

HY RESULTS

2014

DUFY

PRESENTATION

July 2014

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.

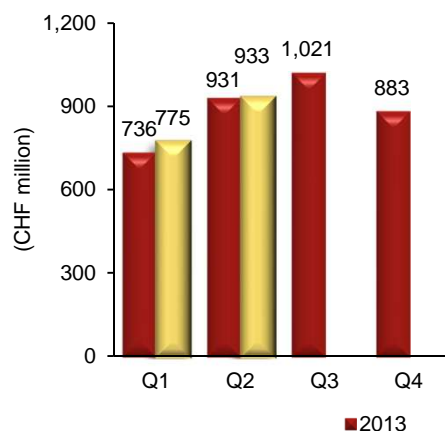
1. Highlights HY 2014 Results

2. Financials

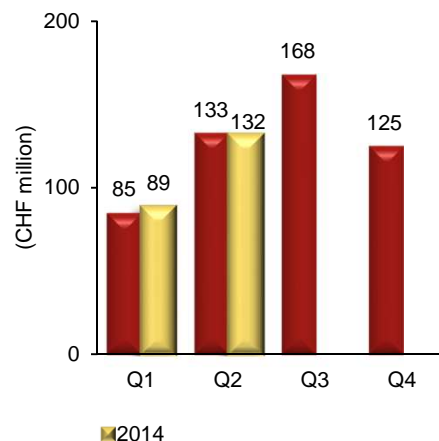
3. Conclusion

1. Highlights HY 2014 Results

Turnover



EBITDA



- Turnover growth in constant FX rates of 6.7%; reported growth of 2.4%
 - Organic growth of 3.7 %
 - Acquisitions of 3.0%
- Acceleration of organic growth
 - Organic growth of 5.0% in Q2 versus 2.2% in Q1
- Gross margin of 59.2%
 - 50 basis points of improvement in existing retail business
- EBITDA of CHF 221.4 million; CHF 231.3 million in constant FX rates
- EBITDA margin reached 13.0%
- Cash flow before working capital increased by 9% to CHF 212.2 million
- Pro-forma* net earnings to equity holders of CHF 35.5 million

Turnover Growth

	Q1 '14	Q2 '14	HY '14
Like for Like	0.7%	2.3%	1.6%
New Concessions, net	1.5%	2.7%	2.1%
Reported Organic Growth	2.2%	5.0%	3.7%
Acquisitions	6.8%	0.0%	3.0%
Growth at constant FX	9.0%	5.0%	6.7%
FX effect	-3.8%	-4.8%	-4.3%
Reported Growth	5.2%	0.2%	2.4%

* Excluding non-recurring cost related to Nuance acquisition

- **Confirmed execution capabilities**
 - 89 shops opened in 2014 to June; 16,200 sqm of gross retail space
- **Additional 14,000 sqm of retail space to be opened until the end of the year**
- **Update on border shop opportunity in Brazil**
 - Process progressing; new set of rules announced
 - Allowance of USD 300 per person, per month
 - Allowance for the import of carry-on products to be reduced, increasing the potential of the business
 - 26 cities entitled to receive the business
 - Further regulations still to be announced
- **Nuance acquisition – financing fully executed**
 - Capital increase of approx. CHF 810 million done at market
 - Issuance of mandatory convertible notes of CHF 275 million
 - Issuance of 8 years EUR 500 million bond at 4.5% coupon
 - Bank refinancing completed
- **Nuance acquisition – Integration setup defined**
 - Preparation of integration plan completed
 - Integration partner and internal team selected
- **Trading update**

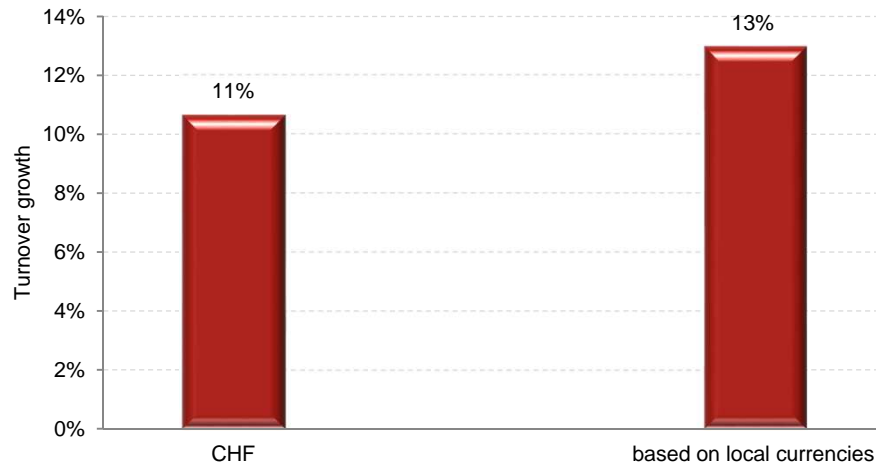
Openings in HY 2014

	sqm	# of shops
EMEA & Asia	2,703	17
South Korea	450	1
Indonesia	400	2
Other openings	1,853	14
America I	1,244	9
Several openings in Mexico	786	3
Other openings	458	6
America II	9,448	27
Sao Paulo Airport Terminal 3	6,800	16
Brasilia Airport	1,500	3
Other openings	1,148	8
United States & Canada	2,835	36
JFK Airport	715	6
Other openings	2,120	30
Total	16,231	89

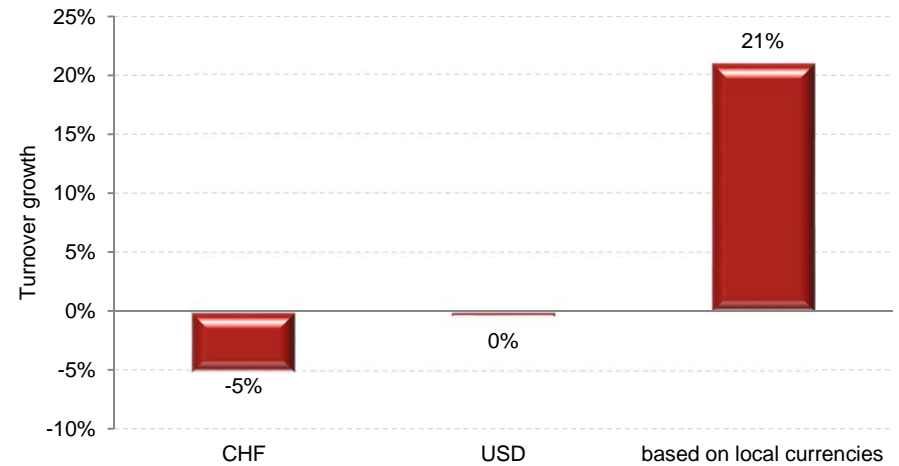
Projects to be opened in H2 '14

	sqm	# of shops
EMEA & Asia		
DF shop at Kinmen Wind Lion Plaza, Taiwan	2,200	1
Hudson stores at several airports in the Canary Islands, Spain	1,229	9
America I		
DF walk-through shop at San Juan Airport, Puerto Rico	805	1
DF shop at Aeroparque Airport, Argentina	350	1
America II		
DF and DP shops at Brasilia Airport, Brazil	1,600	3
DF and DP shops at Natal Airport, Brazil	1,112	3
United States & Canada		
Brand Boutiques at Las Vegas Airport, USA	396	4
Hudson stores at New York Port Authority, USA	382	10
Total	12,842	65

