# F.Y. RESULTS 2011

DUFRY

MARCH 2012

# Legal Disclaimer

Information in this presentation may involve guidance, expectations, beliefs, plans, intentions or strategies regarding the future. These forward-looking statements involve risks and uncertainties. All forward-looking statements included in this release are based on information available to Dufry AG (the "Company") as of the date of this release, and we assume no duty to update any such forward-looking statements. Factors that could affect the Company's forward-looking statements include, among other things: global GDP trends, competition in the markets in which the Company operates, unfavorable changes in airline passenger traffic, unfavorable changes in taxation and restrictions on the duty-free sale in countries where the company operates.

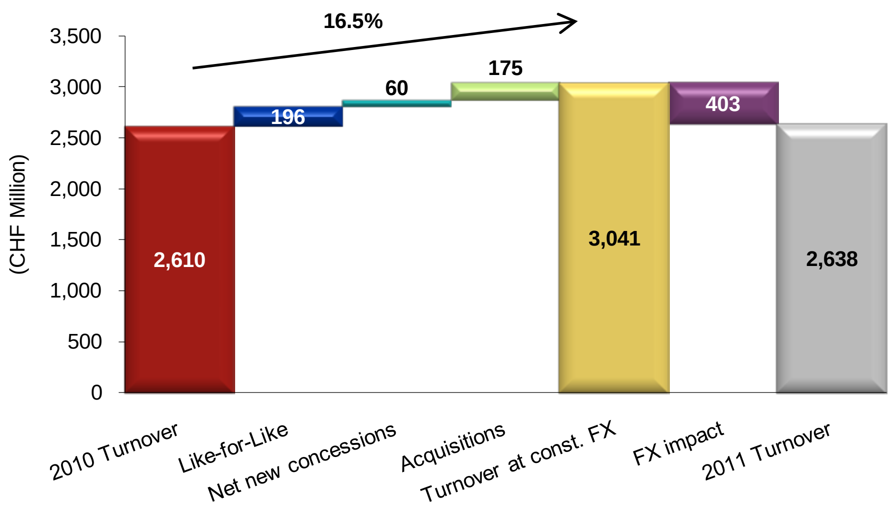
# Agenda

1. Review of 2011
2. 2011 Confirms Strategy for 2012 and Beyond
3. Financials
4. Conclusion

# 1. Review of 2011

# Key Figures 2011

## 2011 Turnover Evolution



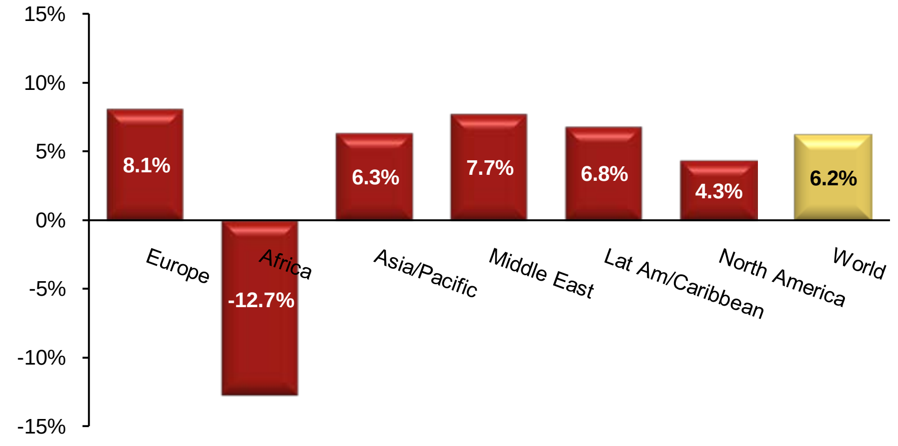

- Turnover at constant FX rates 16.5% to CHF 3,041 million
- Organic growth of 9.8%
  - Like-for-like growth of 7.5%
  - Contribution from new projects 2.3%
- Contribution from acquisitions: 6.7% growth
- Gross margin improved to 58.2% from 57.5%
- EBITDA(1) at constant FX rates +26.9%
- EBITDA(1) margin of 14.1%

(1) Before other operational results

# FY 2011 Highlights (1/2)

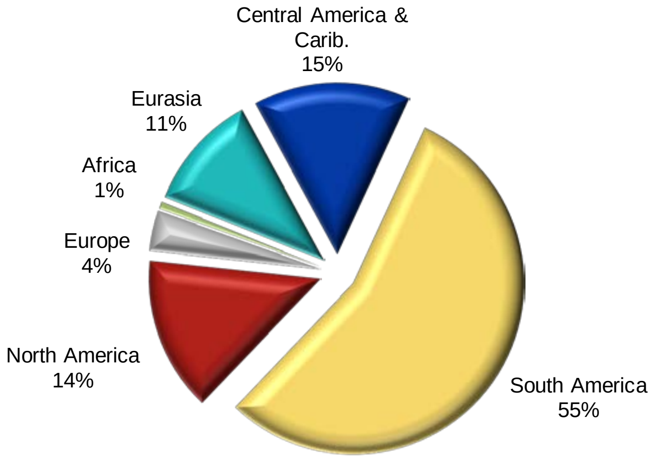
- Strong like-for-like growth in most regions
  - Resilience of business despite uncertain economic situation
- Further diversified portfolio
  - Emerging markets represent 60% of revenues
  - Consolidated positions in strategic markets
- Several external impacts in 2011
  - Political turmoil in North Africa
  - Bankruptcy of Mexicana in Mexico
  - Snow storms in the USA
- More than 8,000 sqm of net new space opened; acquisitions contributed 13,500 sqm
- Acquisitions increased profile in emerging markets

## International PAX Growth in 2011




Source: ACI (03/02/2012)

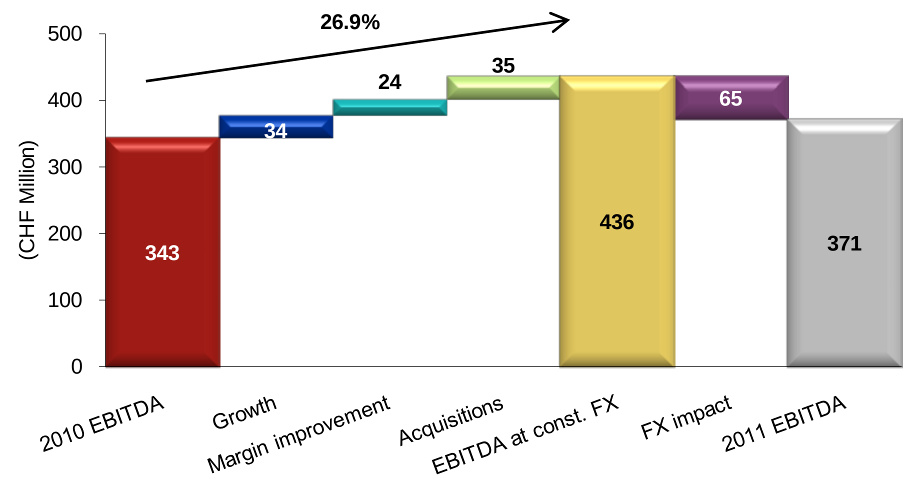
## Net Retail Space added in 2011: 22,000 sqm



# FY 2011 Highlights (2/2)

- Gross margin improvement of 70bps
  - "Dufry plus One" initiative delivering results as expected
  - Integration of acquisitions had short-term a negative impact
- EBITDA margin growth by 100bps to 14.1%
  - Maintained and improved operating structure
  - Contribution from acquisitions
- Net working capital of newly acquired companies improved to Dufry's standard

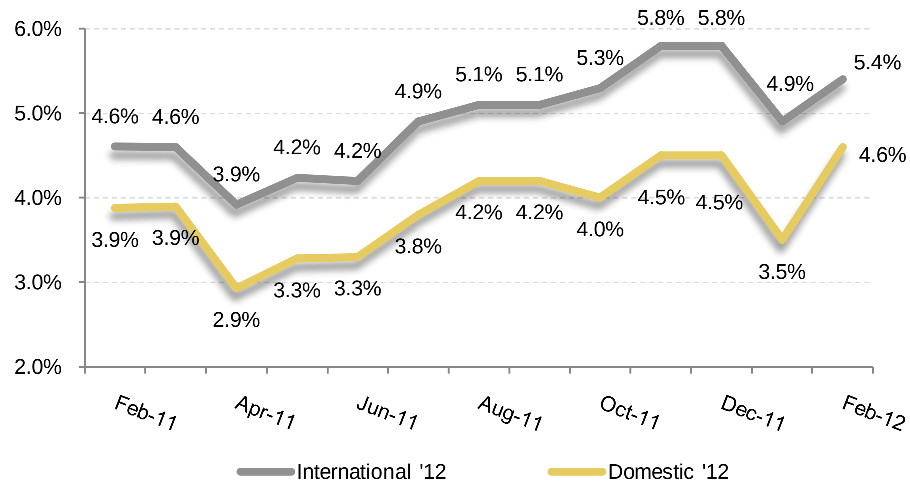
## 2011 EBITDA[(1)] Evolution




[(1)] Before other operational results

# Outlook 2012 – Like-for-like growth

## Evolution of 2012 Forecasts




Source: Air4casts (29/02/2012)

## Evolution of the Int'l PAX Forecasts

| | 2012 | 2013 | 2014 |
|---|---|---|---|
| EUROPE | 3.7% | 3.8% | 3.7% |
| AFRICA | 2.4% | 4.1% | 4.0% |
| ASIA/ PACIFIC | 9.3% | 9.0% | 8.9% |
| MIDDLE EAST | 8.4% | 9.4% | 9.5% |
| LATIN AMERICA | 6.8% | 6.3% | 6.0% |
| NORTH AMERICA | 3.7% | 3.0% | 2.9% |
| **WORLD** | **5.4%** | **5.4%** | **5.4%** |

