Media Release

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Strong performance of Dufry in 2011

In 2011, Dufry generated a turnover growth of 16.5% on constant FX rates, and gross margin went up for the eighth consecutive year to 58.2%. EBITDA increased by 26.9% on constant FX rates to CHF 435.5 million and EBITDA margin improved by 100 basis points to 14.1%.

Strong like-for-like growth further supported by new concessions and acquisitions

Like-for-like growth contributed 7.5 percentage points to turnover growth in 2011, which is a very strong performance considering the negative impacts of the political turmoil in North Africa, the snowstorms in the USA in January 2011, as well as the effect of the bankruptcy of Mexicana in Mexico.

Acquisitions contributed 6.7% to turnover growth. In August 2011, Dufry acquired airport duty free operations in several Emerging Markets, namely Argentina, Uruguay, Ecuador, Armenia and Martinique, as well as a logistics platform in South America. With the acquisitions, Dufry further strengthened its leading position in the travel retail market and further diversified its operations into emerging countries. The new operations provide substantial synergy potential, and its realization will contribute to EBITDA in the next years.

The expansion of Dufry's operations through winning new concessions and expanding existing locations generated a net increase of 2.3% in turnover. Dufry added close to 10'000 square meters to its overall retail space by adding new locations and expanding existing operations. Main developments are the addition of 2'500 square meters in Mexico, 700 square meters in Brazil, 450 square meters on Roatan island in Honduras and around 6'000 square meters in 25 locations in the USA.

Furthermore, Dufry signed its first contract in India, a promising market, and signed a contract to operate duty paid shops at Chengdu airport in China. Last but not least, Dufry also signed a contract to grow its business in the attractive Russian market in early 2012. By following its strategy of diversifying its operations, Dufry has managed to record continued organic growth and improve its profitability in the past years.

Further improvement in profitability and strong cash flow generation

Dufry increased gross margin by 70 basis points in 2011 and reached a margin for the full year of 58.2%. EBITDA margin improved even more by 100 basis points and reached 14.1%. In absolute terms and on constant FX, EBITDA grew by 26.9% to CHF 435.5 million.

Net cash flow from operating activities increased by 6.4% and reached CHF 248.9 million. Cash generation was supported by the increased profitability as well as the contribution from the newly acquired companies and the number confirms once more the strong cash conversion of Dufry.

Strong turnover growth of 17% in 2011 and 23 p.a. since 2003...

Turnover grew 16.5% based on constant FX rates. Like-for-like growth contributed 7.5%, new concessions (net) 2.3% and acquisitions 6.7%. In absolute terms, this increase corresponds to a turnover of CHF 3,040.8 million in 2011. Including the FX accounting effect of translating our results into Swiss Francs, which was negative by 15.4%, due to its appreciation of 15% against the US dollar and 11% against the Euro, reported turnover was CHF 2,637.7 million.

Managing the FX aspect is important for Dufry as the company reports in Swiss Franc but generates 80% of its turnover in US dollars. Across the group, a strong natural hedging is in place as Dufry prices and purchases in the same currency in each country and thus minimizes the FX transaction risk. For the same reason, Dufry also finances itself largely in US dollars to match the currency of our liabilities with the ones of its cash flows. The remaining impact is purely a translation accounting effect that has no impact on the profitability or cash generation of Dufry's business overall.

Region Europe's turnover increased 8.4% on constant FX rates. After the translation into Swiss Francs, turnover fell 2.1% to CHF 304.3 million. All major operations contributed to the growth, notably France, which counted on the expansion of the Pointe-à-Pitre operations and the addition of Martinique. Spain also performed well as some of the tourist flows shifted to Europe due to the political turmoil in Northern Africa.

In Region Africa, turnover was negative by 14.9% on constant FX rates. After the translation into Swiss Francs, turnover reached CHF 138.1 million. The political turmoil that hit North Africa in early 2011 was the key reason for this weak performance; whereas Egypt and Ivory Coast saw a mild recovery throughout the year, Tunisia was affected during most of the year. Morocco on the other hand proved to be stable.

In **Region Eurasia** turnover increased 8.7% on constant FX rates. After the translation into Swiss Francs, turnover fell 6.0% to CHF 215.4 million. Our Russian operations recorded double-digit growth after a weak first quarter when most flights to North Africa were canceled due to political crisis in the region. The other operations in the region also performed well, most notably Sharjah and Cambodia. Our duty paid business in China also saw a solid growth.

