

# HY RESULTS 2012

D U F R Y

JULY 2012

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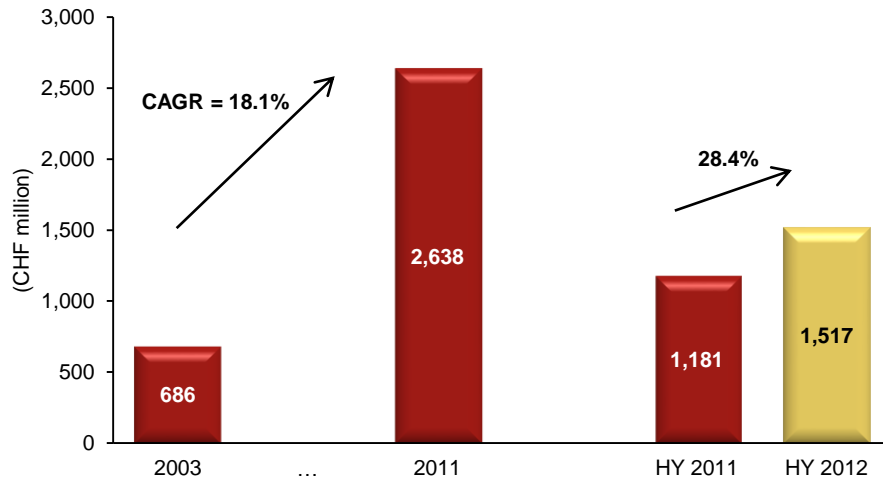
**1. Review of HY 2012**

**2. Financials**

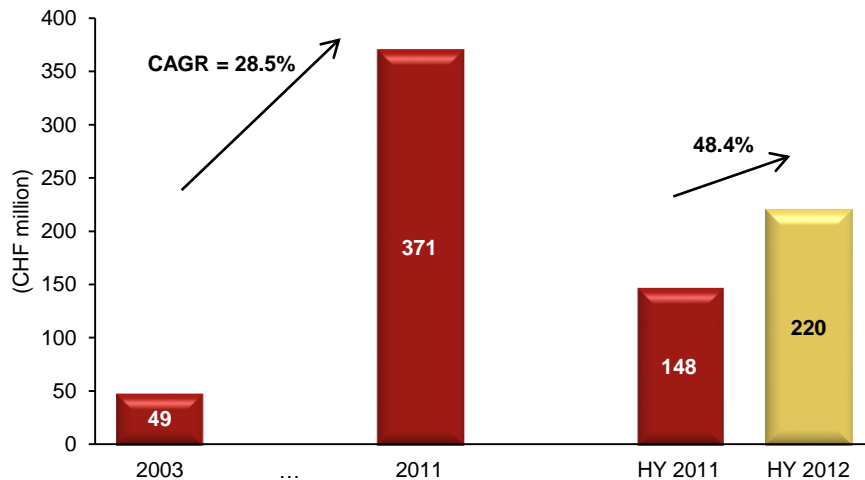
**3. Conclusion**

## **1. Review of HY 2012**

## Turnover Evolution



## EBITDA Evolution

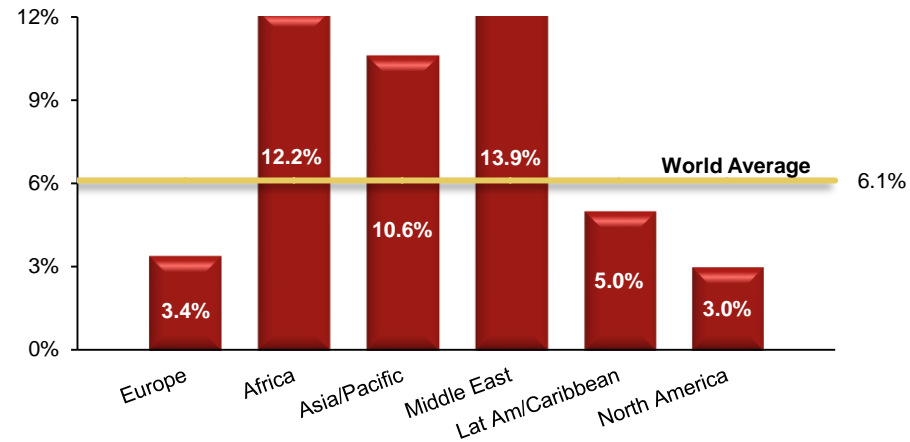


- Turnover grew by 28.4% to CHF 1,517 million
  - Organic growth of 7.5%
  - Contribution from acquisitions: 19.5%
- Gross margin improved to 58.8% from 58.0%
  - “Dufry plus One” initiative continue delivering results
  - First synergies from acquired businesses
- EBITDA<sup>(1)</sup> increased by 48.4%
- EBITDA margin growth by 190bps to 14.5%
  - Synergies from acquired businesses
  - Disciplined approach to costs
- Net earnings improved 36.4% to CHF 77.9 million
- Core EPS grew by 51.6% to CHF 3.85

<sup>(1)</sup> Before other operational results

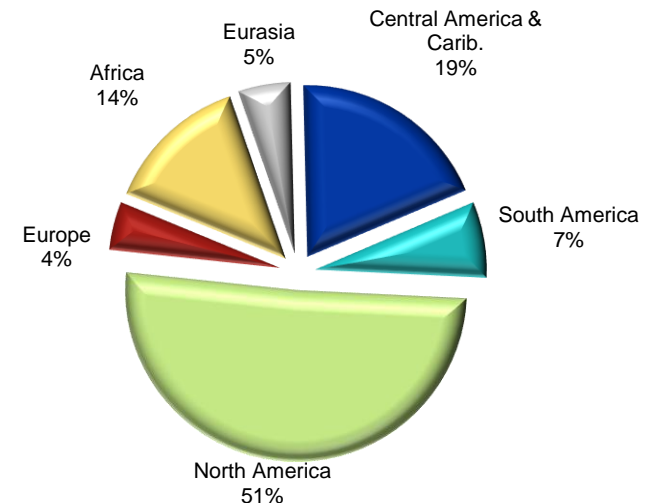
- Integration of acquired businesses completed
  - Synergies to date more than USD 10 million
- Regional performance
  - Diverging growth rates
  - Diversification is important element
- “Dufry plus One” and “One Dufry” initiatives completed
- Internal reorganization
  - Dufry’s retail practices implemented
  - Global key suppliers integrated in the global negotiations
  - Supply chain model applied
- Openings and expansions of 6,200 sqm
- Restructuring of operations with weaker performance
  - 215 sqm closed in Singapore
  - 1,300 sqm closed in the Caribbean