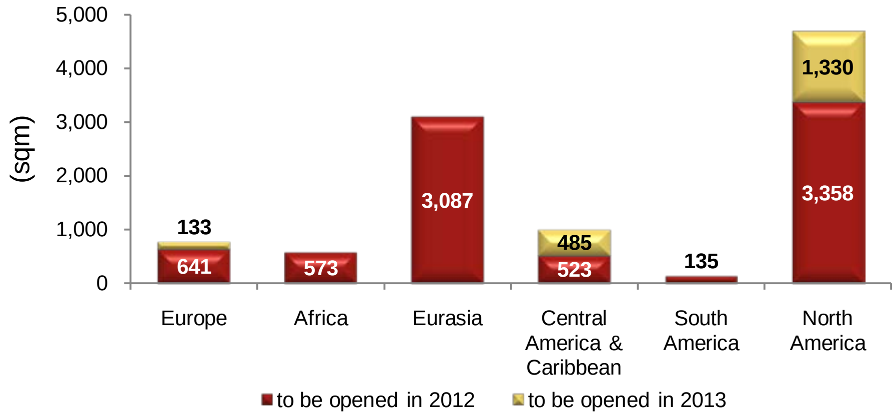
Source: Air4casts (29/02/2012)

- Current passenger forecasts remain positive
  - Emerging markets expected to remain more dynamic
- Economic environment continues to blur picture
- Trading update

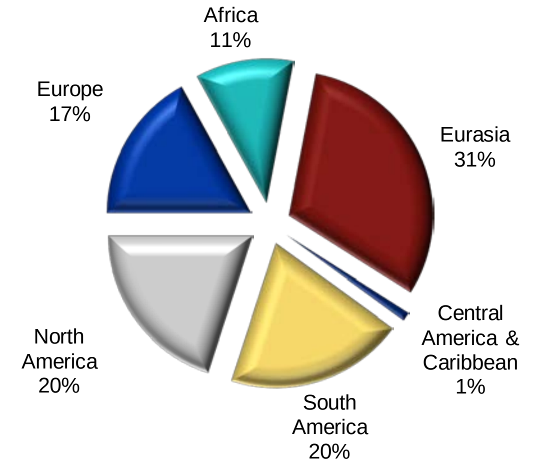
F.Y. RESULTS 2011 DUFRY

# Outlook 2012 – New projects and acquisitions

## Signed Additional Retail Space




## Project Pipeline: 35,000 sqm

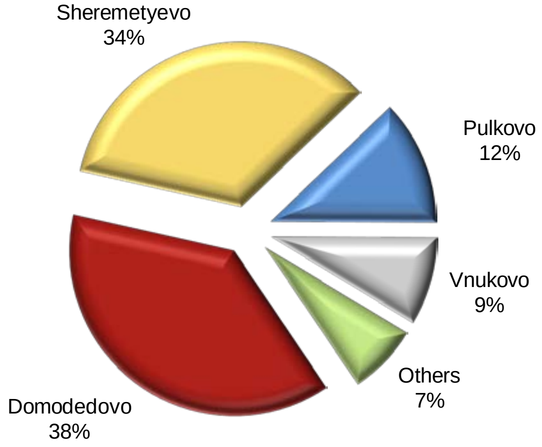



- New retail space will continue to contribute to growth
- 8,000 sqm of new retail space to be opened in 2012
- Ongoing healthy pipeline of new projects

# Outlook 2012 - Acquisition in Russia

- Dufry acquired 51% of a local travel retail operator at Sheremetyevo Airport in Moscow, in January 2012
  - Turnover of more than USD 50 million
  - Nine duty free shops with a total retail space of 1’200 square meters in different terminals of the airport
- Transaction includes a commercial and purchasing agreements for operations of partner at Vnukovo Airport in Moscow
- Leading position in Russia thanks to the transaction
  - Domodedovo International Airport
  - Sheremetyevo International Airport
  - Vnukovo International Airport (through partner)
- Integration on track and synergies expected

## Int’l Passengers by Russian Airport



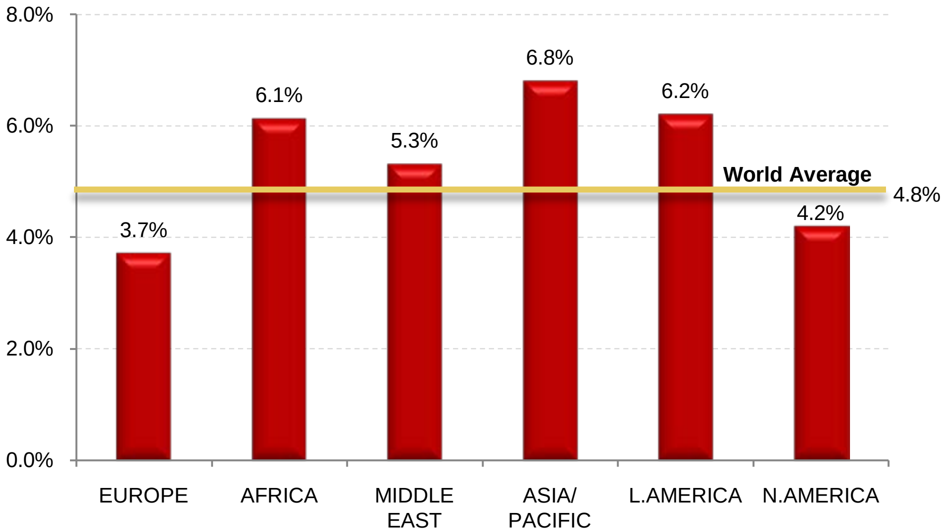
# Outlook 2012 – Operational Aspects

- Dufry plus One and One Dufry to be continued: Performance of initiatives on track
  - Further improvements in gross margin targeted
- Integration of acquired businesses on track
  - Synergies target of USD 25 million until 2013 confirmed
- Brazil airports' privatization
  - 3 airports were auctioned on 6 February of 2012
  - Private consortia 51%, current airport authority (Infraero) 49%
  - Dufry well positioned for expansion projects
- Dufry's base case assumes moderate growth for the Group
  - Action plan prepared if downturn scenario materializes
- Focus on cash generation and capturing synergies
  - Deleveraging of Balance Sheet and get ready for further external growth

# 2. 2011 Confirms Strategy for 2012 and Beyond

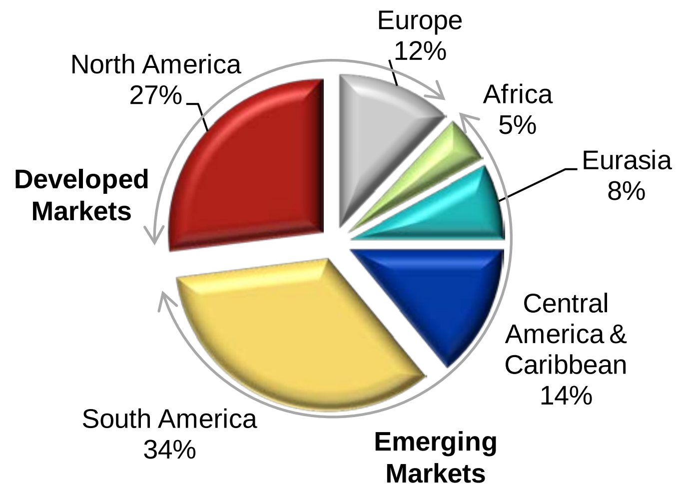
# Focused on Emerging Markets and Tourist Destinations

## Long Term Int'l Passenger Forecast

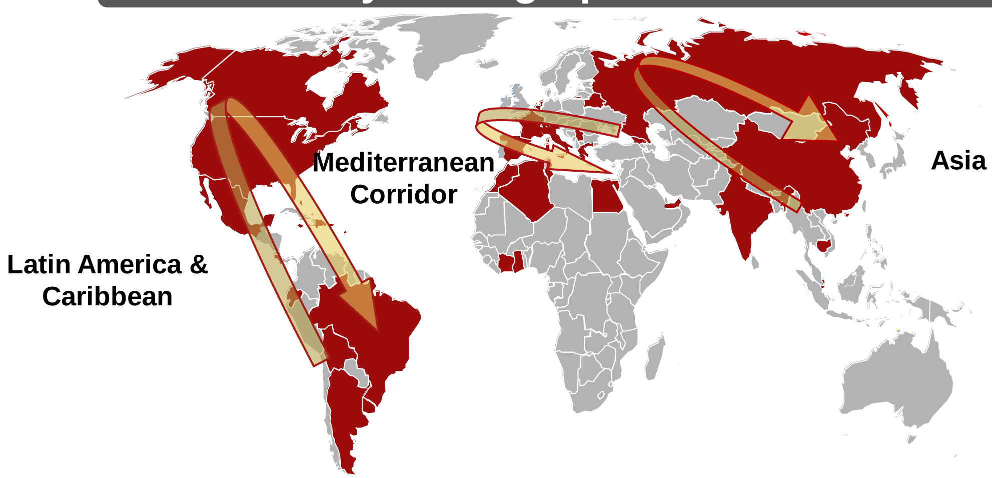



Source: ACI-DKMA (August, 2011)

