Media Release

Basel, July 30, 2012

Continued strong growth and margin expansion of Dufry in the first half of 2012

Dufry continued to perform strongly in the first half of 2012 with turnover growth of 28.4%. Gross margin increased by 0.8 percentage points and reached 58.8%. EBITDA grew by 48.4% to CHF 220.1 million and EBITDA margin reached 14.5%, 190 bps higher than in the same period in 2011.

Turnover maintains strong momentum with 28.4% growth

Turnover increased by 28.4% in the first half of 2012 and reached CHF 1,517.4 million versus CHF 1,181.3 million one year earlier. Organic growth was 7.5% with like-for-like growth contributing 4.9% and new concessions and expansions adding 2.6%. While foreign exchange swings resulted in a positive translation effect of 1.4%, acquisitions contributed 19.5% to turnover growth in the half year of 2012.

Increase in gross margin and EBITDA margin

Dufry increased its gross margin by 0.8 percentage points to 58.8% in the first half of 2012. The continuation of projects, such as the company's global negotiations with suppliers, brand and promotions plans continued to enhance profitability throughout the period as did the first synergies from the integration of the acquired companies.

The profitability improvement was even stronger on EBITDA level where the better performance of most operations and the contribution and synergies of the acquired businesses allowed EBITDA margin to reach a new record level of 14.5%, 190 basis points above the EBITDA margin of 12.6% in the first half of 2011.

Dufry has successfully concluded the second phase of the integration of the businesses acquired in 2011. The Dufry model has been implemented in retail operations by bringing the best practices in promotions strategy, shop layout among others. The new operations have been integrated into Dufry's global negotiations, the mix of products has been reviewed and Dufry's supply chain model implemented. Overall, Dufry so far achieved synergies of more than USD 10 million and is confident that the target of total synergies of USD 25 million will be achieved until 2013.

<u>Reorganization creates the basis for the continuation of our strategy</u>

In June 2012, Dufry announced an internal reorganization in order to continue with the successful strategy that has driven its business so far. The reorganization is designed to decentralize business execution and to centralize those functions where economies of scale exist, like procurement and logistics. At the same time, Dufry strengthens the business development in the regions to identify and execute new projects.

Among the changes, the previous group structure of six regions will be consolidated into four, aiming to give the critical mass to support a complete regional headquarter function, and at the same time empowering each region to assume greater business execution and P&L accountability. The organizational changes and appointments started being effective on July 1, 2012, and are expected to be fully implemented by September 1, 2012.

<u>Geographic diversification as key growth driver</u>

Region Europe's turnover grew by 1.5% in the first half of 2012 and reached CHF 152.0 million versus CHF 149.7 million one year earlier. In constant exchange rates (CER) turnover growth was 6.3% in the period. The performance in the region remains solid even as the economic environment in the region limits growth, especially in Italy. On the other hand, operations in Switzerland and in Spain showed better performance in the period.

Turnover of **Region Africa** came to CHF 74.1 million for the half year 2012 compared to CHF 62.9 million for the same period in 2011. With an increase of 21.9% (CER), growth has accelerated compared to first quarter and the business continues to show a strong rebound on last year's performance. Especially our businesses in Tunisia, Egypt and Ivory Coast saw strong double digits growth rates.

Region Eurasia achieved turnover growth of 53.5%. Turnover reached CHF 146.3 million in the first six months of 2012 compared to CHF 95.3 million in the same period last year. We continued with the integration of the newly acquired operations in Russia. The businesses in Sharjah, China and Cambodia all showed double digit turnover growth in the period.

Region Central America & Caribbean increased its turnover by 8.1% to CHF 193.6 million compared to CHF 179.1 million in the first half of 2011. The increase in turnover of 5.9% (CER) remains a result of the good market conditions in Mexico and Dominican Republic, where we saw strong turnover growth, offsetting the weak performance of our shops in the English speaking Caribbean.

Region South America's turnover was CHF 546.7 million in the year to June, representing a growth of 58.6% from the CHF 344.7 million amounted in the same period of 2011, or 55.7% (CER). The consolidation of the operations acquired last year in Argentina, Uruguay and Ecuador was the main growth contributor for the region and the new businesses have been delivering results as expected. The Brazilian business had a soft performance due to lower economic growth in Brazil and capacity constraints.

Turnover of **Region North America** grew by 13.4%. Turnover amounted to CHF 386.7 million for half year 2012 compared to CHF 341.1 million on year earlier. The double digit turnover growth of 10.1% (CER) illustrates once again our solid business model in the region, backed by a continued expansion of our footprint. By the same token, the duty free operations continue to perform well.

Continued improvement of profitability

Gross margin improved by 80 basis points to 58.8% in the first half of 2012 from 58.0% in the same period one year ago. Our centralised negotiations with suppliers continued to contribute to the gross margin improvement, supported by the integration of the companies acquired in 2011. Additionally, a review of the product category mix and assortment on the businesses also started to show results in the second quarter of the year.