Region Central America and Caribbean turnover rose 7.9% on constant FX rates. When translated into Swiss Francs, turnover fell 7.9% to CHF 368.3 million. The expansion of our activities in Mexico contributed to this result, as did the recovery of our business in the country in the fourth quarter, when the filing of the Mexican equivalent of a Chapter 11 process by Mexicana, one of the incumbent airlines, one year earlier started to impact our performance. Most

Caribbean operations also performed well and especially our operations in Dominican Republic continued to thrive.

Region South America reported a growth rate of 42.3% in constant FX rates. Translated into Swiss Francs, turnover increased 24.1% to CHF 885.9 million. Our recent acquisitions in Argentina, Uruguay, and Ecuador contributed 23 percentage points to growth since the consolidation in August 2011. The existing business in the region also performed very well with double-digit growth on the back of higher passenger numbers and further improvements in productivity. Towards the end of the year, the capacity constraints in some of the Brazilian airport started to limit the growth in those operations.

Region North America reported an increase in turnover of 9.3% to CHF 700.5 million on constant FX rates. Translated into Swiss Francs, turnover fell 7.3% in the period. The good result was supported by a moderate improvement in the region's macroeconomic scenario and the constant growth in the passenger numbers, after a mixed performance early in the year, due to the snowstorms at the East Coast. Dufry continues to expand its Hudson News concept as well as its duty free operations and this expansion also contributed to this good performance.

... with further improvement of operating performance...

Gross profit in 2011 amounted to CHF 1,535.3 million, with **gross margin** improving by 0.7 percentage points to 58.2% versus 57.5% in 2010. The global negotiations with suppliers, branding actions and promotions designed under the "Dufry Plus One" initiative were the key factors to lead Dufry to the eighth consecutive year of gross margin increase.

Selling expenses dropped by 0.9% in absolute terms, reaching CHF 579.7 million in 2011 versus CHF 584.8 million in 2010. As a percentage of turnover, selling expenses improved to 22.0% from 22.4% in the period.

Personnel expenses stayed practically stable at CHF 402.6 million in 2011 compared to CHF 398.9 million in 2010. As a percentage of turnover, personnel expenses was flat at 15.3%.

General expenses reached 6.9% of turnover in 2011, compared to 6.7% in the previous year. Expressed in Swiss Francs, general expenses increase to CHF 182.1 million in 2011 from CHF 175.1 million in 2010.

EBITDA[1] on constant FX increased by 26.9% and reached CHF 435.5 million as a result of the gross margin improvement and reduced expenses. After translation effects, the increase was 8.1% to CHF 370.9 million in 2011 from CHF 343.1 million in 2010. The **EBITDA margin** improved by 100 basis points, and reached the record level of 14.1%.

Depreciation and Amortization remained practically unchanged at CHF 131.5 million in 2011 from CHF 129.5 million in 2010. Depreciation was lower at CHF 58.8 million in 2011 compared to CHF 63.7 million in 2010. Amortization increased by CHF 6.9 million to CHF 72.7 million in 2011 due to the acquisitions performed last August and consolidated into the Group's financials since that date.

Other operational result (net) was minus CHF 26.9 million in the year. Among this amount, CHF 15.1 million are transaction costs related to the acquisitions as well as certain startup costs.

[1] before other operational result

EBIT increased to CHF 212.5 million in 2011 versus CHF 197.9 million in 2010.

Net financial expenses stood at CHF 49.4 million in 2011 compared to CHF 32.2 million one year earlier. The main reason for the increase was the add-on facility of USD 1,000 million that was structured to finance the acquisitions in August.

Income taxes reached CHF 28.2 million, up from CHF 20.9 million in 2010. The tax rate as a percentage of EBT was 17.3% in the period.

Net earnings attributable to equity holders were CHF 111.9 million in 2011 compared to CHF 116.6 million in the previous year. Excluding the non-recurring acquisition related cost, net earnings in 2011 were CHF 123.4 million. Core EPS were CHF 6.30 for the year and excluding the acquisition related transaction cost, pro forma core EPS for 2011 was CHF 6.72 versus a core EPS in 2010 of CHF 6.54. The acquisitions were already accretive at core EPS level when excluding non-recurring transaction cost and will start to be accretive on basic EPS in 2012.

... and strong cash flow generation

Dufry's business is characterized by robust cash generation. In 2011, Dufry continued this trajectory with a **free cash flow generation** of CHF 248.9 million. The average free cash flow in the last 5 years has been around CHF 213 million, which illustrates the strong cash flow generation of the Group as well as the resilience of the business.

