



BOSS
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Latin America REPORT

June 22, 2007

Cubriendo gente, lugares y productos en el mercado del duty free

Latin carriers increase passenger load by 10 percent

The Latin American Air Transport Association (ALTA) announced that its member airlines carried 8.5 million passengers in April, up 10.6% from last year.

Traffic (measured in RPKs) and

Bolivian buzz

Q. How did the Irish Jig get started?

A. Too much to drink and not enough restrooms!



By Wendy Gallagher

Whether you believe in the fortune of four-leaf clovers, or wonder if the Irish really are lucky people, you'd hard-pressed to find an Irishman (or woman) who doesn't have a great sense of humour and appreciate the value of

AIRLINES

Boeing expects boom

Boeing Co. forecasts it will sell 28,600 new aircraft worth about \$2.8 trillion over the next 20 years due to the rising demand for passenger travel and air cargo, according to a *Reuters* report.

Worldwide, airlines would be operating 36,400 passenger and cargo planes by 2026, double today's figure of 18,200.

Boeing expects 5 percent annual growth in passenger traffic up to 2026 and 6.1 percent annual growth in cargo traffic. Last year Boeing forecast a slightly lower 4.9 percent annual growth in passenger traffic and the same rate of growth for cargo.



Passenger growth expected to continue

Air4Casts is predicting a continued growth in airline passengers for Latin America in July.

According to the company, "The forecast for the region is on the up with the dominant domestic sector looking likely to produce growth of 4.9 percent in July contributing to a Q3 total

AIR4CASTS

pax surge to 6.0 percent."

Air4Casts says the

Asia/Pacific passenger growth trend looks solid enough with European and North American regions to concentrate the biggest impact in passengers numbers. "The outlook for the USA is flattered by the capacity reduction exercises of 2006, the effects of which, according to the U.S. Bureau of Transport Statistics, really started to hit passenger numbers in the third quarter." In July alone domestic passengers were off by 2.9 percent which gives depth and context to the July 2007 projection of 2 percent. The picture in Europe is altogether different.

"The 2007/2008 trend for Europe is becoming clearer. The

ed by this historic and prestigious airline for its fleet renewal," said John Leahy, Airbus Chief Operating Officer Customers, "Airbus has come a long way in Latin America over the past decade and is now the leading aircraft supplier in the region."

Houston to Loreto

Continental Airlines has launched non-stop service to Loreto International Airport, Mexico from Houston's George Bush International Airport. Continental Airlines' new nonstop service will operate twice weekly on Thursdays and Sundays.



"We are grateful to Continental Airlines for the significant role they play in the growth of the destination and we are especially pleased to welcome and introduce travelers from Houston to Loreto," said Alberto Treviño, Secretary of Tourism for Baja California Sur.

The new Houston to Loreto route will join Continental Airlines current timetable of service from Houston and Newark airports to Los Cabos in Baja California Sur.

Miami to Cozumel

American Eagle Airlines has added a weekly flight between Miami International Airport and Cozumel International Airport.

...continued next page



AIRLINES

“American and American Eagle are committed to making Miami the premier connecting hub for Latin America,” said Peter Dolara, American Airlines Senior Vice President, Miami, Caribbean and Latin America. “The success of Eagle’s first direct route from Miami to Mexico supplements our extensive network throughout the Bahamas, the Caribbean, South and Central America.”

Copa adds more routes

Copa Airlines announced that it will increase flight frequencies in July and August to eight cities in the Americas.

Flights from Copa’s hub in Panama will increase to San Jose, Guatemala, Managua, San Salvador, Orlando, Miami, Cancun and Lima.

“The increase in destinations and flight frequencies makes it possible for our passengers to make good use of their travel time from start to finish, whether they are flying to or from Panama, or connecting to other flights at Copa’s Hub of the Americas in Panama,” said Pedro Heilbron, CEO, Copa Airlines. “Our new flights will contribute to the growth of trade and business relationships in the region, as well as promote tourism, helping to drive economic development.”

New destinations for July and August include Washington, D.C.; Punta Cana, Dominican Republic; Guadalajara, Mexico; and Cordoba, Argentina.

