



# Dufry Presentation – 1H10 Results

August 2010

# Legal Disclaimer

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” or “DAG”) 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.

**Neither this presentation nor any copy of it may be taken or transmitted into the United States or distributed, directly or indirectly, in the United States or to any US person. In addition, neither this document nor any copy of it may be taken or transmitted into Canada or Australia or distributed or redistributed in Japan or to any resident thereof. The distribution of this document in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.**

**1. Overview 1H10 Results**

**2. Dufry Strategy**

**3. Financials**

**4. Conclusion**

# 1. Overview 1H10 Results

# Main Events 1H10

- **Profitable growth**

- Confirmation of Dufry's profitable growth strategy in 2010
  - 15.8% turnover increase on constant FX rates
  - 20.3% EBITDA increase on constant FX rates
- Solid organic growth achieved in H1 2010 of 10.2%
- Significant increase of 6.7% in international passengers compared with previous year and good perspectives for 2010

- **Strategy and organization**

- Positive impulse from Dufry plus One and One Dufry initiatives
  - Contribution to a significant gross profit margin improvement
  - Double digit spend per passenger and sales per ticket growth in constant FX rates

DUFRY  
*plus one!*

*one!*  
DUFRY!

- **Retail network**

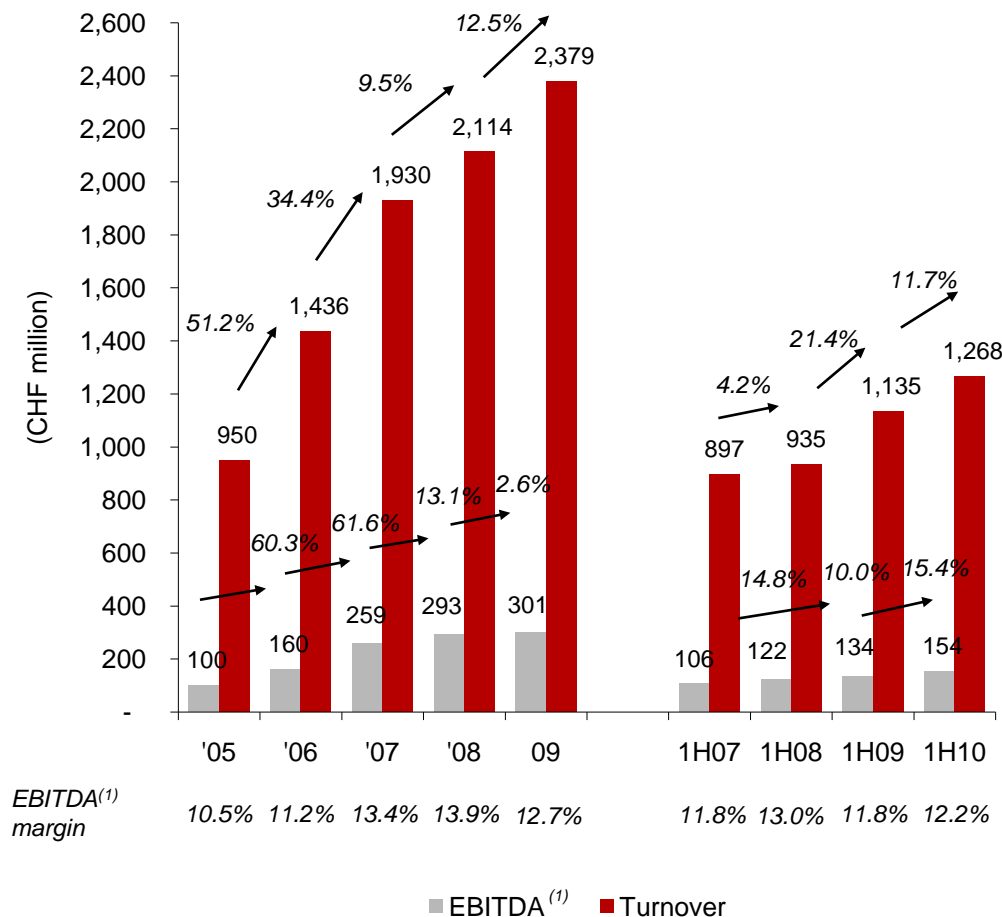
- Added more than 4,000 sqm of net retail space
- Further roll-out of Hudson News concept internationally