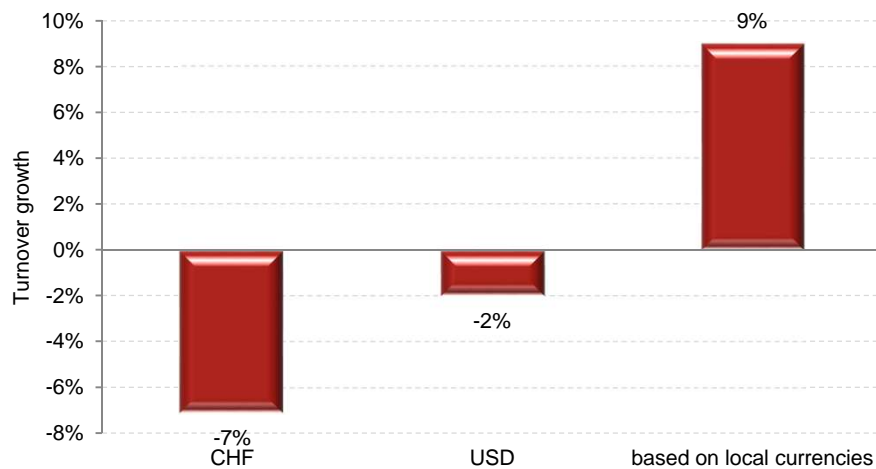
EMEA & Asia



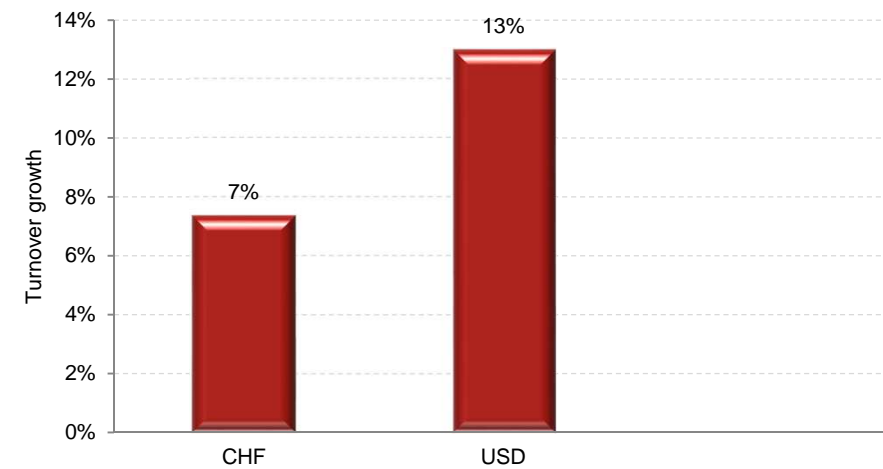
America I

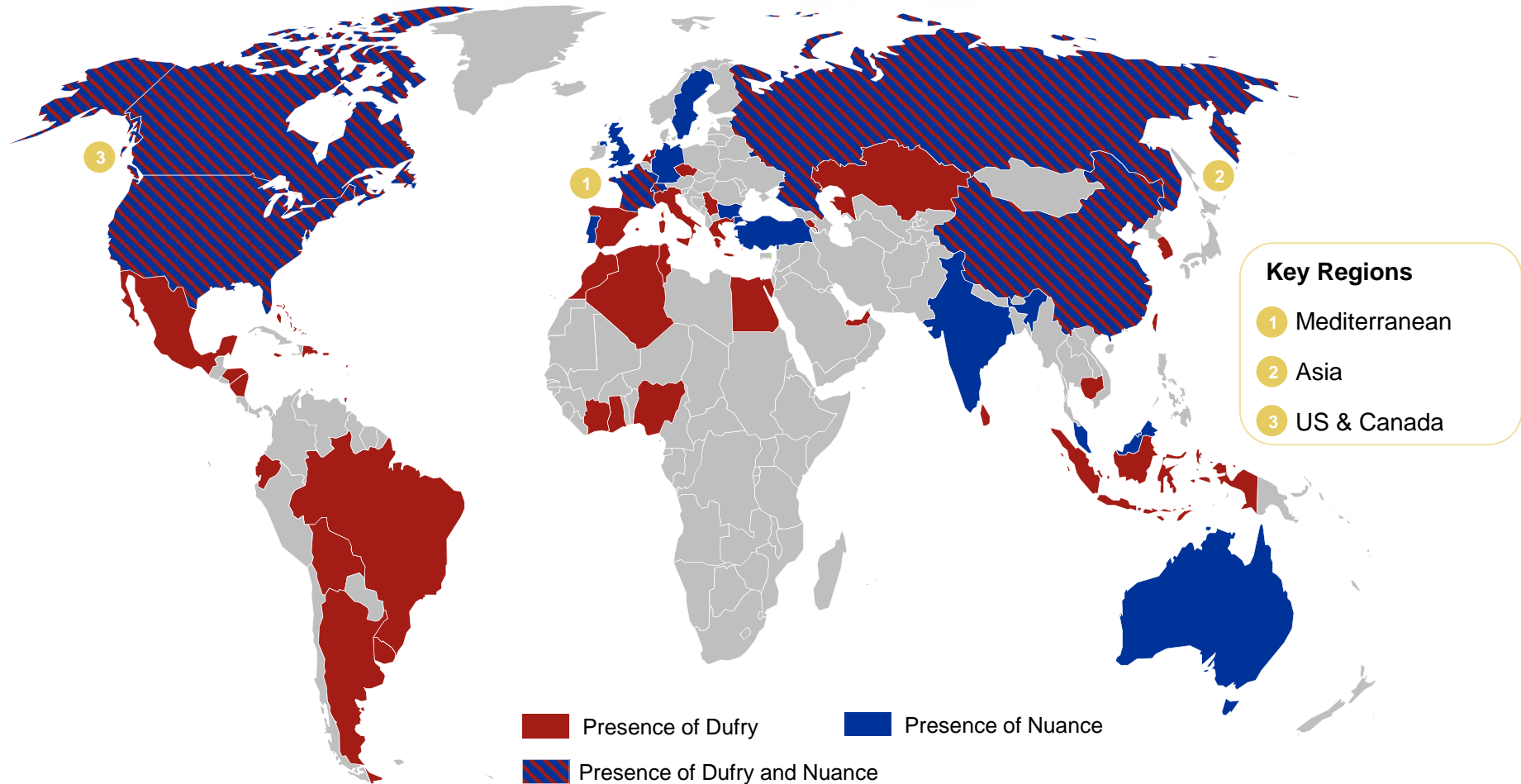


America II



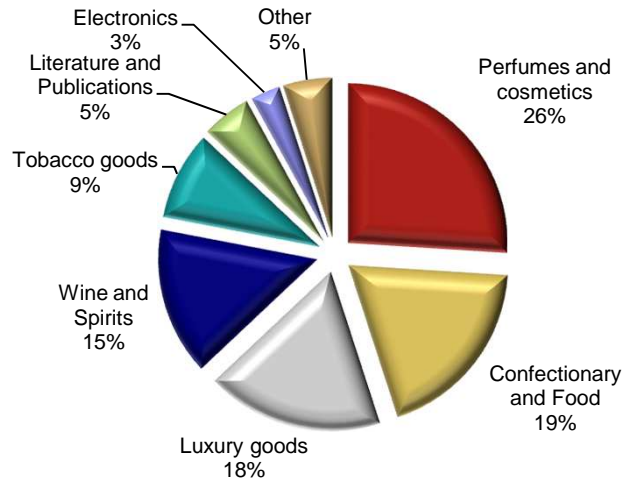
United States & Canada



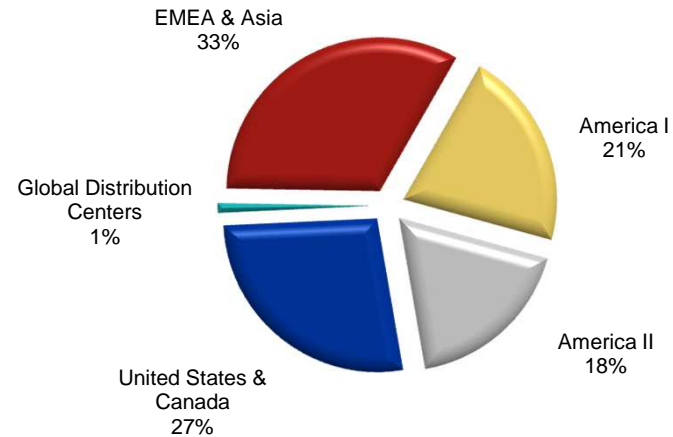


- Solid and diversified concession portfolio
- Focus in three main geographies: the Mediterranean, the Americas and Asia
- High exposure to emerging markets and tourist destinations

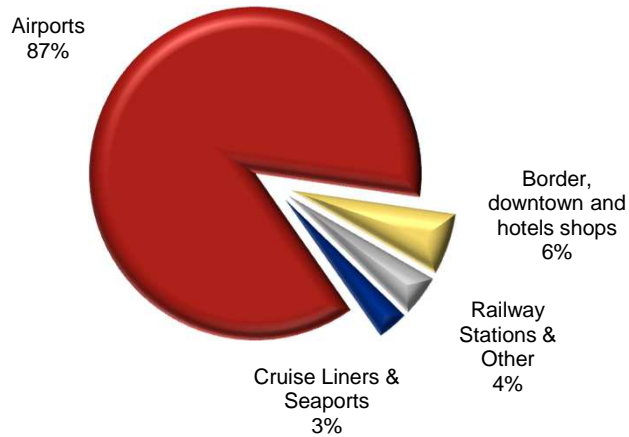
Dufry by Product Category HY 2014



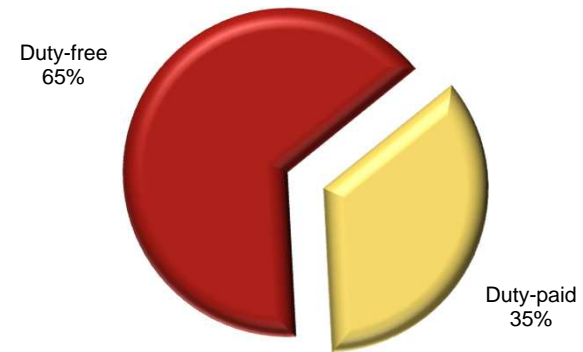
Dufry by Region HY 2014



Dufry by Channel HY 2014



Dufry by Sector HY 2014



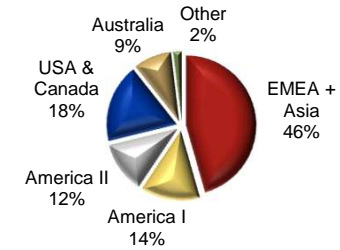
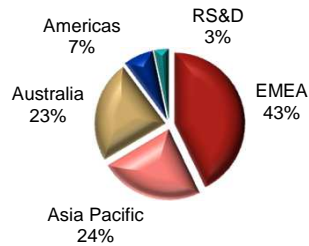
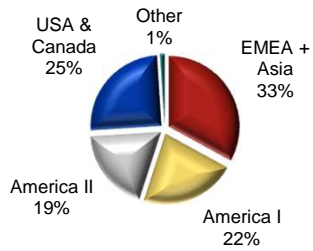
Strategy – Dufrey’s Segmentation Post Nuance

