



D U F R Y

ACQUISITION OF FOLLI FOLLIE'S TRAVEL RETAIL BUSINESS

10 October 2012

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The historical financial results of the travel retail business of the Folli Follie Group presented here reflect the historical results of the travel retail segment of the Folli Follie Group and may not necessarily reflect the historical results of the business that will be carved out of Folli Follie Group as part of this transaction. Also, the pro forma measures presented here, reflecting a combination of Dufry's historical results and the historical results of the travel retail segment of the Folli Follie Group, are presented for illustrative purposes only and do not purport to present what Dufry's results would have been had the transactions contemplated here occurred at the beginning of the periods for which pro forma measures are presented. Moreover, such pro forma measures do not project Dufry's future results or financial condition.

- 1. Transaction Summary**
- 2. Business Description and Integration**
- 3. Financial Considerations**
- 4. Next Steps and Conclusion**

1. Transaction Summary

Deal Rationale

1 **Leading travel retailer in Greece**

2 **Attractive business in an important tourist destination**

- Good growth prospects with more than 80% of customers being international travelers
 - Germans and British are the most important nationalities
- Strong concession portfolio in the Greek Duty Free market until 2048 with attractive terms
- Highly profitable operations

3 **Strong fit with Dufry's expansion strategy**

- Complements geographical footprint in the Mediterranean corridor, being one of Dufry's key focus areas

4 **Substantial synergy potential**

- Rapid implementation with low execution risk
- Product mix strategy similar to Dufry

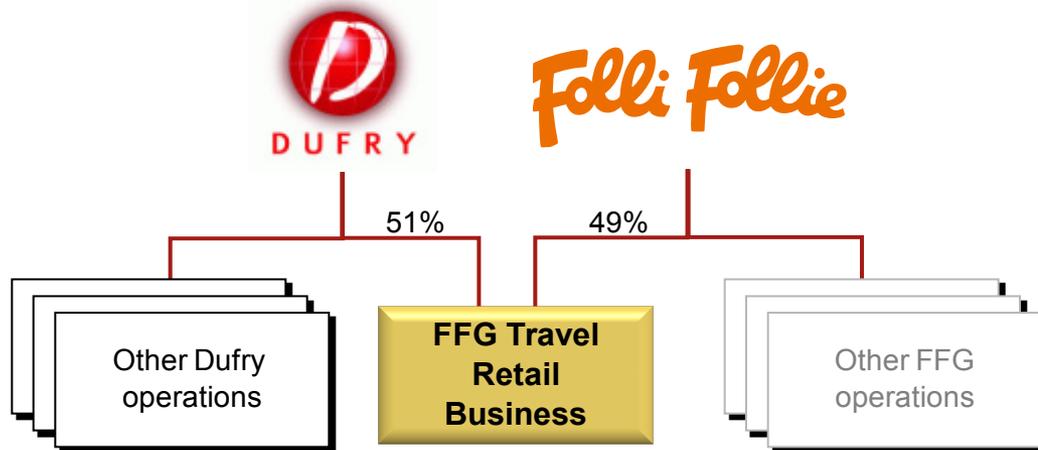
5 **Compelling transaction metrics**

- Transaction multiple post-synergies of 7.9x
- Transaction robustly accretive already in first full year

6 **Partnership with Folli Follie will support the development of the business and Dufry's existing operations in the region**

Acquisition Summary

Structure Post-Transaction



- Travel Retail Business to be carved out from Folli Follie Group ("FFG")
- EUR 335 million of debt to be allocated into the business
 - Local non-recourse bank financing
- Dufry to acquire 51% equity stake and shareholder structuring for EUR 229 million
 - Option to acquire the remaining 49% in 4 years at fair market value
- Equity consideration expected to be financed through equity increase from existing authorized capital
 - Dufry to keep financial flexibility for further expansion opportunities
- Closing of transaction expected by early next year
 - Subject to completion of carve-out process and obtaining all relevant approvals

2. Business Description and Integration

1 Leading travel retailer in Greece

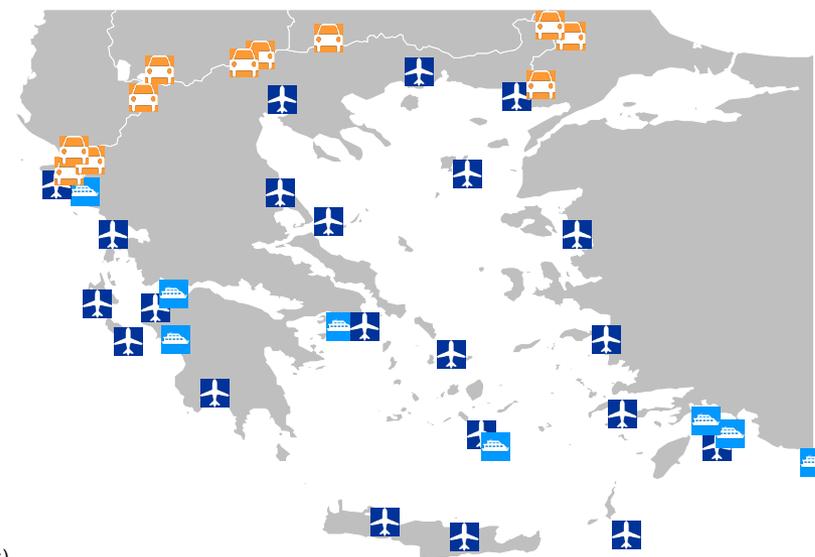
Overview

- **Folli Follie Travel Retail is the leading travel retailer in Greece**
 - Present in all major airports
 - Strong concession portfolio in the Greek duty free market until 2048
- **Diversified operations in 46 locations**
 - Airports (21), Seaports (13) and Border shops (12)
 - More than 80% of customers are international travelers
 - Broadly diversified with Athens airport accounting for 25% of total sales in 2011