- **Other issues**

- Rio de Janeiro legal case:
  - Dufry's appeal on injunction was confirmed
  - No requirement to vacate any area at Rio de Janeiro International Airport
  - Dufry can continue to operate normally
- Volcano ash cloud: Limited impact on Dufry
  - Europe accounts for only 12% of the business

# Key Figures 1H10

## Turnover and EBITDA Evolution



- Turnover at constant FX rates +15.8% to CHF 1,315 m
- Gross margin improved to 57.0% from 55.6%
- EBITDA<sup>(1)</sup> at constant rates +20.3% to CHF 161 m
  - EBITDA<sup>(1)</sup> margin of 12.2%

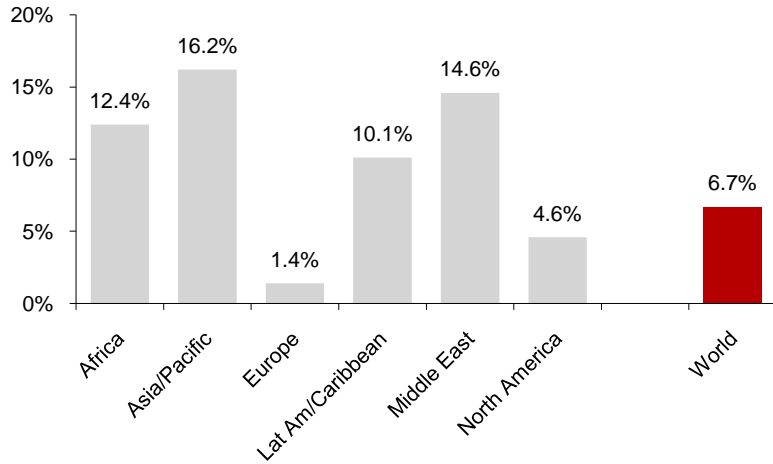
Note:

(1) EBITDA before other operational result



# Passenger Growth

## International PAX Growth June YTD



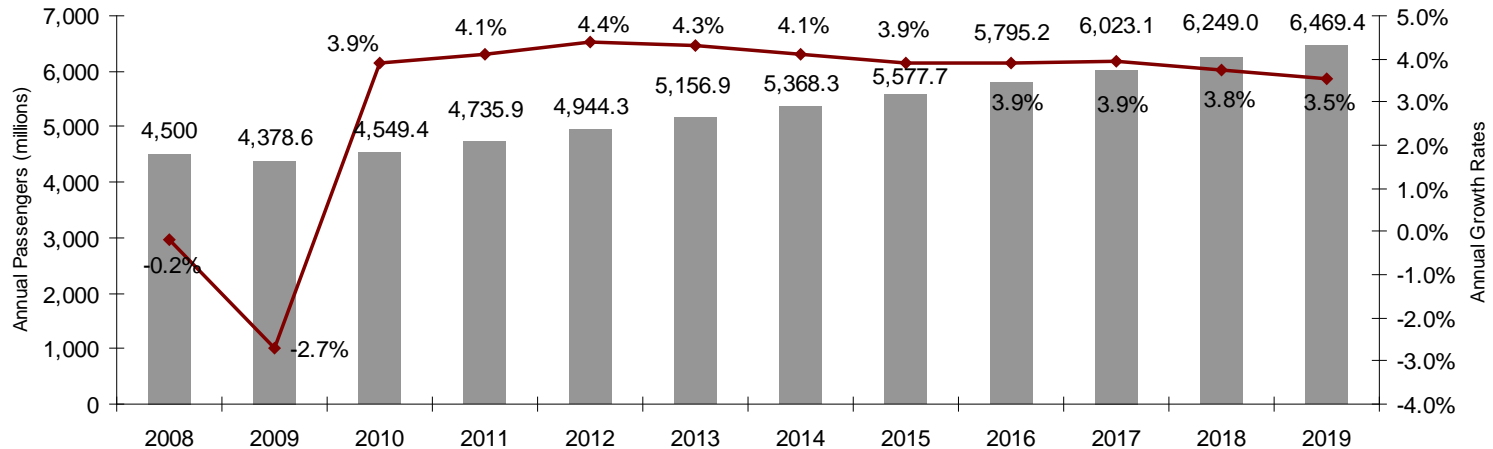
Source: Airports Council International

## International PAX Forecast

	2010	2011	2012	2013
EUROPE	-0.1%	3.2%	3.0%	2.9%
NORTH AMERICA	2.9%	3.0%	2.6%	2.5%
LATIN AMERICA	4.7%	2.2%	3.1%	3.1%
ASIA/ PACIFIC	12.6%	6.8%	6.1%	6.0%
MIDDLE EAST	11.3%	8.4%	8.0%	7.5%
AFRICA	5.4%	5.2%	5.3%	5.1%
<b>TOTAL</b>	<b>3.9%</b>	<b>4.3%</b>	<b>4.1%</b>	<b>4.0%</b>

Source: Air4cast; July 2010

## Long-term Total Passenger Forecast



Source: Airports Council International, Global Traffic Forecast 2008-2019 / Forecast; July 2009

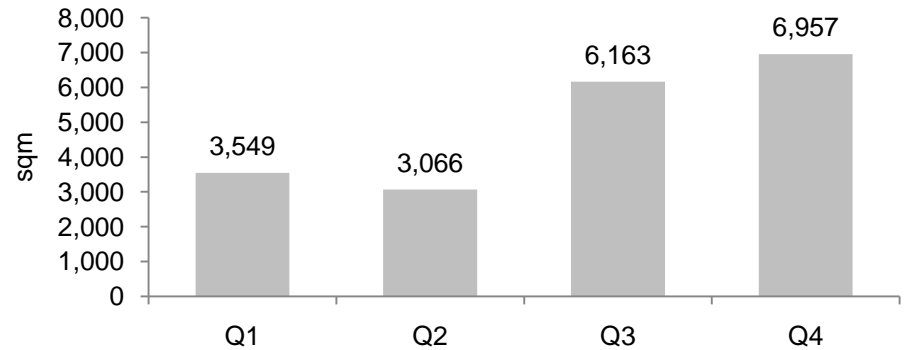


# Business Development

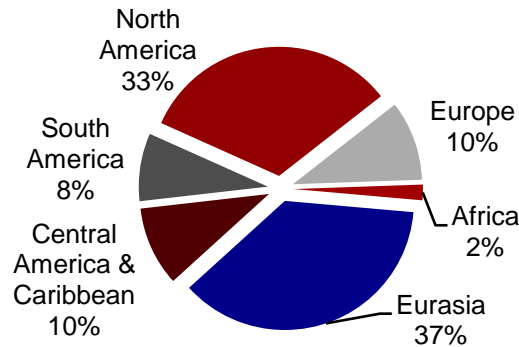
## New Retail Space 2010 by Region

Region	New sqm	of which Hudson Int'l	Total Shops
Europe	923	160	8
Africa	1,816	-	12
Eurasia	5,162	1,034	37
Central A. & Caribbean	3,626	460	20
South America	2,136	-	8
North America	6,073	N/A	67
<b>Total</b>	<b>19,736</b>	<b>1,654</b>	<b>152</b>

## New Retail Space – Openings 2010



## Project Pipeline



Total of more than 50 projects with a total retail space in excess of 39,000 sqm



## 2. Dufry Strategy

# Proven Track Record of Delivering Growth



## Dufry Key Facts

- 40 countries
- 143 airports
- 1,134 shops
- Around 340 concessions
- Retail space of over 150,000 sqm
- World-wide employee base of more than 11,000 people
- Listed on the SIX Swiss Stock Exchange since December 2005, and listed on BM&FBOVESPA since April 2010