## Dufry by Region 2011

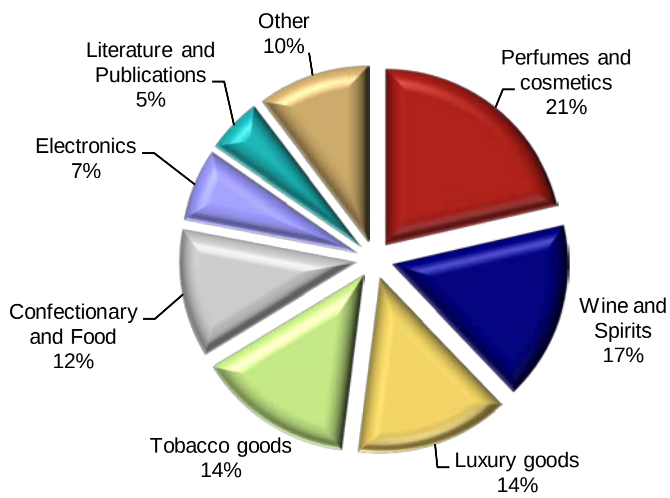



## Dufry's Geographical Focus

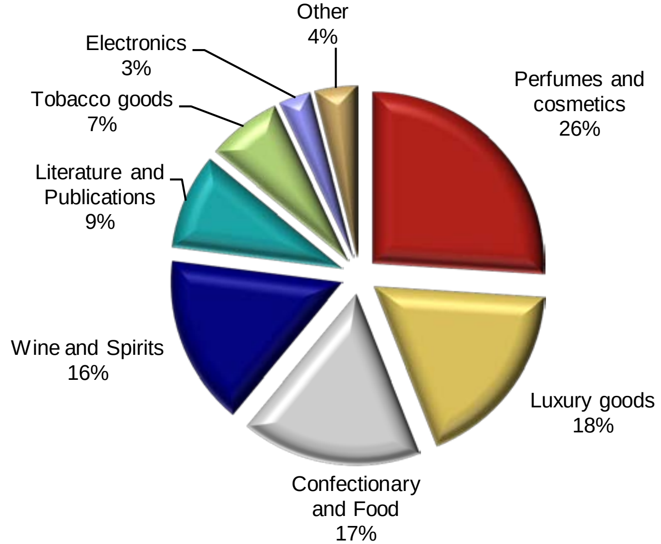


# Product Categories Development

## Dufry by Product Category 2004



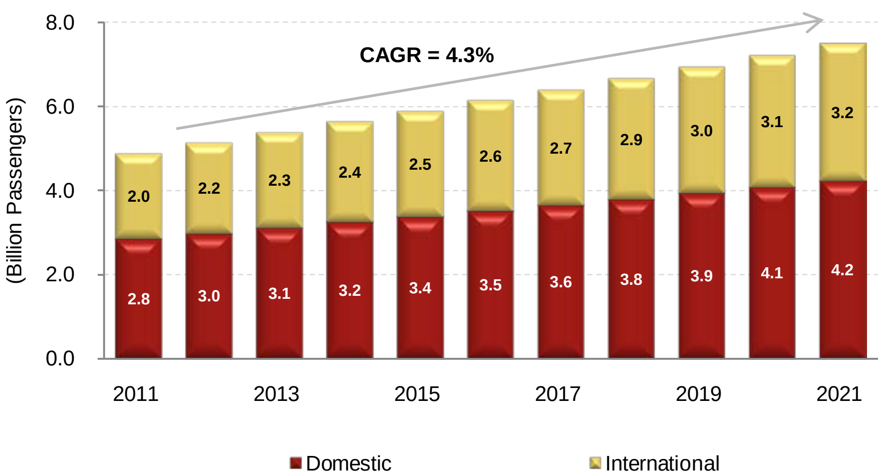

## Dufry by Product Category 2011




- Active management of product categories
- Category management with focus on:
  - Perfumes and Cosmetics
  - Confectionary and Food
  - Luxury products
  - Convenience shop assortment

# Capture Full Passenger Potential

## Long Term Passenger Forecast



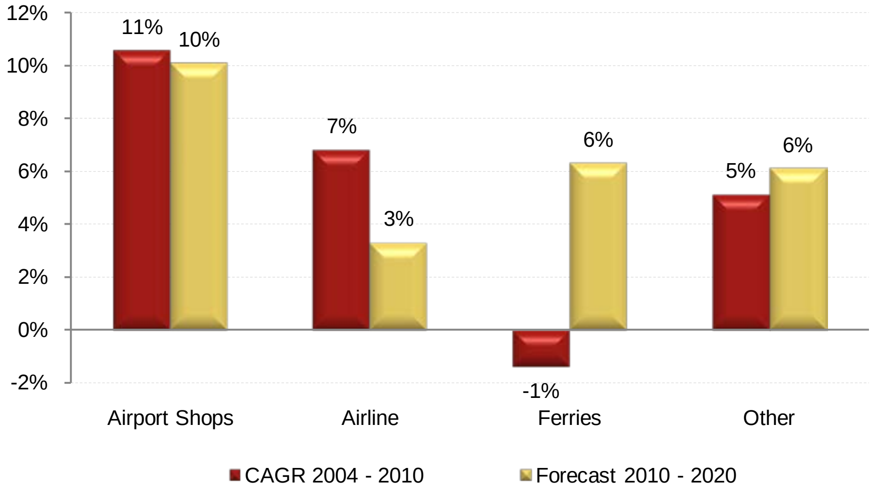

Source: ACI-DKMA (26/08/2011)

## Dufry by Sector 2011


- Number of domestic passengers will continue to exceed international passenger numbers
- Capture full potential through
  - Duty free and duty paid formats
  - Different shop concepts
- Provide more flexibility when assessing new opportunities
  - Offer full range of possibilities to landlords

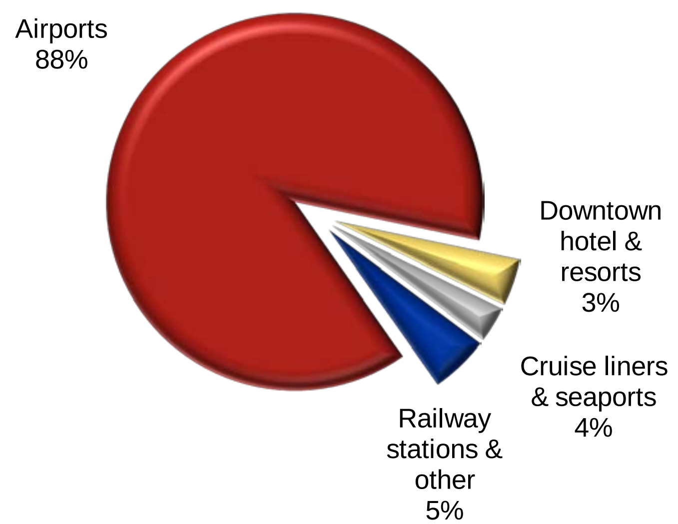
# Airports Remains the Main Channel

## Travel Retail Growth by Channel




Source: Generation AB

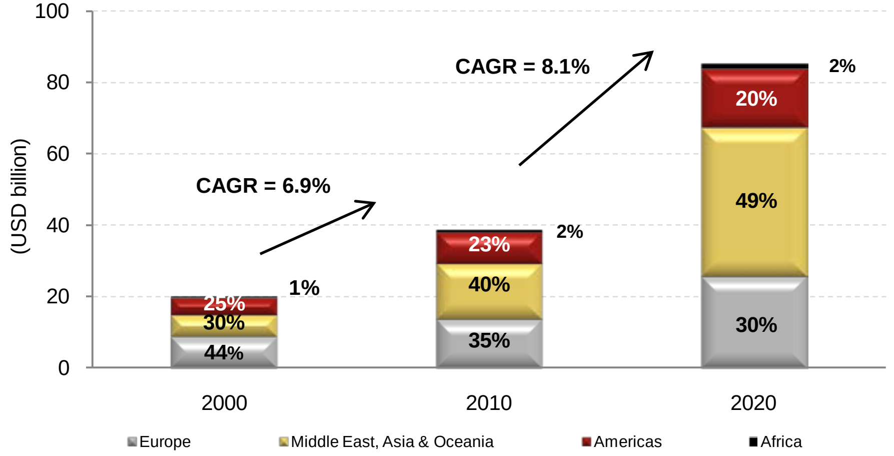
## Dufry by Channel 2011




- Highest growth in airports
- Other channels offer selected opportunities
  - High-speed trains and railway stations
  - Seaports
  - Cruiseliners

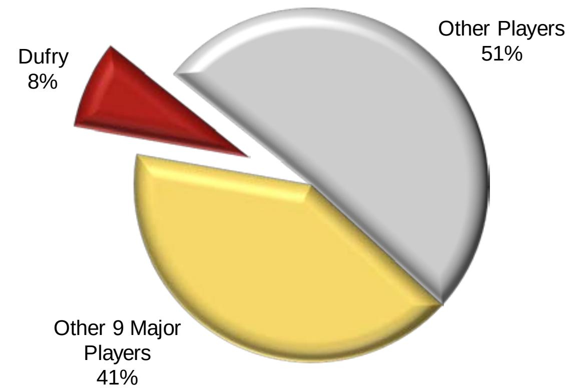
# Industry Development Remains Dynamic

## Travel Retail Industry by Region




Source: Generation AB

## Travel Retail Industry Players




- Long-term passenger growth
- Captive audience
- No substitution threats
- Resilient business
- Increased travel retail know-how and economies of scale will drive consolidation

