



D U F R Y

Full Year Results 2014

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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

Highlights

Strategy

Financials

Outlook



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Highlights 2014



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**CHF 4,196.6
million**

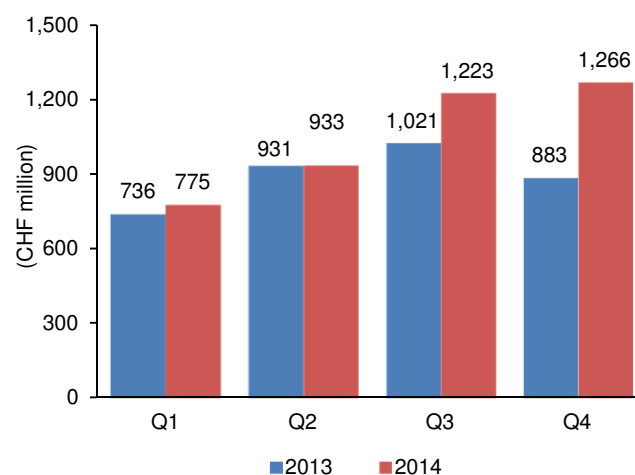
Turnover in 2014

Full Year Results 2014
12 March 2015

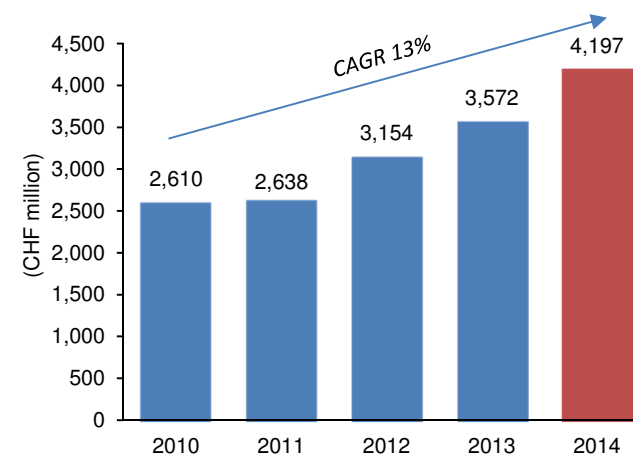
Sustainable turnover growth

- Turnover increases to CHF 4,196.6 million
 - Turnover growth in constant FX rates of 18.9%; reported growth of 17.5%
 - Like-for-like growth of 1.1%
 - Gross new concessions 4.4 %
 - Acquisitions 16.4%

Turnover 2014 by Quarter



Turnover 2010 -2014





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Double-digit growth
in the US & Canada
in constant FX

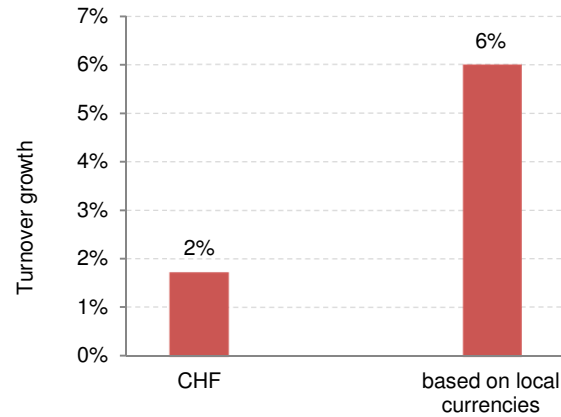
Strong performances
in Central & Latin
America when
measured in local
currencies

High volatility of BRL
und RUR seen in Q4
2014 likely to
continue in 2015

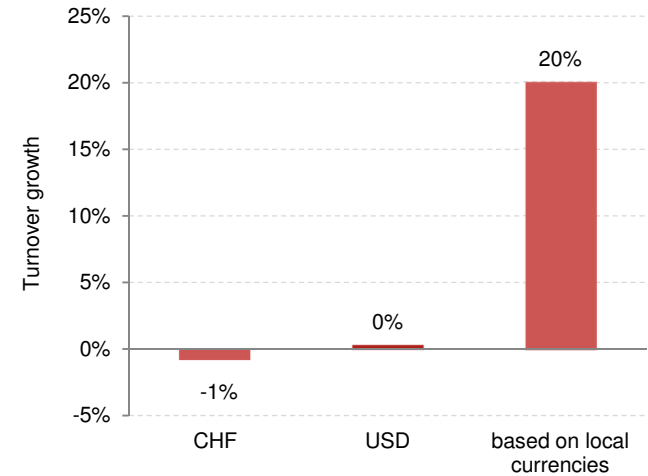
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Turnover performance by region

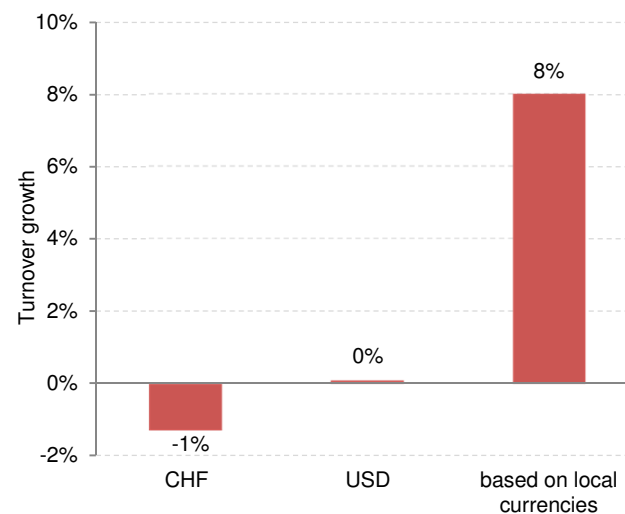
EMEA & Asia



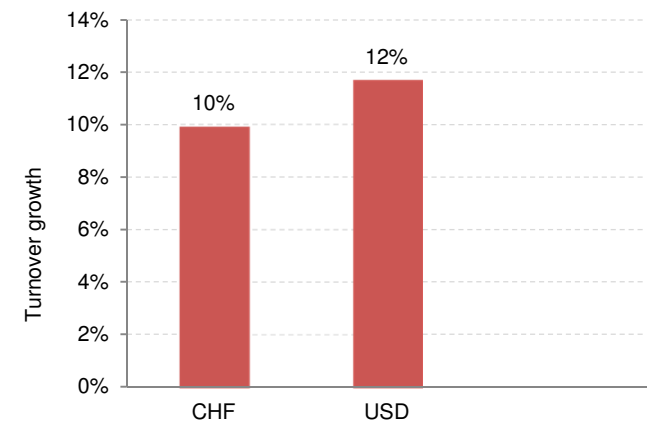
America I



America II



US & Canada





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58.7%

Gross profit margin

13.8%

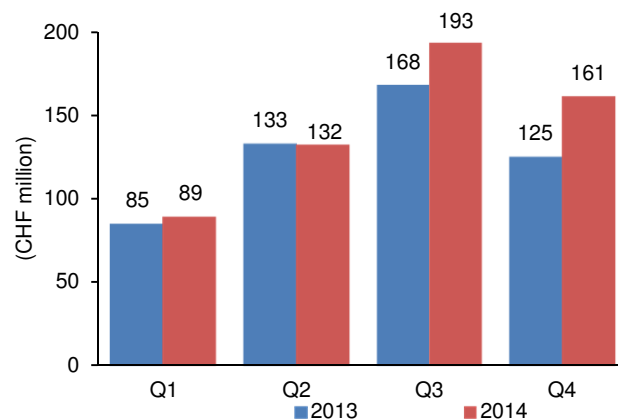
EBITDA growth in constant FX rates

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12 March 2015

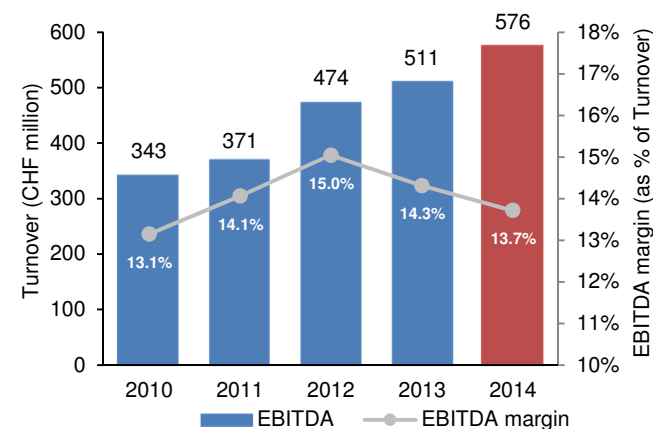
Gross profit and EBITDA increase

- Gross profit increases to CHF 2,463.1 million with a margin of 58.7%
 - Gross profit margin excluding Hellenic and Nuance reached 59.6%
- EBITDA reaches CHF 575.6 million
 - EBITDA margin reported 13.7%
 - EBITDA margin excluding Nuance 14.2%