## International PAX Growth in the HY 2012\*

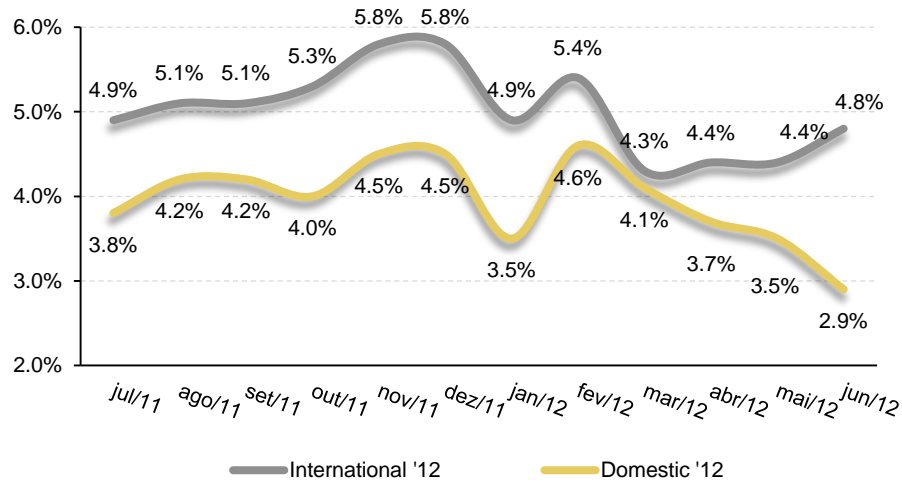


Source: ACI  
\* Until May

## Openings and Expansion: 6,200 sqm



## Evolution of 2012 Forecasts



Source: Air4casts (30/06/2012)

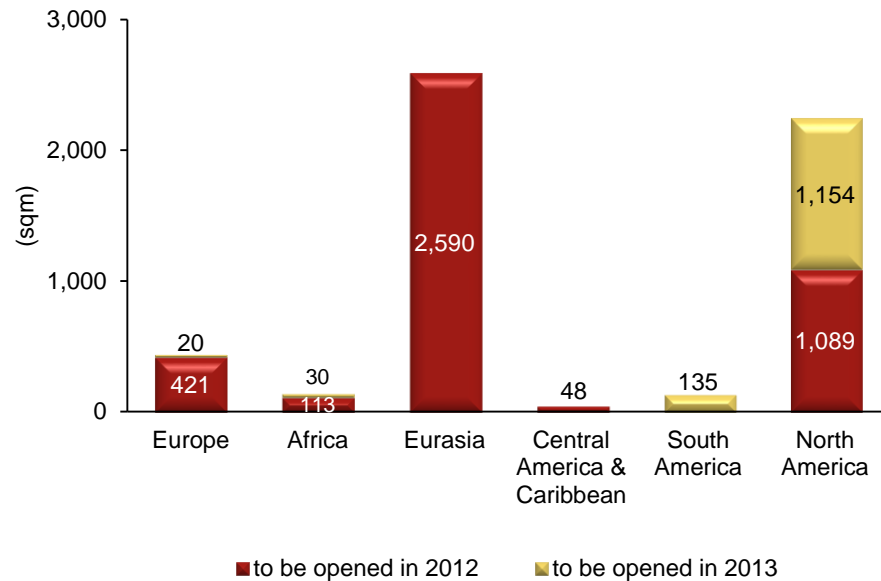
## Evolution of the Int'l PAX Forecasts

	2012	2013	2014
EUROPE	2.7%	2.5%	2.5%
AFRICA	2.1%	3.2%	3.3%
ASIA/ PACIFIC	8.8%	8.5%	8.0%
MIDDLE EAST	11.7%	11.0%	9.5%
LATIN AMERICA	4.2%	3.0%	3.2%
NORTH AMERICA	2.6%	2.6%	2.4%
<b>WORLD</b>	<b>4.8%</b>	<b>4.6%</b>	<b>4.4%</b>

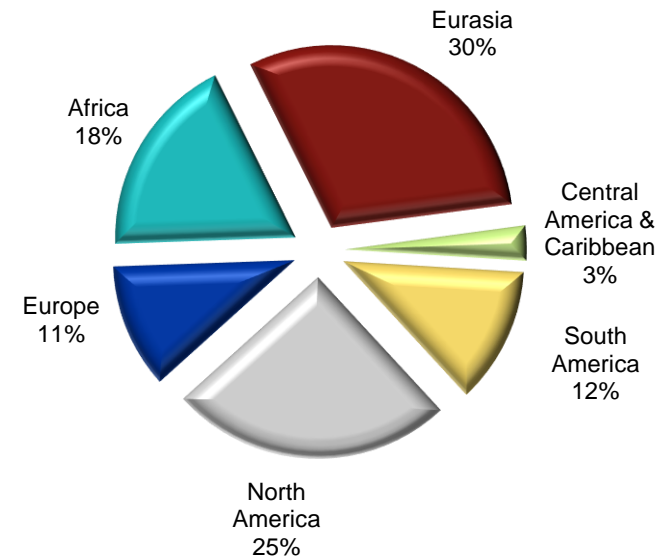
Source: Air4casts (30/06/2012)

- Prospects for the industry remains positive
  - Regional differences
- Limited visibility on the global economy
- Trading update

## Signed Additional Retail Space



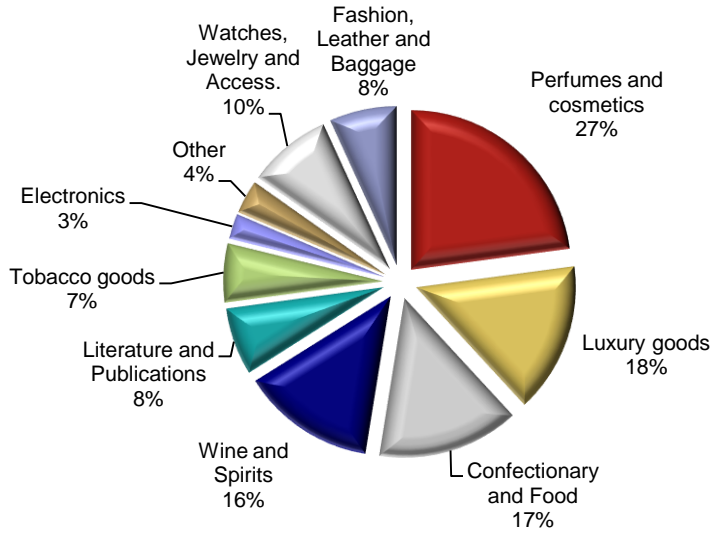
## Project Pipeline: 35,000 sqm



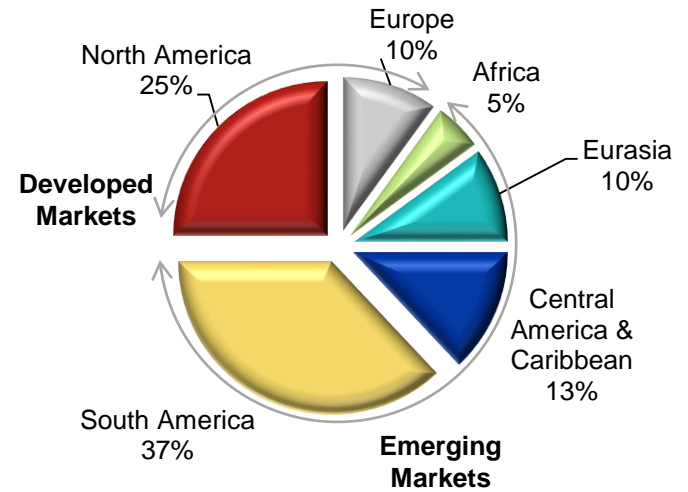
- 11 Hudson News Cafes already opened in India
- Hudson News concept debuts in Morocco with 7 shops
- Expansion in Tunisia with 3 new duty free shops at Tunis Airport
- Pipeline does not include the upcoming tenders in Spain