Dufrey net sales: 3,465

Nuance turnover: 2,095

Combined: 5,560⁽²⁾

Split by region⁽¹⁾

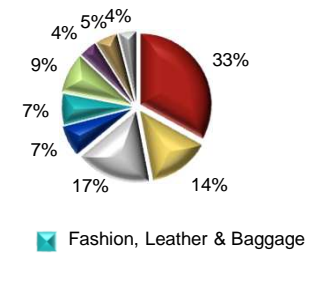
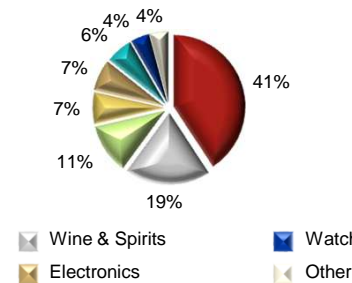
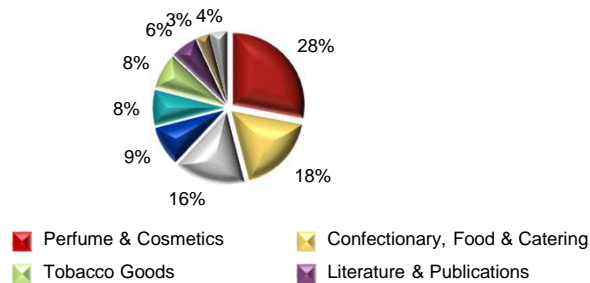


Dufrey net sales: 3,465

Nuance turnover: 2,095

Combined: 5,560⁽³⁾

Split by product category⁽¹⁾

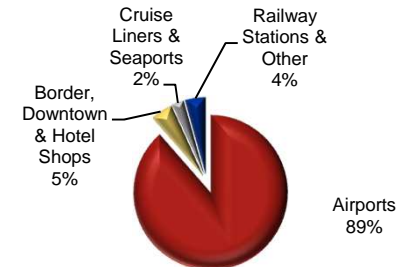
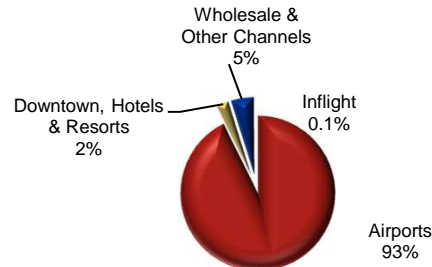
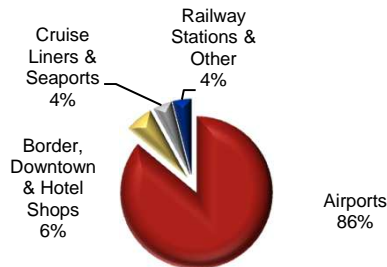


Dufrey net sales: 3,465

Nuance turnover: 2,095

Combined: 5,560⁽⁴⁾

Split by channel⁽¹⁾

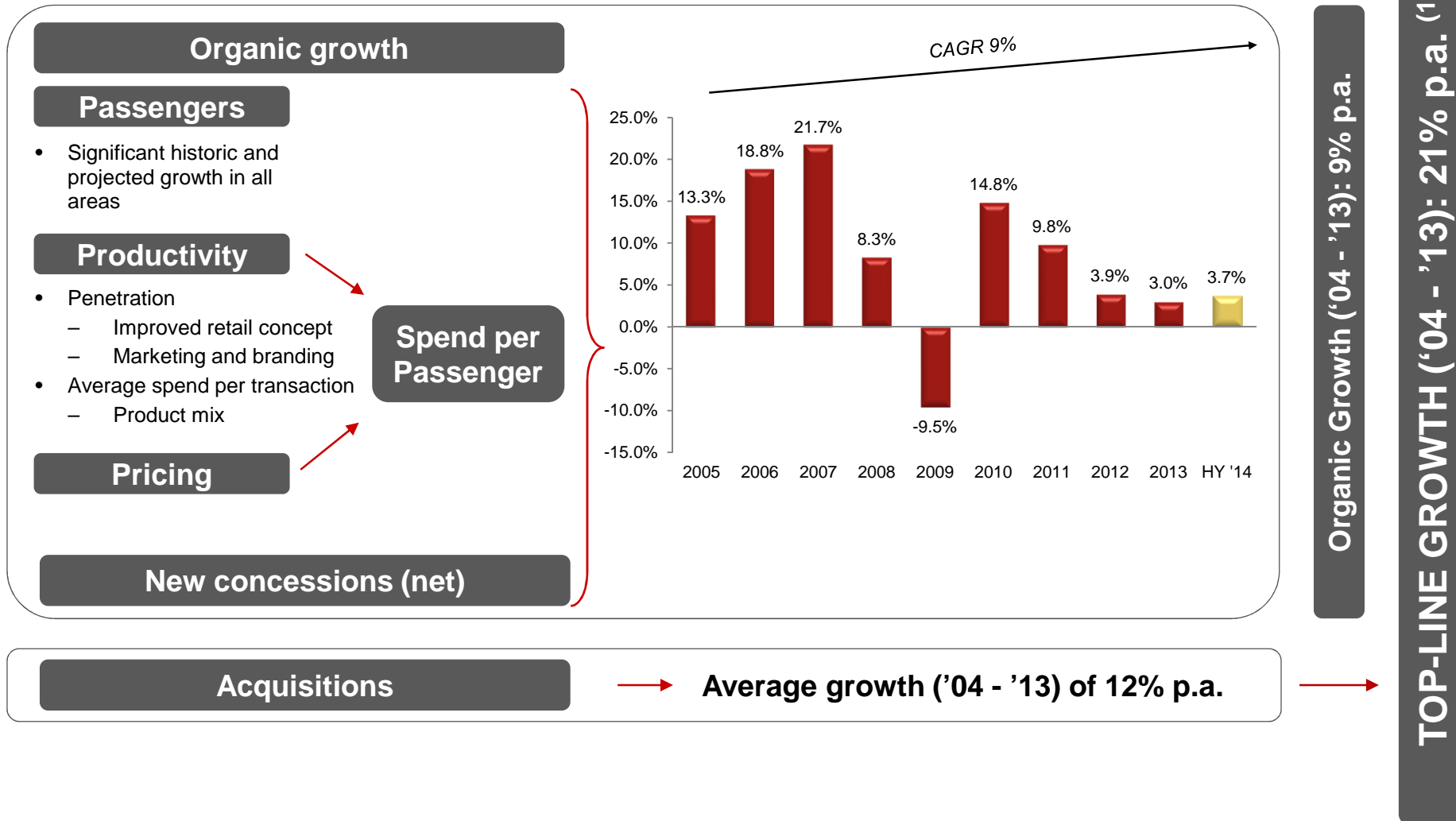


(1) Absolute figures in CHF million.

(2) Nuance EMEA and Asia Pacific allocated to EMEA + Asia, Nuance Americas allocated to USA & Canada, Nuance RS&D allocated to Other.

(3) Nuance Liquor allocated to Wine & Spirits, Nuance Tobacco allocated to Tobacco Goods, Nuance Fashion allocated to Fashion, Leather & Baggage, Nuance Confectionary allocated to Confectionary, Food & Catering, Nuance Accessories allocated to Watches, Jewelry & Accessories, Nuance Souvenirs & Other Goods allocated to Other.

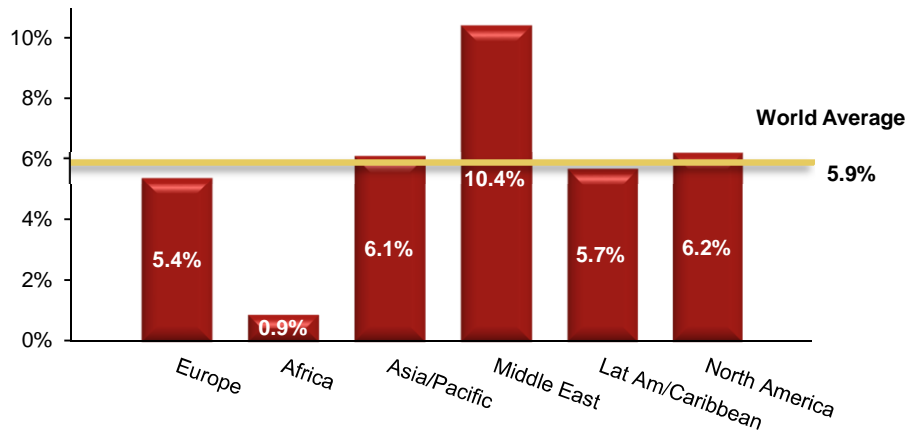
(4) Nuance Downtown, Hotels & Resorts allocated to Border, Downtown & Hotel Shops, Nuance Inflight and Nuance Wholesale & Other Channels allocated to Railway Stations & Other.