More LAN routes

LAN Airlines has begun non-stop operation between JFK and LAX airports to Santiago de Chile with continuing service to Buenos Aires and additional Argentinean destinations including Cordoba, Mendoza, and Rosario among others.

LAN Airlines will operate three

vative service that adds greater efficiency to sales relations with customers, supplementing today’s electronic payment options in an easy, safe and creative manner,” says the company.

CAIXA is offering Brazilians a fast and easy payment option, with online purchase confirmation, available at more than 9,000 lottery outlets throughout Brazil with staggered service hours. “Besides a high-quality, low-cost service, we have a broad distribution network with outlets in every Brazilian city and located in the best commercial locations in state capitals, which is certain to go a long way toward meeting the objectives of the partnership,” says Fabio Lenza, Vice President for Banking Affairs at CAIXA.

“We hope to reach an audience that does not own a credit card but can afford the promotional fares offered by TAM,” says Libano Barroso, Vice President for Finance and Management and Director of Investor Relations.

Company executives agree that new business could emerge from the partnership that will help leverage the country’s tourism development, saying CAIXA and TAM offer strategically complementary products and services that can stimulate activities in the sector, such as those geared toward tourism for the elderly.

TAM partners up

Brazil’s TAM Linhas is still looking to create partnerships with other carriers.

TAM announced in May it would work with Lufthansa to see if there would be benefit to codesharing on domestic and international routes.

TAM is also hopeful to form a business alliance with LAN Chile to develop partnerships on South American routes.



NEWS

AGWA is 'wickedness and fun'

FROM PAGE 1

AGWA de Bolivia. Made from the Bolivian cocoa leaf, only two companies in the world have the license to use it in their products – Babco and Coca Cola. As it is considered a narcotic, Babco must produce the liquer in Amsterdam, the only country to permit a licence to use the leaf.

"It's still very much a novelty," explains Cuppage. "But we love the idea of wickedness and fun."

Cuppage explains the liquer is 100 percent botanical and natural. And there is a ritual for drinking the liquer, to enhance the properties of the leaf. Cuppage explains you change the acidity in your mouth by sucking on a lime. "By doing that the coca leaf oxidizes into your blood stream and takes affect much quicker."

AGWA de Bolivia is "about effect. It also gives you a lift," smiles Cuppage.

The liquer fits well into Babco's motto of Creating Brands that Create

Bacardi competition in third year

The highly successful Bacardi Cruise Competition has set sail once again.

Cruise and ferry line bartenders and chefs wishing to compete for cash scholarships, and the distinction of being named one of Bacardi's Best, are invited to create inspired cocktail and culinary recipes using Bacardi's super-premium spirits.

"We are thrilled with the continued success of the competition and excited to launch year three," says Bacardi Global Travel Retail Division Americas Director José Chao. "As 'Bar Chef's' and mixology become increasingly popular, we've added a new Signature Cocktail category which calls for the use of cucumber in its ingredients.

The deadline for all recipe submissions is September 1, 2007. All entries will be judged initially by Johnson & Wales University and ShowTenders®, with semi-finalists selected in each category. The winning semi-finalists will then advance to the final round where a VIP judging panel will assess entries at an exclusive event in December 2007 to determine who will be the next "Bacardi Bartender of the Year" and "Bacardi Chef of the Year." Cash scholarships, presented by the Marine Hotel Association (MHA), will be awarded to the 10 category winners, and the "Bacardi Bartender of the Year" and the "Bacardi Chef of the Year" at a private function in March 2008. The winning recipes may be offered aboard ships for the 2008 sailing season.





THE STORY OF ... SWAROVSKI

Swarovski crystals are sparkling in more places than duty free shop display cases.

From the necks and wrists of Hollywood actors, to chandeliers in the blockbuster movie Ocean's Thirteen, the Austrian crystal continues to make an international presence.

Over a hundred years ago, in 1895, Daniel Swarovski I, a Bohemian inventor and visionary, moved to the village of Wattens, Tyrol in Austria, with his newly-invented machine for cutting and polishing crystal jewelry stones. From these



Crystal ball shows great future for Swarovski

beginnings, which revolutionized the fashion world, Swarovski has grown to be

the world's leading producer of precision-cut crystal, for fashion, jewelry and more

recently lighting, architecture and interiors.