Key Financial Metrics⁽¹⁾

(EUR million)	2009 ⁽³⁾	2010	2011
Turnover⁽²⁾	269.8	252.6	290.9
<i>% growth</i>	(6.4%)	(6.4%)	15.2%
Gross Profit	130.5	128.3	151.3
<i>% margin</i>	48.4%	50.8%	52.0%
EBITDA	55.5	56.2	84.3
<i>% margin</i>	20.6%	22.2%	29.0%
<i>% growth</i>	(1.1%)	1.3%	50.0%

Geographic Locations



Source: Folli Follie Group company filings

(1) As reported by Folli Follie Group

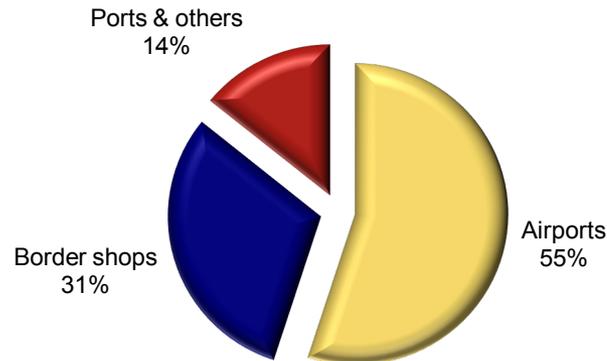
(2) Excl. intra-group sales to Folli Follie Group

(3) 2009 based on Hellenic Duty Free segment reporting pre merger (HDFS + Hellenic Distributions)