EBITDA 2014 by Quarter



EBITDA 2010 -2014



- Pro-forma* net earnings to equity holders of the parent CHF 96.9 million
 - Net earnings to equity holders of the parent CHF 50.8 million

* Excluding non-recurring cost related to Nuance acquisition



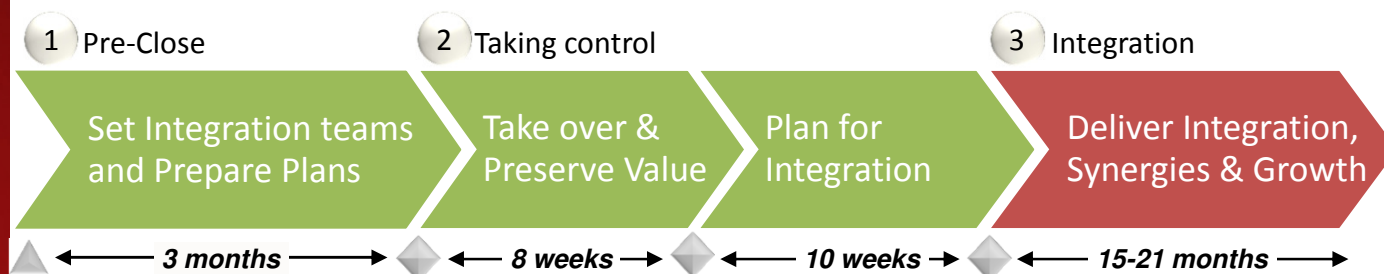
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**CHF 70 million
of synergies confirmed**

**Implementation
completed by end
2015; full impact of
synergies as of
FY 2016**

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Nuance integration proceeding according to plan



- Final integration plans ready, execution ongoing
 - ✓ Detailed definition of regional and country organizations started; functional integration plans defined to generate synergies
 - ✓ HQ Organization completed and rolled out
 - Integration of operational processes, procurement and logistics ongoing
 - Integration of IT applications started
 - Integration of supplier management and alignment of sourcing started
 - Alignment of training for sales employees started



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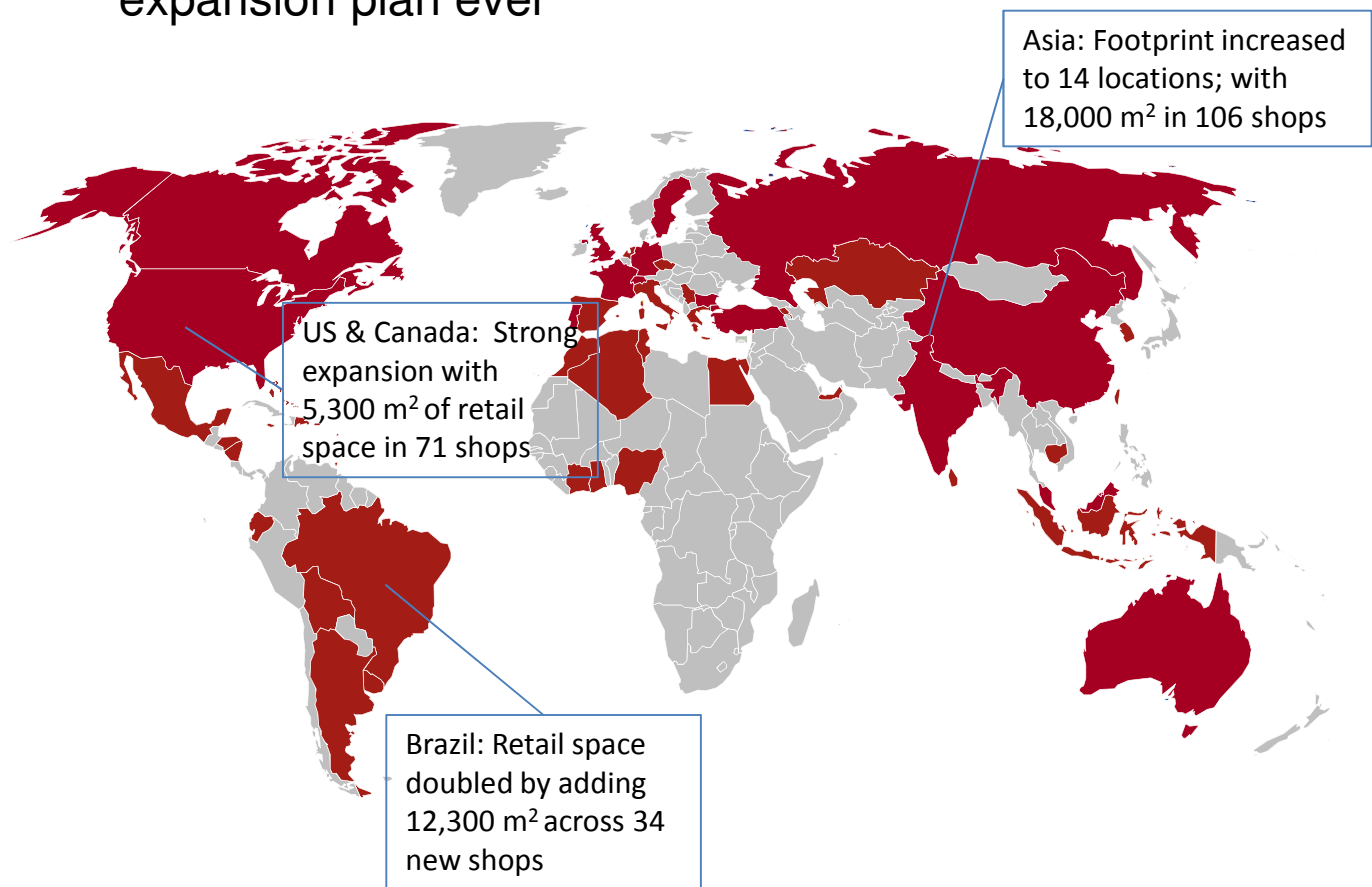
167

shops opened in total
at Group level

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Execution of the biggest expansion plan in the company's history

- In 2014 Dufry opened a total of 167 shops throughout the group and all regions, thus executing the biggest expansion plan ever





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71

**shops opened in
US & Canada**

14

**Asian locations now
covered**

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Market penetration increased and additional retail space signed

- New retail space in Brazil supporting growth
 - New operations supporting growth; +8% in 2014 when measured in Brazilian Reais
 - Concession of Rio International Airport renewed until 2020
 - Most of Brazilian business secured for next 5-10 years
 - Strong development in both duty-free (24 shops; 9,500 m² and duty-paid (10 shops; 3,100 m²)
 - Duty-paid has significant growth potential through the roll-out of Dufry Shopping and Hudson
- Considerable expansion in US & Canada
 - Opening of a total of 71 new shops; 5,300 m²
- Asian footprint extended to 14 locations
 - New operations opened in China, Bali South Korea and Sri Lanka.
 - In total Dufry added 9,800 m² across 58 shops in Asia through openings and the acquisition of Nuance



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Walk-through
concept set up in
Athens with
expansion of retail
space and opening of
14 shops

Hudson and Dufry
Shopping duty-paid
concepts ready for
internationalization

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Ongoing global expansion with different shop concepts

- Strong expansion in Greece (Hellenic Duty Free)
 - Athens: Implementation of walk-through concept and expansion of retail space from 1,150 m² to 1,750 m² across 14 shops
 - Rhodes: Refurbishment and expansion of duty-free shop for a total of 1,500 m² of retail space
- «Hudson»: International expansion of a proven, successful duty-paid concept
- «Dufry Shopping»: successfully launched in Brazil, ready for international deployment
- Asian expansion plan
- Over 14,000 m² new retail space already signed
 - New contracts signed mainly in EMEA & Asia as well as America II



