Media Release

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Turnover in line with expectations and good cash generation

In the first quarter 2013, Dufry's turnover grew by 1.7% to CHF 736.4 million. EBITDA for the period reached CHF 85.3 million and EBITDA margin reached 11.6%. Net cash flow from operations in the first quarter 2013 was CHF 94.5 million.

Dufry had good turnover growth in Regions EMEA & Asia and US & Canada, as well as in Mexico and parts of the Caribbean. The specific situations in Brazil, Uruguay and Argentina remained largely unchanged and the performance of these operations was similar to the past quarters.

EBITDA margin in the first three months of 2013 reached 11.6% versus 13.5% one year earlier. The contract renewal signed for São Paulo International airport was the main driver for the shift in EBITDA margin. The contract, which includes higher concession fees as from signing in November 2012, provides for increasing the retail space by 60% in the second half of 2013, and will allow to substantially develop the business in that location in the coming years.

The acquisition in Greece that Dufry completed on 22 April, 2013, will be fully consolidated from April onwards. The business will be an important contributor to turnover growth and profitability in the coming quarters and will compensate for the effects seen in the first three months of 2013.

Business diversification and new concessions to support turnover performance for rest of the year

Turnover presented a 1.7% growth, reaching CHF 736.4 million in the first quarter of 2013. Dufry had good turnover growth in EMEA & Asia, US & Canada, Mexico and parts of the Caribbean operations. The British Caribbean and most of South America performed in line with previous quarters and continued to be below average. Dufry expects that organic turnover growth will accelerate in the second half of the year due to a normalisation in some locations and several projects that were concluded in the past quarters.

The acquisition of 51% of the travel retail business of Folli Follie Group, that Dufry successfully completed on April 22, 2013, will contribute to the growth from April onwards when the business will start to be fully consolidated. The business, which generated turnover of EUR 300.3 million and EBITDA of EUR 83.7 million in FY 2012, will be integrated into Dufry's existing operations.

The increase of 2,600 square meters in Dufry´s retail space in the Guarulhos International Airport in São Paulo, Brazil is on track and is expected to be completed in the second semester. The additional retail space, which represents an increase of 60% of Dufry's current space, will allow Dufry to alleviate current capacity constraints and to generate additional revenues.

Turnover by Region

In the first quarter of 2013, Dufry's turnover grew by 1.7% to CHF 736.4 million from CHF 723.9 million in 2012. Organic growth contributed 1.8% and 0.7% when including extraordinary effects. Like-for-like growth was 0.8%, and new concessions, net of closings, contributed 1.0%. The translational currency effect was positive by 1.0%.

Turnover in **Region EMEA & Asia** grew by 6.9% in first quarter 2013 and reached CHF 182.5 million versus CHF 170.8 million in the previous year. In Europe, good performance was seen in France, Switzerland, Russia and Spain, and Italy was stable. In Middle East and Africa, Dufry had a very strong performance in most markets like Tunisia, Morocco, Sharjah. In Asia, operations in Cambodia and China performed also very well.

Turnover in **Region America I** stood at CHF 190.5 million in first quarter 2013, compared to CHF 197.0 million in the same period last year. Operations in Mexico showed an excellent performance as did other operations like Dominican Republic and Trinidad. The British Caribbean continued to be sluggish and the operations in Argentina and Uruguay continued to be affected by the bankruptcy of the Uruguayan airline Pluna in July 2012.

Turnover in **Region America II** decreased by 8.2% to CHF 158.6 million in the first quarter 2013. The economic slowdown, a softening of the Brazilian Real against the US Dollar, as well as capacity constraints in some of the airports continued to impact the performance in the region. As highlighted before, the agreement with airport operator in São Paulo, where Dufry will enlarge its retail space by 2,600 sqm, should contribute to growth again in the second half of 2013.

Turnover in **Region United States & Canada** increased by 7.4% to CHF 189.8 million in the first quarter 2013. Turnover was driven by a combination of like-for-like growth as well as the addition of new concessions and retail space.

Profitability - Gross Margin improvement offsets part of the concession fee increase

Gross profit in the first quarter 2013 reached CHF 432.7 million, and gross margin improved by 50 basis points to 58.8% versus 58.3% in the same period in 2012. The new logistic platform, that was announced last year, has started to be developed and the goal is to maximize synergies and know-how of the Company through the consolidation and development of Dufry's commercial model, while strengthening our relationship with suppliers. The gross margin was also supported due to improved terms with suppliers.

Selling expenses, as a percentage of turnover reached 24.1%, an increase of 230 basis points compared to the previous year. In absolute terms, they reached CHF 177.7 million in 2013 versus CHF 157.9 million one year earlier. The main reason for this increase was the contract renewal signed in Brazil at the end of last year as well as the growth of the business in EMEA & Asia and US & Canada.

Personnel expenses as a percentage of turnover improved to 15.7% in the first quarter of 2013 versus 15.8% in the same period last year. Personnel expenses in the first quarter 2013 were CHF 115.9 million, compared to CHF 114.4 million in the same period 2012.

General expenses was in line as a percentage of turnover to 7.3% from 7.2% in the first quarter of 2012. In Swiss Francs, general expenses increased to CHF 53.8 million in the first quarter of 2013, from CHF 51.8 million one year earlier.

EBITDA[1] reached CHF 85.3 million in the first quarter 2013, from CHF 98.0 million in the same period last year. The EBITDA margin reached 11.6%.

