L'Oréal

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