Note: (1) On constant FX rates; FX effect -4% p.a.

Growth Components - Like-for-Like Growth

Global Int'l PAX Growth in HY 2014*



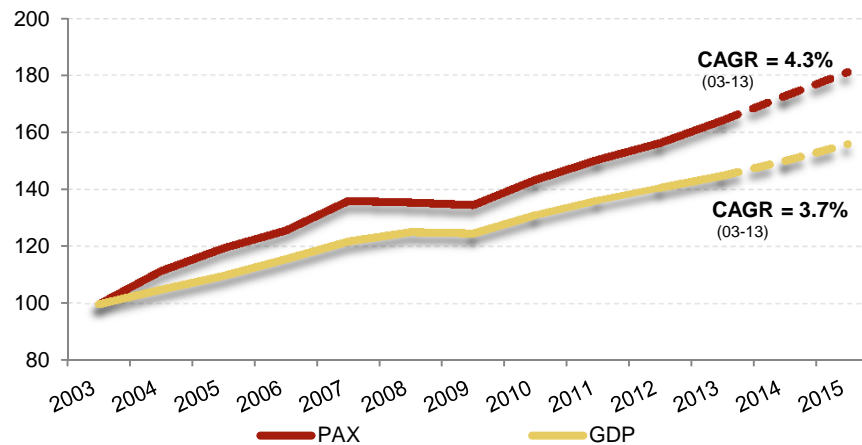
* Until May
Source: Airports Council International (ACI)

Evolution of the Int'l PAX Forecasts

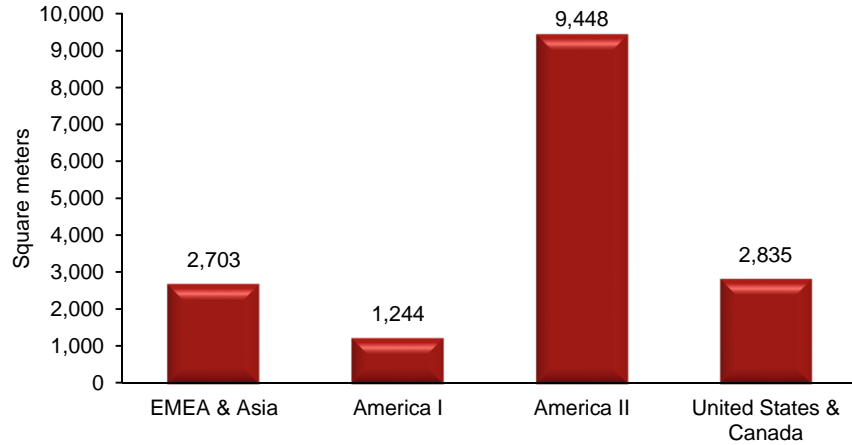
	2014	2015	2016
EUROPE	2.2%	2.9%	2.9%
AFRICA	0.5%	3.8%	3.8%
ASIA/ PACIFIC	6.3%	5.8%	5.5%
MIDDLE EAST	9.2%	8.6%	7.8%
LATIN AMERICA	5.2%	5.7%	5.5%
NORTH AMERICA	3.9%	3.5%	3.2%
WORLD	4.0%	4.5%	4.3%

Source: Air4casts (30/06/2014)

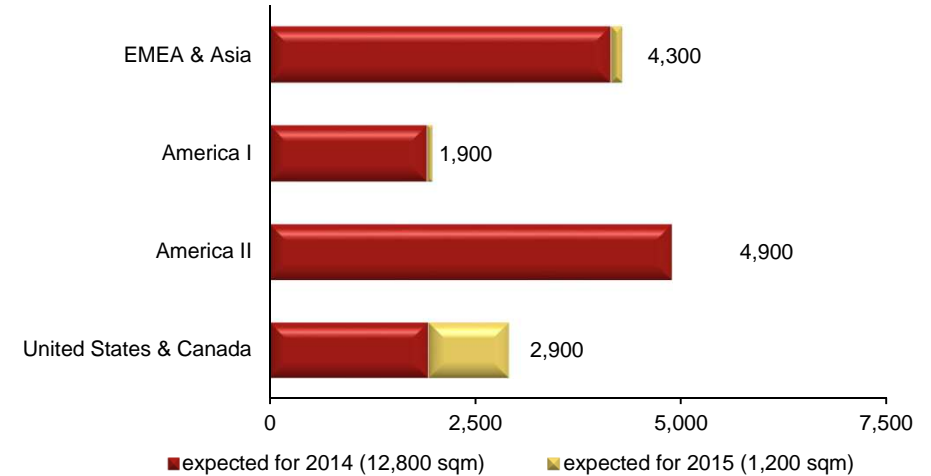
Historic & Forecast GDP and PAX Growth



Gross Square Meters Opened in HY 2014



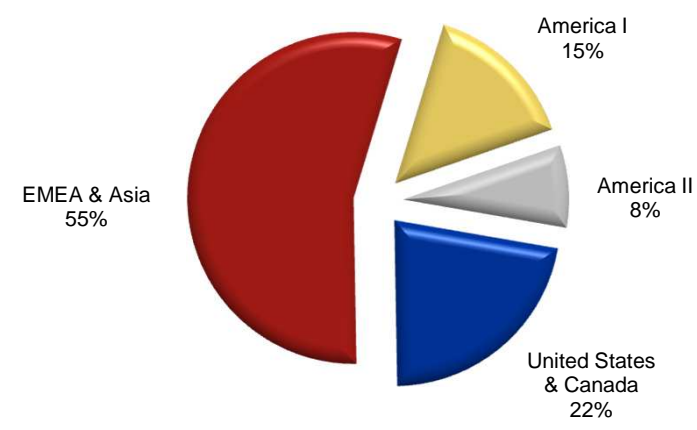
Additional Signed Retail Space: 14,000sqm



Selected Signed Projects

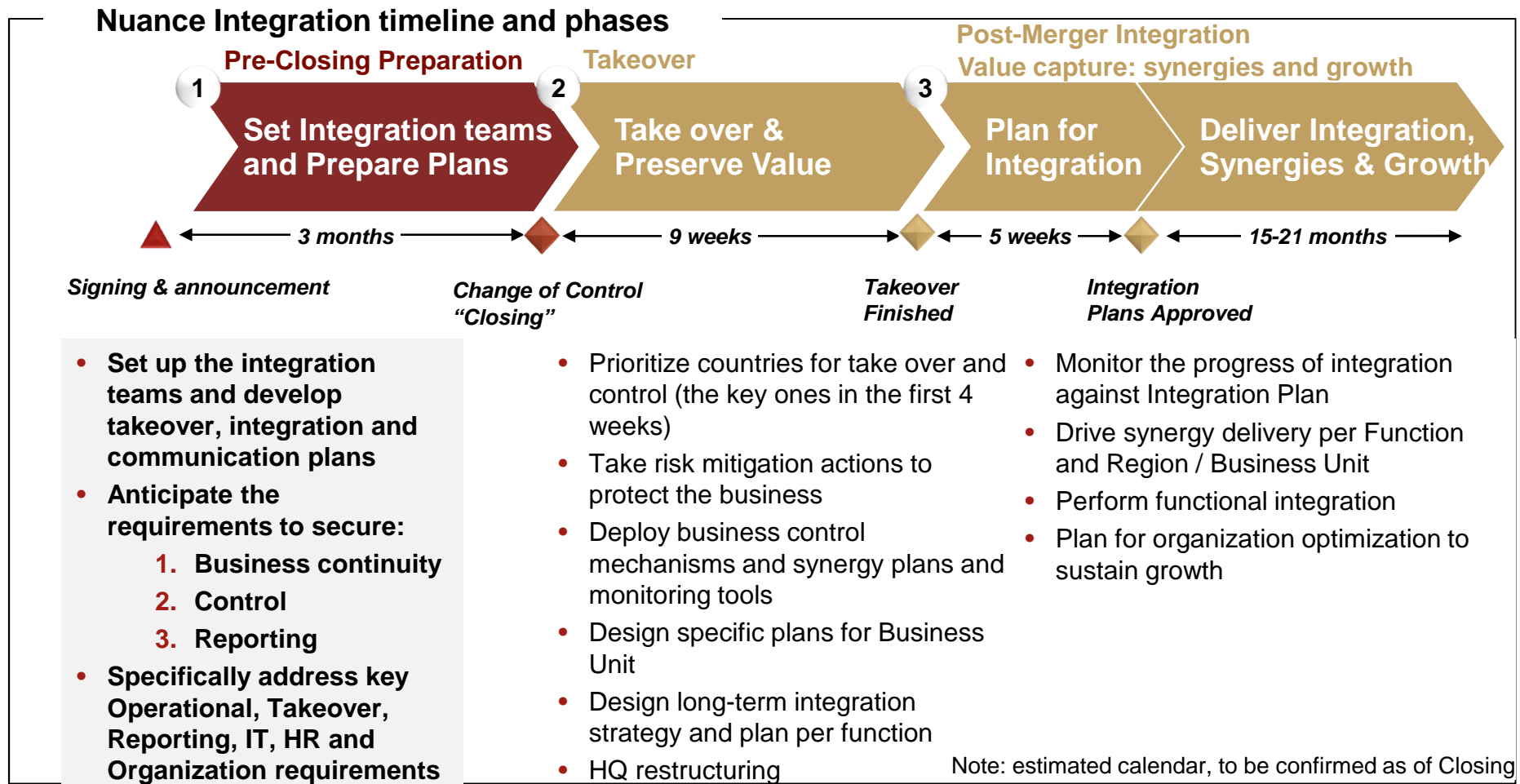
	sqm	# of shops
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Hudson stores at several airports in the Canary Islands, Spain	1,229	9
DF shops at Lagos Airport, Nigeria	512	2
DP brand boutiques at Malaga Airport, Spain	464	2
America I		
DF walk-through shop at San Juan Airport, Puerto Rico	805	1
DF shop at Aeroparque Airport, Argentina	350	1
DF shop at Montevideo Airport, Uruguay	223	1
America II		
DF and DP shops at Brasilia Airport, Brazil	1,600	3
DF and DP shops at Natal Airport, Brazil	1,112	3
DF shops at Viracopos Airport, Brazil	617	2
United States & Canada		
Brand Boutiques at Las Vegas Airport, USA	396	4
Hudson stores at New York Port Authority, USA	382	10
Hudson and brand boutiques at Dallas Airport, USA	379	4