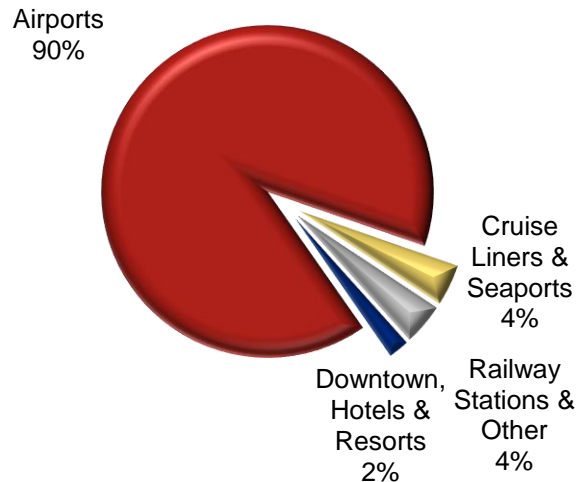
## Dufry by Product Category HY 2012



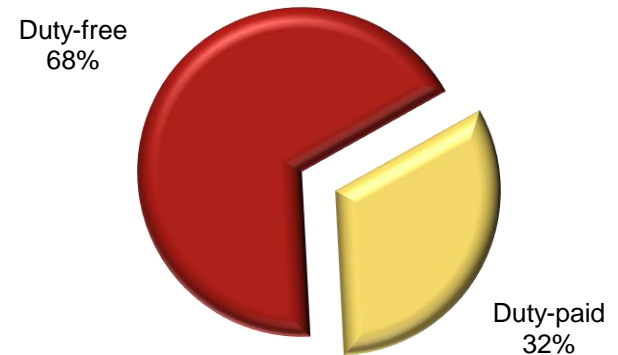
## Dufry by Region HY 2012



## Dufry by Channel HY 2012



## Dufry by Sector HY 2012



## Last June Dufry announced an internal reorganization in order to continue with its successful strategy

### Objective

Centralize the functions that yield global synergies and decentralize the business execution

### Key principles

- Regional execution empowerment, accountability and agility
- Global scale leverage in procurement and logistics, as well as travel retail and customer knowledge
- Corporate focus on growth and efficiency

## Dufry's new organization and operating model introduces eight changes

### Main changes

Sustain growth and improve profitability

Regional execution empowerment, accountability and agility

Global scale and customer knowledge leverage

Corporate focus on growth and efficiency

- 1 The Regional configuration will be **consolidated from the previous 6 regions into 4**
- 2 The Business Unit (BU) configuration will be **consolidated from the previous 19 BUs into 15**
- 3 The role and functions of Headquarters and the Regions has been redefined, to **enable the Regional COOs assume greater business execution and P&L accountability**
- 4 The **appointment of a Regional Advisory President per Region will reinforce “localism”**, business development, political and institutional relationships and company image
- 5 **A global procurement platform (DTR)** is being deployed to serve Dufry operations worldwide, maximizing economies of scale by the **centralization of the procurement and logistics functions**
- 6 The **operational processes and tools** (Commercial plan, Category Strategy and SLAs) **will leverage global travel retail and customer knowledge**
- 7 The **content and role of the GEC has been reviewed** to ensure strategy definition and implementation follow-up, budget approval, optimal risk management and key business decision making
- 8 The **Management Committees will optimize the communication and coordination between communities** and increase the joint ownership of common initiatives

The organizational changes introduced reinforce value creation and will sustain our successful strategy in the future

## Value drivers

Like-for-like growth

New concessions & acquisitions

Gross margin

Operating margin

Net working capital

## Levers from new organizational model

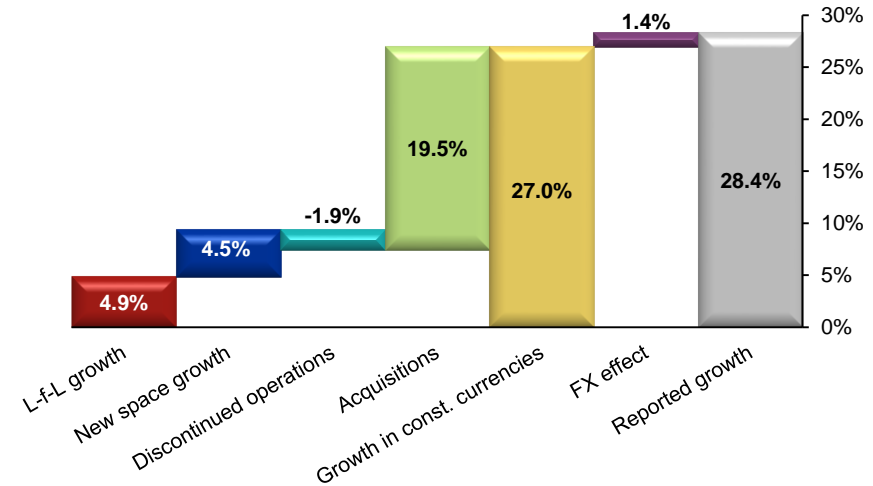
- Regional commercial empowerment, accountability and agility
- Global customer intelligence
  
- Appointment of Regional Advisory Presidents
- Strengthening of regional Business Development function
  
- Economies of scale from Global Procurement Platform (DTR)
  - Globally coordinated category and supplier strategy
  - Centralized logistics
  
- Sharing of operating best-practices
- Management of concession fees
  
- Streamlined replenishment and inventory management processes

## 2. Financials

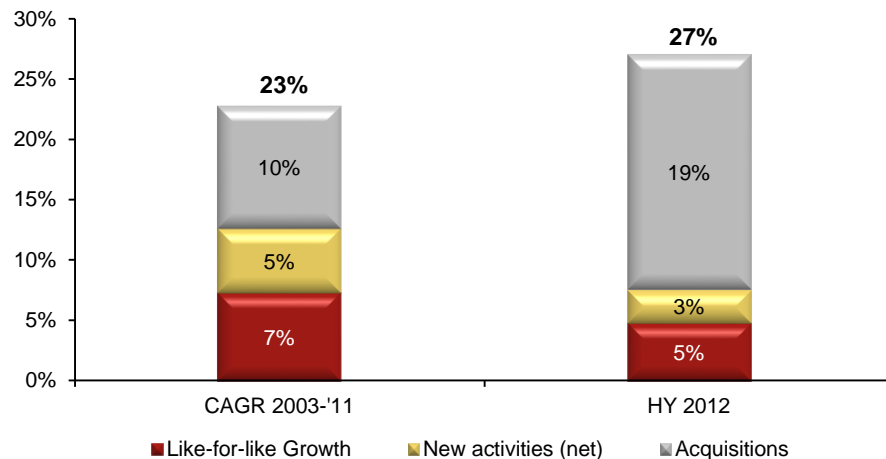
## Growth Components HY 2012

	HY 2012
- Like-for-like growth	4.9%
- Contribution from new projects	2.6%
- Organic growth	7.5%
- Contribution from acquisitions	19.5%
<b>Total growth before FX effect</b>	<b>27.0%</b>
- FX effect	1.4%
<b>Reported growth</b>	<b>28.4%</b>