## Evolution of Dufry 2003–2009

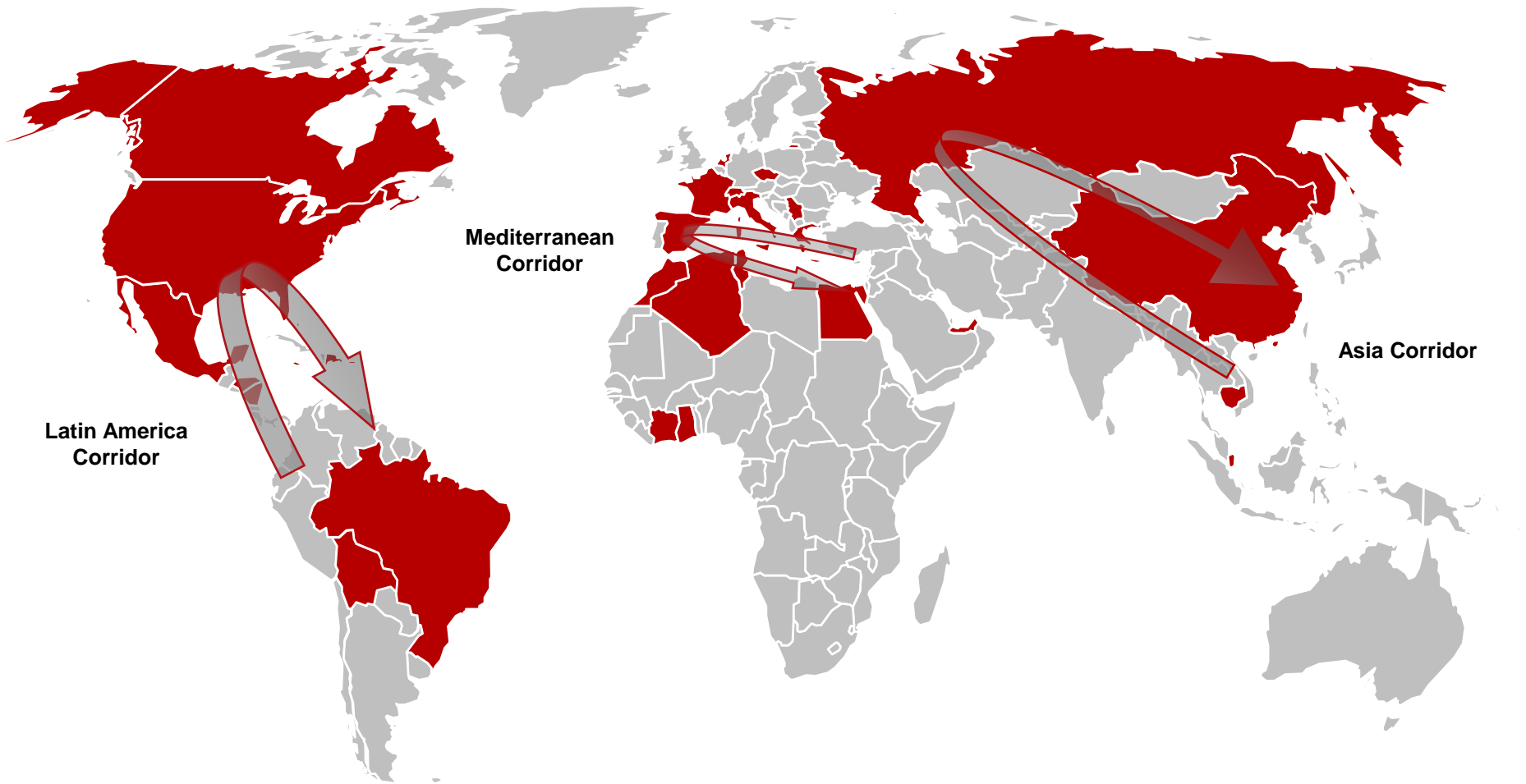
	2003	2009	Growth	CAGR % <sup>(2)</sup>
Countries	25 →	40	60%	8%
Airports	47 →	145	209%	21%
Shops	227 →	1'097	383%	30%
Retail Surface (sqm)	36'750 →	146'000	297%	26%
Turnover (CHFm)	686 →	2'379	247%	23%
EBITDA <sup>(1)</sup> (CHFm)	49 →	301	514%	35%

Notes:

(1) EBITDA before other operational result

(2) CAGR 2003-2009

# Leading Global Travel Retailer



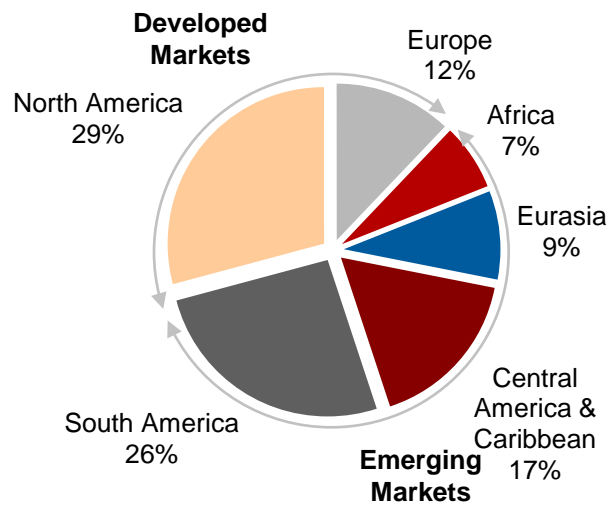
Latin America  
Corridor

Mediterranean  
Corridor

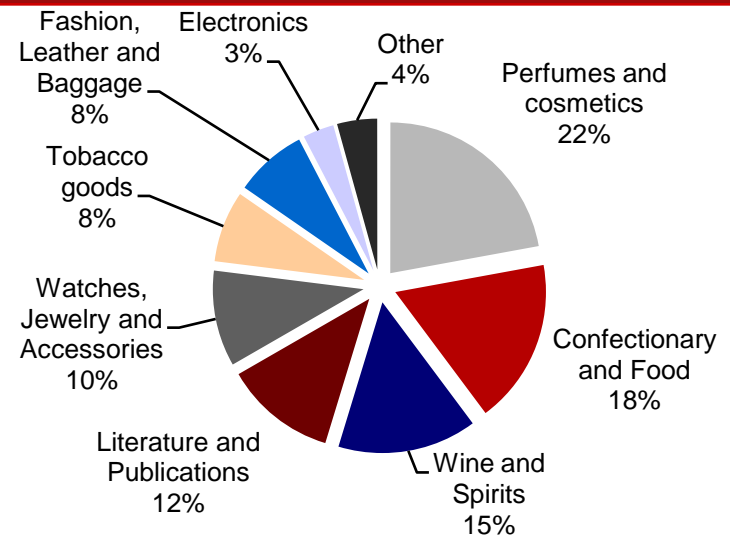
Asia Corridor

# Dufry's Performance 1H10

## Dufry per Region



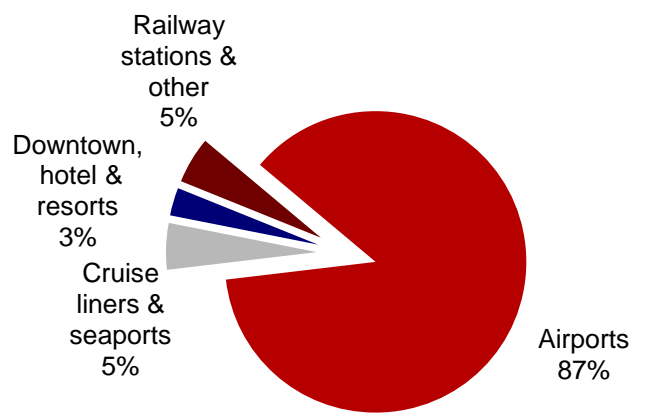
## Dufry by Product



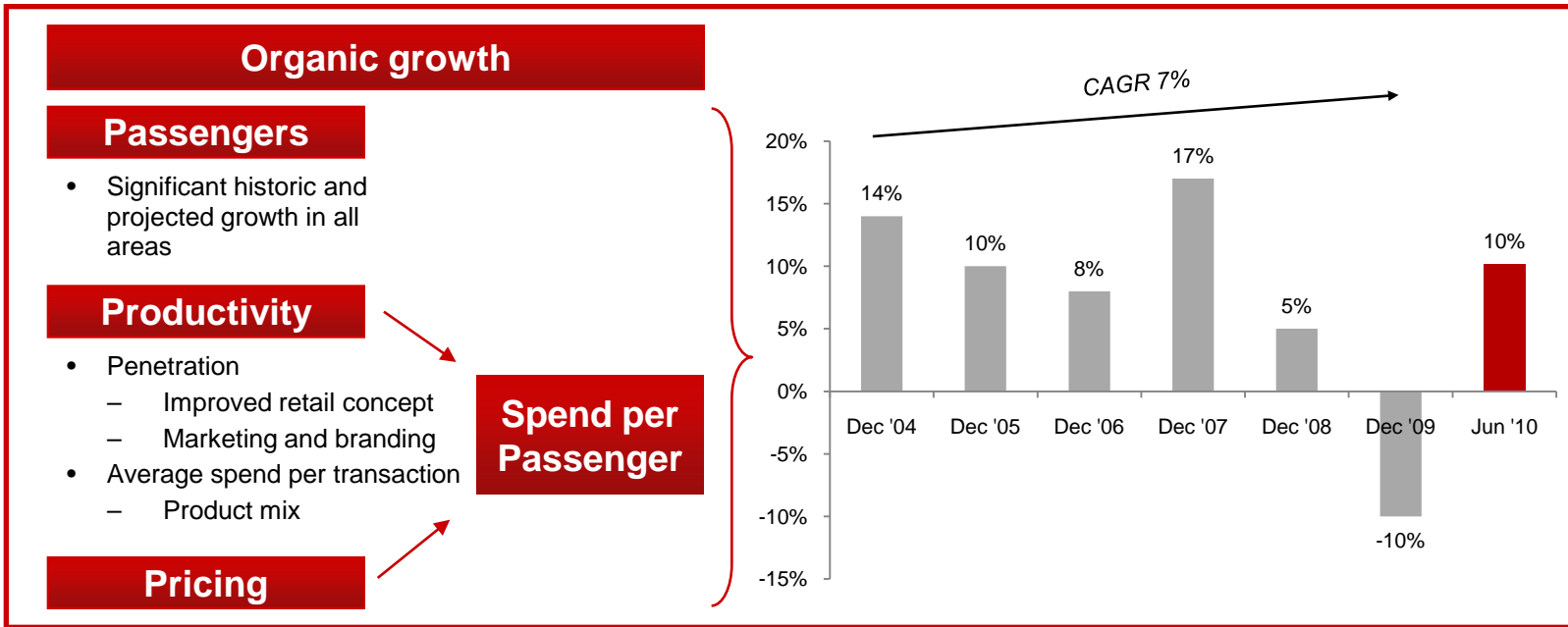
## Dufry by Sector



## Dufry per Channel



# Global Growth Opportunities



New concessions