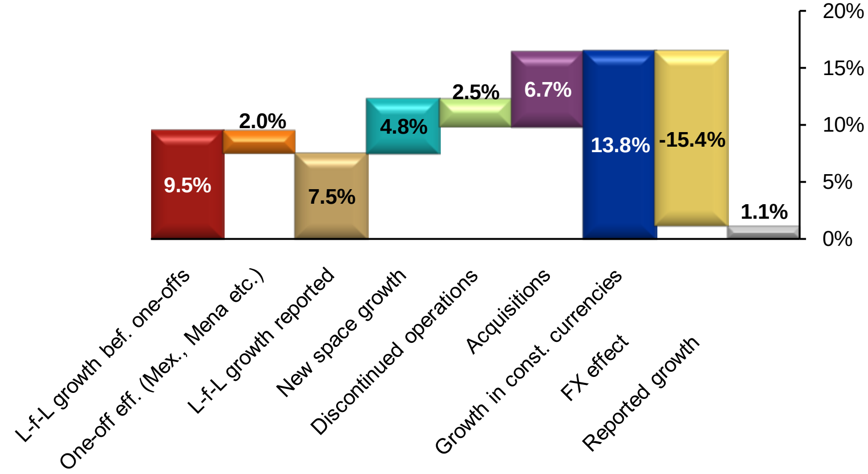
# 3. Financials

# 2011 Turnover

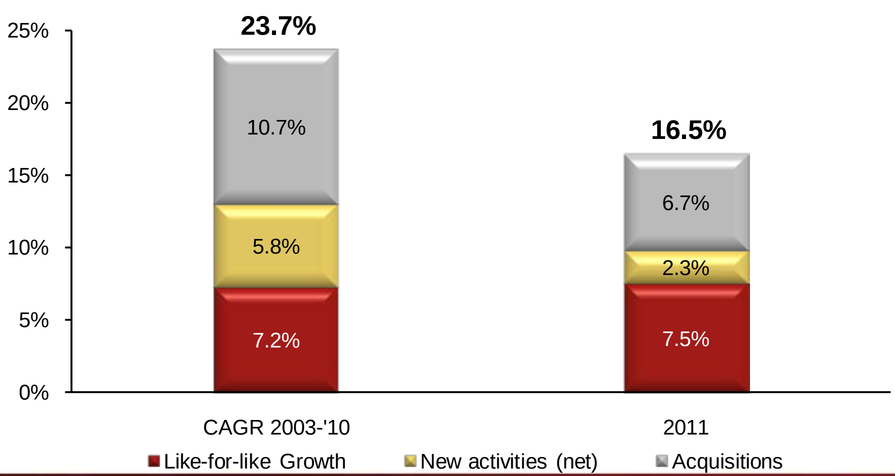
## Growth Components 2011

| | 2011 |
|---|---|
| - Like-for-like growth | 7.5% |
| - Contribution from new projects | 2.3% |
| - Organic growth | 9.8% |
| - Contribution from acquisitions | 6.7% |
| **Total growth before FX effect** | **16.5%** |
| - FX effect | -15.4% |
| **Reported growth** | **1.1%** |

## Growth Components 2011




## Turnover Growth Components



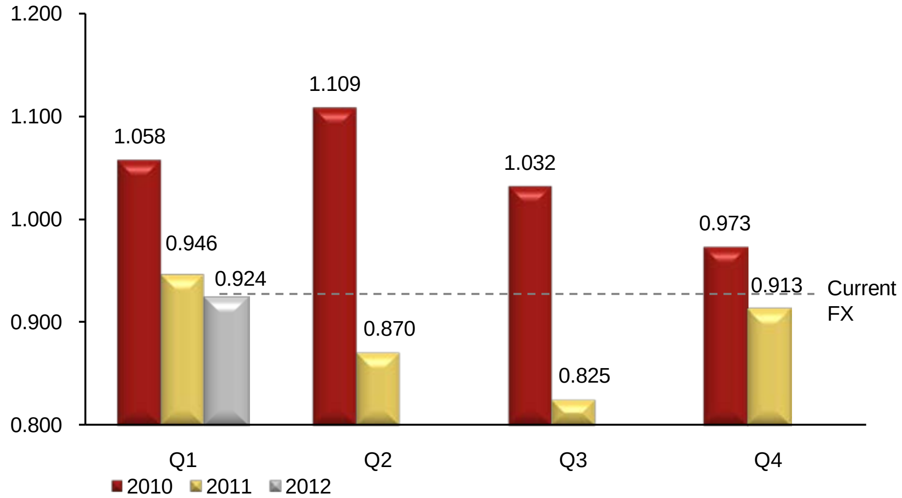

## Turnover Growth by Region

| Region | Turnover at Const. FX rates | Turnover Reported |
|---|---|---|
| Europe | 8.4% | -2.1% |
| Africa | -14.9% | -25.0% |
| Eurasia | 8.7% | -6.0% |
| Central America & Caribbean | 7.9% | -7.9% |
| South America | 42.3% | 24.1% |
| North America | 9.3% | -7.3% |
| **Dufry Group** | **16.5%** | **1.1%** |

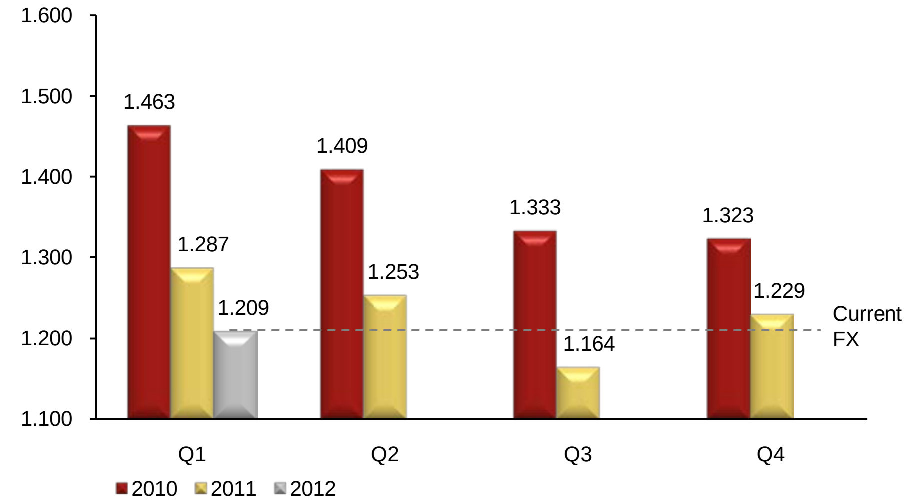
F.Y. RESULTS 2011 DUFRY

# Foreign Exchange Development

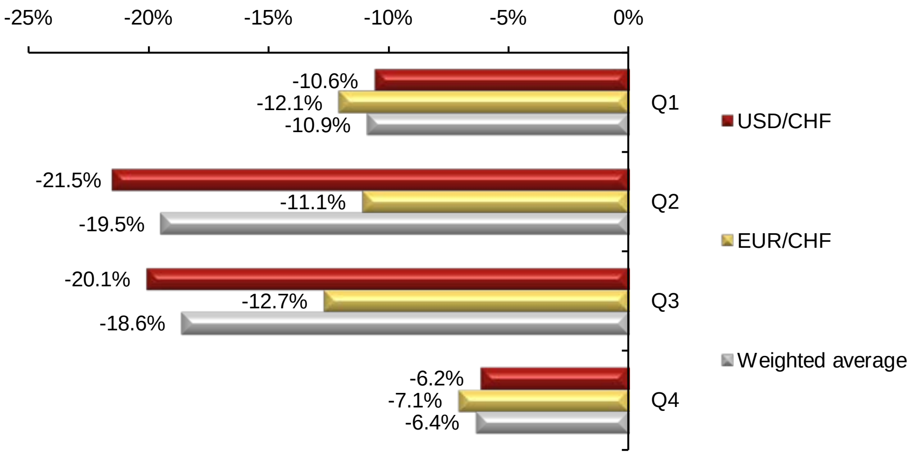
## CHF / USD Development(1)



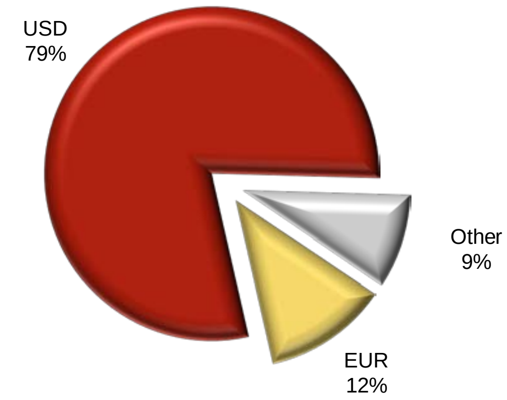

## CHF / EUR Development(1)




## FX Rate Development in 2011




## Pro-forma 2011 Sales by currency(2)

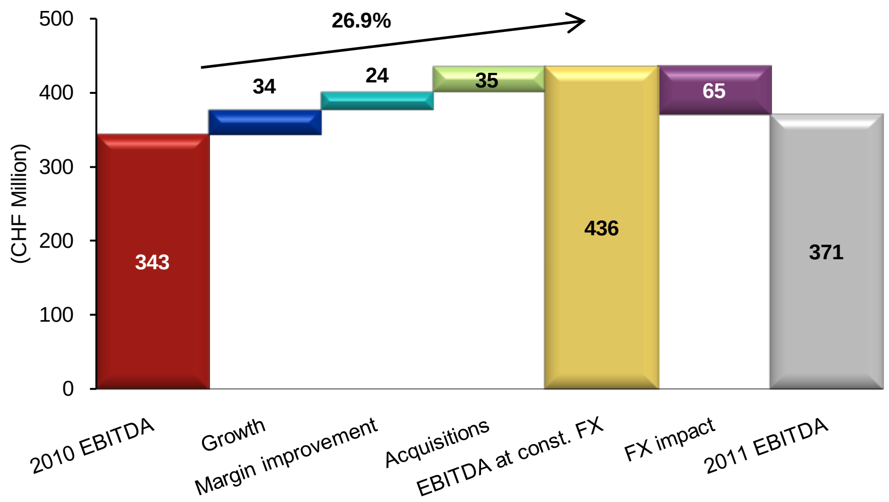



Source: Bloomberg
Note:
(1) Q1 2012 until March, 2nd

(2) Including 12 months of acqusitions

# 2011 EBITDA

## 2011 EBITDA




## EBITDA by Region in Constant FX Rates

| | 2011 | Growth '11 / '10 | EBITDA margin |
|---|---|---|---|
| Europe | 13.9 | 87.8% | 4.1% |
| Africa | 21.3 | -27.3% | 13.6% |
| Eurasia | 20.9 | 86.6% | 8.4% |
| Central America & Caribbean | 33.5 | 41.9% | 7.8% |
| South America | 164.7 | 20.7% | 16.2% |
| North America | 91.3 | 15.7% | 11.1% |
| Distribution Centers | 88.9 | | |
| **Total** | **435.5** | **26.9%** | **14.3%** |