## Growth Components HY 2012



## Turnover Growth Components

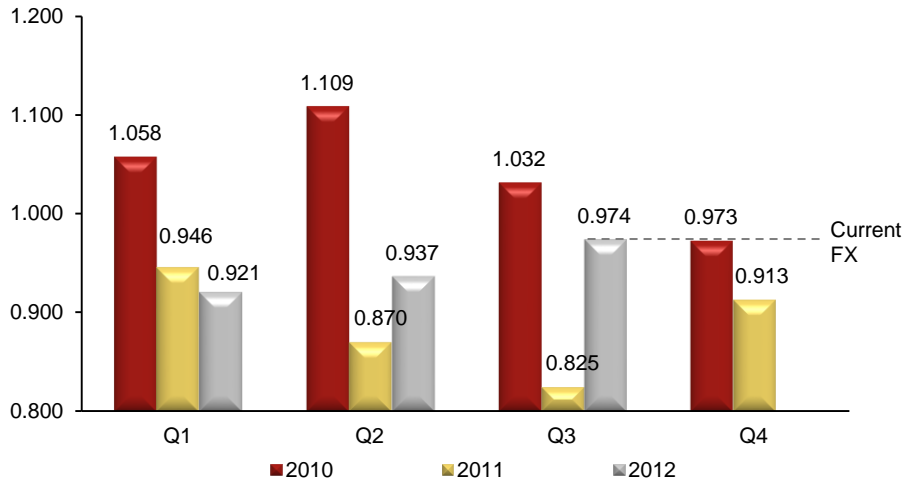


## Turnover Growth by Region

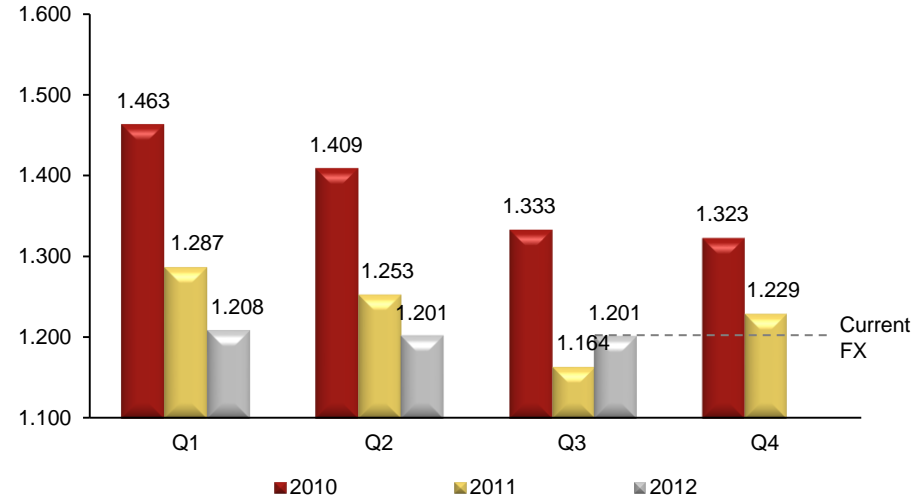
Region	Turnover Reported	Turnover (CER)
Europe	1.5%	6.3%
Africa	17.8%	21.9%
Eurasia	53.5%	51.9%
Central America & Caribbean	8.1%	5.9%
South America	58.6%	55.7%
North America	13.4%	10.1%
<b>Dufry Group</b>	<b>28.4%</b>	<b>27.0%</b>