→

Average growth of 6% p.a.

→

Acquisitions

→

Average growth of 13% p.a.

→

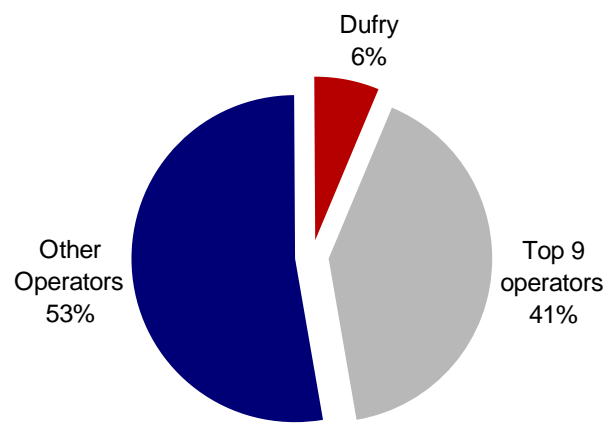
- Growth driven by a combination of
  - **Strong organic growth** with its global, balanced portfolio
  - Broad skill set of management enables DAG to **win new concessions** in mature regions and emerging markets
  - Successful **execution of value-enhancing M&A** targets

TOP-LINE GROWTH: 26% p.a. (1)

Note: (1) On constant FX rates; FX effect -3% p.a.