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Efficiency plan in preparation to follow new Group organization implementation

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New efficiency plan being prepared; to be implemented upon definition of new structure

OPEX & PEX on Top of Nuance Integration Synergies

Regions

- Country-by-country internal benchmark of cost levels
- Priority large & medium sized countries identified
- Regions run initiatives, HQ to provide support & guidance
- Continue to increase focus on cost

Functions

- Country-by-country internal benchmark of functions
- Priority functions identified to be optimized through functional global Operating Models
- Global functions define the initiatives, aligned with regions

CHF ~50M

Full run-rate impact expected by Q2 2016



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**Valid and robust
business model**

**Risk management
through
diversification in
geographic footprint
and channels**

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Business model valid and robust; risk diversification strategy & natural hedge

- Dufry's business model is resilient and robust
 - Ongoing growth of passenger numbers (PAX)
 - Opportunities to grow like-for-like and new concessions in duty-free and duty-paid sector
 - Successful retail concepts ready for international expansion
 - Additional potential for industry consolidation
- Diversification strategy successfully minimizes operational risks by expanding the geographic footprint as well as through several proven retail concepts
- Dufry actively fosters natural hedge by matching revenues and costs in the same foreign currencies, thus protecting margins and competitiveness
 - Currency matching also applied to debt structure
- Trading update

Strategy



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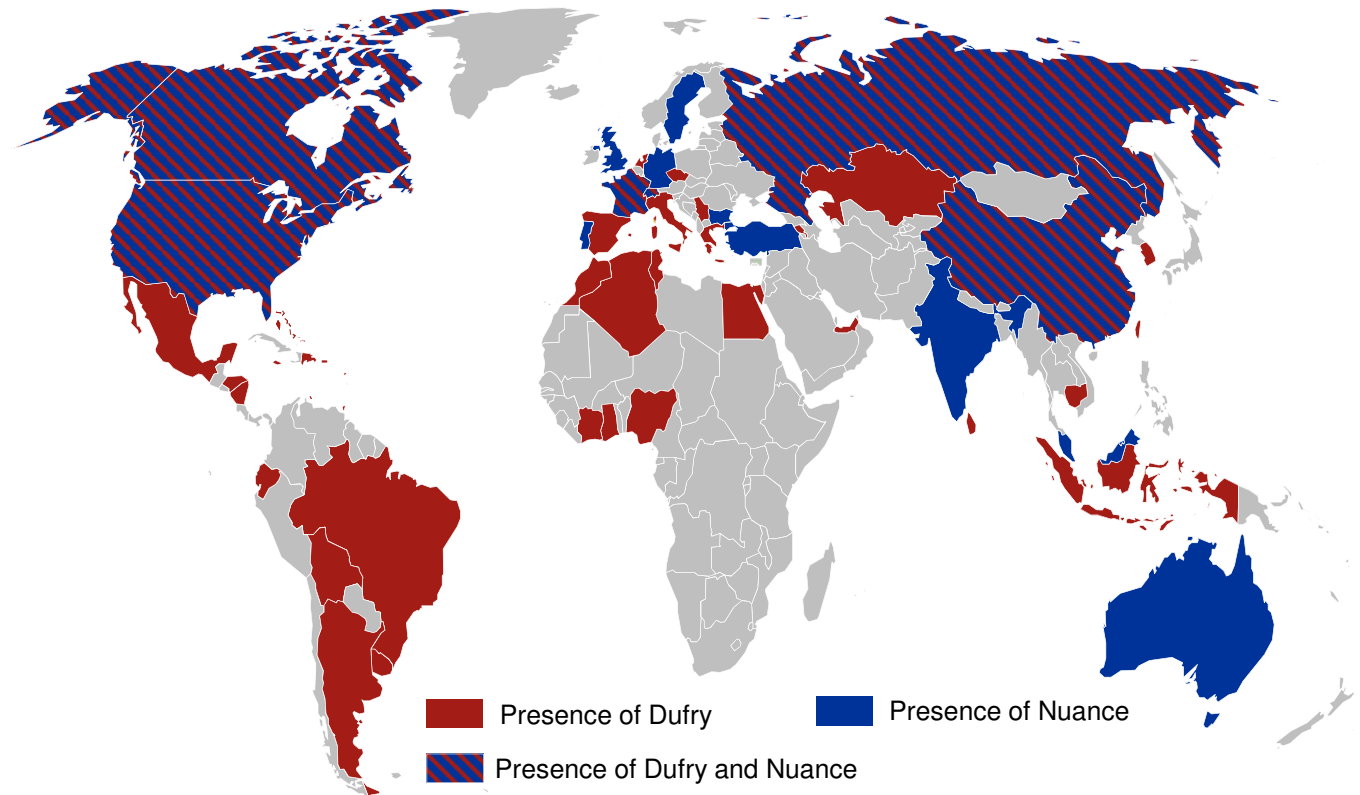


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Geographic
diversification
increased

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Global footprint further extended



- Dufry further extended its local footprint with the Nuance acquisition; key regions are:
 - Mediterranean
 - Asia
 - US & Canada



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Well balanced geographic diversification

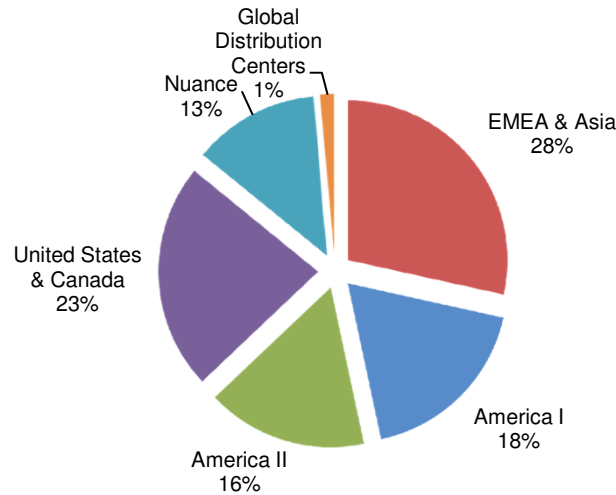
Airports remain major channel

Additional growth potential identified in duty-paid sector

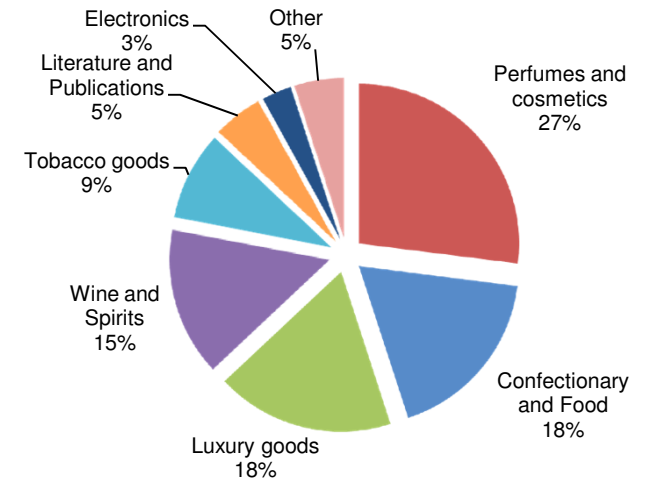
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Dufry's segmentation

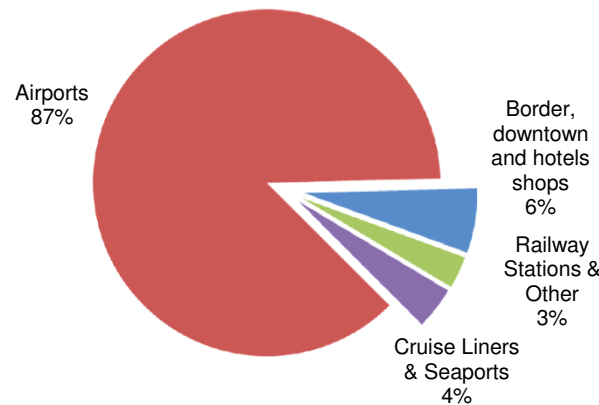
Dufry by Region FY 2014



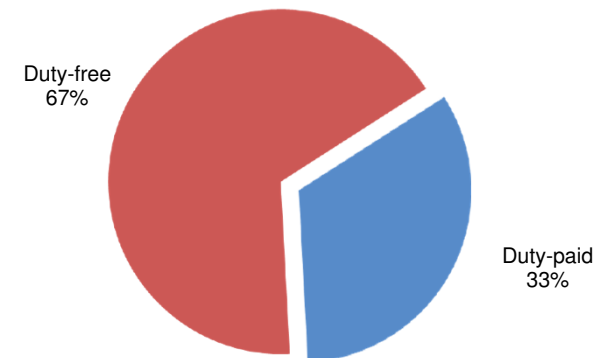
Dufry by Category FY 2014



Dufry by Channel FY 2014



Dufry by Sector FY 2014





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21 %

Top line growth p.a. in constant FX rates

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Strong execution of growth strategy

Average Growth 2005 - 2014

Like-for-like

4% p.a.