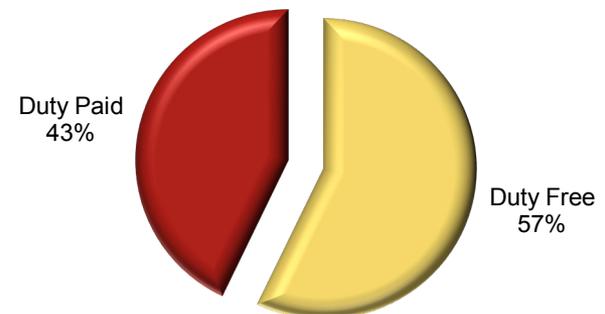
Segmentation of the New Business

2 Strong portfolio across channels

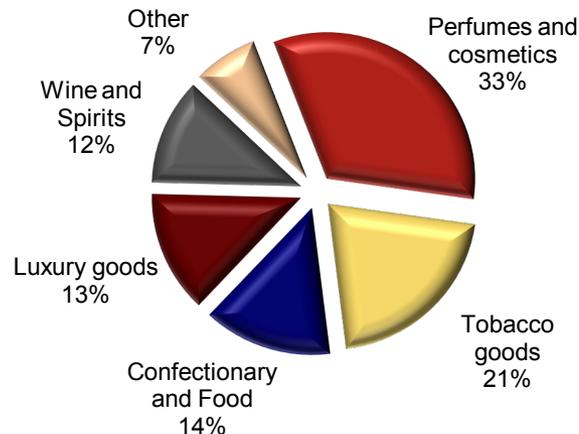
Sales by Channel FY 2011



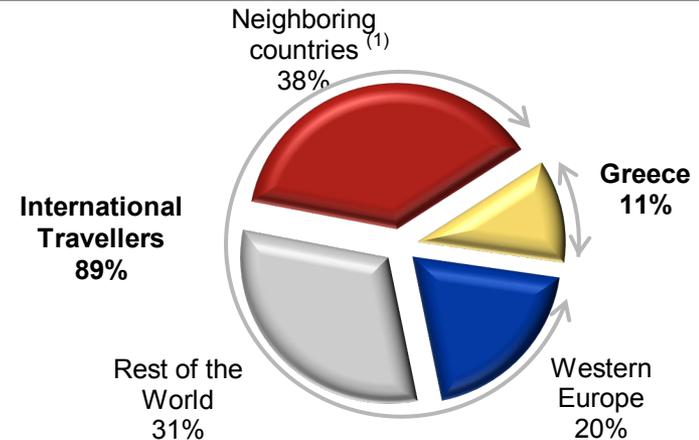
Sales by Sector FY 2011



Sales by Product Category FY 2011

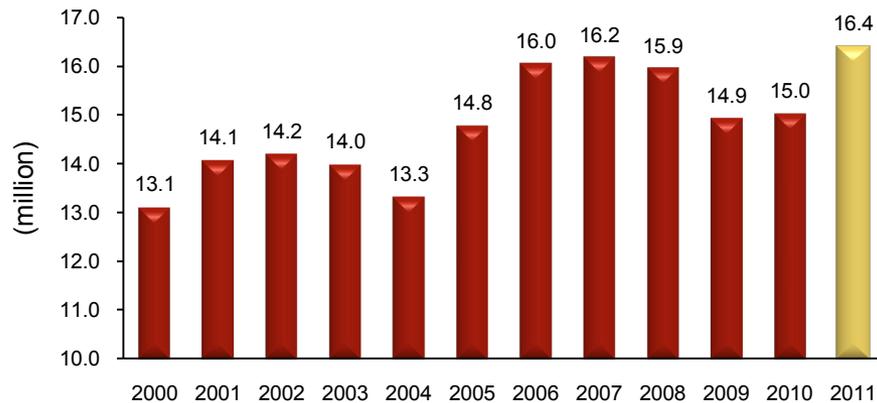


Sales by Destination FY 2011



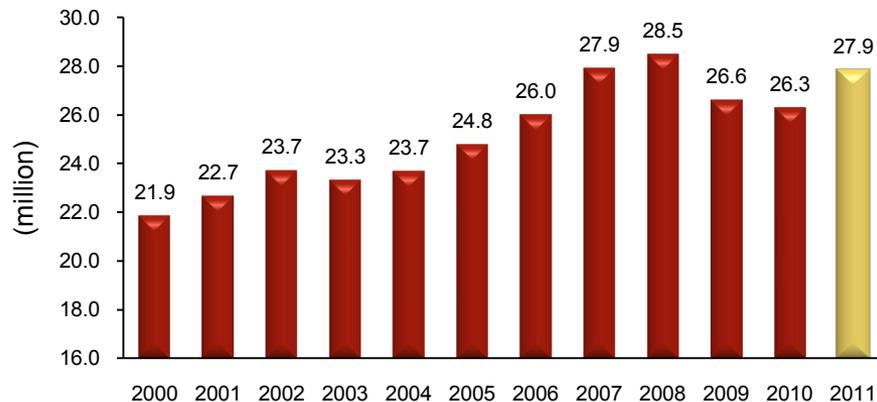
3 Strong fit with Dufry's expansion strategy

International Tourist Arrivals in Greece



Source: World Bank, SETE (Association of Greek Tourism Enterprises)

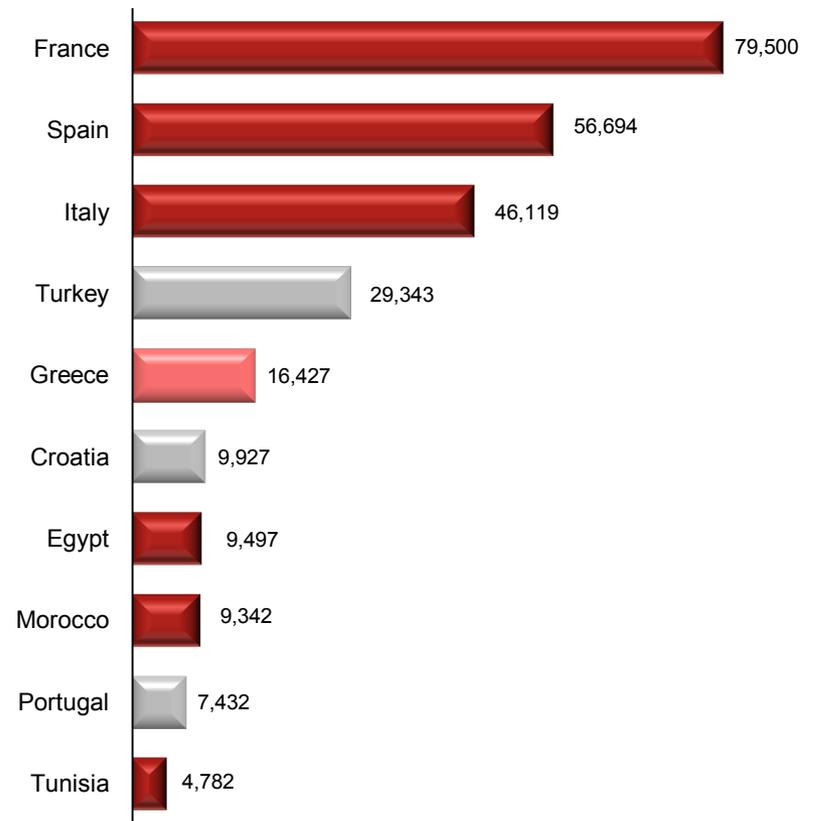
International Passengers in Greece



Source: Air4casts

International Tourists Arrival Mediterranean

('000 tourists)



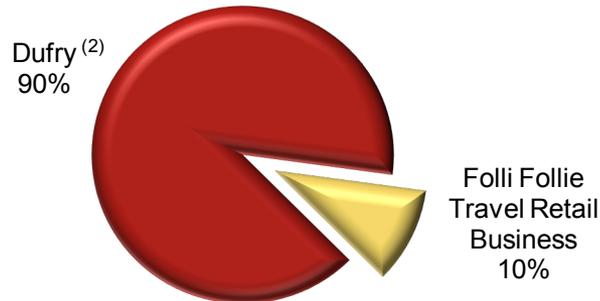
■ Dufry present ■ Dufry not present ■ New business

Source: UNWTO

4

Substantial synergy potential

Turnover



PF Combined HY 2012: CHF 3,388 million

Turnover Growth

- Transfer Dufry's operational know-how
- Synchronize marketing in regions
- Merge operational strategies