# Income Statements Analysis

## Effects from Acquisitions in the Income Statements

| (CHF million) | 2011 | % | Acquisitions effects | % | 2011 wo Acq. | % | 2010 | % | 2011 w o Acq. / 2010 |
|---|---|---|---|---|---|---|---|---|---|
| **Turnover** | **2,637.7** | 100.0% | **174.3** | 100.0% | **2,463.4** | 100.0% | **2,610.2** | 100.0% | -5.6% |
| **Gross Profit** | **1,535.3** | 58.2% | **100.2** | 57.5% | **1,435.1** | 58.3% | **1,501.9** | 57.5% | |
| **EBITDA*** | **370.9** | 14.1% | **34.8** | 20.0% | **336.1** | 13.6% | **343.1** | 13.1% | -2.0% |
| Depreciation and Amortization | (131.5) | -5.0% | (15.9) | -9.1% | (115.6) | -4.7% | (129.5) | -5.0% | |
| **EBIT*** | **239.4** | 9.1% | **18.9** | 10.8% | **220.5** | 9.0% | **213.5** | 8.2% | 3.3% |
| Financial Result | (49.4) | | (17.6) | | (31.9) | | (32.2) | | |
| **EBT*** | **190.0** | 7.2% | **1.3** | 0.8% | **188.7** | 7.7% | **181.3** | 6.9% | 4.0% |
| Other Operating Results | (26.9) | | (11.5) | | (15.4) | | (15.6) | | |
| **Income tax** | **(28.1)** | -17.3% | **2.3** | | **(30.5)** | -17.6% | **(20.9)** | -12.6% | |
| Minority interest | (23.0) | | - | | (23.0) | | (28.3) | | |
| **Net Earnings** | **111.9** | 4.2% | **(7.8)** | -4.5% | **119.7** | 4.9% | **116.6** | 4.5% | 2.7% |

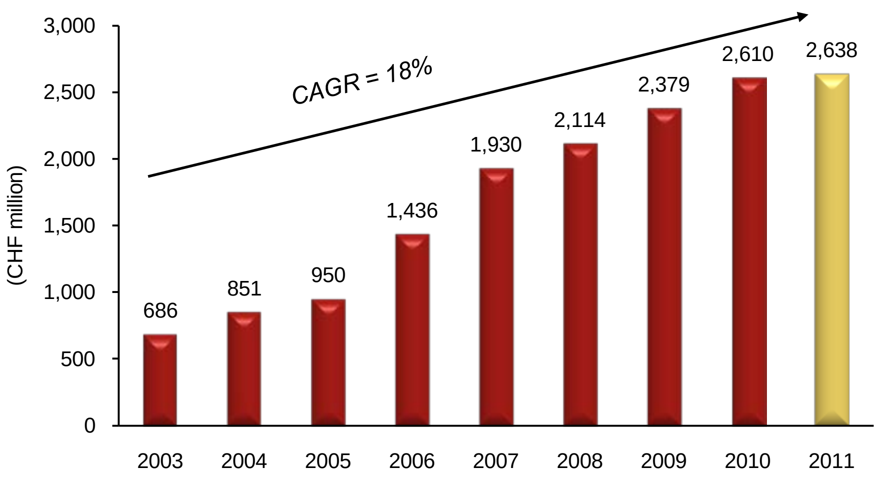
## At Constant FX Rates

| (CHF million) | 2011 | % | 2010 | % | 2011 / 2010 |
|---|---|---|---|---|---|
| **Turnover** | **3,040.7** | 100.0% | **2,610.2** | 100.0% | 16.5% |
| **Gross Profit** | **1,769.3** | 58.2% | **1,501.9** | 57.5% | 17.8% |
| **EBITDA*** | **435.5** | 14.3% | **343.1** | 13.1% | 26.9% |

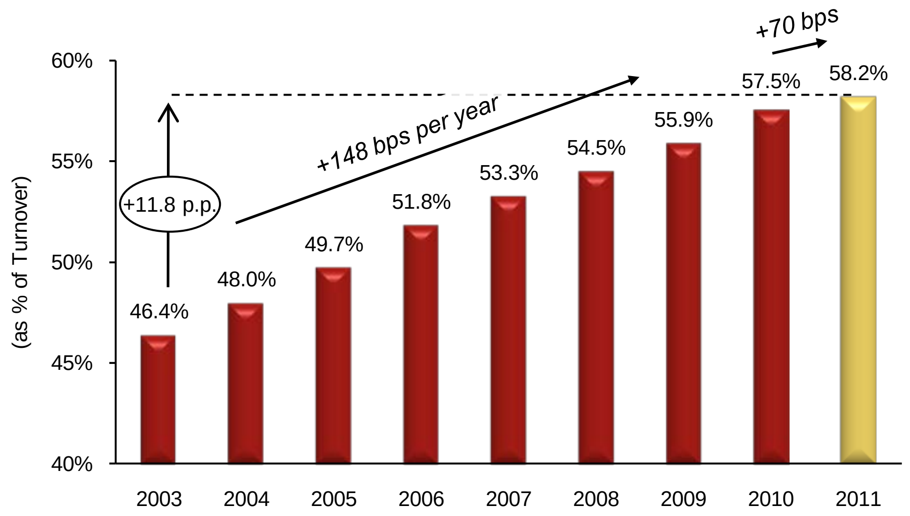
* Before other operational results

# Key Business Drivers

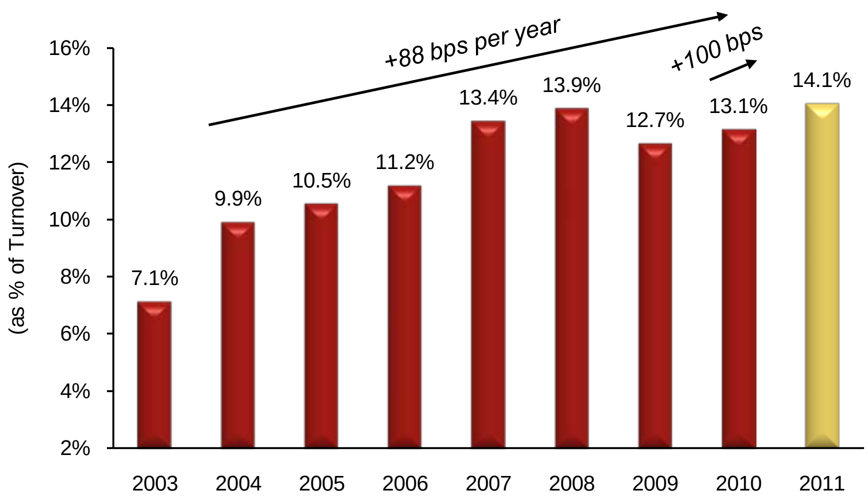
## Turnover



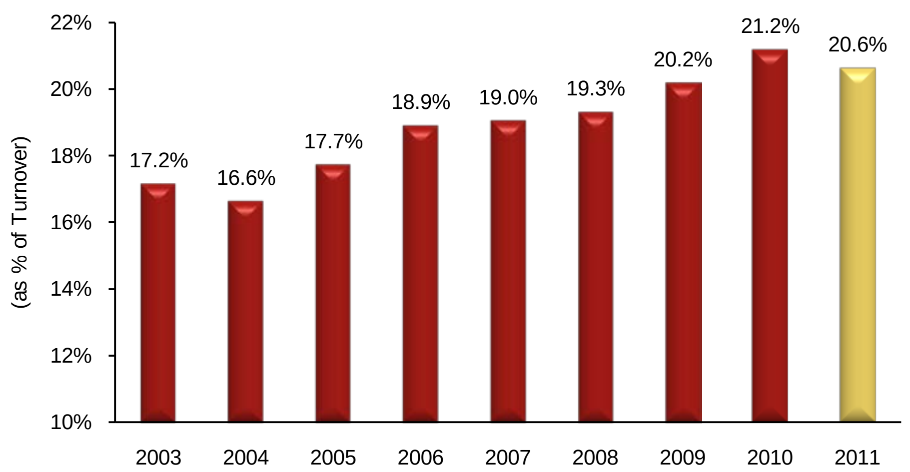

## Gross Profit Margin




## EBITDA Margin




## Concession Fees



# Income Statement

| (CHF million) | Dec '03 | % | Dec '08 | % | Dec '09 | % | Dec '10 | % | Dec '11 | % |
|---|---|---|---|---|---|---|---|---|---|---|
| **Turnover** | **685.7** | *100.0%* | **2,113.5** | *100.0%* | **2,378.7** | *100.0%* | **2,610.2** | *100.0%* | **2,637.7** | *100.0%* |
| **Gross profit** | **318.1** | *46.4%* | **1,151.9** | *54.5%* | **1,329.4** | *55.9%* | **1,501.9** | *57.5%* | **1,535.3** | *58.2%* |
| Concession fees | 117.6 | *17.2%* | 408.0 | *19.3%* | 480.0 | *20.2%* | 553.1 | *21.2%* | 544.2 | *20.6%* |
| Personnel expenses | 92.9 | *13.5%* | 276.1 | *13.1%* | 361.3 | *15.2%* | 398.9 | *15.3%* | 402.6 | *15.3%* |
| Other expenses | 58.7 | *8.6%* | 174.4 | *8.2%* | 187.0 | *7.9%* | 206.8 | *7.9%* | 217.6 | *8.2%* |
| **EBITDA(1)** | **48.9** | *7.1%* | **293.4** | *13.9%* | **301.1** | *12.7%* | **343.1** | *13.1%* | **370.9** | *14.1%* |
| Depreciation | 20.8 | *3.0%* | 39.7 | *1.9%* | 63.9 | *2.7%* | 63.7 | *2.4%* | 58.8 | *2.2%* |
| Amortisation | 5.8 | *0.8%* | 46.7 | *2.2%* | 59.1 | *2.5%* | 65.8 | *2.5%* | 72.7 | *2.8%* |
| **EBIT(1)** | **22.3** | *3.2%* | **207.0** | *9.8%* | **178.1** | *7.5%* | **213.6** | *8.2%* | **239.4** | *9.1%* |
| Other operational result | -38.3 | | -11.9 | | -14.7 | | -15.7 | | -26.9 | |
| Financial result | -4.7 | | -47.3 | | -43.4 | | -32.2 | | -49.4 | |
| **EBT** | **-20.7** | *-3.0%* | **147.9** | *7.0%* | **120.0** | *5.0%* | **165.7** | *6.3%* | **163.1** | *6.2%* |
| Income tax | 12.6 | | 30.1 | | 22.8 | | 20.9 | | 28.2 | |
| *As % of EBT* | | | *20.4%* | | *19.0%* | | *12.6%* | | *17.3%* | |
| **Net Earnings** | **-33.3** | *-4.9%* | **117.8** | *5.6%* | **97.3** | *4.1%* | **144.8** | *5.5%* | **134.9** | *5.1%* |
| *Attributable to:* | | | | | | | | | | |
| Minority interest | 0.1 | | 67.5 | | 58.8 | | 28.2 | | 23.0 | |
| **Equity holders of the parent** | **-33.4** | ***-4.9%*** | **50.3** | ***2.4%*** | **38.5** | ***1.6%*** | **116.6** | ***4.5%*** | **111.9** | ***4.2%*** |