Passengers

- Significant historic and projected growth in all areas

Productivity

- Penetration
 - Improved retail concept
 - Marketing and branding
- Average spend per transaction
 - Product mix

Pricing

Spent per passenger

New Concessions

4% p.a.

New contracts

Expand exist. shops

Discont. operations

Acquisitions

13% p.a.

Total Growth in Constant FX Rates

21% p.a.*

* FX effect -4% p.a.



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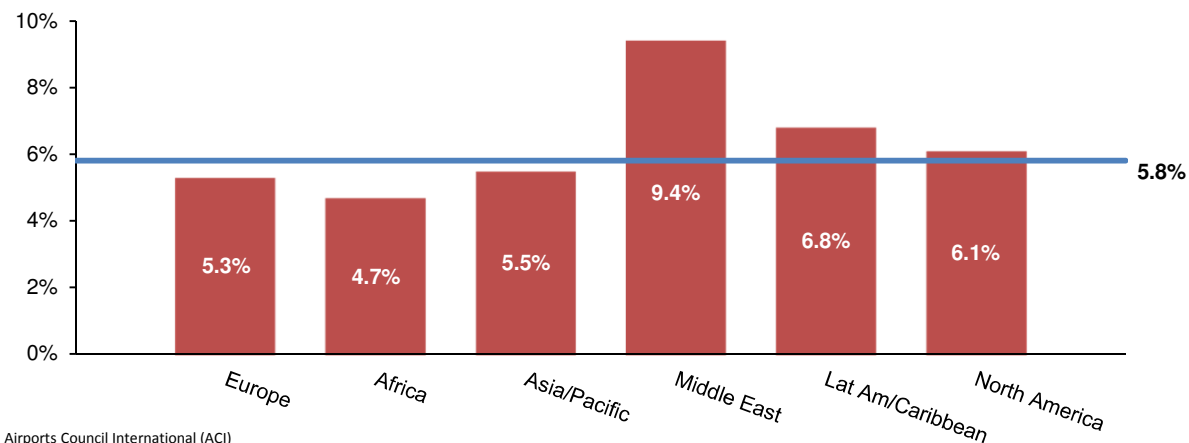
4.8%

Average global passenger growth p.a. in the next 3 years with regional differences

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Good prospects for PAX growth in the next 3 years

Global International PAX Growth in FY 2014



Source: Airports Council International (ACI)

Evolution of the International PAX Forecasts

	2015	2016	2017
Europe	6.7%	4.3%	6.1%
Africa	8.6%	1.4%	1.4%
Asia/Pacific	6.4%	5.2%	4.9%
Middle East	10.3%	8.5%	7.8%
LatAm/Caribbean	2.8%	4.5%	4.3%
North America	4.6%	2.1%	2.1%
World	6.5%	4.0%	3.9%

Source: Air4casts (30/01/2015)



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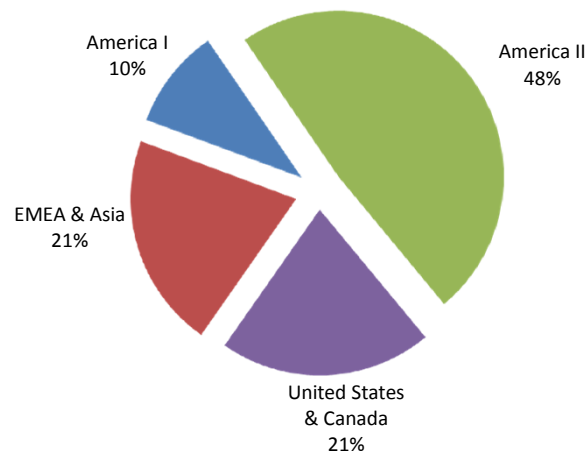
25,400 m²
of additional retail
space opened
in 2014

9%
of space contribution
from openings. 4%
net, considering
closings from
2009 to 2014

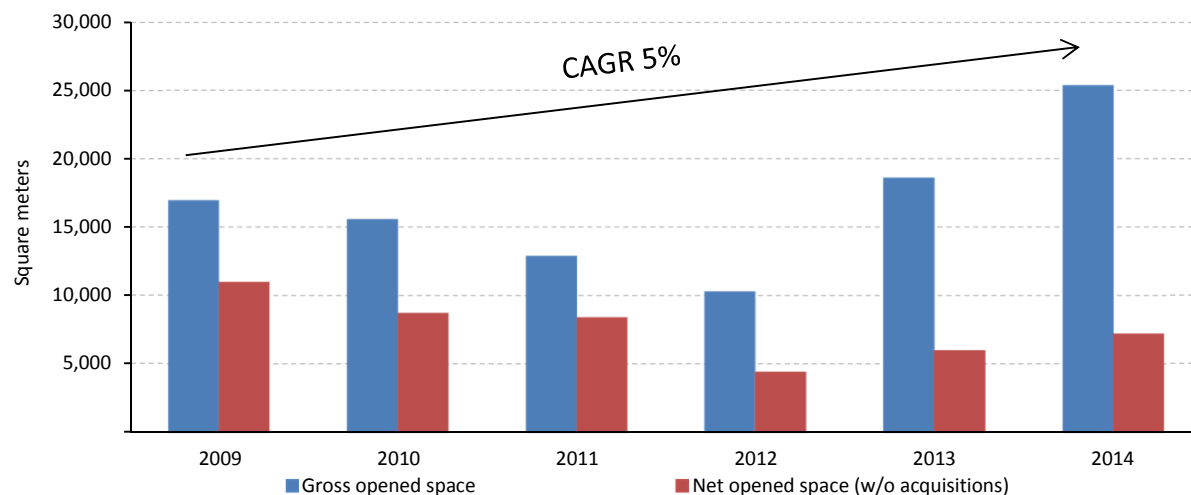
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Opening of new retail space

Openings 2014



Evolution New Retail Space





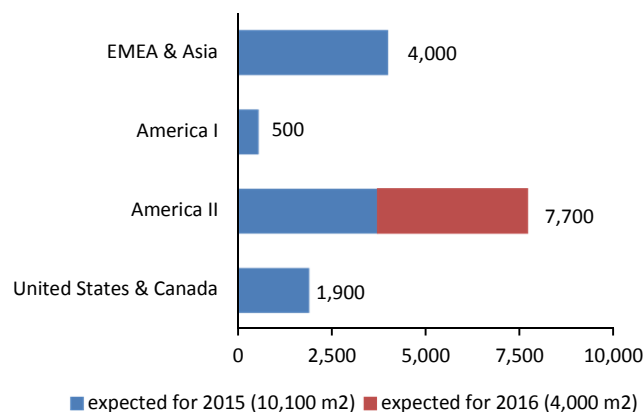
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14,100 m²
additional retail
space already signed
for opening

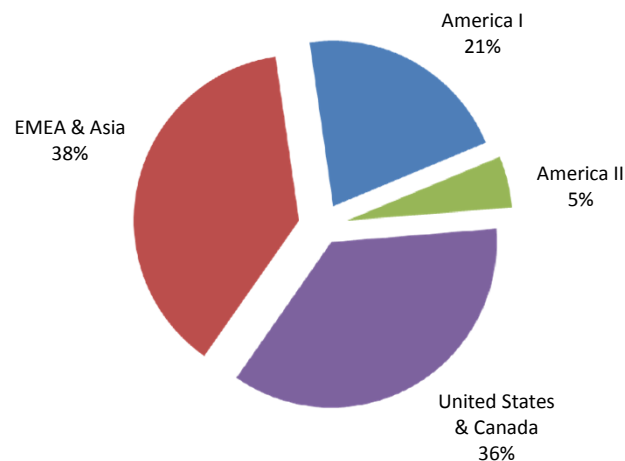
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Strong project pipeline