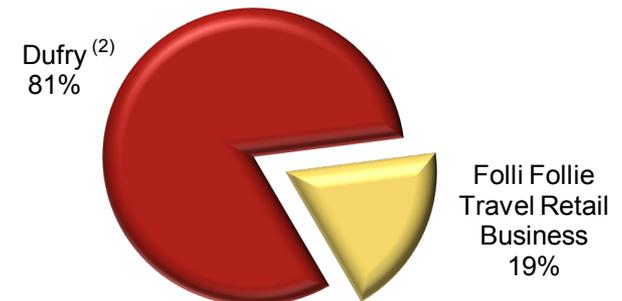
Gross Profit Improvement

- Enhanced purchasing power through global negotiations
- Consolidated logistic platform
- Improved product mix
- Optimization of supply chain

Cost Reduction

- Introduce best practices in back office
- Use Dufry systems and procedures
- Reorganization of certain functions
- Integration within respective region

EBITDA⁽¹⁾



PF Combined HY 2012: CHF 553 million

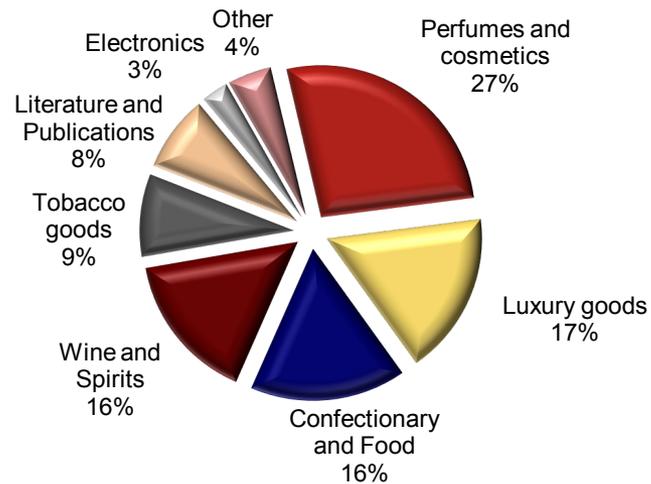
≈ **EUR 10 million⁽³⁾**
annual EBITDA
synergies after 18
months

Note:

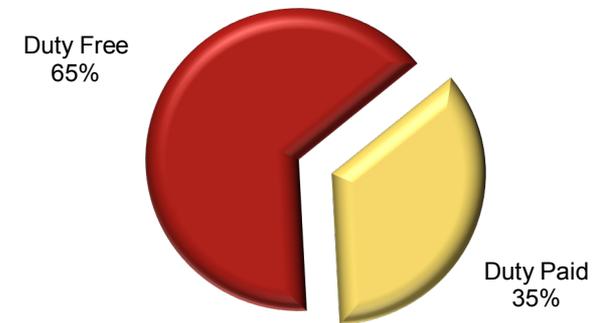
- (1) Before other operational results
- (2) Including the full year impact for the acquisitions performed in Aug/11 and Jan/12
- (3) Total synergies across 100% of business