Note: CER= Constant exchange rates

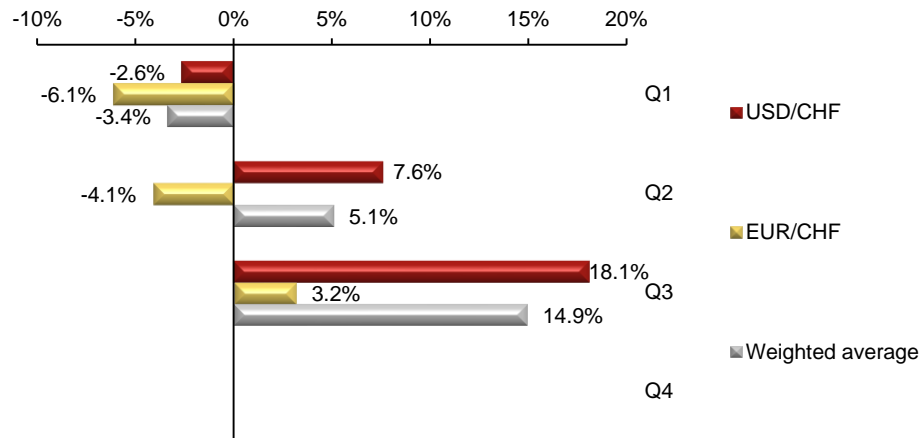
## CHF / USD Development<sup>(1)</sup>



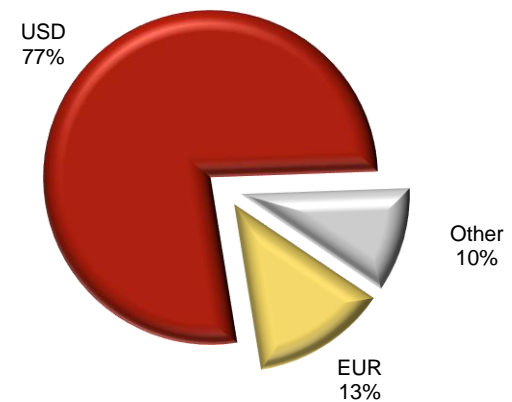
## CHF / EUR Development<sup>(1)</sup>



## FX Rate Development in 2012<sup>(1)</sup>

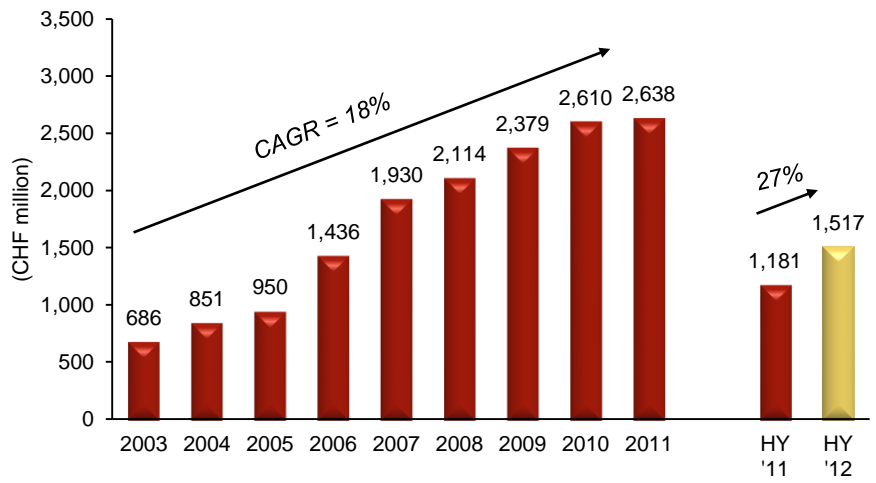


## HY 2012 Sales by currency

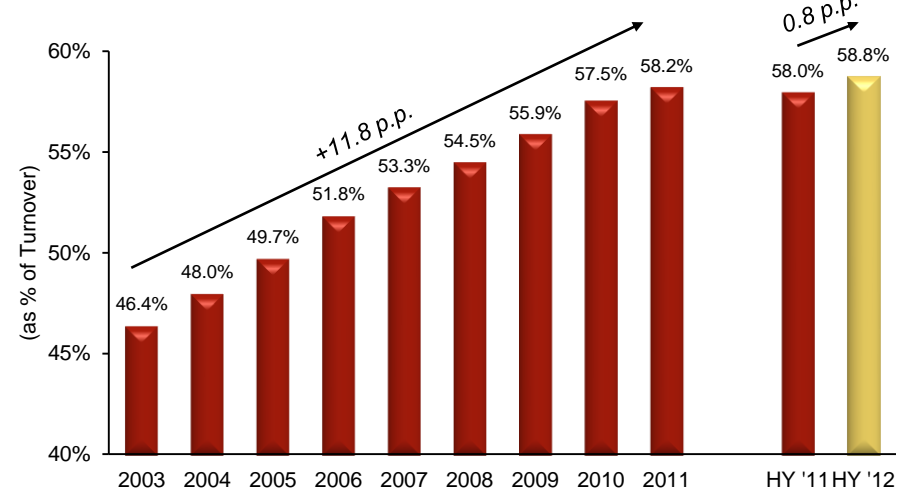


Source: Bloomberg  
Note:  
(1) Q3 2012 until July, 20<sup>th</sup>

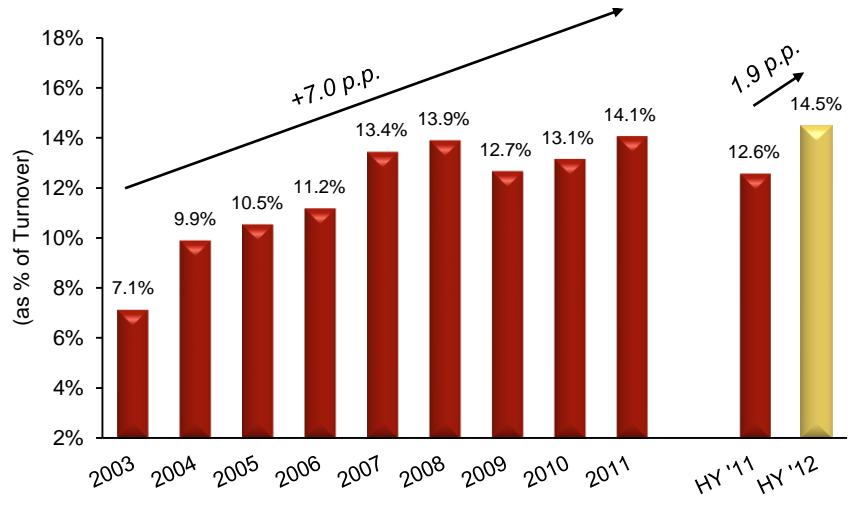
## Turnover



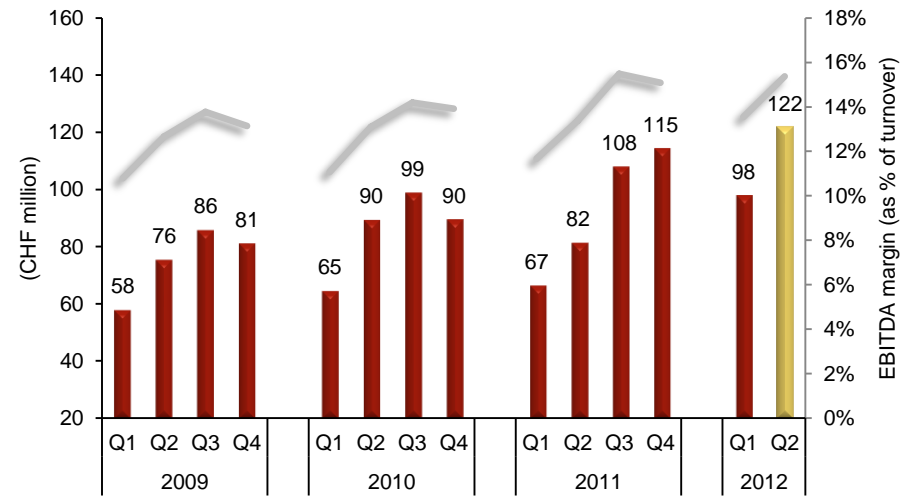
## Gross Profit Margin



## EBITDA Margin



## Seasonality of the EBITDA





(CHF million)	Dec '03	%	Dec '09	%	Dec '10	%	Dec '11	%	HY '11	%	HY '12	%
<b>Turnover</b>	<b>685.7</b>	100.0%	<b>2,378.7</b>	100.0%	<b>2,610.2</b>	100.0%	<b>2,637.7</b>	100.0%	<b>1,181.3</b>	100.0%	<b>1,517.4</b>	100.0%
<b>Gross profit</b>	<b>318.1</b>	46.4%	<b>1,329.4</b>	55.9%	<b>1,501.9</b>	57.5%	<b>1,535.3</b>	58.2%	<b>684.7</b>	58.0%	<b>891.7</b>	58.8%
Concession fees	117.6	17.2%	480.0	20.2%	553.1	21.2%	544.2	20.6%	246.8	20.9%	308.9	20.4%
Personnel expenses	92.9	13.5%	361.3	15.2%	398.9	15.3%	402.6	15.3%	192.5	16.3%	234.6	15.5%
Other expenses	58.7	8.6%	187.0	7.9%	206.8	7.9%	217.6	8.2%	97.1	8.2%	128.1	8.4%
<b>EBITDA<sup>(1)</sup></b>	<b>48.9</b>	7.1%	<b>301.1</b>	12.7%	<b>343.1</b>	13.1%	<b>370.9</b>	14.1%	<b>148.3</b>	12.6%	<b>220.1</b>	14.5%
Depreciation	20.8	3.0%	63.9	2.7%	63.7	2.4%	58.8	2.2%	28.0	2.4%	29.8	2.0%
Amortisation	5.8	0.8%	59.1	2.5%	65.8	2.5%	72.7	2.8%	29.4	2.5%	52.4	3.5%
Other operational result	-38.3		-14.7		-15.7		-26.9		-6.1		-6.9	
<b>EBIT</b>	<b>-16.0</b>	-2.3%	<b>163.4</b>	6.9%	<b>197.9</b>	7.6%	<b>212.5</b>	8.1%	<b>84.7</b>	7.2%	<b>131.0</b>	8.6%
Financial result	-4.7		-43.4		-32.2		-49.4		-15.7		-36.0	
<b>EBT</b>	<b>-20.7</b>	-3.0%	<b>120.0</b>	5.0%	<b>165.7</b>	6.3%	<b>163.1</b>	6.2%	<b>69.1</b>	5.8%	<b>95.0</b>	6.3%
Income tax	12.6		22.8		20.9		28.2		12.0		17.1	
As % of EBT			19.0%		12.6%		17.3%		17.3%		18.0%	
<b>Net Earnings</b>	<b>-33.3</b>	-4.9%	<b>97.3</b>	4.1%	<b>144.8</b>	5.5%	<b>134.9</b>	5.1%	<b>57.1</b>	4.8%	<b>77.9</b>	5.1%
<i>Attributable to:</i>												
Minority interest	0.1		58.8		28.2		23.0		10.9		15.6	
<b>Equity holders of the parent</b>	<b>-33.4</b>	<b>-4.9%</b>	<b>38.5</b>	<b>1.6%</b>	<b>116.6</b>	<b>4.5%</b>	<b>111.9</b>	<b>4.2%</b>	<b>46.2</b>	<b>3.9%</b>	<b>62.3</b>	<b>4.1%</b>