Note:
(1) EBITDA and EBIT before other operational result

F.Y. RESULTS 2011 DUFRY

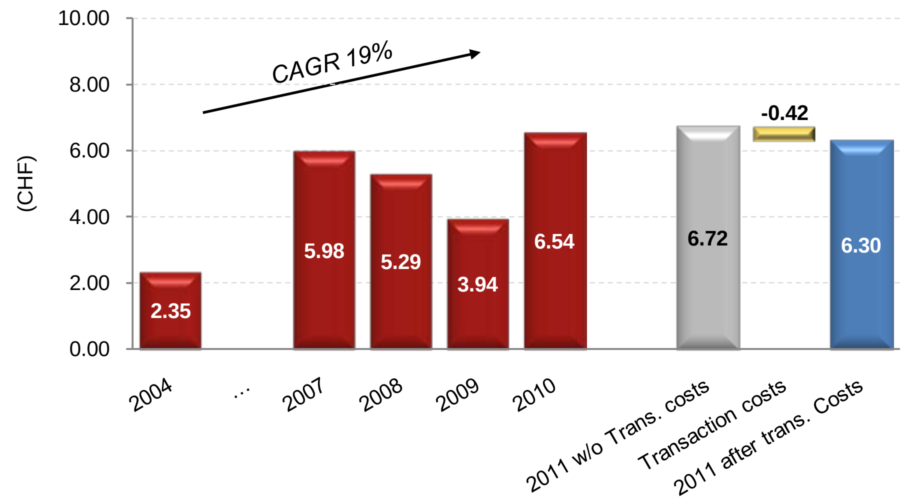
# Net Earnings / Earnings Per Share

## Net Earnings

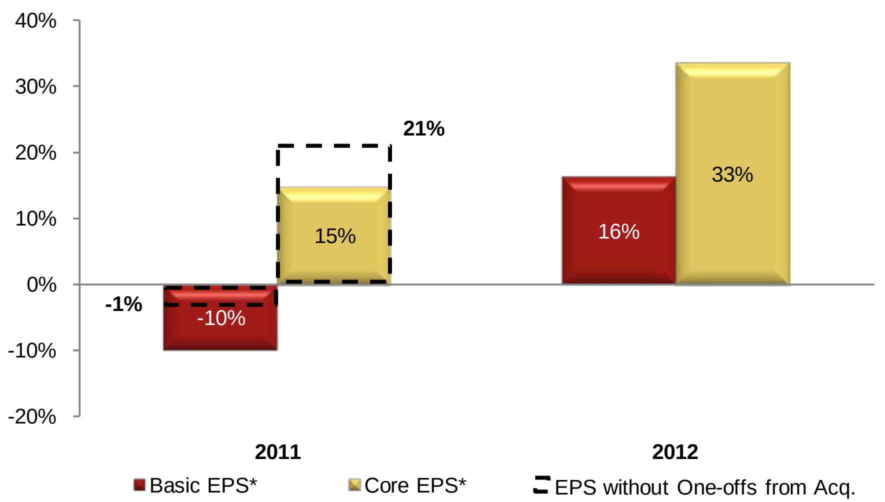
| | 2011 | 2010 | % |
|---|---|---|---|
| CHF/USD | 0.887 | 1.041 | -15.0% |
| CHF/EUR | 1.233 | 1.380 | -10.8% |

| CHF | 2011 | 2010 | Change |
|---|---|---|---|
| Basic EPS | 4.16 | 4.63 | -10.2% |
| Acq. Related Amort. per share | 2.14 | 1.91 | 12.0% |
| **CORE EPS** | **6.30** | **6.54** | **-3.7%** |
| Acq. transaction costs | 0.42 | | |
| **Core EPS excl. transaction costs** | **6.72** | **6.54** | **2.8%** |

## Core Earnings Per Share




## EPS Accretion/Dilution from Acquisitions



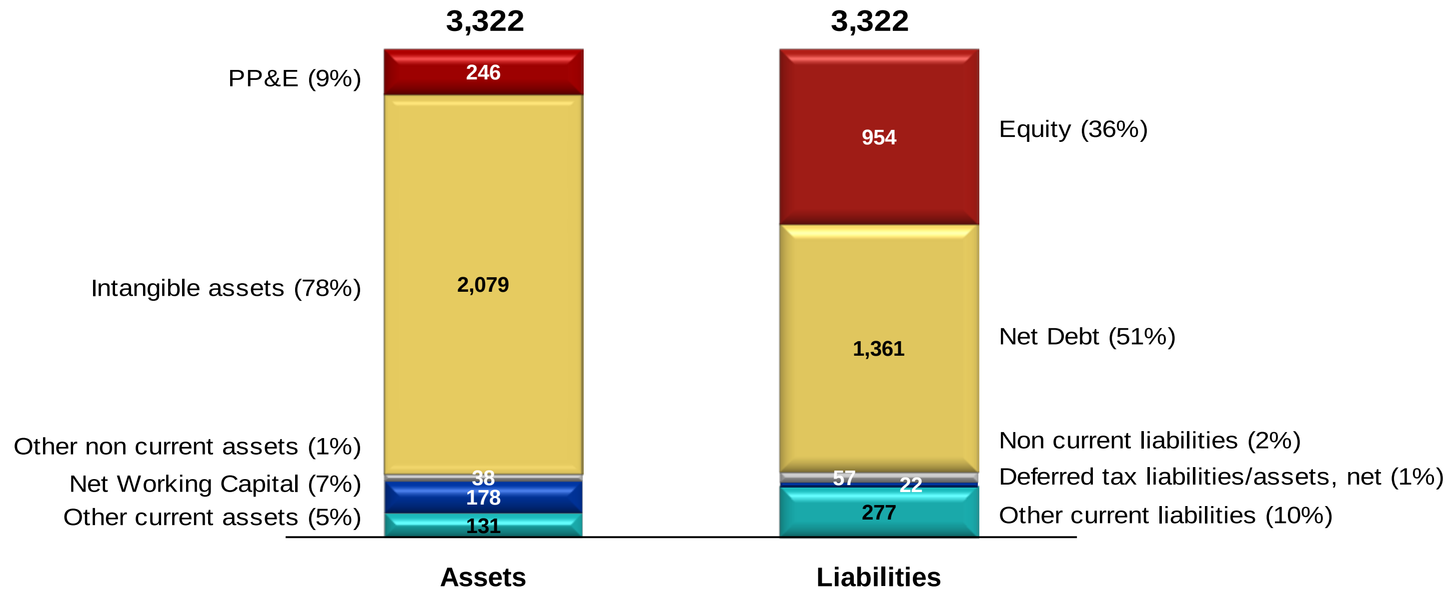

* Proforma 12 months consolidation of acquired businesses

- Core EPS (Cash EPS) excludes amortization related to acquisitions
- Acquisitions are non-recurring transactions
- Give an indication on sustainable Cash EPS

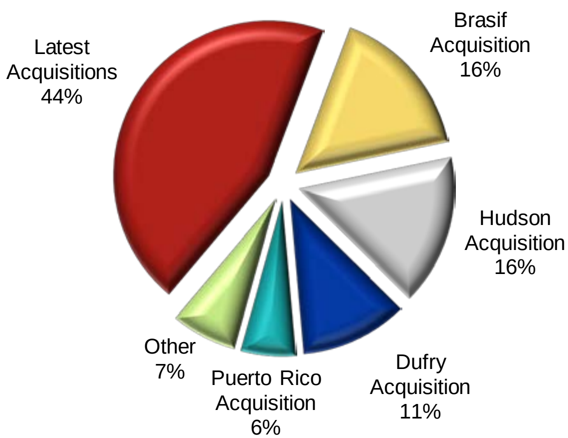
F.Y. RESULTS 2011 DUFRY

# Summary Balance Sheet 31 December 2011

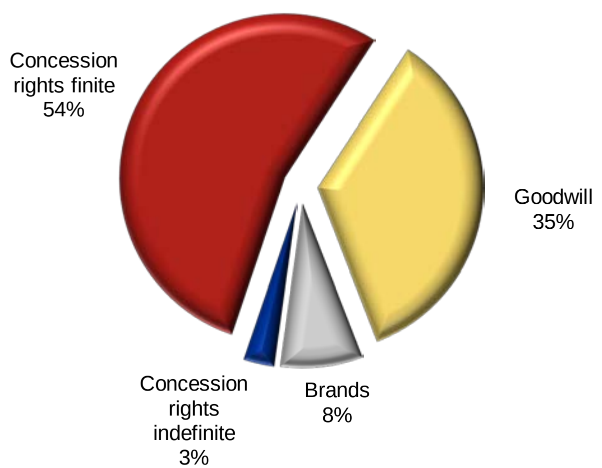
(CHF million)