Segmentation Post-Transaction

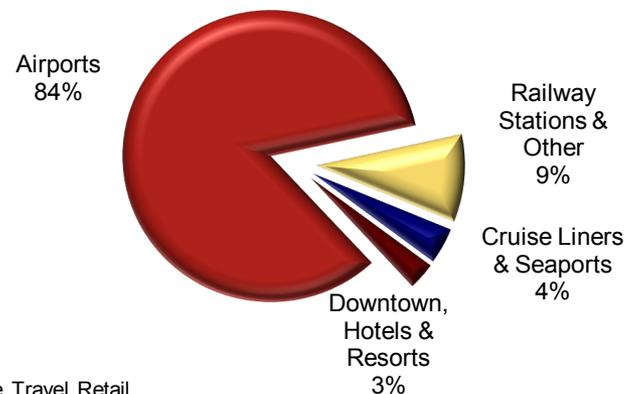
Pro-Forma Sales by Product Category



Pro-Forma Sales by Sector

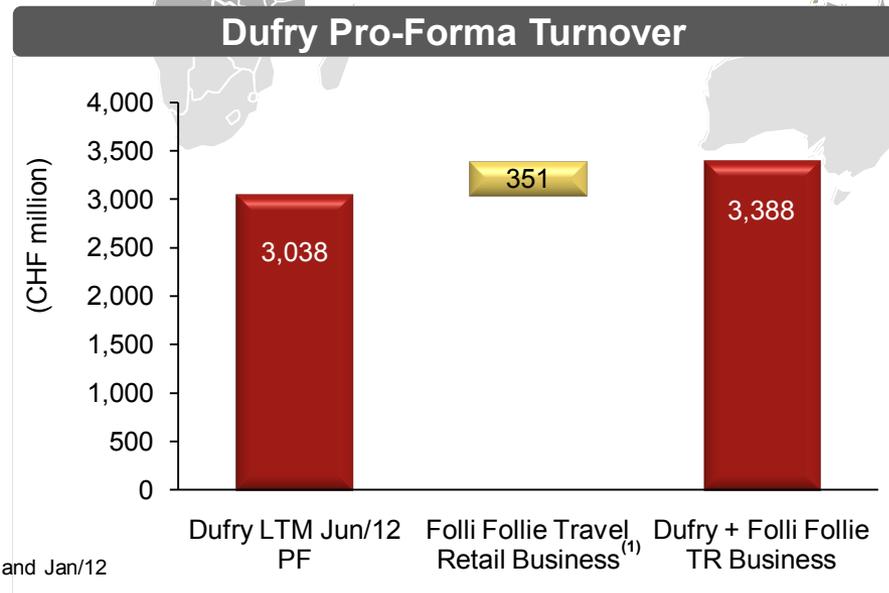
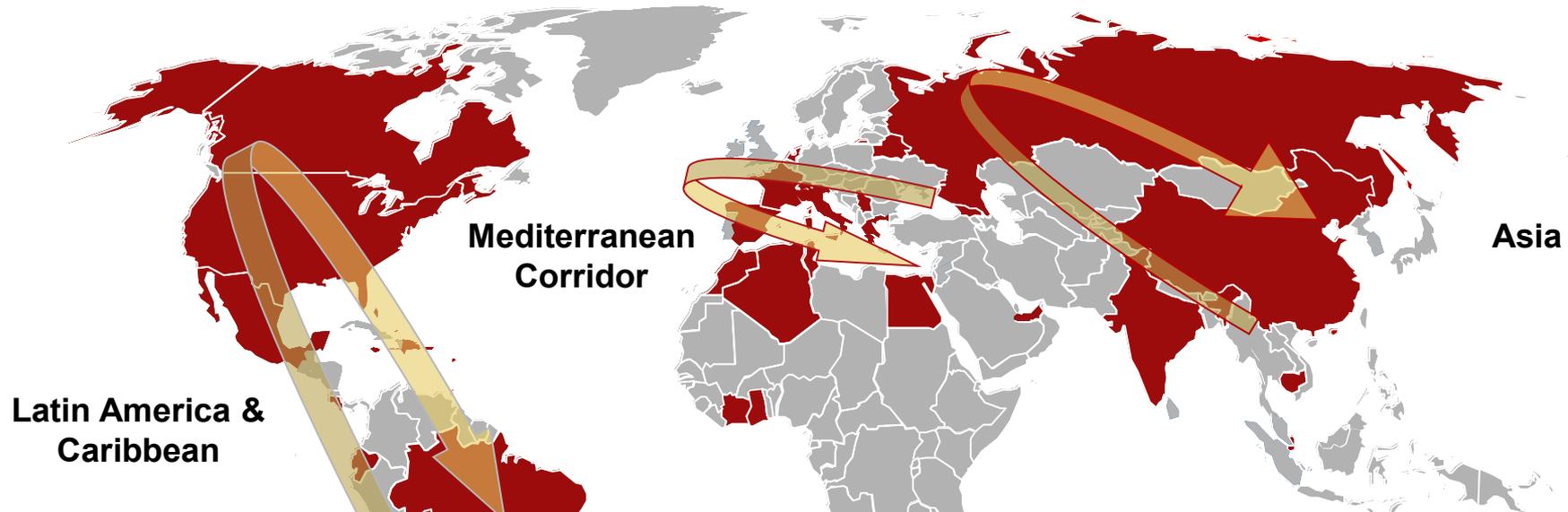


Pro-Forma Sales by Channel



Note:
Based on FY 2011 pro-forma combination of Dufry and Folli Follie Travel Retail

Dufry - The Leading Global Travel Retailer



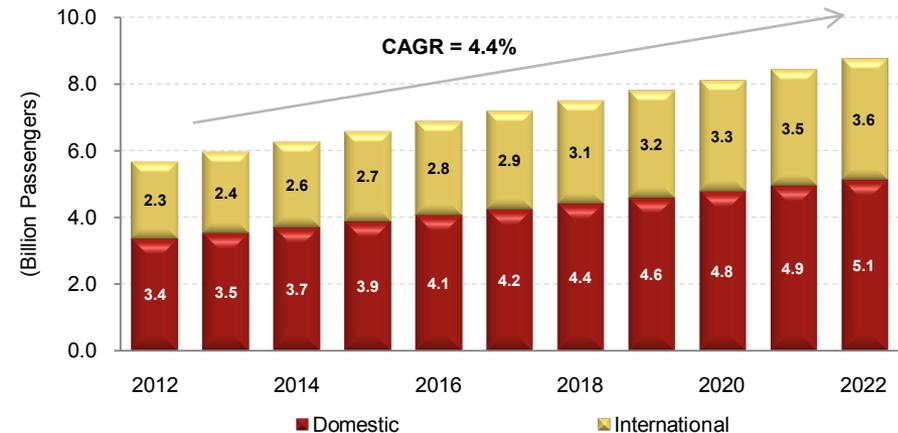
Notes:
 (1) Jun/12 LTM figures converted using a EUR to CHF FX rate of 1.201
 (2) Including the full year impact for the acquisitions performed in Aug/11 and Jan/12

Dufry Strategy Remains Unchanged

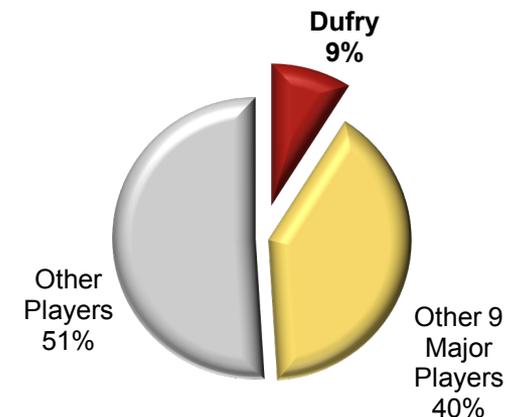
Dufry Strategy

- **Growth strategy to be continued**
 - Like-for-like, new concessions and M&A
- **Diversification to continue**
 - Regional re-balancing
- **Strong portfolio of projects and acquisition targets**
 - Focus on Emerging Markets and tourist destinations
- **Trading update**
 - Positive turnover development for Group
 - Regional differences remain