14,100 m² Signed Space



Project Pipeline: 40,000 m²



- Among the main openings are:
 - Several locations in EMEA and Asia
 - Rio de Janeiro and Viracopos airports in Brazil
 - Hudson stores and brand boutiques in the US
- Strong pipeline of potential new projects
 - Average execution time of 12-18 month

Financials
2014



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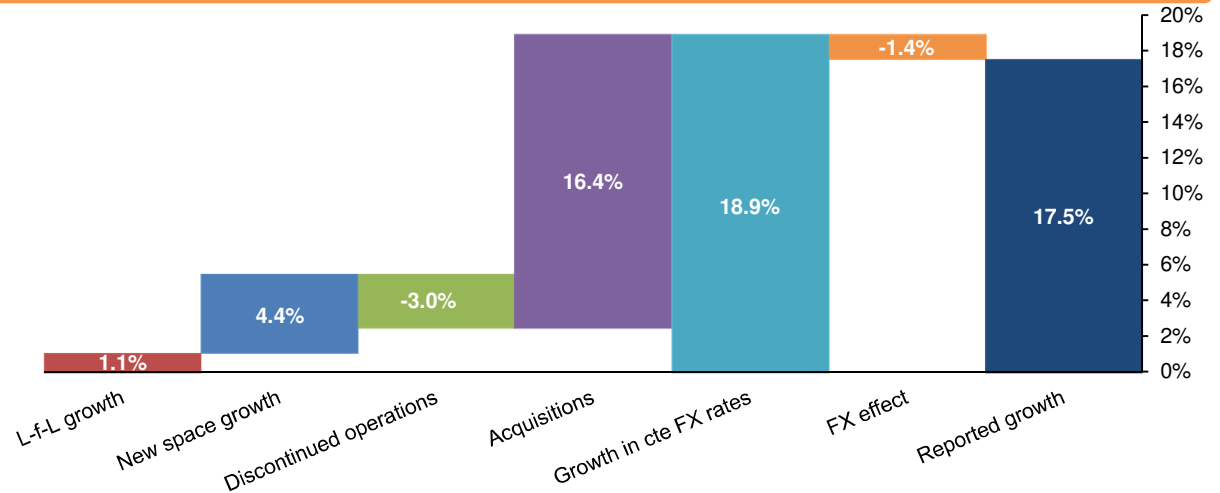
18.9%

Turnover growth in constant FX rates

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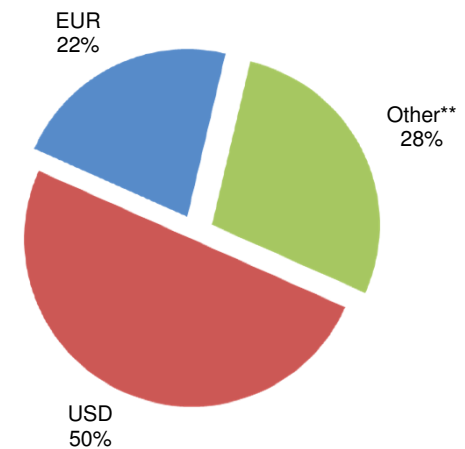
Analysis of turnover growth

Growth Components FY 2014



- L-f-L growth impacted by devaluation of local currencies
- Strong growth contribution from new concessions

Turnover by Currency*



* Pro-forma including Nuance LTM
** Other includes CHF, SGD and other currencies



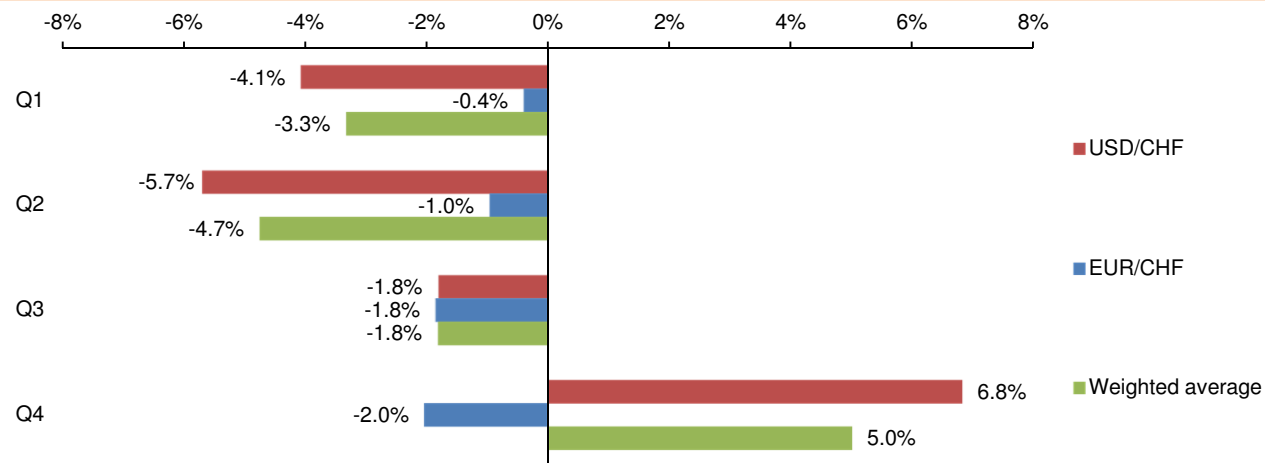
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Dufry generates most of its sales and costs in matching foreign currencies, and thus benefits from a natural hedge that protects profitability and the respective margins

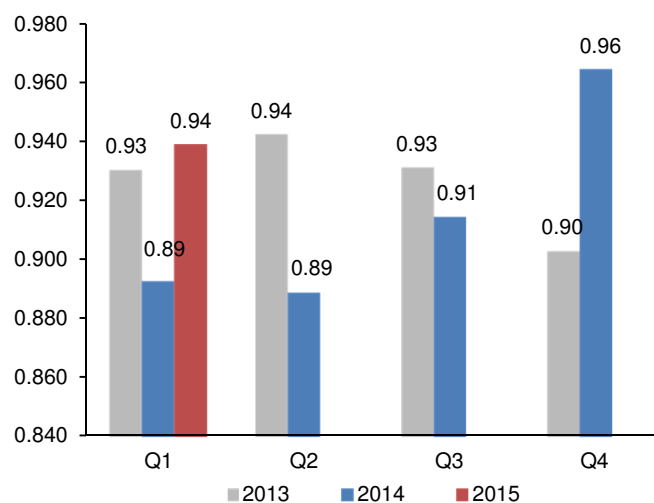
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Aggregated FX development

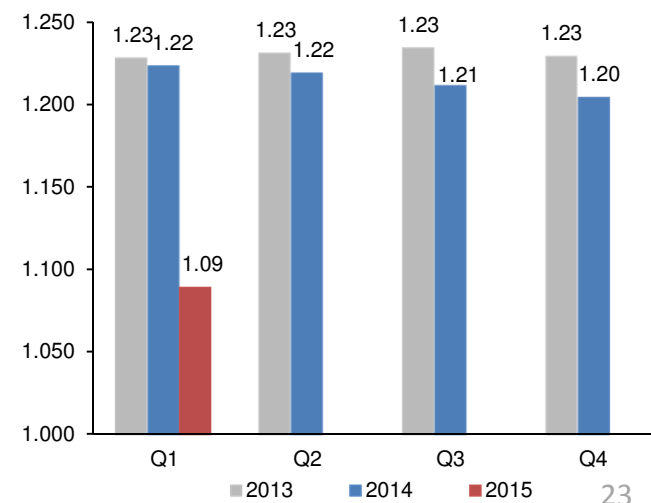
CHF / USD Development



CHF/USD Development



CHF/EUR Development



* 2015 until 20/02/2015



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Nuance consolidation
impacting all
elements of P&L