## Intangible Assets 31/12/2011




## Intangible Assets Related to Acquisitions

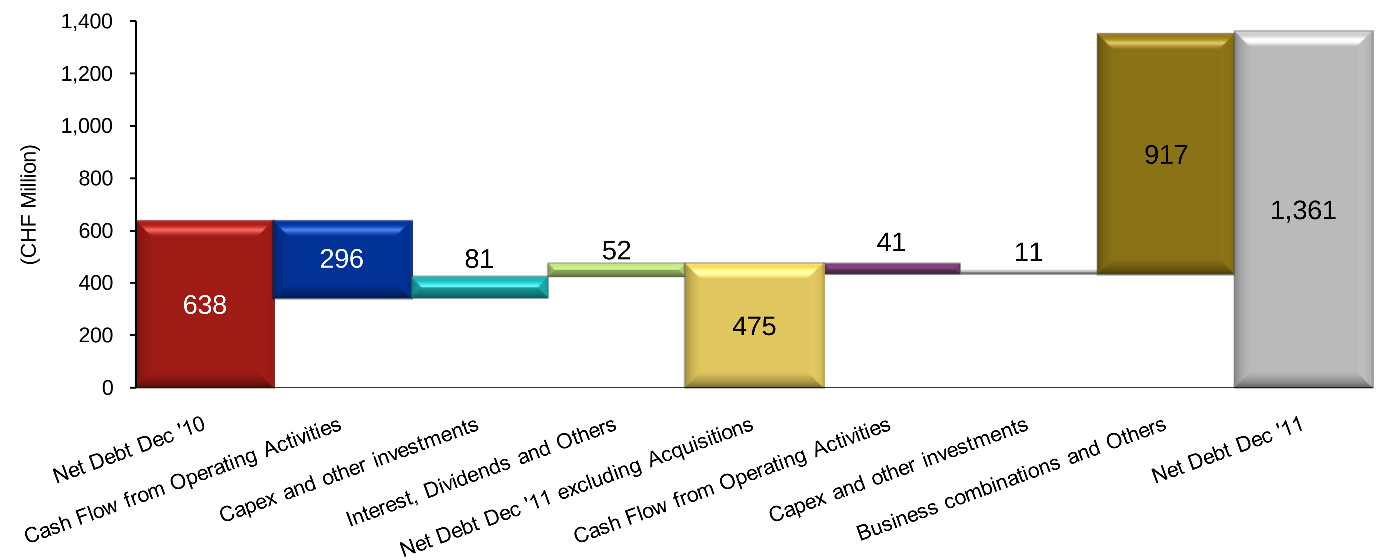


# Cash Flow Statement

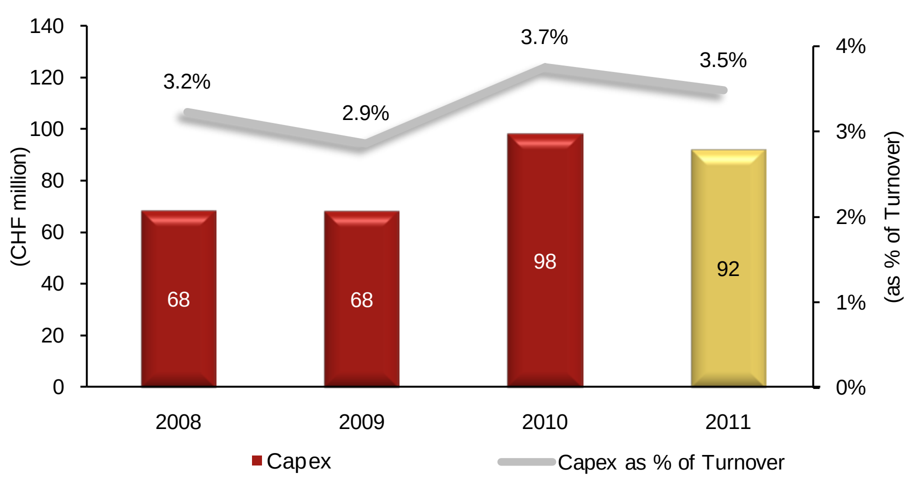
| In millions of CHF | 2011 | 2010 |
|---|---|---|
| **Net debt at the beginning of period** | **(637.9)** | **(609.8)** |
| **Cash flow before working changes** | **368.3** | **372.8** |
| Change in net working capital | 8.3 | (10.3) |
| Income taxes paid | (39.8) | (35.5) |
| **Net cash flows from operating activities** | **336.8** | **327.0** |
| Capex (PPE and intangible assets) | (91.8) | (97.9) |
| **Net cash flows from operating activities after Capex** | **245.0** | **229.1** |
| M&A and Financing | (758.6) | (46.0) |
| Other* | (70.7) | (233.0) |
| **Cash flows affecting net debt** | **(584.3)** | **(49.9)** |
| Currency Translation | (139.2) | 21.8 |
| **Change in net debt** | **(723.5)** | **(28.1)** |
| **Net debt at the end of period** | **(1,361.4)** | **(637.9)** |
| **Acquisitions Effect** | **(886.7)** | |
| **Net debt - Dec 31 (without acquisitions)** | **(474.7)** | **(637.9)** |

* 2010 includes dividend payment to DSA shareholders of CHF 179.8 million

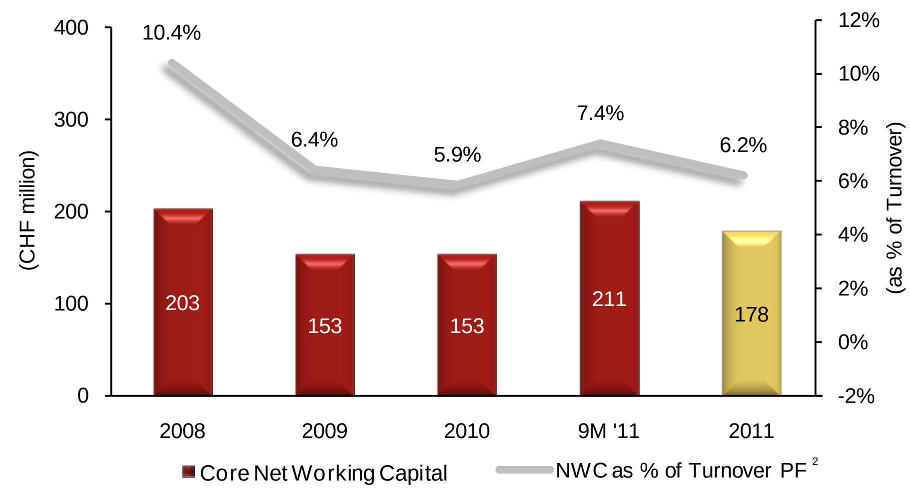
# Cash Flow Statement




## Capex Evolution



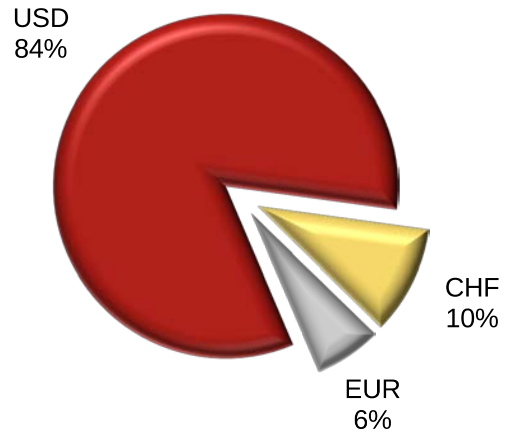

## Core Net Working Capital Evolution[1]



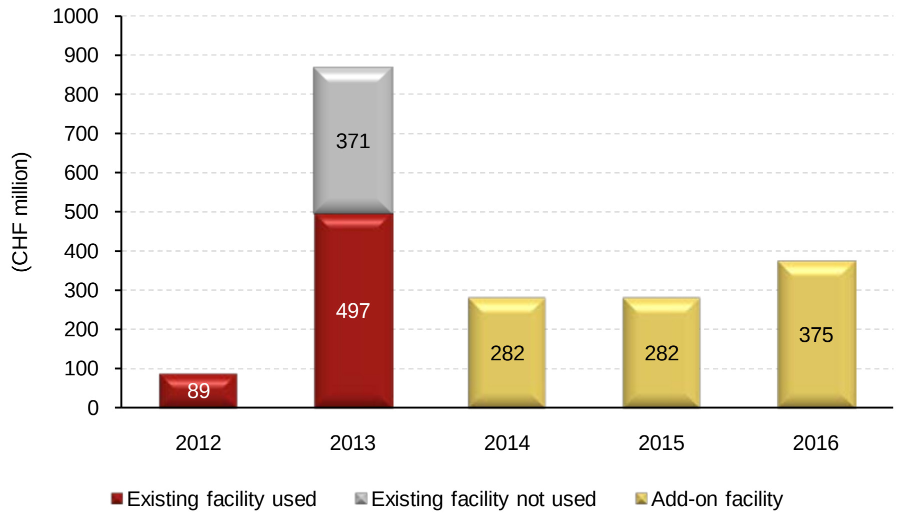

[1] Inventories + Trade and credit card receivables - Trade payables
[2] 2011 based on PF LTM turnover including latest acquisitions