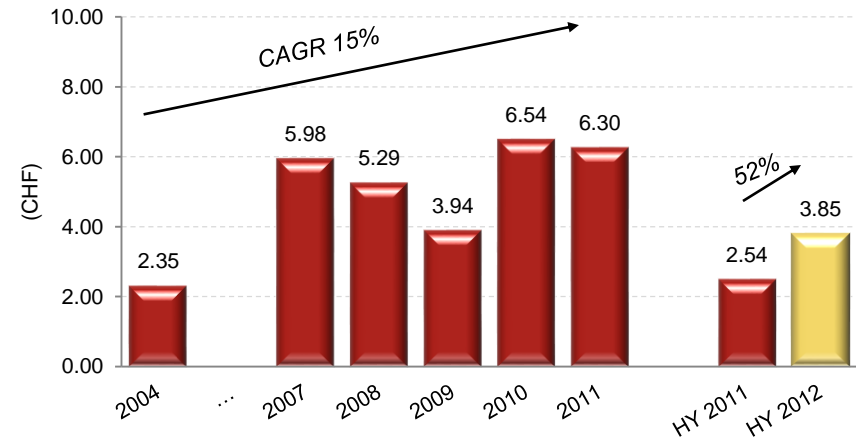
Note:

(1) EBITDA before other operational result

## Net Earnings

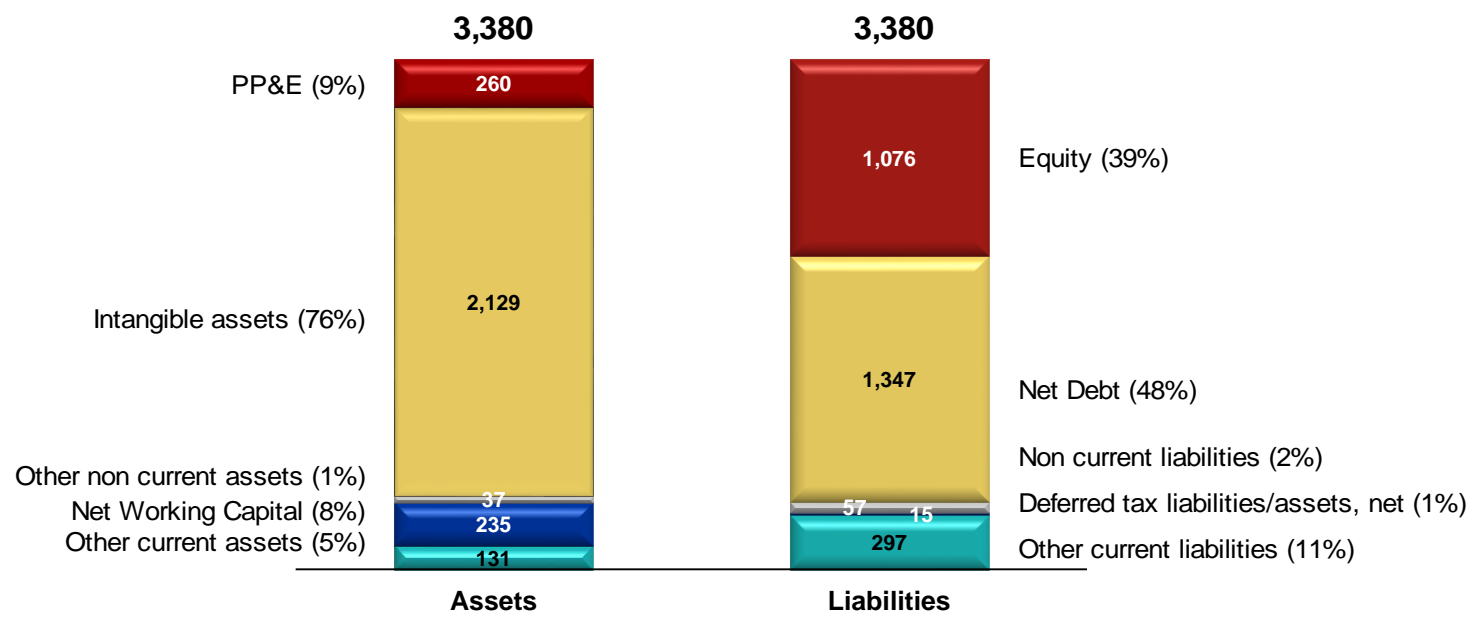
	HY '12	HY '11	Change
CHF/USD	0.929	0.905	2.6%
CHF/EUR	1.205	1.270	-5.1%
<hr/>			
CHF	HY '12	HY '11	Change
Basic EPS	2.32	1.72	34.9%
Acq. Related Amort. per share	1.53	0.82	86.6%
<b>CORE EPS</b>	<b>3.85</b>	<b>2.54</b>	<b>51.6%</b>

## Core Earnings Per Share

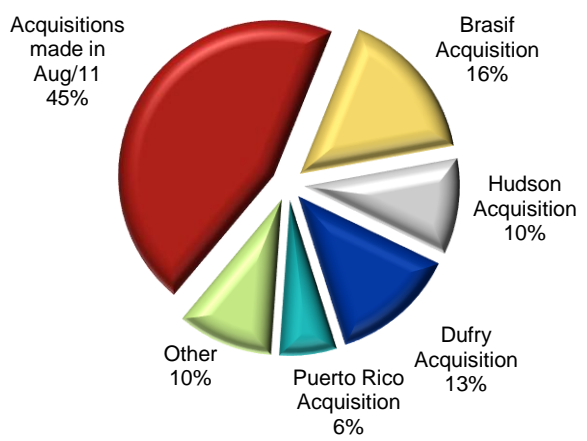


- Core EPS (Cash EPS) excludes amortization related to acquisitions
- Acquisitions are non-recurring transactions
- Give an indication on sustainable Cash EPS

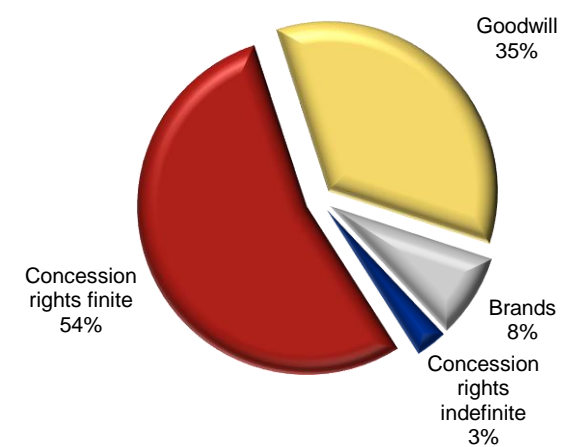
(CHF million)