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Income statement

Income Statement 2014

(CHF million)	2014	%	2013	%
Turnover	4,196.6	100.0%	3,571.7	100.0%
Gross profit	2,463.1	58.7%	2,105.7	59.0%
Concession fees	(966.0)	23.0%	(771.8)	21.6%
Personnel expenses	(609.7)	14.5%	(538.1)	15.1%
Other expenses	(314.1)	7.5%	(284.7)	8.0%
Share of result of associates	2.3			
EBITDA⁽¹⁾	575.6	13.7%	511.1	14.3%
Depreciation	(88.2)	2.1%	(71.1)	2.0%
Amortization	(160.9)	3.8%	(121.8)	3.4%
Other operational result	(61.1)		(37.4)	
EBIT	265.4	6.3%	280.8	7.9%
Financial result	(159.5)		(100.0)	
EBT	105.9	2.5%	180.8	5.1%
Income tax	(20.3)		(33.2)	
As % of EBT	19.2%		18.4%	
Net Earnings from continuing operations	85.6	2.0%	147.6	4.1%
Net Earnings from discontinued operations	-0.8			
Net Earnings	84.8	2.0%	147.6	4.1%
Non-controlling interests	(34.0)		(54.6)	
Equity holders of the parent	50.8	1.2%	93.0	2.6%
Pro-forma Net Earnings to Equity holders of the parent⁽²⁾	96.9	2.3%	93.0	2.6%

(1) EBITDA before other operational result

(2) Excluding non-recurring cost related to Nuance acquisition



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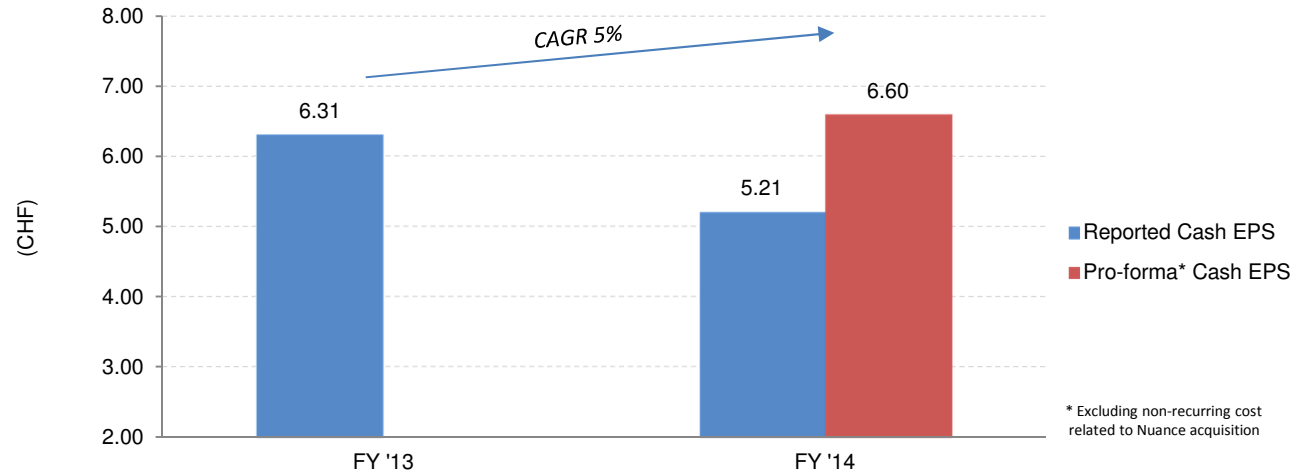
Cash EPS adjusted for one-offs shows growth of 5 %

Pro-forma Cash EPS is adjusted for one-offs from acquisition activities, thus providing a better base for comparison

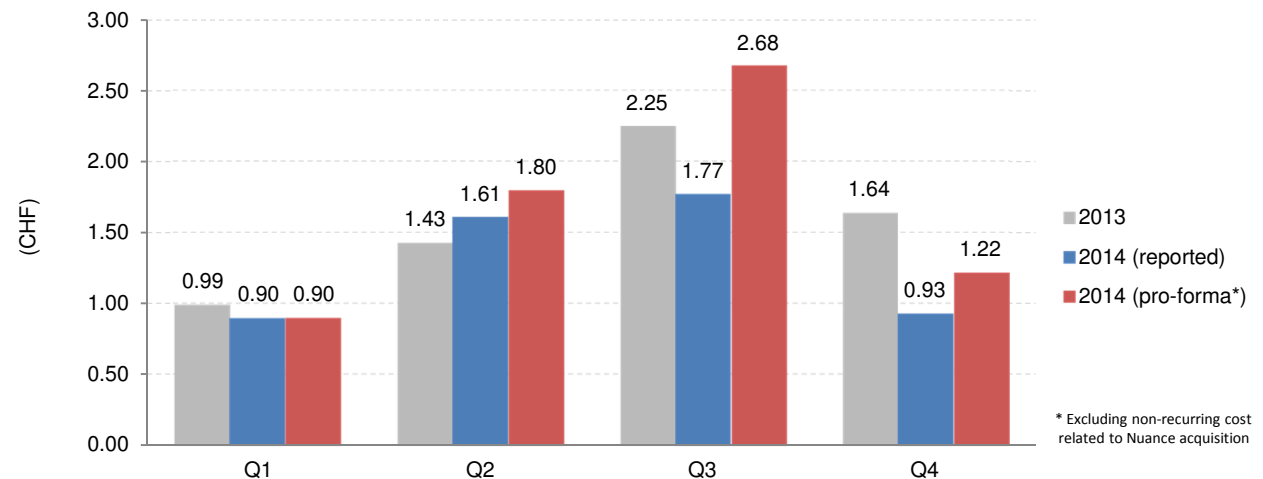
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Cash earnings per share

Cash Earnings per Share



Seasonality of Cash EPS





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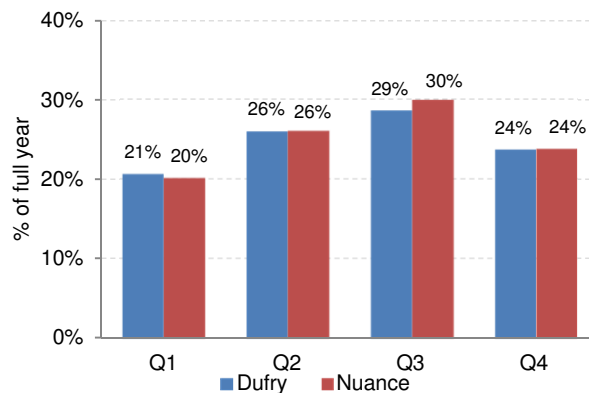
Dufry's turnover and EBITDA seasonality will be intensified by the Nuance consolidation.

Due to seasonality Nuance to contribute negatively to earnings in Q1 2015.

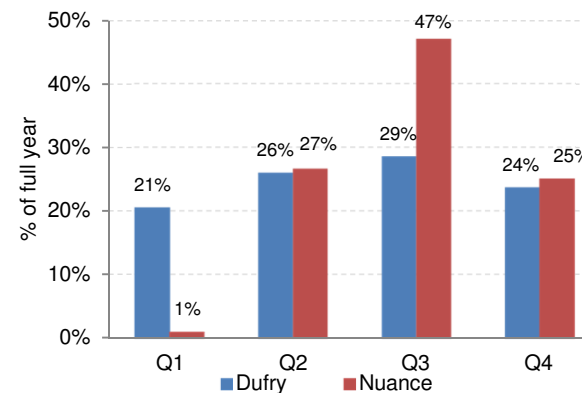
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Dufry / Nuance seasonality

Turnover Seasonality

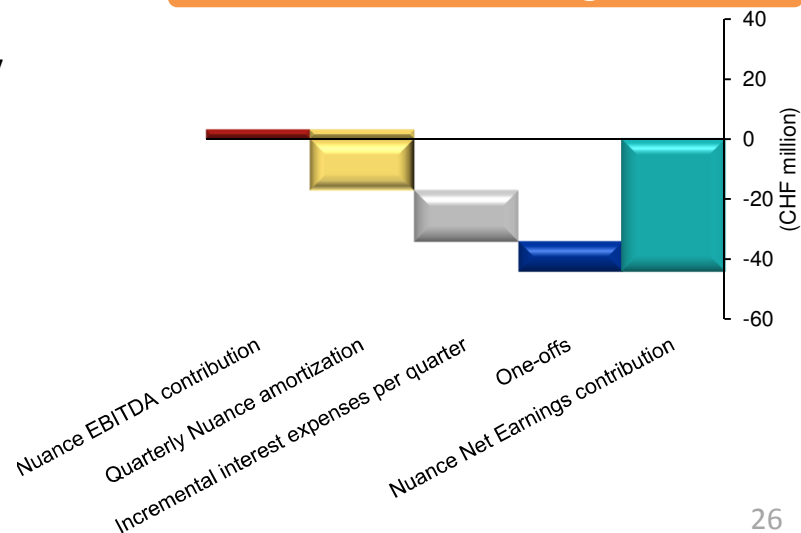


EBITDA Seasonality



- Dufry's business is seasonal, with the strongest quarter being Q3
- Nuance acquisition will intensify this seasonality, as Q1 and Q4 are relatively less important for Nuance
- Operational leverage results in higher EBITDA seasonality
- Nuance will also increase EBITDA seasonality
- Fixed cost items below EBITDA