Depreciation and Amortization was CHF 41.5 million in the first quarter 2013 from CHF 40.1 million in the same period last year. Depreciation was at CHF 15.6 million in the first quarter 2013, compared to CHF 13.7 million in the same period in 2012. Amortization was flat at CHF 25.9 million in the first quarter 2013 versus CHF 26.4 million one year earlier.

Other Operational result (net) was minus CHF 6.0 million in the first quarter 2013. Among this amount are expenses related to projects and start-ups.

EBIT reached CHF 37.8 million in the first quarter 2013 versus CHF 55.3 million in year before.

Net financial expenses stood at CHF 19.0 million in the first quarter 2013 compared to CHF 17.1 million one year earlier. Net interest expense remained stable at CHF 17.9 million in the first quarter 2013 compared to CHF 18.0 million in the previous year.

Income taxes reached CHF 3.4 million in the first quarter 2013, versus CHF 6.5 million in the same period 2012. The effective tax rate as a percentage of EBT was 18.1% in the period.

Net earnings stood at CHF 15.4 million versus CHF 31.7 million. **Net earnings attributable to equity holders** reached CHF 8.8 million.

Strong cash flow generation

Net cash flow from operating activities reached CHF 94.5 million in the first quarter 2013 versus CHF 58.2 million one year earlier. In the quarter, Capex stood at CHF 21 million and Free cash flow stood at CHF 73.5 million.

Net debt at the end of March 2013, was CHF 948.4 million compared to the CHF 951.3 million at the end of December 2012. Adjusting for the capital increase of CHF 286.0 million done in October 2012, whose proceeds were used in April 2013 to finance the 51% stake of Folli Follie's travel retail operations, adjusted net debt at the end of March is CHF 1,234.4 million. The main covenant, Net Debt/adjusted EBITDA was 2.4 times as of March 31, 2013.

As mentioned before, the acquisition of 51% of the travel retail business of Folli Follie Group was successfully concluded on April 22, 2013. The payment for the 51% equity stake as well as certain transaction and shareholder structuring cost were made out of Dufry Group's liquidity. The consideration for the 51% equity stake is EUR 200.5 million. As part of the completion, the target business also entered into a new credit facility of EUR 335 million agreed with a syndicate of local banks. The facility is a committed 5-year amortizing term loan and is structured as non-recourse debt secured only through pledging of 100% of shares of the target business.

[1] EBITDA before other operational result

Integration of Greek operation and expansion in Brazil remain priorities for the year

Julian Diaz, CEO of Dufry Group, commented: “The performance of the first quarter 2013 follows the trends seen in the second half of 2012. The results in most of the locations are very positive. We continue to be impacted mainly in Brazil, Uruguay, Argentina and to a lesser extent in the British Caribbean operation due to external factors, but we are confident that this adverse environment will gradually start to normalize.

As we successfully concluded the acquisition of the travel retail division of Folli Follie Group last April, the focus will be to fully integrate the business into Dufry´s structure. The consolidation from April onwards will be an important contributor to profitability and top-line growth and will compensate for the effects seen in the first quarter 2013. Other priorities in the year are to increase our commercial area in Guarulhos airport in Brazil, and we will also work to deleverage our Company using our strong cash generation.

The internal reorganization announced last year has been in place and is already delivering results. Also, the new logistic structure has started and our objective is to maximize synergies and know-how of our Company through the consolidation and development of Dufry’s commercial model, while strengthening our relationship with suppliers. The model aims to centralize our logistic operations in two main platforms: one in the Americas, for that region and another in Europe for Europe, Africa and Asia. Our goal is to complete this project by mid 2014 and it will be an important driver to continue growing the Company’s productivity and gross profit margin in the near future.

Regarding our operations, we believe that the second semester will show a better performance. As for the operation in Uruguay the effect of the Pluna bankruptcy may fade, as in our previous experience in other locations indicate. In Brazil, the new commercial space will open and with that bring an important step forward in terms of expand our operations and presence in this very important market. As far as other operations is concerned, such as US & Canada and EMEA & Asia, we are confident that the same performance presented so far will be replicated going forward as many opportunities in terms of expansion will come as well.”

Key Figures Dufry Group

In CHF million	Q1 2013		Q1 2012		Variation
Turnover	736.4		723.9		1.7%
Gross Profit	432.7	*58.8%*	422.1	*58.3%*	2.5%
EBITDA (before other operational results)	85.3	*11.6%*	98.0	*13.5%*	-13.0%
Net Earnings to Equity Holders	8.8	*1.2%*	25.0	*3.5%*	-64.8%
Core Earnings per Share (in CHF)	0.99		1.72		-42.4%

Dufry's First Quarter 2013 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 a 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 43 countries in Europe, Africa, Eurasia, Central America & Caribbean, North America and South America.

Social Responsibility
Dufry cares for children and supports the SOS Social Center in Igarassu, Brazil, in Agadir, Morocco and Cambodia. SOS Children's Villages is an independent, non-political and non-demonstrational organisation established for orphaned and destitute children all over the world.

The Street Child World Cup is a global campaign for the rights of street children. Through football, art and an international street child conference the aim is to ensure street children are given the protection and opportunities that all children are entitled to. Dufry sponsors the Street Child World Cup (SCWC) "Road to Rio 2014"which will take place in Rio de Janeiro, Brazil, in March 2014.