Media Release

Basel, May 3, 2012

Dufry with an excellent start into 2012

Dufry had a strong start into 2012 and posted the best first quarter results ever with substantial turnover growth and improvement in profitability. In the first quarter of 2012, turnover grew by 30% on constant exchange rates (CER) and EBITDA before other operational results (CER) grew by 50%. EBITDA margin improved strongly by 1.8 percentage points and reached 13.5%. Net earnings to equity holders jumped by 50% in the quarter to CHF 25.1 million.

Dufry is growing strongly organically and through acquisitions

In the first quarter of 2012, Dufry reached 9.7% organic growth with like-for-like growth contributing 7.4% while new concessions (net) resulted in a 2.3% increase in turnover for the quarter. The like-for-like growth was well ahead of the increase in the numbers of international passengers and reflects the productivity improvements generated across the group. In terms of new retail space, Dufry opened 1,000 square meters of net retail space. Highlights are two new duty free shops in Mexico, with total of 700 square meters of retail space and four new Hudson news shops in Morocco. Additionally we have secured contracts to expand our business in the US in the JFK airport; 4,000 square meters were already opened in April and more is to come. Last but not least Dufry has been selected to provide retail and food services in the renovated Dallas Love Field Airport.

Acquisitions contributed 19.9% to turnover growth in the first quarter of 2012. Apart from the important contributions of the acquisitions done in August 2011 in Latin America and Asia, Dufry's acquisition in Russia also started to contribute. The latter transaction was signed in January 2012, when Dufry acquired 51% of a local travel retail operator at Sheremetyevo Airport to grow its business in the attractive Russian market.

Turnover on constant exchange rates (CER) increased by 29.6% in the first quarter 2012. In absolute terms, turnover on constant FX rates reached CHF 740.8 million for the first three months of 2012, and reported turnover for the same period stood at CHF 723.9 million. The translation effect from exchange rates reached -3.0%, driven by the depreciation of the Euro and the US Dollar of 6% and 2% respectively.

EBITDA soaring on the back margin improvement and top-line growth

In the first quarter of 2012, EBITDA before other operational result increased by 47.1% to CHF 98.1 million, backed by the strong top-line growth as well as a substantial EBITDA margin improvement of 180 basis points reaching 13.5%, the highest EBITDA margin ever in a first quarter for Dufry. Main drivers were operational improvements, synergies from the integration of the acquired businesses as well as a disciplined approach to cost. The improvement in profitability is equally reflected in the bottom line: Net earnings to equity holders increased by 50.3% to CHF 25.1 million.

All regions contributing to the strong performance

Turnover of **Region Europe** grew by 7.5% on constant exchange rates (CER). Translated to Swiss Francs, turnover was CHF 72.3 million versus CHF 71.1 million one year earlier. Operations in Spain and Switzerland saw double digit turnover growth mainly due to increased traffic as did France where growth was further supported by an enlarged scope. The Italian business showed largely a flat trend mainly due to the economic situation of the country.

Region Africa's turnover (CER) increased by 19.1%. In absolute terms, turnover was CHF 32.1 million in the first quarter of 2012 compared to CHF 28.3 million for the same period in 2011. Most of Dufry's operations in that region have shown an important recovery with double digit turnover growth thanks to the improvement of the political situation in those countries and the measures implemented by Dufry to mitigate the effect of the crisis. Especially Tunisia, Egypt and Ivory Coast saw a pick-up of business.

In **Region Eurasia**, turnover (CER) jumped by 51.1%. In Swiss Franc terms, turnover reached CHF 66.4 million in the first quarter of 2012 compared to CHF 44.3 million in the same period last year. Performance continued to be strong in Dufry's Russian operations with double digit sales growth as well as the recently acquired operation in Russia in late January at Sheremetyevo airport. Other operations in the region, such as Sharjah, Cambodia and Shanghai also presented a very good performance.

Turnover (CER) of **Region Central America & Caribbean** saw an increase of 12.3%. Translated to Swiss Franc, turnover for the period was CHF 102.4 million compared to CHF 93.0 million in the first quarter of 2011. The increase in the turnover was driven mainly by the recovery of Mexico, where various airlines continue to fill in the gap created by the bankruptcy of Mexicana in the last quarter of 2010, as well as solid performances in Dominican Republic and other locations. The performance of some Caribbean islands, especially the ones in the English speaking Caribbean, was in line with the one in the same period last year.

Region South America achieved turnover growth (CER) of 61.9%, of which acquisitions contributed with 57 percentage points to this growth. In absolute terms, turnover increased to CHF 267.3 million in the first quarter of 2012 from CHF 168.8 million in the same period last year. For the new acquired businesses (Argentina, Ecuador, Uruguay) performance is healthy and on track according to Dufry's business plan.

Turnover (CER) of **Region North America** grew by 11.5%. Measured in Swiss Francs, turnover amounted to CHF 176.8 million for the first quarter in 2012 compared to CHF 161.9 million in the first quarter of 2011. The Hudson News business continues to be resilient, delivering solid results ahead of traffic figures quarter over quarter. Equally, the duty free operations in the region saw dynamic growth in the period.

Continued improvement of profitability

Gross margin improved by 0.7 percentage point to 58.3% in the first quarter of 2012 from 57.6% in the same period one year ago. In absolute terms, gross profit reached CHF 422.1 million for the first quarter of 2012 compared to CHF 329.5 million for the same period in 2011. Better terms with suppliers through global negotiations, brand plans tailored to key suppliers and active marketing actions which are part of the "Dufry Plus One" initiative, drove the gross margin in the period.