Illustrative Net Earnings Q1 2015





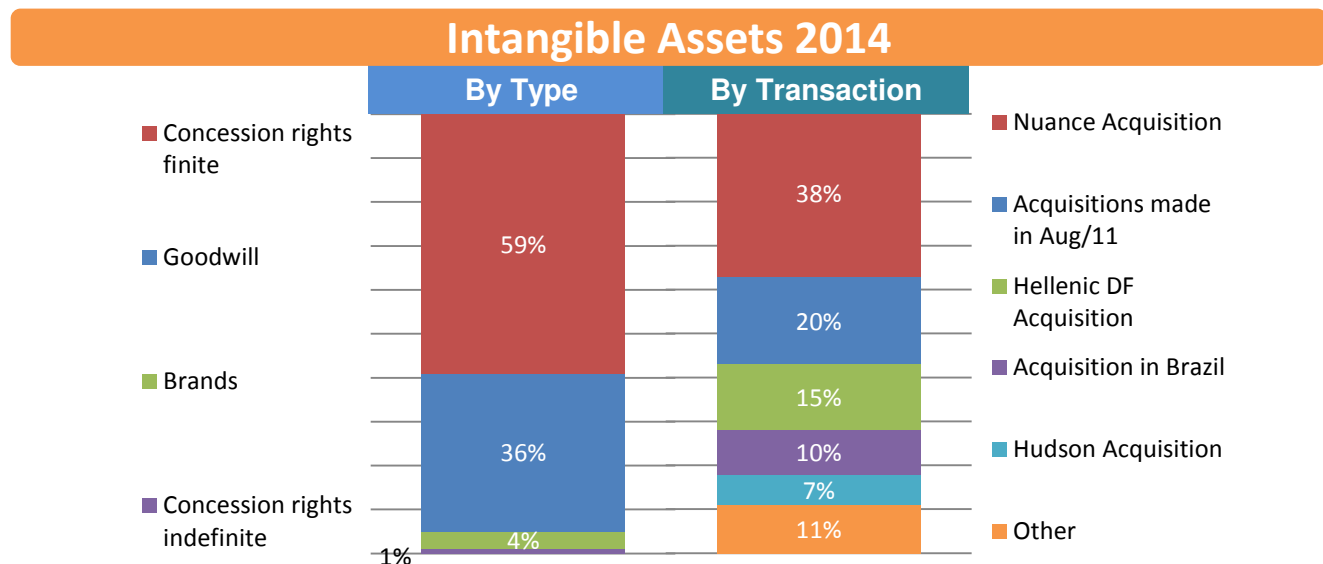
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Increase in intangible assets is related to acquisition activity

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Balance sheet

Balance Sheet			
(CHF million)	31.12.2014	31.12.2013	Variation
PP&E	435	314	122
Intangible assets	4,723	2,734	1,989
Other non current assets	180	62	117
Net Working Capital	442	290	152
Other current assets	238	160	79
Discontinued operations assets, net	2	-	2
Equity	2,459	1,267	1,191
Net Debt	2,354	1,753	601
Non current liabilities	165	68	98
Deferred tax liabilities, net	221	107	114
Other current liabilities	821	364	457





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**Strong cash flow
sustained largest
expansion plan ever**

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Cash flow statement

Cash Flow Statement

(CHF million)	FY '14	FY '13
EBITDA before other operational result	575.6	511.1
Changes in net working capital	(38.6)	(25.4)
Taxes paid, other operational items	(145.5)	(50.6)
Net Cash Flow from operating activities	391.5	435.1
Capex	(197.6)	(140.3)
Free Cash Flow	193.9	294.8
Interest paid, net	(102.9)	(90.0)
Other	(74.4)	(304.9)
Cash Flow used for financing	(177.3)	(394.9)
Proceeds from issuance of shares and mandatory convertible notes, net	1,009.1	-
Acquisitions / Business combinations	(1,124.4)	(943.0)
Change in Net Debt	(98.7)	(1,043.1)
Net Debt from The Nuance Group (2014), HDFs (2013)	(261.3)	(406.9)
Currency translation	(241.2)	23.9
Change in Net Debt, incl. acquisition and translation effect	(601.2)	(802.2)
Net Debt		
– at the beginning of the period	1,753.3	951.1
– at the end of the period	2,354.5	1,753.3



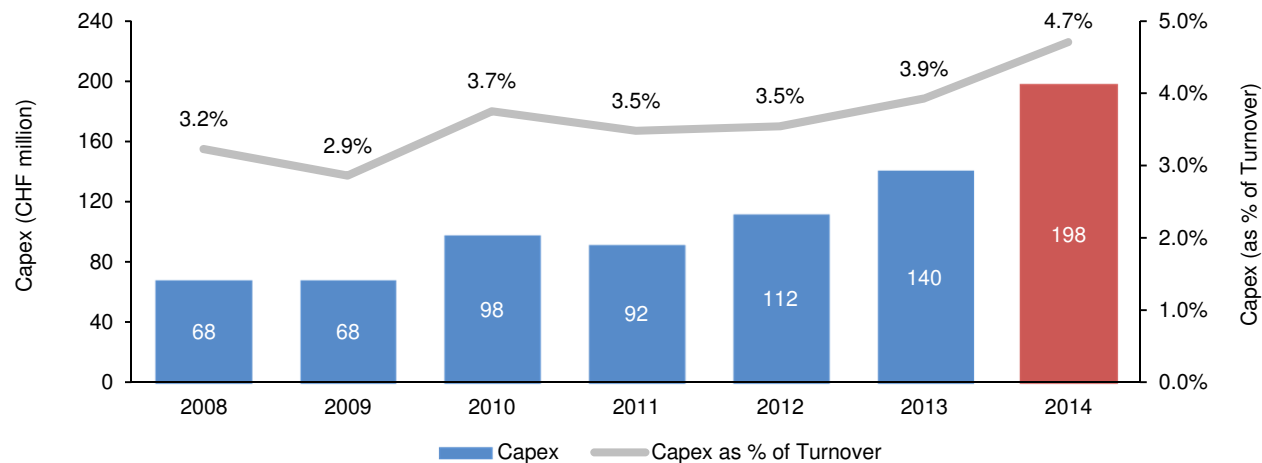
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Capex levels in 2014 are related to biggest expansion plan ever executed; expected to come back to historical levels as of 2015

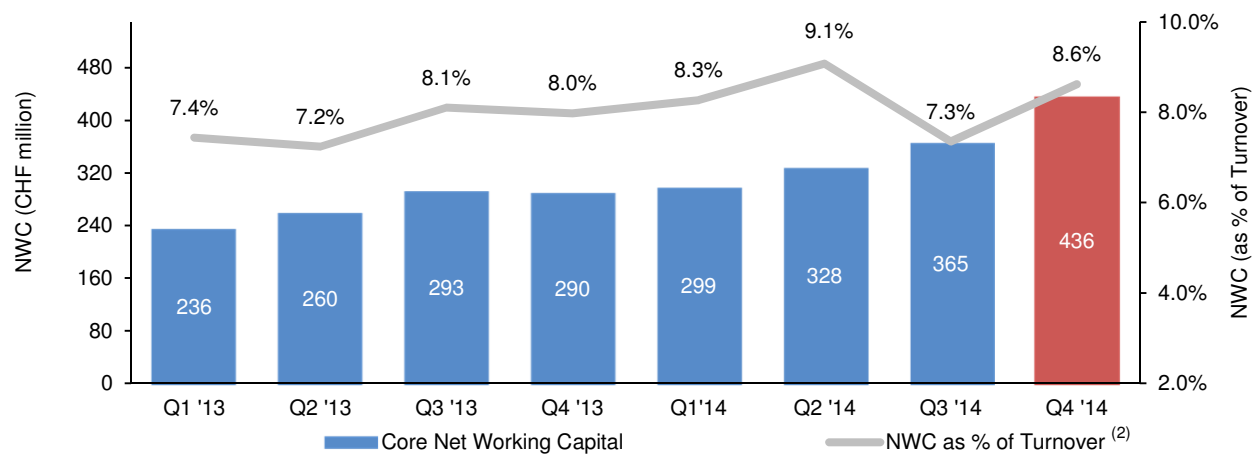
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Capex & Net Working Capital