Selling expenses stood at CHF 331.1 million in the first half of 2012 versus CHF 260.7 million one year before. As a percentage of turnover they decreased by 0.3 percentage points to 21.8% compared to 22.1% in the same period last year.

Personnel expenses amounted to CHF 234.6 million compared to CHF 192.5 million in the first six months of 2011. As a percentage of turnover, personnel expenses stood at 15.5% versus 16.3% in the same period last year.

General expenses amounted to CHF 105.9 million in the first half versus CHF 83.2 million in the same period of 2011. General expenses as a percentage of turnover remained flat at 7.0%.

EBITDA[1] for the first half of 2012 increased by 48.4% to CHF 220.1 million compared to CHF 148.3 million for the respective period in 2011. EBITDA margin improved by 1.9 percentage points to 14.5% compared to 12.6% for the relevant period in 2011.

Depreciation and **amortization** amounted to CHF 82.2 million for the first half of 2012 compared to CHF 57.5 million in the corresponding period of 2011. Depreciation reached CHF 29.8 million, compared to CHF 28.0 million in the first half 2011. Amortization, which is predominantly related to acquisitions, stood at CHF 52.4 million in the first half 2012 versus CHF 29.4 million in the same period last year. While depreciation remained practically stable, the higher amortization charge is mainly explained by the increase in intangible assets originating from the last acquisitions.

Other operational result (net) was an expense of CHF 6.9 million for the first half of 2012 versus an expense of CHF 6.1 million in the same period last year. These costs are generally related to new projects, start-up costs, and restructuring costs.

EBIT went up by 54.6% to CHF 131.0 million in the year to June 2012 versus CHF 84.7 million in the respective period of 2011.

Net financial expenses came to CHF 36.0 million from CHF 15.6 million in the first half of 2011. In August 2011, Dufry structured an add-on facility of USD 1,000 million to finance the acquisitions mentioned earlier, resulting in increased financial expenses.

Income taxes for the first half of 2012 amounted to CHF 17.1 million compared to CHF 12.0 million for the corresponding period of 2011. The effective tax rate, measured as percentage of EBT, stood at 18.0% compared to 17.3% the same period last year.

Net earnings to equity holders increased by 34.9% to CHF 62.3 million in the first half of 2012 compared to CHF 46.2 million in the same period of last year. Core EPS[2] went to CHF 3.85 in the first six months of the year versus CHF 2.54 in the same period in 2011.

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

Significant cash generation in the period

Net cash flow from operating activities improved by CHF 45.9 million, or 39.0%, and reached CHF 163.6 million in the first six months of 2012 versus CHF 117.7 million one year earlier. Capex for the period stood at CHF 52.6 million, compared to CHF 39.5 million registered in the first half of 2011.

Net debt was CHF 1,346.7 million, compared to CHF 1,353.1 million on March 31, 2012. Excluding any FX translation effects, net debt (CER) decreased by CHF 57.4 million. The main covenant, Net Debt/adjusted EBITDA, stood at 3.10x, compared to the threshold of 3.75x agreed with the lending banks.

Delivering on the acquisitions

Julian Diaz, CEO of Dufry Group, commented: “Dufry managed once more to deliver a strong set of results. Thanks to our disciplined approach, we increased turnover as well as our margins. We also generated a significant free cash flow allowing us to deleverage considerably over the last three quarters. Our last acquisitions continue to perform as expected and the first synergies generated give us the confidence that we are in the right track for achieving our goals. Once more, thanks to our global diversification, we could balance differing performances across the regions and deliver profitable growth.

Creating a basis for the continuation of our strategy, we have defined a new organization structure. Our regional configuration has been redefined and responsibilities pushed down to regional level. At the same time we will centralize functions where we can generate economies of scale, such as the creation of an unified Procurement Platform and the consolidation of Logistics. The changes which are expected to be fully implemented by September, will allow the company to sustain our focus on growth and efficiency.

Global prospects for the industry remain positive with an expected 4-5% increase in the number of international passengers in the short and medium term. There are substantial regional differences though, and some markets remain fragile. We will therefore continue to be alert to the development in all our operations.”

Key Figures Dufry Group

In CHF million	HY 2012		HY 2011		Variation
Turnover	1,517.4		1,181.3		28.4%
Gross Profit	891.7	*58.8%*	684.7	*58.0%*	30.2%
EBITDA (before other operational results)	220.1	*14.5%*	148.3	*12.6%*	48.4%
Net Earnings to Equity Holders	62.3	*4.1%*	46.2	*3.9%*	34.8%
Core Earnings per Share (in CHF)	3.9		2.5		51.6%

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

For further information please contact:

Sara Lizi
Investor Relations
Phone: +55 21 2157 9901
sara.lizi@br.dufry.com

Lubna Haj Issa
Media Relations
Phone +41 61 266 44 46
lubna.haj-issa@dufry.ch

Rafael Duarte
Investor Relations
Phone +41 61 266 45 77
rafael.duarte@dufry.com

Mario Rolla
Media Relations
Phone: +55 21 2157 9611
mario.rolla@br.dufry.com

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 14,000 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.