In 1960, the company opened its first manufacturing plant outside of Austria, founding the grinding tool production facility Abrasivos Austromex in Mexico City. The company opened a new foreign plant in Buenos Aires, Argentina, in 1968.

Today, the company, still based in Wattens, family-owned and run by 4th and 5th generation family members, has a global reach, with some 20,000 employees, a presence in over 120 countries and a turnover in 2006 of 2.33 billion Euros.



The Cannes Film Festival saw the crystals being worn by several celebrities. For the first time ever, Daniel Swarovski released his Red Carpet Collection exclusively for the stars. The collection contained 15 original bags. They are inspired by names of Hollywood's Golden Era and include The Marlon, The Greta and The Rita.



Swarovski has had the privilege to adorn stars such as Marilyn Monroe in *Gentlemen Prefer Blondes*, Grace Kelly in *High Society*, and Audrey Hepburn in *Sabrina*.

More recently Oscar winner Jennifer Hudson sashayed past a Swarovski crystal curtain in *Dreamgirls*, Nicole Kidman shone with Swarovski in *Moulin Rouge*, James Bond

NEWS

Princess Cruises increases South American options



For the first time, Princess Cruises is offering three ships to South America for its 2008-09 season.

“South America is one of those destinations that experienced travelers have on their ‘wish list’ of travel experiences, and we’re excited to be growing our presence there,” said Jan Swartz, Princess Cruises senior vice president of customer service.

Princess offers 21 departures on six different itineraries. South American ports the ships will stop at include:

Rio de Janeiro, Santiago, Guayaquil, Cabo San Lucas, Acapulco, Nicaragua (Puerto Corinto), Costa Rica (Puntarenas), Panama Canal (Puerto Amador), Quito (Manta), Lima, La Serena (Coquimbo), Ushuaia (Tierra del Fuego), Falkland Islands (Stanley), Montevideo, Buenos Aires, San Blas (Panama), Puerto Amador, Costa Rica, Esmeraldas (Ecuador) and Lima.

Luxury cruises make stops in South America

LATIN AMERICA REPORT

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- Information about new air routes, airline expansions and airports news
- People in the industry
- Our company profiles tell you more than just the product they sell, we tell you their story too

Distribution list

- Approximately every two weeks, when we

PRODUCTS

Caviar for the eyes



La Prairie's Caviar Collection offers ultra luxe facial skin care, to help improve the look and feel of one's complexion. Introducing the newest addition to this elite collection: Skin Caviar Luxe Eye Lift Cream.

Skin Caviar Luxe Eye Lift Cream targets the seven most prominent eye area agers – fine lines, wrinkles, loss of firmness, loss of elasticity, puffiness, dark under eye circles and dryness.

The 20 ml size has a sug-

cosmetics under the Parah brand. Weruska&Joel is a Turin-based company that for over 30 years has been a leading figure in the world of cosmetics. It owns the Lancetti, Compagnia delle Indie and Pino Silvestre brands.

The agreement between the two Italian companies will have a duration of 5 years and will be valid worldwide.

"Women are the absolute protagonists of our collections," says Gregori Piazzalunga, Chairman of the Parah Group, "and it is for them that we have decided to extend our product range. Fragrance is without any doubt an important element in seduction and it completes a woman's femininity."



Misaki launches

lid.

The new merchandising collection was developed to offer a wide range of 28 different stands.

Misaki's Cash & Carry display will enable customers to improve sales in Duty Free where impulse purchases are becoming increasingly important.

Each side of the display is designed for one kind of jewellery, up to 52 earrings or rings, 25 pendants or thin necklaces, 17 watches or bracelets and 8 necklaces.

The new Window Display Unit is composed of three boards of different heights for a dynamic presentation.

The boards are elevated on Plexiglas to give it a "floating" feeling in line with the new light concept.

Misaki's new 2007 summer



Sun kisses

Bobbi Brown introduces the Sun Kissed Collection, featuring beachy bronze and pink shades for eyes, lips and cheeks. The limited edition face palette comes with a mirror, lip shine,

blush and eyeshadow.

The limited edition mini brush set comes with eyeliner, eye shadow, face blender and lip brushes.



New Missoni