## Intangible Assets 30/06/2012

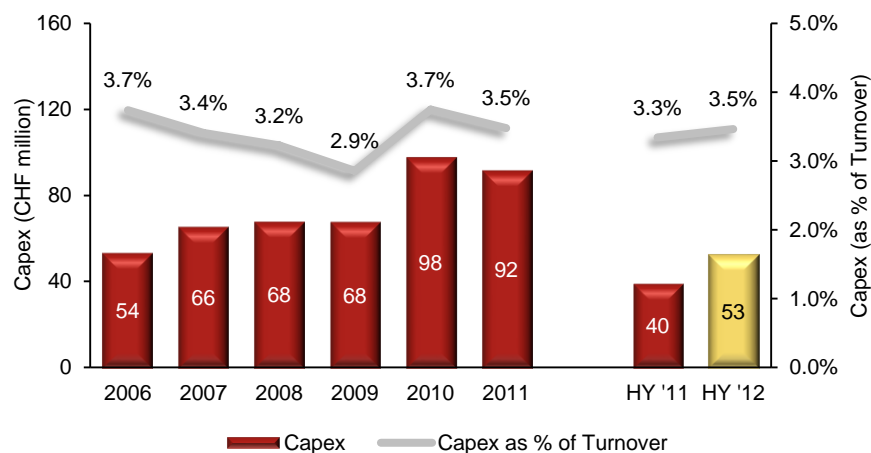


## Intangible Assets Related to Acquisitions

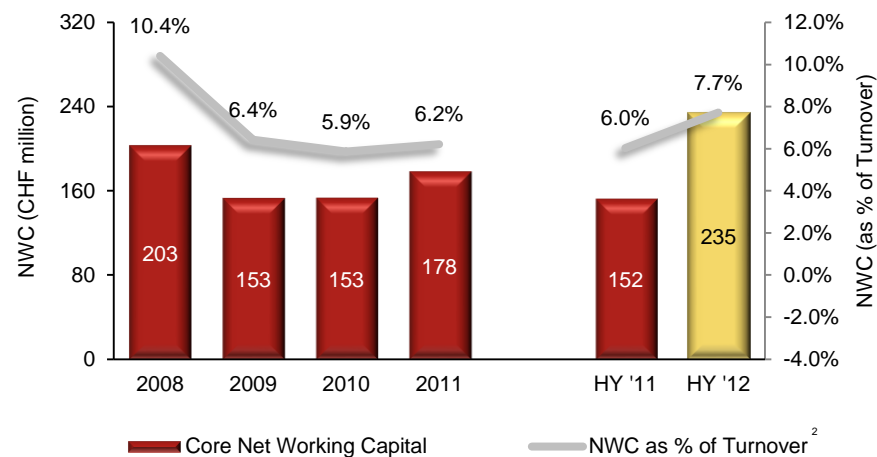


In millions of CHF	HY '12	HY '11
<b>Net debt at the beginning of period</b>	<b>(1,361.4)</b>	<b>(637.9)</b>
<b>Cash flow before working changes</b>	<b>227.2</b>	<b>156.0</b>
Change in net working capital	(28.9)	(23.9)
Income taxes paid	(34.7)	(14.4)
<b>Net cash flows from operating activities</b>	<b>163.6</b>	<b>117.7</b>
Capex (PPE and intangible assets)	(52.6)	(39.4)
<b>Net cash flows from operating activities after Capex</b>	<b>111.0</b>	<b>78.3</b>
M&A and Financing	(46.2)	(1.6)
Other	(38.7)	(38.7)
Currency Translation	(11.3)	39.9
<b>Change in net debt</b>	<b>14.7</b>	<b>77.9</b>
<b>Net debt at the end of period</b>	<b>(1,346.7)</b>	<b>(560.0)</b>
<b>Acquisitions Effect</b>	<b>(929.2)</b>	
<b>Net debt at the end of period (without acquisitions effects)</b>	<b>(417.5)</b>	

## Capex Evolution



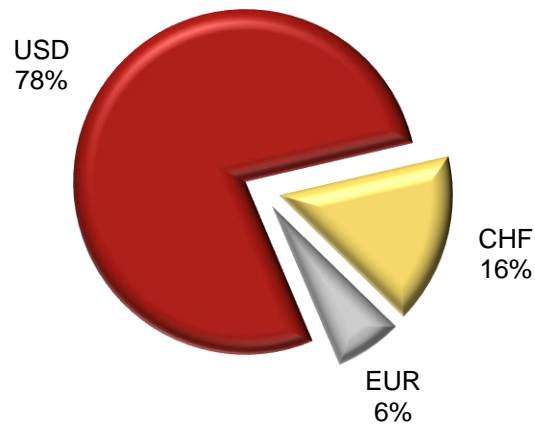
## Core Net Working Capital Evolution<sup>1</sup>



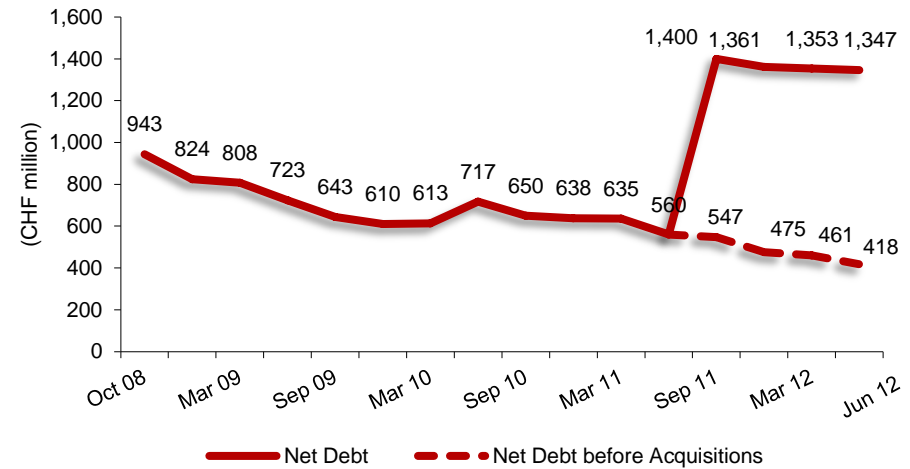
<sup>1</sup> Inventories + Trade and credit card receivables - Trade payables

<sup>2</sup> 2011 and 2012 based on PF LTM turnover including latest acquisitions