Project Pipeline: 42,000 sqm



- **Closing expected in Q3**
 - Transaction to be cleared with anti-trust authorities in certain countries
- **Guidelines for the integration plan**
 - Clear integration leadership and roles
 - Complete plan before closing
 - Combination of internal leadership and external support
 - Nuance team to have a key role in the process
- **PwC selected as the Integration Partner**
 - Project Integration Management and Project Management Office (including taking control and definition of integration master plan and tracking/reporting progress)
 - Support for functional integration initiatives with synergies and restructuring
 - Support regional execution

The complexity of the integration requires to anticipate the preparation of the integration before Closing

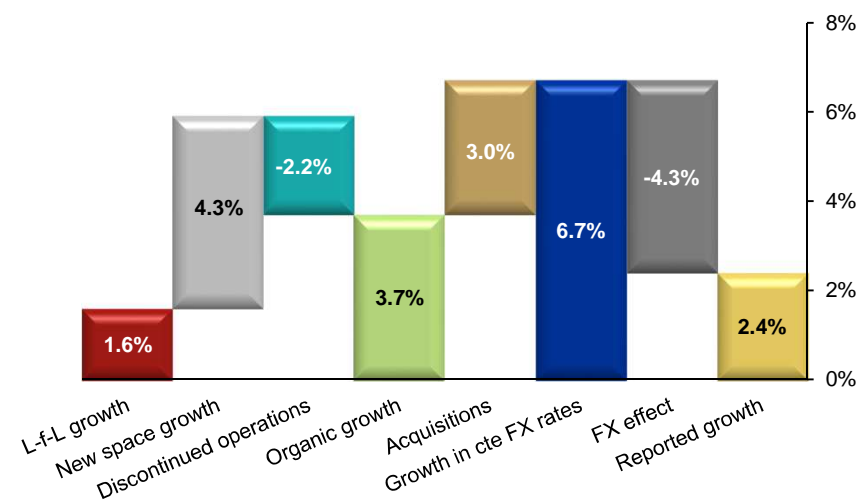


2. Financials

Growth Components HY 2014

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New Concessions, net	1.5%	2.7%	2.1%
Reported Organic Growth	2.2%	5.0%	3.7%
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Reported Growth	5.2%	0.2%	2.4%

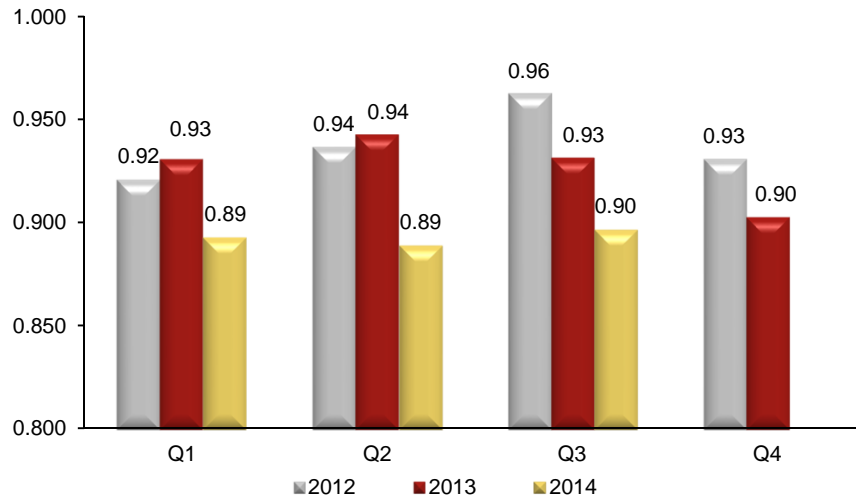
Growth Components HY 2014



Turnover Growth by Region

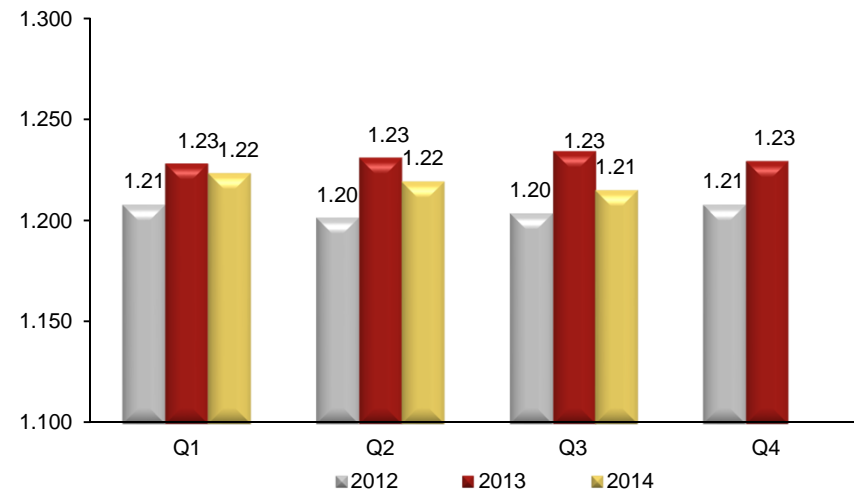
Region	Turnover HY 2014 (CHF million)	Turnover Growth (Constant FX)	Turnover Growth (as Reported)
EMEA & Asia	552.1	13%	11%
America I	357.3	0%	-5%
America II	318.4	-2%	-7%
United States & Canada	451.1	13%	7%
Dufrey Group	1,707.9	7%	2%