# Financing and Covenants (1/2)

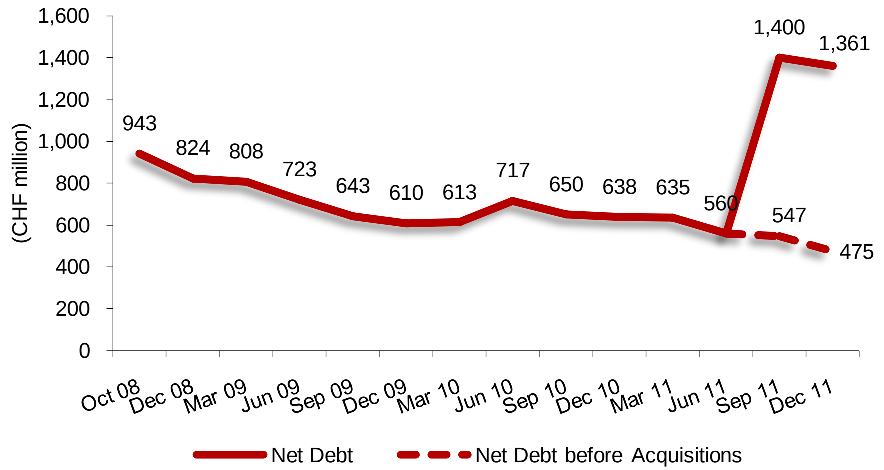
## Debt by Currency - 31 December 2011




## Expiry of Debt

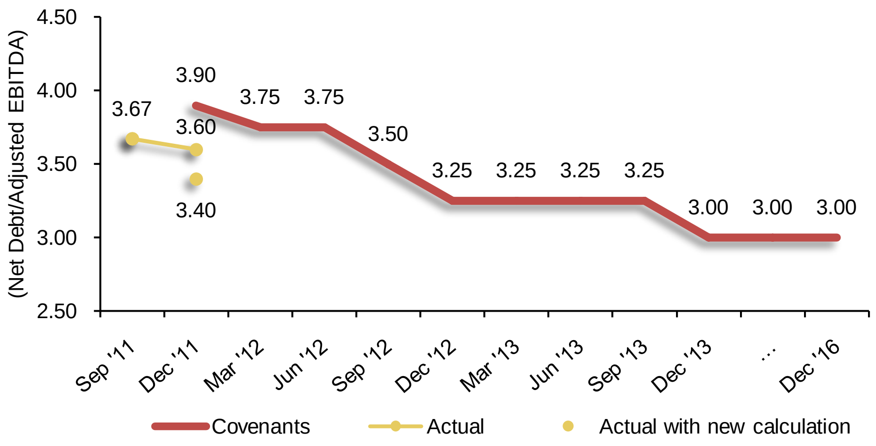



## Net Debt Evolution

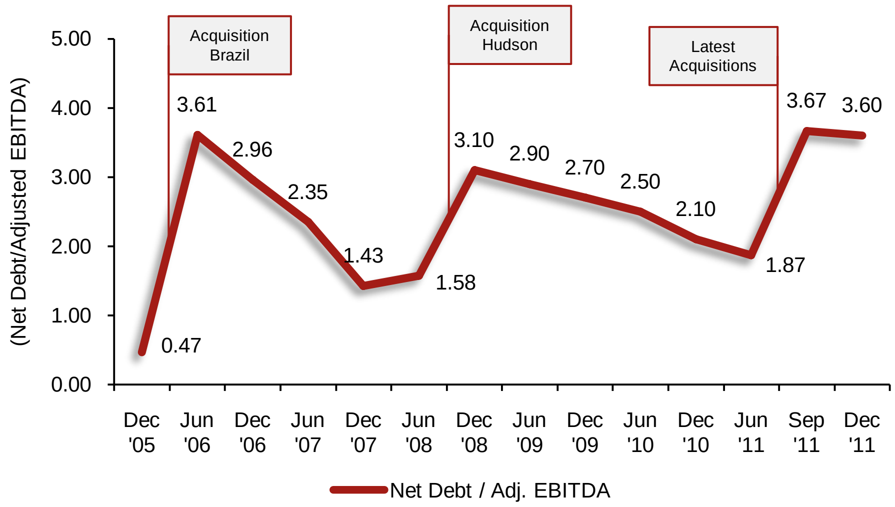


# Financing and Covenants (2/2)

## Covenants Test (Net Debt / Adj. EBITDA)




## Covenants Evolution

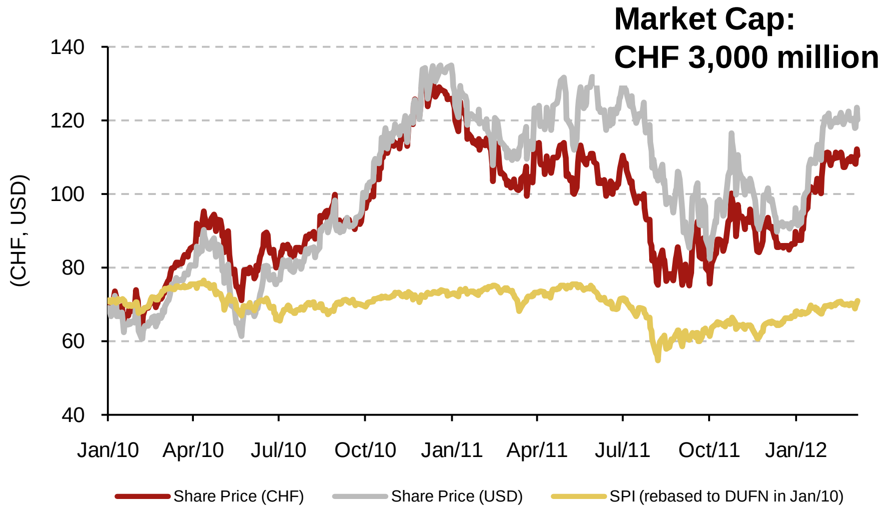



## Technical Adjustment in Covenant Calculation

- Adjustment to covenant calculation to eliminate FX volatility from the covenant calculation
- Effective from Q1 2012 onwards

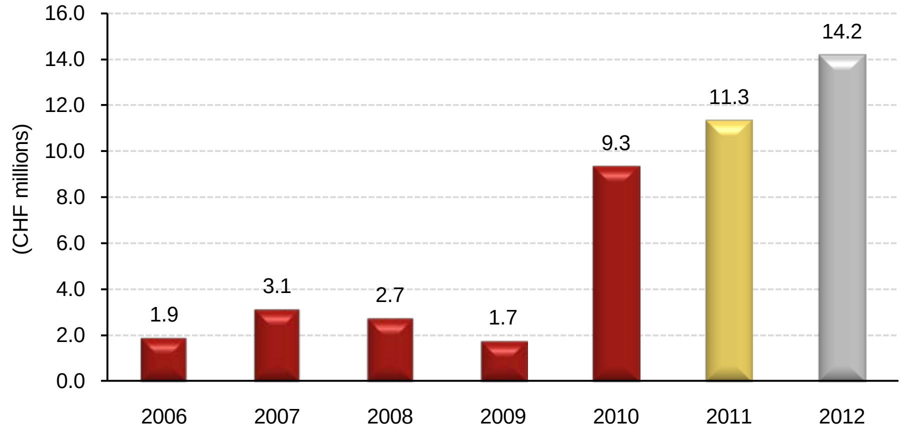
# Equity

## Dufry Share Price



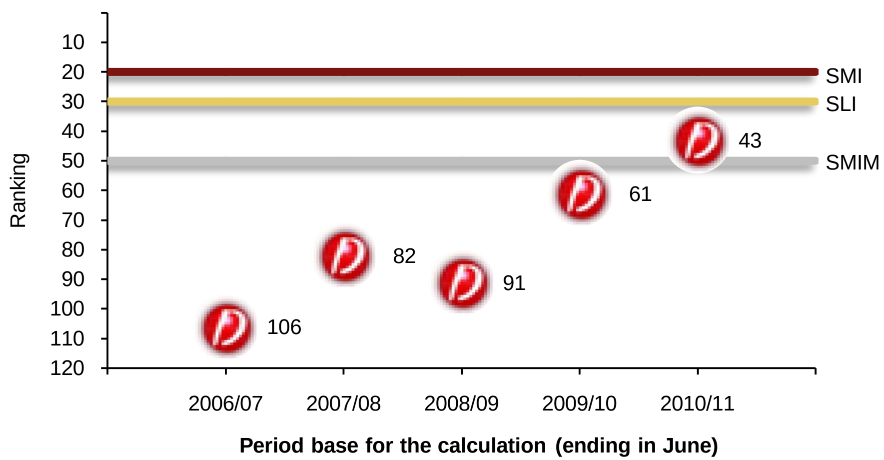

Note: 2012 until 09/03/2012

## Daily Average Trading Volume in CHF

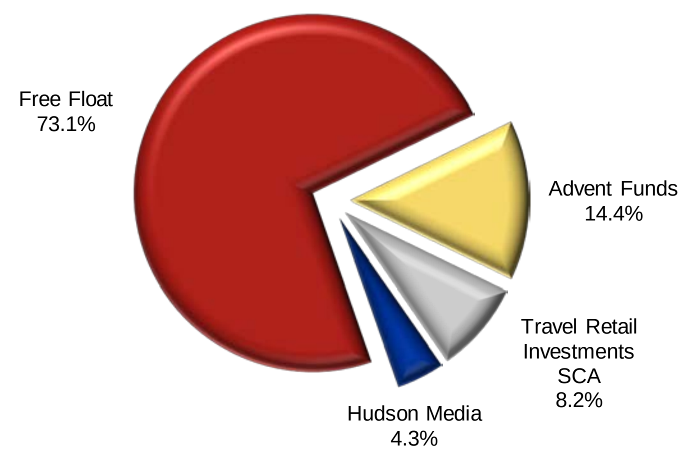



Note:
(1) Since April 2010 including trading volumes of Dufry AG BDR.
(2) 2012 until March 9th

## Dufry's Position in the SIX Indices




## Shareholder Structure



# 4. Conclusion

# Conclusion/Outlook

- **Despite the difficult environment in some regions Dufry operates, we confirmed again the strength of our profitable growth strategy**
  - Strong organic growth, new concessions, and relevant acquisitions and partnerships in Emerging Markets
- **Significant FX translation effect in 2011**
  - Dufry is mostly naturally hedged and currency swings have no impact on margins and cash flow generation
- **Further improvement in Gross and EBTIDA margins**
  - Gross margin reached record level
  - EBITDA margin grew even stronger and achieved a new all-time high
  - "Dufry Plus One" and "One Dufry" further improved the operational performance of our business
- **Integration and ramp up of the new businesses will be a priority for 2012 to generate synergies and to maximize cash generation**
- **Continue with our strategy of profitable growth in 2012**
  - Like-for-like growth: increasing sales on our current shops thanks to passenger growth and productivity improvements
  - New concessions
  - Acquisitions: will continue to be a key element of growth in due time
- **Dufry remains alert given the actual global economic and political environment**
  - Action plan is in place

# Thank You!