Capex Evolution



Core Net Working Capital Evolution ⁽¹⁾



⁽¹⁾ Inventories + Trade and credit card receivables - Trade payables

⁽²⁾ Based on PF LTM turnover for HDFS and Nuance (excluding Singapore)



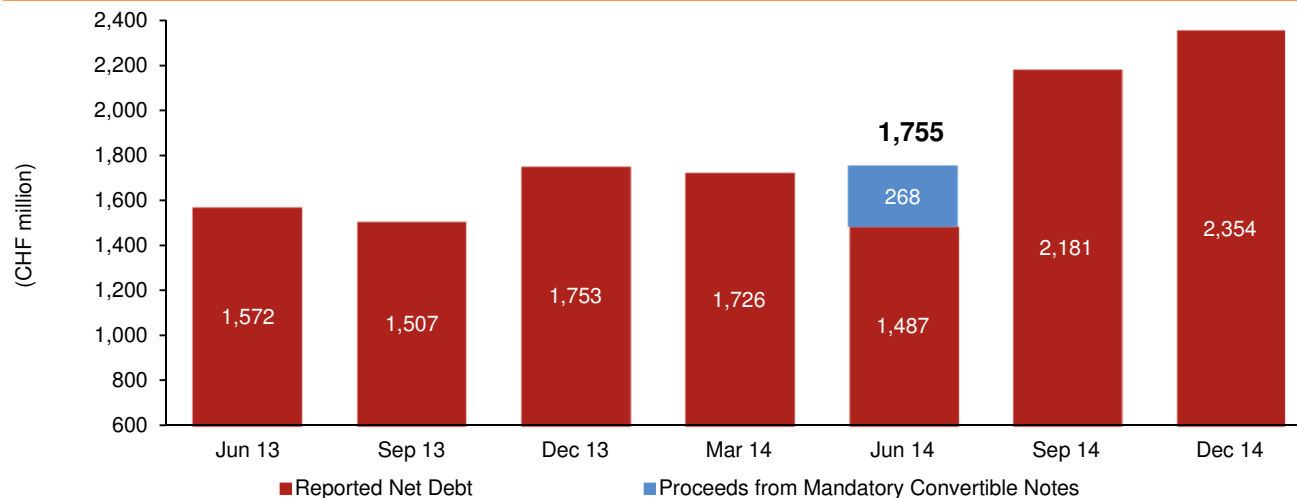
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Bank debt has been refinanced in 2014; moving all maturities to 2019

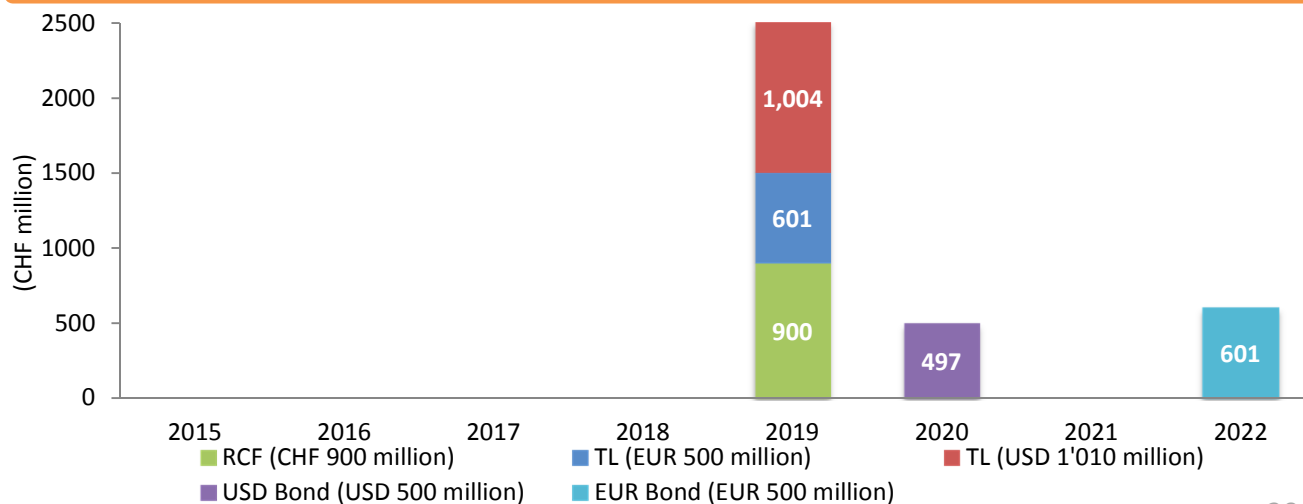
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Financing & Covenants (1)

Net Debt Evolution



Debt Maturity



As of 31, December 2014



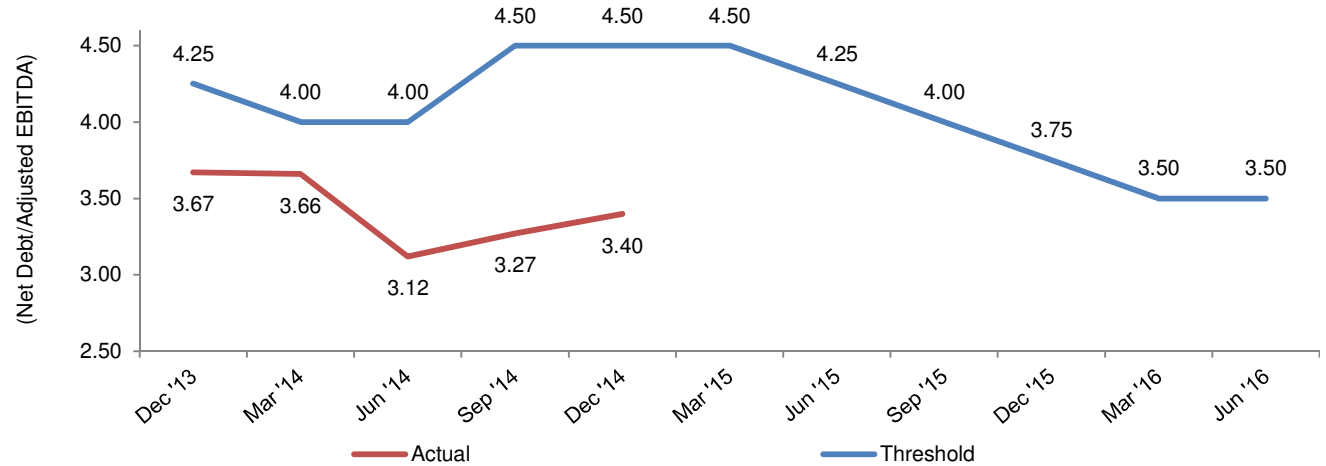
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Net debt by currency reflects cash flow generation by currency, thus contributing to well balanced natural hedge

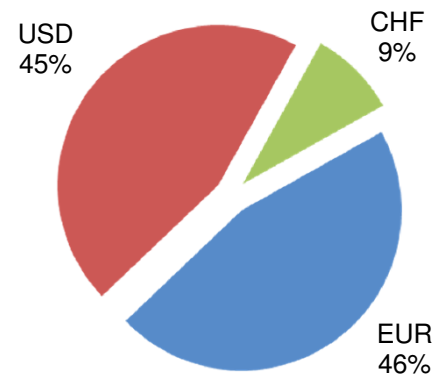
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Financing & Covenants (2)

Covenants Evolution



Net Debt by Currency



Conclusion



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**Nuance integration
to be completed
by end 2015**

Delivering of synergies of Nuance integration

- Nuance integration will be the priority going forward
 - Integration being executed at all organizational, commercial and operational levels
 - Integration to be completed as per end 2015 as planned
 - CHF 70 million synergies confirmed – full impact as of FY 2016
- Efficiency plan to follow once new organization is implemented
- Asia and Hudson international expansion

Thank you



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