CHF / USD Development



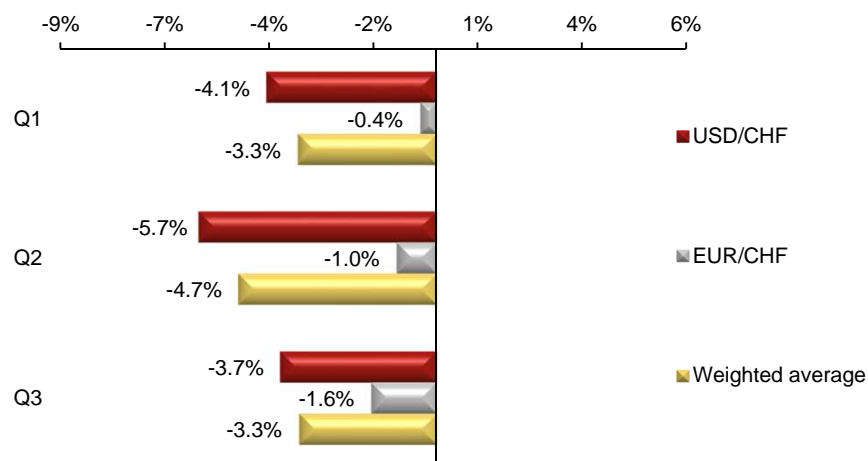
* 2014 average until 29/07/2014

CHF / EUR Development

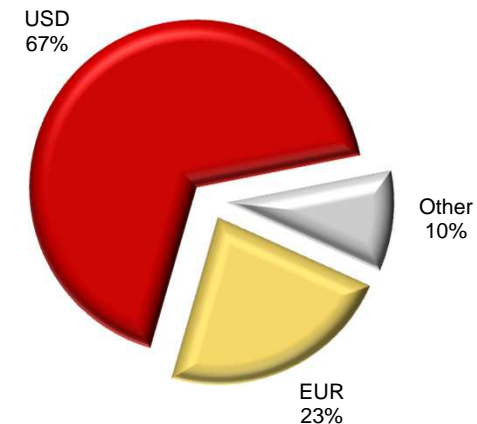


* 2014 average until 29/07/2014

FX Rate Development in 2014



Turnover by Currency LTM HY 2014



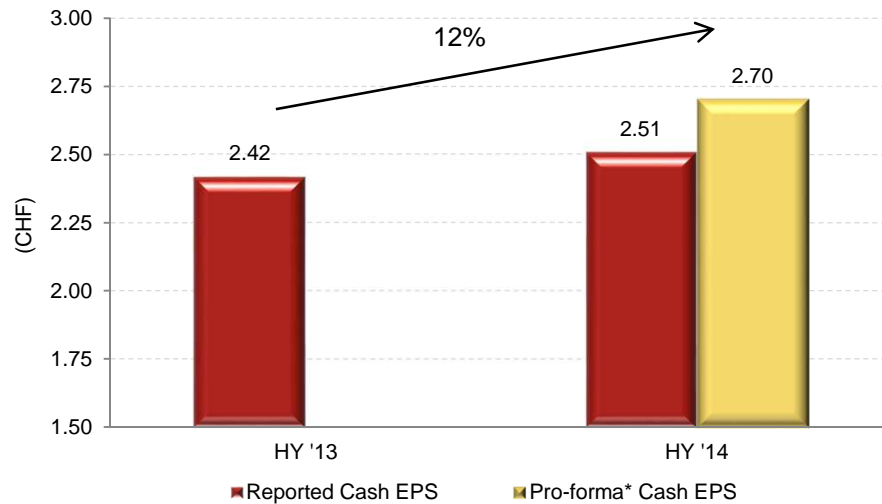
(CHF million)	2012	%	2013	%	HY '13	%	HY '14	%
Turnover	3,153.6	100.0%	3,571.7	100.0%	1,667.4	100.0%	1,707.9	100.0%
Gross profit	1,856.6	58.9%	2,105.7	59.0%	981.0	58.8%	1,011.1	59.2%
Concession fees	(645.7)	20.5%	(771.8)	21.6%	(365.2)	21.9%	(375.6)	22.0%
Personnel expenses	(474.4)	15.0%	(538.1)	15.1%	(256.7)	15.4%	(274.1)	16.0%
Other expenses	(262.2)	8.3%	(284.7)	8.0%	(141.0)	8.5%	(140.1)	8.2%
EBITDA⁽¹⁾	474.3	15.0%	511.1	14.3%	218.1	13.1%	221.4	13.0%
Depreciation	(65.1)	2.1%	(71.1)	2.0%	(32.5)	1.9%	(37.0)	2.2%
Amortisation	(103.2)	3.3%	(121.8)	3.4%	(56.7)	3.4%	(64.4)	3.8%
Other operational result	(30.1)		(37.4)		(23.3)		(17.0)	
EBIT	275.9	8.7%	280.8	7.9%	105.6	6.3%	103.1	6.0%
Financial result	(78.5)		(100.0)		(44.5)		(52.3)	
EBT	197.4	6.3%	180.8	5.1%	61.1	3.7%	50.8	3.0%
Income tax	(39.1)		(33.2)		(10.7)		(6.7)	
As % of EBT	19.8%		18.4%		17.5%		13.2%	
Net Earnings	158.3	5.0%	147.6	4.1%	50.4	3.0%	44.1	2.6%
<i>Attributable to:</i>								
Minority interest	35.8		54.6		21.5		16.6	
Equity holders of the parent	122.5	3.9%	93.0	2.6%	28.9	1.7%	27.5	1.6%
Pro-forma Net Earnings to Equity holders of the parent*							35.5	2.1%

Note:

(1) EBITDA before other operational result

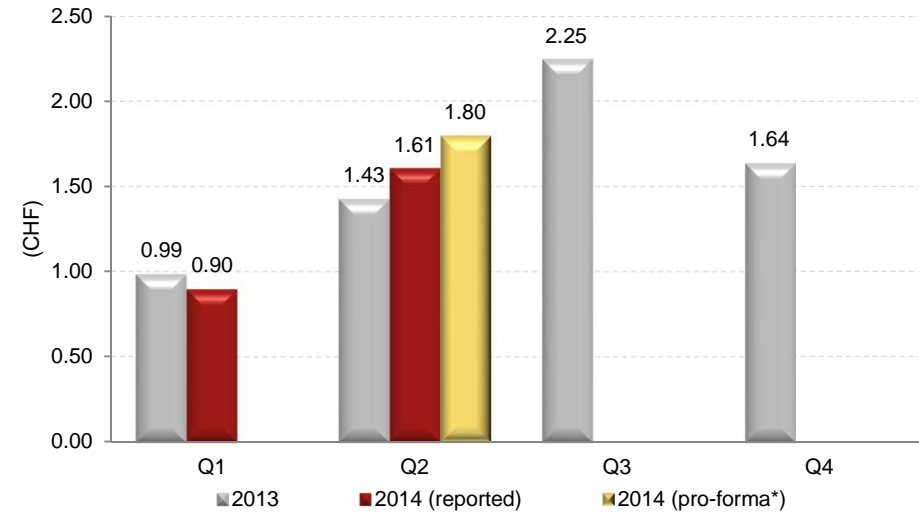
* Excluding non-recurring cost related to Nuance acquisition

Cash Earnings Per Share



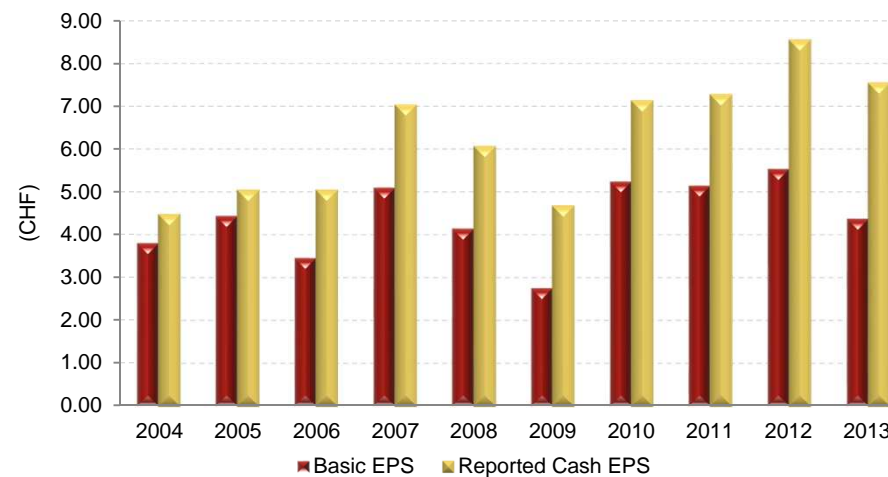
* Excluding non-recurring cost related to Nuance acquisition

Seasonality of Cash EPS



* Excluding non-recurring cost related to Nuance acquisition

Historical Normalized EPS Evolution*

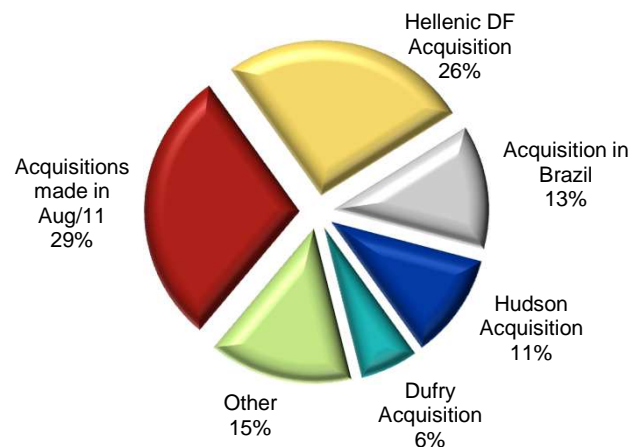


* Excludes Other Operational Results

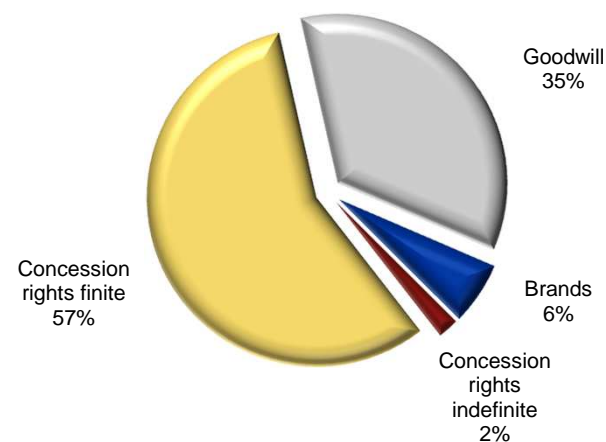
Summarized Balance Sheet

(CHF million)	30.06.2014	31.12.2013	Variation
PP&E	342	314	28
Intangible assets	2,686	2,734	-48
Other non current assets	66	62	4
Net Working Capital	328	290	38
Other current assets	229	160	69
Equity	1,589	1,267	322
Net Debt	1,487	1,753	-266
Non current liabilities	67	68	-1
Deferred tax liabilities, net	94	107	-13
Other current liabilities	414	364	50