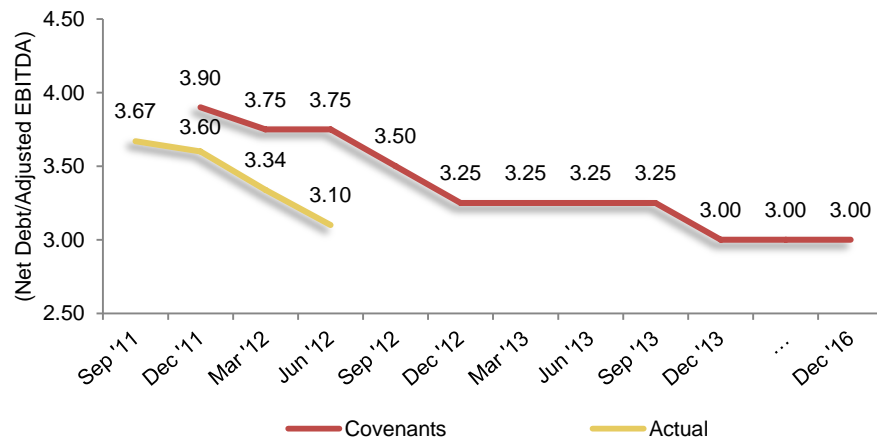
## Debt by Currency - 30 June 2012



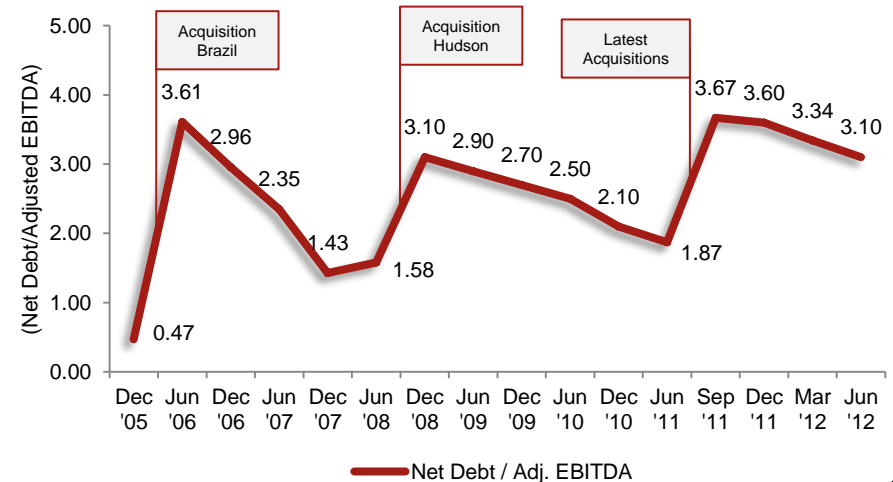
## Net Debt Evolution



## Covenants Test (Net Debt / Adj. EBITDA)



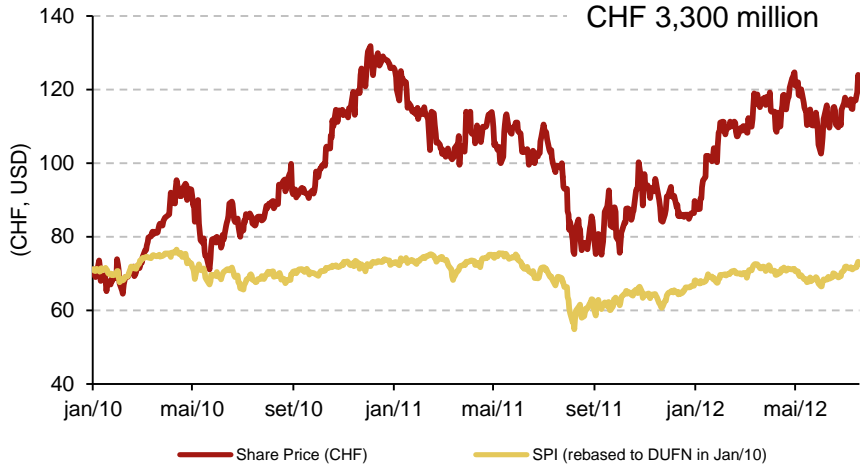
## Covenants Evolution



Note: Since Q1 '12 technical adjustment implemented to eliminate FX volatility from the calculation

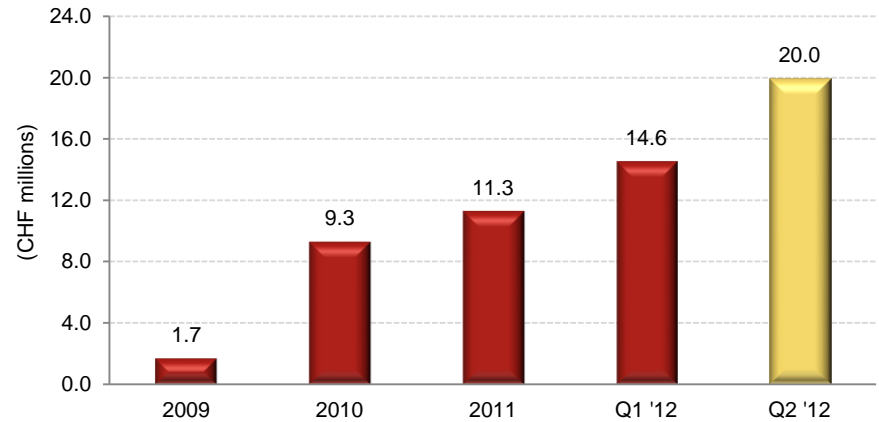
### Dufry Share Price

Market Cap:  
CHF 3,300 million



Note: Until 20/07/2012

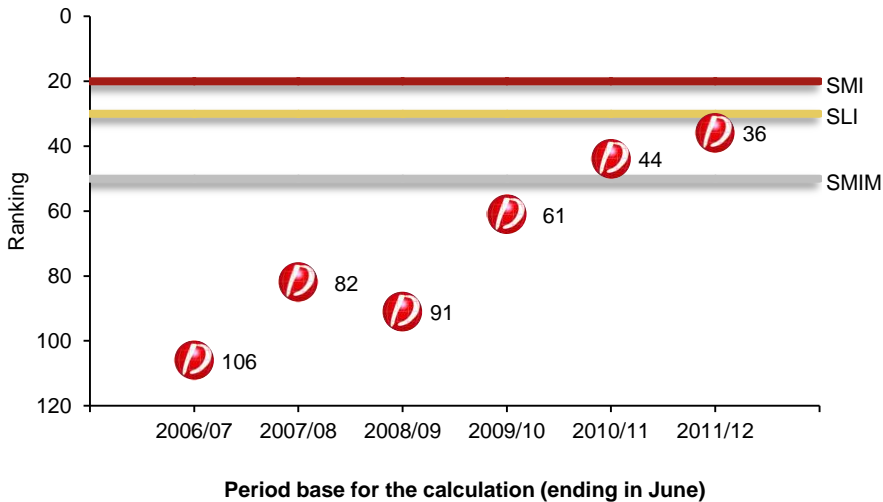
### Daily Average Trading Volume in CHF



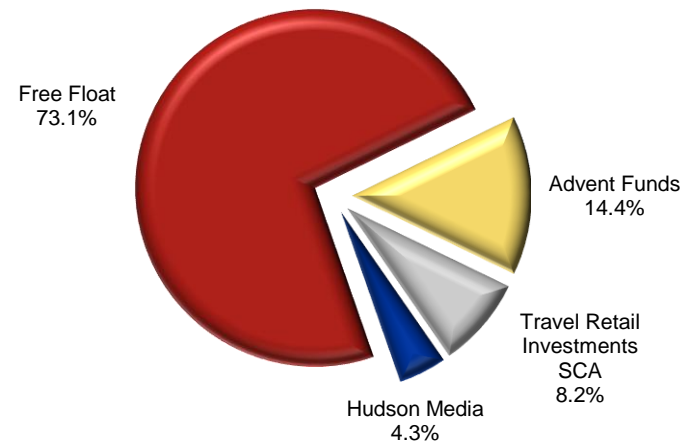
Note:

(1) Since April 2010 including trading volumes of Dufry AG BDR.

### Dufry's Position in the SIX Indices



### Shareholder Structure



## 3. Conclusion

- **Strong perform in the first half of 2012**
  - Positive contribution from organic growth and acquisitions
  
- **Another improvement in Gross and EBITDA margins**
  - Gross margin grew by 0.8 p.p.
  - EBITDA margin presented another record reaching 14.5%
  - First synergies from acquisitions and target of USD 25 million by 2013 confirmed
  
- **International passengers remain solid: 4-5% increase for the medium and long term**
  
- **Expansion and Integration of the recently acquired businesses will be a priority for 2012 to generate synergies and to maximize cash generation**
  
- **Continue with our strategy of profitable growth in 2012**
  - Like-for-like growth: increasing sales on our current shops thanks to passenger growth and productivity improvements
  - New concessions
  - Acquisitions: will continue to be a key element of growth in due time
  
- **Reorganization to create basis for further growth and profitability**
  - Transition already started and will be effective from September 1, 2012



