



Fairn & Swanson, Inc.

# News Flash

## NEW BAJA STORE!



**El Paso, TX**  
**800 Stanton St.**

In February Fairn & Swanson opened the newest Baja store, located in El Paso, Texas. "The El Paso store is the continuation of Fairn & Swanson's retail strategy to have locations coast-to-coast along the Mexican border with stores from California to Texas", stated the Vice President of Retail for Fairn & Swanson Elisa Castro. "We see considerable sales potential for us in the market". With this new store Fairn & Swanson now operates eight Baja stores along the US-Mexican border.



*Hot Articles*  
- Colgate Dental Van - Company Overview  
- Baja Co-op programs



# News Flash

## Company Overview

Fairn & Swanson celebrated its 60th anniversary with record revenues. Despite a weakening economy in 2008, revenues continued to grow in 2008, topping \$90 million for the first time. Fueled by positive results in both its retail and wholesale operations, Fairn & Swanson is in an excellent position to capitalize on any opportunities that the current economic turmoil provides.

Our retail division, Baja Duty Free, opened a new store in Laredo, TX and finished the build-out of the El Paso, TX store, which opened in February 2009. With the addition of these two stores, Baja Duty Free now operates eight stores and is represented in all major US-Mexico border markets. Despite a general decline in US retail sales, the value proposition of Baja Duty Free stores to our customers puts us in a great position to grow sales by providing brand name goods at substantial savings to US domestic prices. Continued increases in domestic excise taxes, such as the April 1 increase in tobacco excise taxes, will further our attractiveness to value conscientious customers. The current weakness in the real-estate market will give us an opportunity to review options to fill in stores in secondary markets.

On the wholesale side, Fairn & Swanson moved its East Coast operations into a new 30,000 square foot warehouse in the Fort Lauderdale Foreign Trade Zone, consolidating both its duty-free and tax-paid operations under one roof. Operating our own warehouse out of the FTZ allows us to provide not only sale of bonded merchandise, but also to offer value added services to our vendors and customers. The tremendous growth potential on the East Coast far outweighs any softening in our traditional West Coast markets.

Though it might be easy to give in to the current, generally negative economic outlook, we are presented with many opportunities that will allow us to continue our long-term growth trend in 2009 and beyond.



Achim Fritzen, CEO



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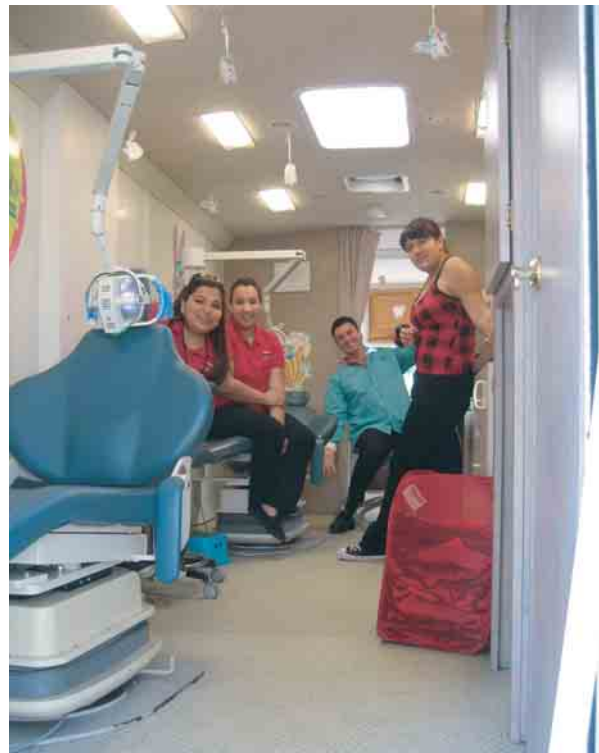
## Dental Van Program



Face Painting Clowns

**B**aja Duty Free in conjunction with Colgate Palmolive promoted the Colgate Bright Smiles, Bright Futures program in the San Ysidro area. The event took place last Saturday March 7th at the Baja store located on Border Village Road. The program consisted of offering free dental screenings to children ages 1-12 years old. Besides the dental van a local radio station broadcasted live while face painting clowns entertained the children.

Baja would like to thank the Colgate Dental Van staff and Steve Kaulfuss, Health Care Sale Manager, Colgate-Palmolive for making this event a great success.



Dental Van Staff

## Co-op Programs



Las Americas Store, CA / Parfums Givenchy



Las Americas Store, CA - Bacardi USA



**B**aja Duty Free is thankful for the continuous support from suppliers. The stores appreciate the efforts to provide Baja with materials for displays, support in celebrating holiday events and the constant participation in our success.

Calexico Store, CA  
Coty Prestige



Brownsville Store, TX - Beam Global Spirits & Wine