



Peggy Elsrode Coty Prestige

A fresh approach to fragrance

In recent years Coty Inc. has achieved a leadership position in fragrance through astute acquisitions and licensing partnerships. It has quickly emerged as a leading global beauty company with sales of nearly \$4 billion for the year ended June 30, 2010. Coty Prestige's portfolio of fragrances is widely represented in travel retail across the world. Fragrance brands include Balenciaga, Calvin Klein, Cerruti, Chloé, Davidoff, Jennifer Lopez, Jil Sander, Joop!, Karl Lagerfeld, Kenneth Cole, L.A.M.B. fragrance Gwen Stefani, Vera Wang, and Vivienne Westwood. Geneva-based Peggy Elsrode, Coty Prestige's Regional Vice-President Commercial - Travel Retail & Export Worldwide, is looking forward to another successful year of trading in 2011.

Which are the leading Coty Prestige brands today, and what plans do you have for them in travel retail in the coming years?

Coty acquired the prestige fragrance division of Unilever in 2005 bringing Calvin Klein, Cerruti, Chloé, Vera Wang and Lagerfeld to its portfolio. More recently, in 2010, Coty Prestige signed a licensing agreement with Calvin Klein Inc. to develop and market a new colour cosmetics line, due to launch in 2012. Also added to the portfolio is Phoenix-based skincare, fragrances and bath products company, Philosophy. These two acquisitions now give us a presence in colour and increased opportunities in skincare. We further build the strength of the ultra prestige brands with the addition of Bottega Veneta; as well as building the designer brands with the licensing agreement for the new Roberto Cavalli fragrances.

Which new product launches do you think will drive sales for Coty Prestige in the travel channel this year?

Calvin Klein launched Beauty last autumn and this autumn more focus will be on the CK (CK One) franchise. A CK One media campaign aired in March this year. The dynamic creative brings together the men's and women's jeans, underwear, and fragrance categories with one unified concept featuring a cast of more than 30 distinct men and women who embody the authentic individuality that is such an inherent



part of the iconic CK One brand. All this will coincide with a big CK One initiative.

We have also just seen the Marc Jacobs launch of Daisy Eau So Fresh. First results are outstanding. It is quirky and fun and looks absolutely irresistible in store. The Marc Jacobs brand will have another great launch in the autumn. The House of Chloé base business continues to grow and with the additional of travel retail exclusives, we see even more growth opportunities. Moreover, Chloé is celebrating spring with Chloé Rose Edition, an irresistible, sparkling fragrance. We will be introducing our latest jewel in the ultra prestige category: Bottega Veneta, as well as expanding distribution of Balenciaga.

What is happening in men's fragrance? Is Davidoff a big story this year?

Davidoff had a very successful launch last August with its new pillar Champion. The Davidoff summer fragrances, Summer Dive, will be on counter shortly and will be followed in the fall by another launch under the Champion pillar. The Cool Water brand is being reinvigorated with a new face: Paul Walker will be our Cool Water man starting this summer.

Geographically, which countries (or air and sea routes) is Coty Prestige working hardest to build sales from in travel retail? Is China the big hope?

We work hard everywhere to build sales! Calvin

Klein is a global brand with global recognition. We do have some houses such as Chloé that works particularly well in Asia and with our new properties we anticipate more opportunities in Asia. The BRIC group of countries (Brazil, Russia, India and China) is contributing substantially to our growth.

Finally, what are your expectations of sales for 2011?

We had a fantastic 2010 and we have every intention to keep the momentum: new properties, launches, new ideas and a strong, driven team. We would like to bring a fresher look and a few modern twists to the travel retail channel. We continue to reinforce our regional organizations and look to strengthen our skill set in multi beauty categories. **DM**

PERSONAL FILE

Born USA, October 1963

Lives today Geneva, Switzerland

Family Yes

Drives Yes

Restaurant Club 55 Saint Tropez

Gadget BlackBerry

How do you relax On a beach or at the gym