Intangible Assets 30/06/2014

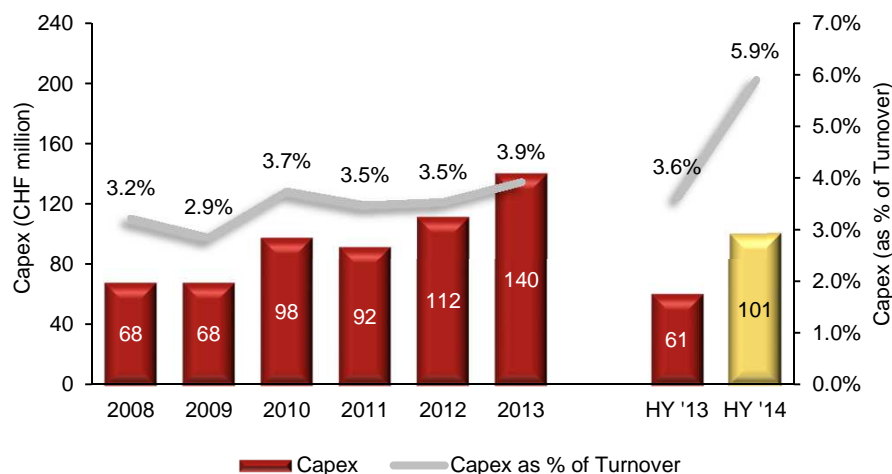


Intangible Assets Related to Acquisitions

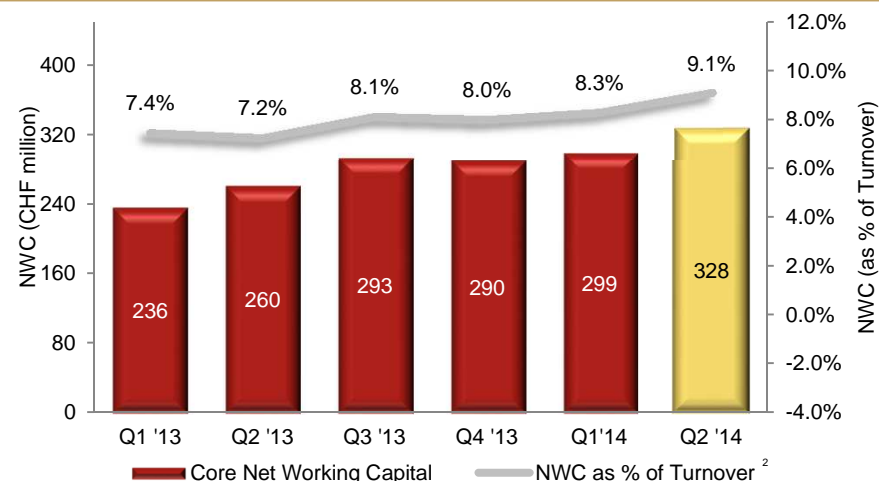


In millions CHF	HY '14	HY '13
EBITDA before other operational result	221.4	218.1
Changes in net working capital	(40.6)	61.0
Taxes paid, other operational items	(25.8)	(35.1)
Cash Flow from operating activities	155.0	244.0
Capex	(100.7)	(60.7)
Free Cash Flow	54.3	183.3
Interest paid, net	(44.8)	(44.6)
Other	(17.5)	(34.5)
Cash Flow used for financing	(62.3)	104.2
Proceeds from mandatory convertible notes, net	268.3	-
Acquisitions / Business combinations	(5.8)	(278.2)
Change in Net Debt	256.5	(174.0)
Business combination (acquisition of HDFS)	-	(407.1)
Currency translation	9.8	(39.6)
Change in Net Debt, incl. acquisition and translation effect	266.3	(620.7)
Net Debt		
- at the beginning of the period	1,753.3	951.1
- at the end of the period	1,487.0	1,571.8

Capex Evolution



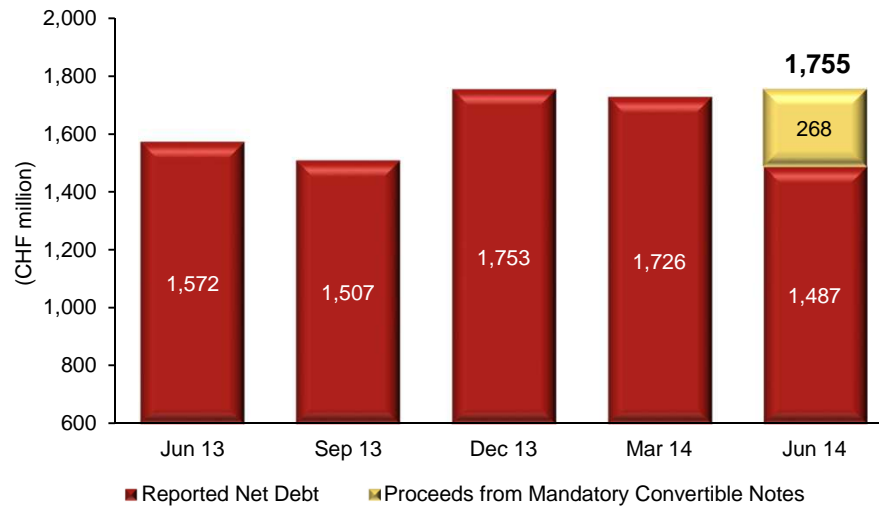
Core Net Working Capital Evolution¹



¹ Inventories + Trade and credit card receivables - Trade payables

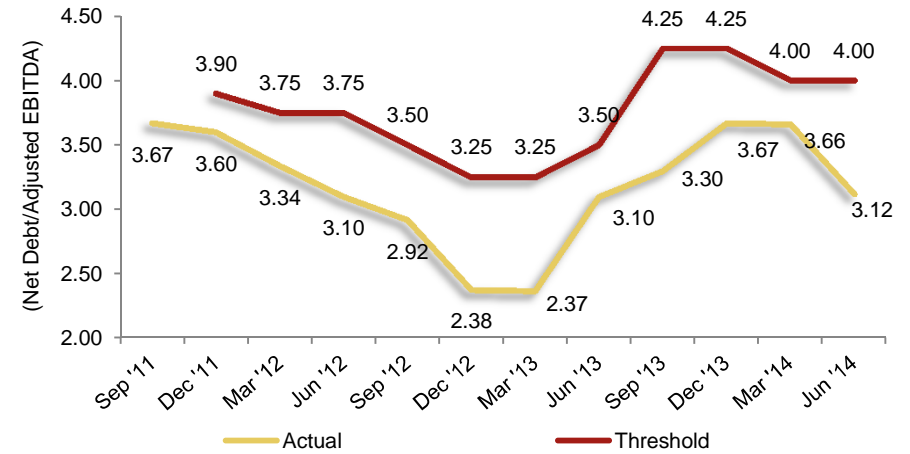
² Based on PF LTM turnover adjusted for acquisitions

Net Debt Evolution

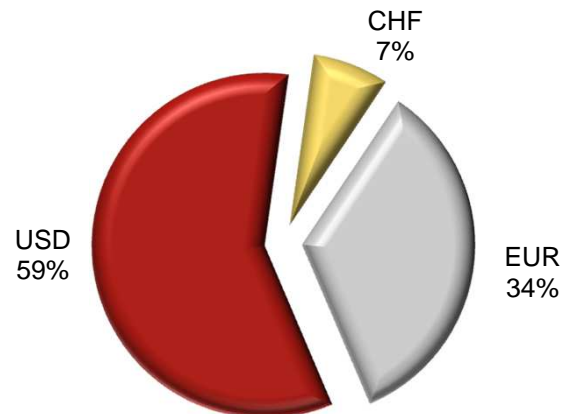


Cash out flows in relation to the Hellenic Duty Free Acquisition:
 - Apr/13: CHF 687 million
 - Dec/13: CHF 214 million