Long Term Global Passenger Forecast



Dufry 2011 Positioning⁽¹⁾



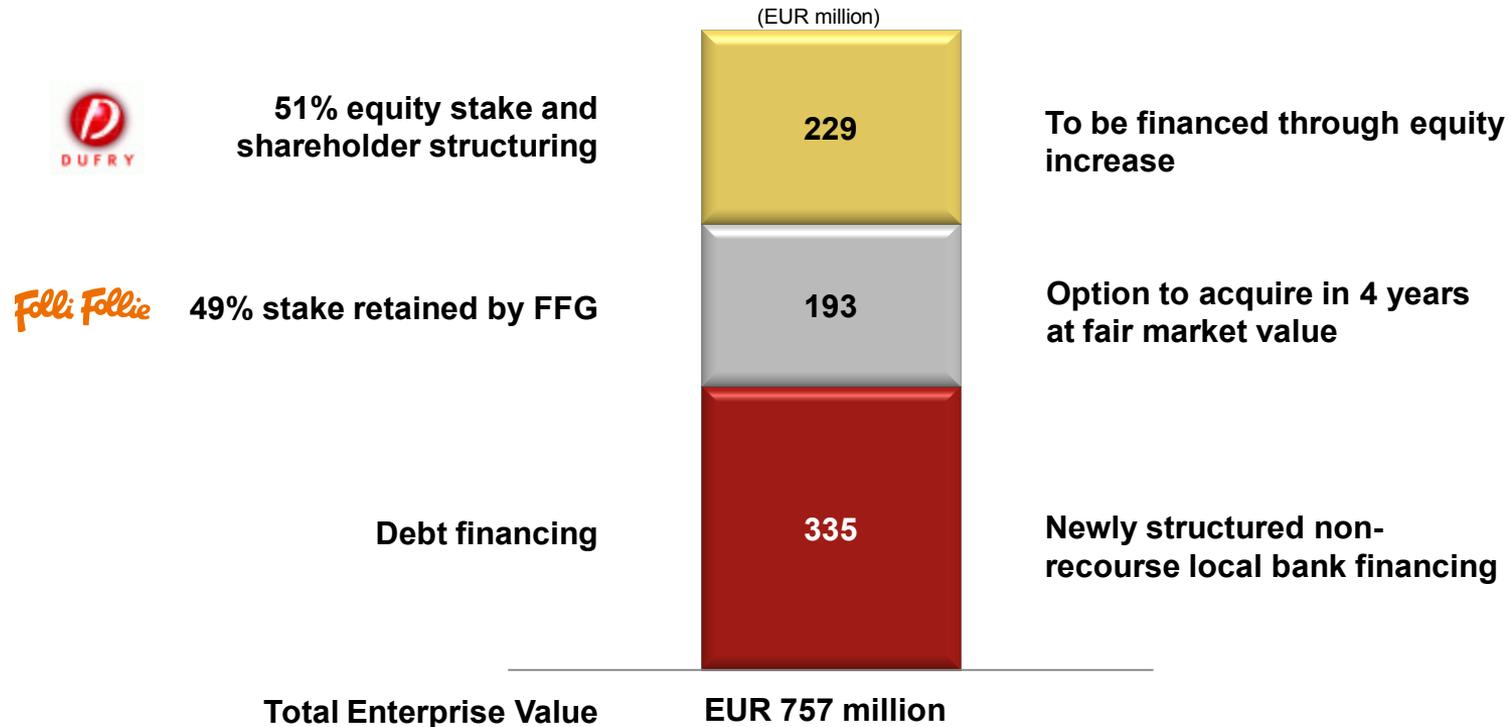
Source: Dufry, Generation AB

(1) 2011 pro forma for acquisitions of Interbaires, Regstaer and Folli Follie Travel Retail Business

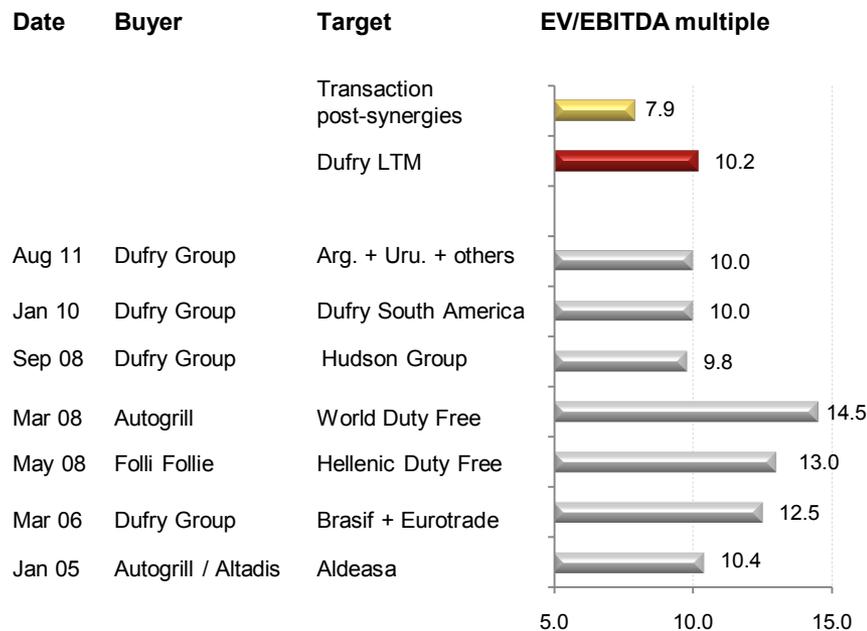
3. Financial Considerations

Acquisition: Financial Structure

Valuation Components



Selected Comparable Transactions⁽¹⁾



Note:

(1) Based on LTM EBITDA at time of transaction (pre-synergies)

- **Attractive transaction multiple below precedent deals and below Dufry trading multiple**
- **Transaction expected to be accretive (pre-synergies) already in the first full year on a cash EPS basis**
 - Substantial upside through synergies
 - Accretive based on 51% only

Effects of the Transaction

New business will be fully consolidated

(CHF million)	Dufry Group		Acquired business		Expected Transaction Impact	Comments
	LTM Jun/12	%	LTM Jun/12 ²	%		
Turnover	2,973.8	100.0%	350.5	100.0%	←	Resilient operation with more than 80% of customers being international travelers
Gross Profit	1,742.3	58.6%	182.2	52.0%		
EBITDA¹	442.7	14.9%	103.3	29.5%	←	High EBITDA margin with potential for increase due to synergies
Depreciation and Amortization	156.3	5.3%			+ 20 - 30m	Preliminary indication of the amortization due to acquisition of intangible assets
Other operational results	-27.7	-0.9%			- 15 - 20m	Transaction cost
EBIT	258.8	8.7%				
Financial results ³	-69.8	-2.3%			- 25 - 30m	Interest expense of the non-recourse local bank financing
EBT	189.0	6.4%				
Income tax	33.3	1.1%				
Net Earnings	155.7	5.2%				
Minorities	27.7	0.9%			+20-30m	Minority stake of 49% of Folli Follie Group
Net Earnings to equity holders	128.0	4.3%				

Notes:

- (1) Before other operational results
- (2) Jun/12 LTM figures converted using a EUR to CHF FX rate of 1.201
- (3) Does not include costs from the Group refinancing

Overview of Local Bank Financing

Financing Details

Type	Non-recourse local bank financing
Amount	EUR 335 million
Duration	5 years
Interest	EURIBOR + 575 bps
Covenant	EBITDA / Net Interest Expenses Net Debt / EBITDA
Lenders	Underwritten by 6 local banks