Selling expenses as a percentage of turnover decreased by 0.4 percentage points to 21.8% compared to 22.2% in the same period last year. In absolute terms, they grew by 24.6% to CHF 157.9 million in the first quarter versus CHF 126.7 million one year before.

Personnel expenses amounted to CHF 114.3 million compared to CHF 95.1 million in the first three months of 2011, representing an increase of 20.2% compared to the same period last year. The increase is mainly due to the higher number of employees from the acquisitions. As a percentage of turnover, personnel expenses stood at 15.8% versus 16.6% in the same period last year.

General expenses amounted to CHF 51.7 million in the first quarter versus CHF 41.0 million in the same period of 2011. General expenses as a percentage of turnover remained stable at 7.2% compared to the first three months of 2011.

EBITDA[1] for the first quarter of 2012 increased by 47.1% to CHF 98.1 million compared to CHF 66.7 million for the respective period in 2011. EBITDA margin improved by 1.8 percentage points to 13.5% compared to 11.7% for the relevant period in 2011.

Depreciation and **amortization** amounted to CHF 40.1 million for the first quarter of 2012 compared to CHF 29.8 million in the corresponding period of 2011. Depreciation reached CHF 13.7 million, a decrease of 4.9% compared to CHF 14.4 million in the first quarter 2011. Amortization, which is predominantly related to acquisitions, stood at CHF 26.4 million in the first quarter 2012 versus CHF 15.4 million in the same period last year. When measured as percentage of turnover, depreciation and amortization increased to 5.5% from 5.2%.

Other operational result was minus CHF 2.6 million for the first quarter of 2012 versus an expense of CHF 2.4 million in the same period last year. This amount comprises mainly costs related to new projects and the acquisition made in January this year in Russia.

EBIT in the first quarter of 2012 increased by 60.6% to CHF 55.4 million compared to CHF 34.5 million in the respective period of 2011.

Net financial expenses came to CHF 17.1 million versus CHF 9.2 million in the first quarter of 2011. Main reason for the increase was the add-on facility of USD 1,000 million that was structured to finance the acquisitions in August, 2011.

Income taxes for the first quarter of 2012 amounted to CHF 6.5 million compared to CHF 3.9 million for the corresponding period of 2011. The effective tax rate, measured as percentage of EBT, stood at 17.0% compared to 15.4% the same period last year.

Net earnings to equity holders increased by 50.3% to CHF 25.1 million in the first quarter of 2012 compared to CHF 16.7 million in the same period of last year. Core EPS[2] went to CHF 1.72 in the first three months of the year versus CHF 1.05 in 2011.

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[1] EBITDA before other operational result
[2] Core EPS (or adjusted EPS) includes acquisition-related amortization

Keep delivering significant cash generation

Dufry continued with its solid cash generation and converted its better profitability into higher cash flows. In the three months period ended March 31, 2012, which historically has been the slowest quarter, **net cash flow from operating activities** reached CHF 58.2 million versus CHF 34.7 million one year earlier, an improvement of CHF 23.5 million or 67.7%. Capex for the period stood at CHF 27.4 million, compared to CHF 19.9 million registered in the first quarter of 2011.

Net debt was CHF 1,353.1 million, compared to CHF 1,361.4 million at year-end 2011, a decrease of CHF 8.3 million. The net debt in the period also includes the cash paid for the acquisition in Russia; excluding payments related to acquisitions, net debt decreased by CHF 52.7 million and pro forma net debt reached CHF 1'308.7 million, reflecting the substantial deleveraging in the slowest quarter of the year. The main covenant, Net Debt/adjusted EBITDA, stood at 3.34x, compared to the threshold of 3.75x agreed with the lending banks.

A good start in an ambitious year: growth, efficiency, and focus on cash generation

Julian Diaz, CEO of Dufry Group, commented: "I am pleased with the results presented in the first quarter, which represent a good start into 2012. The Group managed to grow the business in all fronts: like-for-like, new concessions and acquisitions all contributed to growth and all regions posted positive growth. Our profitability continues to improve at a high pace and we continue to achieve an excellent new level of EBITDA margin and cash generation.

As already announced, our focus in 2012 is on profitability improvement and cash generation and the results of the first quarter 2012 show exactly that. Hence, we are fully on track with our plan so far. In addition, we continue to realize the synergies identified from the acquired businesses, which so far have been performing in line with our expectations.

Expanding retail space continues to be an important element of our growth, be it through acquisitions or new concessions, and opportunities in emerging markets and tourist destinations remain our focus.

In terms of business drivers, passenger numbers have so far held up well and we have no indication of a change of trend in general terms. According to industry experts, international passenger growth remains in the 4-5% range for 2012. Despite the friendly outlook, we remain alert: as already disclosed, we have prepared an action plan which could be implemented in case of a global or regional slowdown takes place.

Overall, we can say that in the first quarter of 2012, we have delivered once more on our plans and we expect to continue to do so also for the rest of 2012."

Key Figures Dufry Group

In CHF million	Q1 2012		Q1 2011		Variation
Turnover on constant exchange rates	740.8		571.6		29.6%
EBITDA on constant exchange rates	100.2	*13.5%*	66.7	*11.7%*	50.2%
Core Earnings per Share (in CHF)	1.72		1.05		63.8%
Turnover	723.9		571.6		26.6%
Gross Profit	422.1	*58.3%*	329.5	*57.6%*	28.1%
EBITDA (before other operational results)	98.1	*13.5%*	66.7	*11.7%*	47.1%
Net Earnings to Equity Holders	25.1		16.7		50.3%

Dufry's First Quarter 2012 Report is available on the following link:
http://www.dufry.com/en/Investors/FinancialReports/

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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 44 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.