Net debt decreased to CHF 1,361.4 million at the end of December 2011, compared to CHF 1,399.9 million at September 30, 2011. The main covenant, Net Debt/adjusted EBITDA, was 3.60x as per December 31, 2011.

The acquisitions done in 2011 were also important in terms of Dufry's financing structure. The Group was able to fully finance the transactions through a new committed 5-year syndicated add-on facility of USD 1 billion, which illustrates the important backing Dufry gets from its core group of banks. The strong cash generation of the business will be used to reduce debt, in line with the deleveraging profile in previous transactions.

Well positioned for 2012

Julian Diaz, CEO of Dufry Group, commented the results: "Dufry delivered a very strong performance in 2011 and we also made an important step with regard to developing our global footprint. Dufry has also grown faster than international passenger numbers and achieved unprecedented profitability levels. Through the acquisitions that we made last August, we further strengthened our presence in Emerging Markets, where we generate 60% of our turnover and more than 70% of our EBITDA.

For 2012, we already laid the groundwork to expand our footprint in Eurasia. We signed an agreement to enter the Indian market where we will operate an innovative concept named Hudson News Café in the Dehli Metro and we also signed a contract to operate duty paid retail at Chengdu airport in China. Last but not least, we also acquired 51% of a local travel retail operator at Sheremetyevo airport in Moscow, in January 2012.

The integration and ramp up of the new businesses will be a priority for 2012 to generate synergies and to maximize cash generation. Both will contribute to a significant deleveraging, which in turn will provide room for further growth.

As for growing organically, prospects remain healthy with around 5% international global passenger growth expected for 2012. Having said this, on a regional level the deviation from this number can be significant. We expect Emerging Markets in Eurasia and Latin America to perform well, and North America has proven to be very resilient over the past years. Europe is in a much more fragile situation and performance will depend on the measures taken to contain the sovereign debt crisis. In Northern Africa, the transition to new political structures that started a year ago will continue and if this can be managed in an orderly fashion, growth prospects for this region are intact.

Given the global economic and political situation, this assessment has a degree of uncertainty and we remain alert to act quickly if this is required. We have prepared an action plan for 2012 that considers the possibility either of a global downturn or a regional one that could happen. The plan is ready to be implemented in case we need to accelerate the generation of cash, the control on our investment budget and the efficiency of our cost structure.

Apart from the general resilience of our industry, the low operational leverage and Dufry's geographic diversification have proven to be important mitigations in past downturns and we are confident that Dufry is well prepared to continue on its successful course. Dufry's achievements over the last eight years encourage us to tackle challenges and to seek new opportunities on a daily basis to become the most innovative and successful company in the travel retail world."

Key Figures Dufry Group

In CHF million	**2011**		**2010**		**Variation**
Turnover on constant FX rates	3,040.8		2,610.2		16.5%
EBITDA on constant FX rates	435.5	*14.3%*	343.1	*13.1%*	26.9%
Core Earnings per Share (in CHF)	6.30		6.54		-3.7%
Core EPS before acquisition related one-offs	6.72		6.54		2.8%
Average USD/CHF exchange rate	0.89		1.04		-15.0%
Turnover	2,637.7		2,610.2		1.1%
Gross Profit	1,535.3	*58.2%*	1,501.9	*57.5%*	2.2%
EBITDA (before other operational results)	370.9	*14.1%*	343.1	*13.1%*	8.1%
Net Earnings to Equity Holders	111.9		116.6		-4.0%
Net Earnings to Equity Holders excl. acquisitions	119.7		116.6		2.7%

Dufry`s 2011 Annual Report is published on March 14, 2012, and is available on the website (www.dufry.com/inv-index/inv-financialreports.htm) the same day.

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Dufry Group – A leading global travel retailer

Dufry AG (SIX: DUFN; BM&FBOVESPA: DAGB11) is the leading global travel retailer operating more than 1’200 duty-free and duty-paid shops in airports, cruise lines, seaports, railway stations and downtown tourist areas.

Dufry employs more than 13,800 people. The Company, headquartered in Basel, Switzerland, operates in 45 countries in Europe, Africa, Eurasia, Central America & Caribbean, South America and North America.

SOS CHILDREN’S VILLAGES

Social Responsibility

Dufry cares for children and supports the SOS Social Center in Igarassu, Brazil. SOS Children’s Villages is an independent, non-political and non-demonstrational organisation established for orphaned and destitute children all over the world.