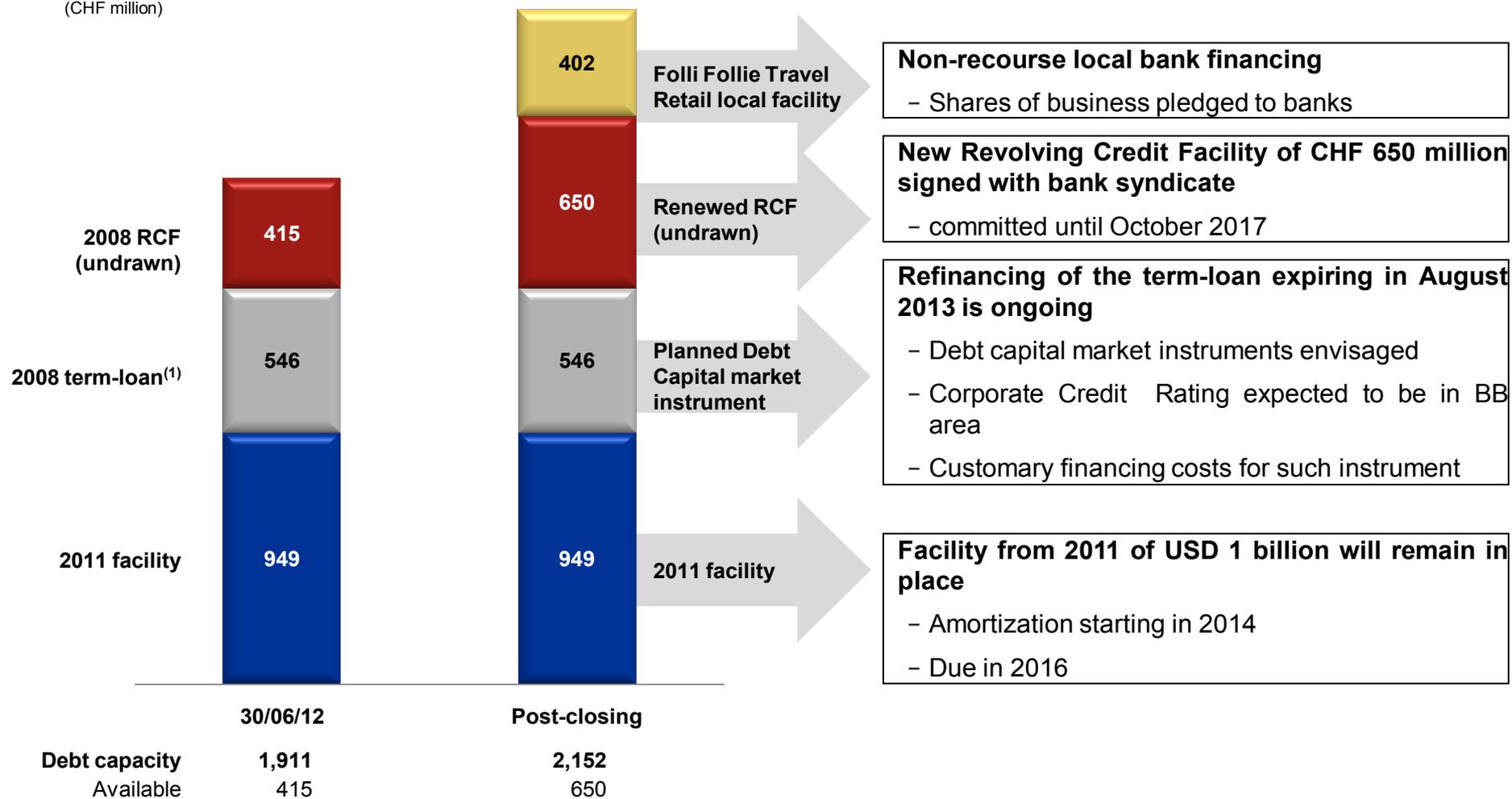
Amortization Schedule

Year	Amount (EUR million)
2013	50
2014	50
2015	65
2016	65
2017	105

- **Non-recourse financing without guarantees or other obligations from Dufry**
 - Shares of business pledged to banks
- **Free cash flow of target will be used to repay debt**

Debt structure to finance further growth

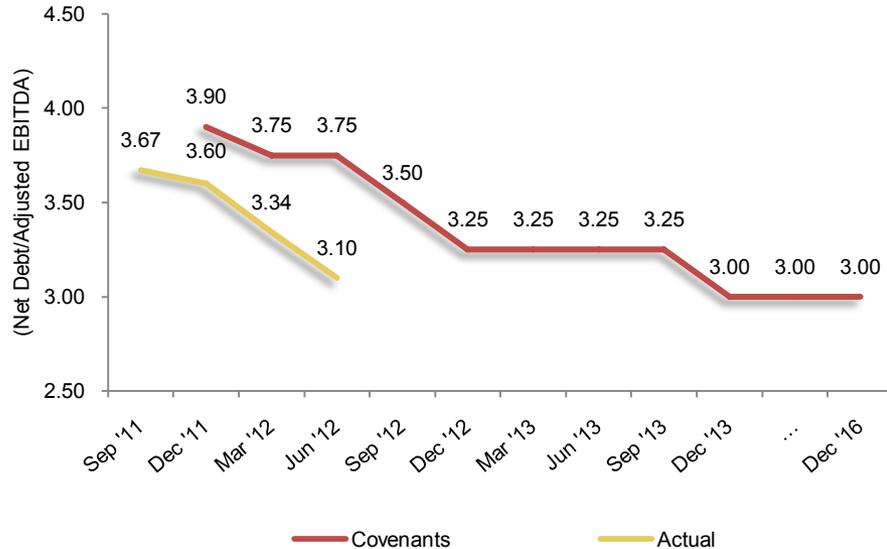
(CHF million)



Note:
In August 2012 Dufry amortized CHF 44.4 million from the term-loan signed in 2008

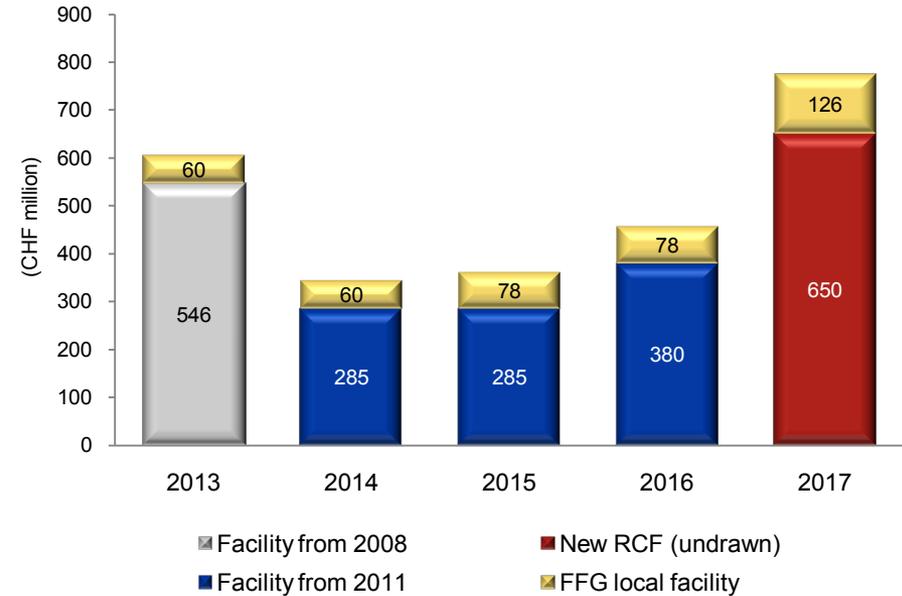
Covenants and Maturity Profile

Covenants Test (Net Debt / Adj. EBITDA)



Note: Since Q1 '12 technical adjustment implemented to eliminate FX volatility from the calculation

Pro-Forma Expiry of Debt 30 June 2012



Note:
In August 2012 Dufry amortized CHF 44.4 million from the term-loan signed in 2008

- Local non-recourse financing will not be considered for bank covenants calculation at group level
- Maturity profile further extended through planned refinancing of 2008 facility

4. Next Steps and Conclusion

- **Folli Follie Group to carve-out the Travel Retail Business**
 - **Relevant approvals to be sought**
 - **Closing expected in beginning of 2013**
- **Capital increase by Dufry**
- **Completion of Group refinancing through planned debt capital market transaction**

Transaction Rationale

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Thank you