Covenants Evolution



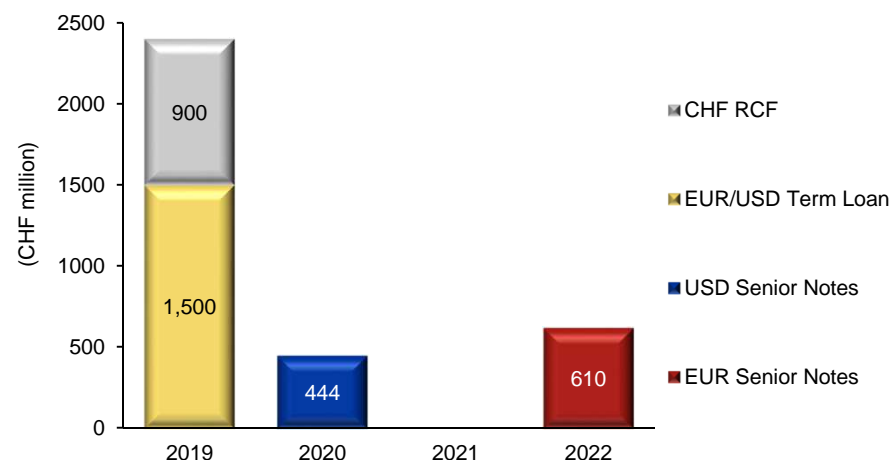
Debt Instruments



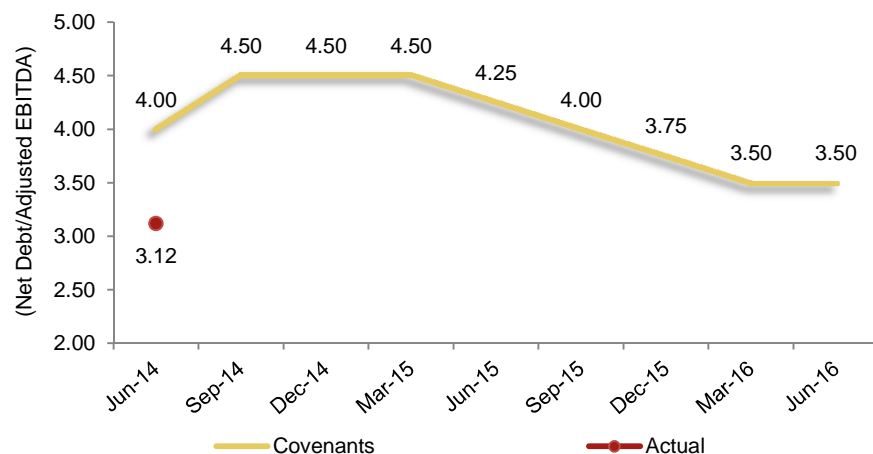
Debt Financing

- **Bond**
 - EUR 500 million
 - 4.5% coupon
 - Due in 2022
- **Existing ratings confirmed: Moody's Ba3, Fitch BB, S&P BB+**
- **Bank Financing**
 - Extended debt maturity profile to 2019
 - Refinancing completed on 22 July, 2014
- **Improved interest costs by 20 bps**

New Debt Maturity



New Covenants



Debt Instruments

	Amount	Amount Drawn as per 31.07.2014
	CHF equivalent	CHF million
Term Loans	1,500	1,500
RCF	900	-
USD Bond	444	444
EUR Bond	610	610
Total	3,454	2,554

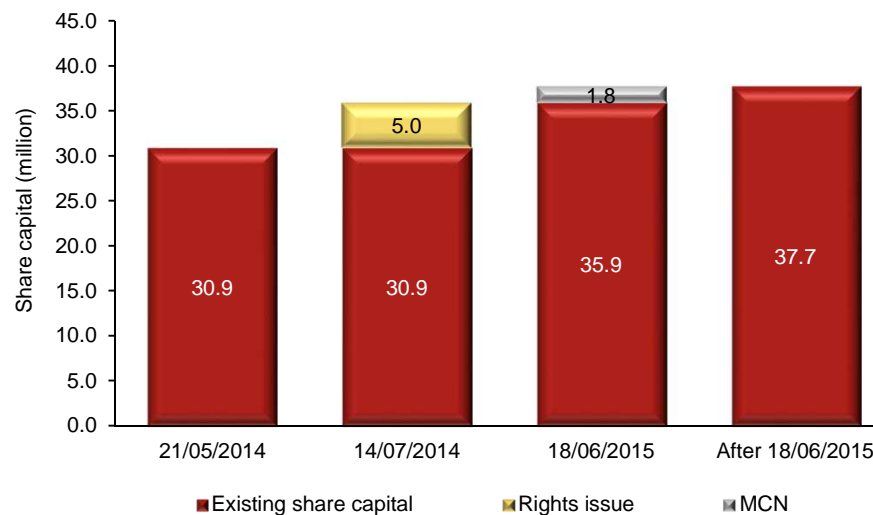
Mandatory Convertible Notes

- **CHF 275 million of gross proceeds**
 - 1,809,211 underlying shares
 - Conversion price at CHF 152 per share
- **Coupon of 2.0% per annum**
- **Due on 18 June, 2015**

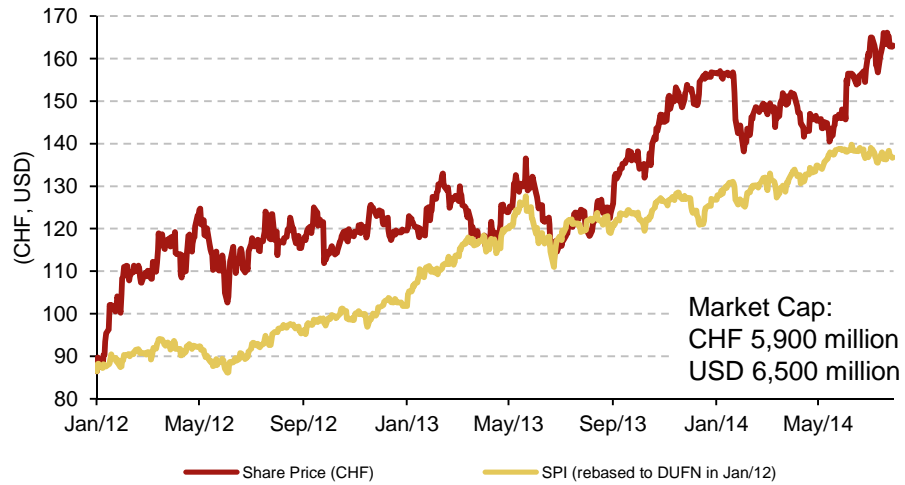
Equity

- **At market rights issue**
- **Approx. CHF 810 million**
 - Total five million shares issued
- **First trading day of new shares on 14 July, 2014**

Evolution of Share Capital

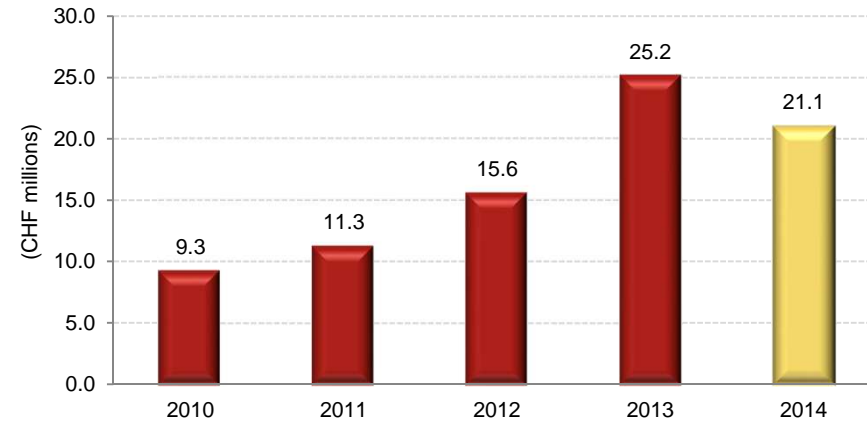


Dufry Share Price



Note: Until 29/07/2014

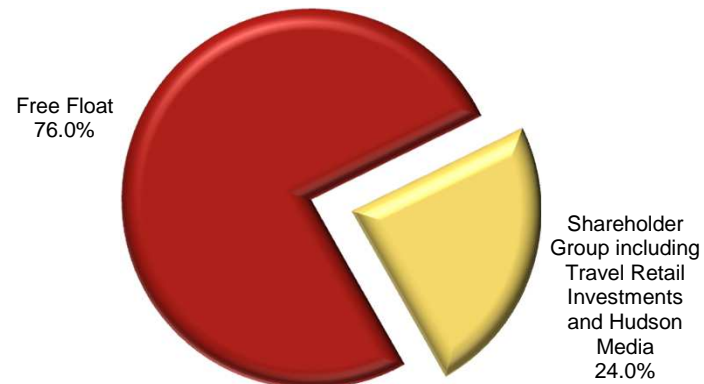
Daily Average Trading Volume in CHF



Note:

- (1) Since April 2010 including trading volumes of Dufry AG BDR.
- (2) 2014 until 29/07/2014

Shareholder Structure



3. Conclusion

- **Most of shops expected for 2014 opened**
- **Drive profitable growth in existing business through operational improvements**
- **Nuance acquisition**
 - Long-term financing in place
 - Resources for the acquisition ready
 - Closing expected for Q3
- **Fundamentals for the travel retail industry remain solid**
 - International passengers to grow 4.0% in 2014



Guarulhos Airport T3, Brazil - Departure Shop