# Travel Retail Market Trends

## Travel Retail Industry

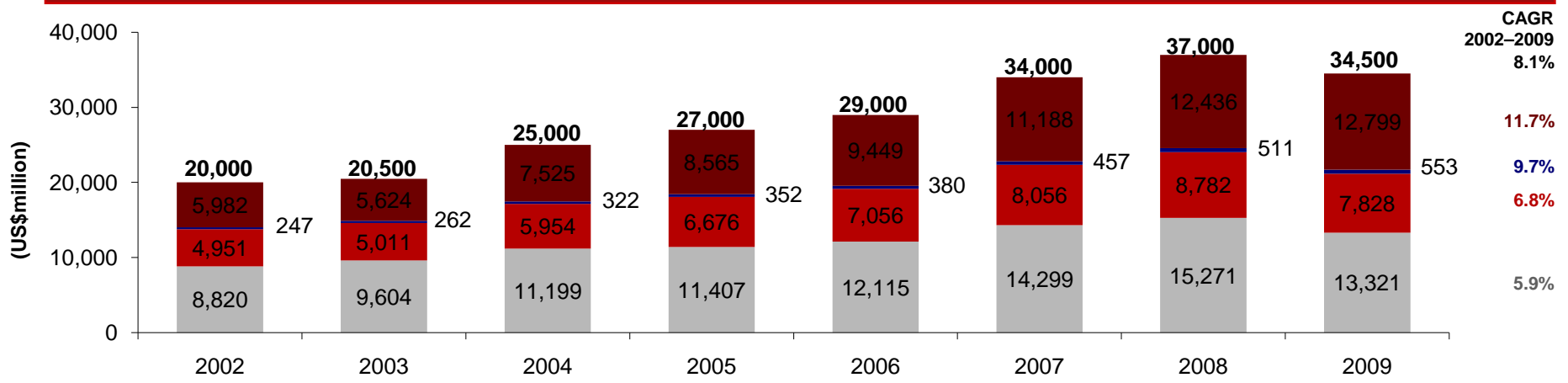


Source: Generation AB

## Retail Trends

- Broadening of customer base
  - Emerging Markets
  - Lower customer segments
- Enhance shopping experience
  - Adapt trends in high street retailing to travel retail
  - Convenience and experience to increase importance over price advantage
- Leverage customer information
  - Space allocation / Product categories
  - Assortment / Brands
  - Marketing & Promotion

## Global Duty-Free and Travel Retail Sales

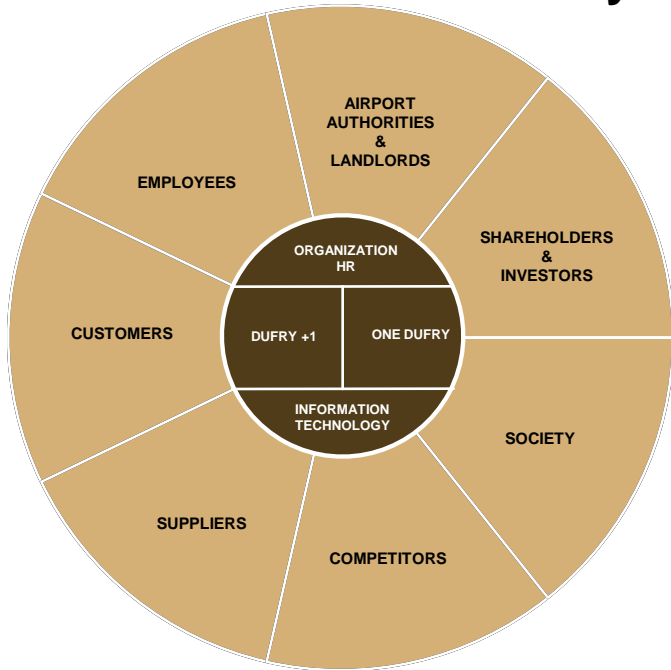


Source: Generation AB

■ Middle East, Asia & Oceania   ■ Africa   ■ Americas   ■ Europe

# Dufry 2010-2015

## Dufry 2010-15: Strategic Plan



### Mid-Term Plan 2010 - 2012

**DUFRY**  
*plus one!*

*one!*  
**DUFRY!**

## Dufry 2010: Focus in Profitable Growth

- Organic growth based on passenger growth and productivity improvements
- External growth through new retail space added in last 12 months
- Manage company based on fundamentals
- Maintain improvements of efficiency plan generated in 2009

# Mid-Term Plan – Dufry Plus One



- Cross-functional initiative focused on "customer satisfaction", from gathering and analyzing customer needs, to providing right purchase proposition in our shops compared to their reference market
- Selected Key Initiatives
  - Marketing: Promotions Plan
  - Retail Operations: New Commercial Plan
  - Customer Service: New Website
  - Procurement Management: Global Procurement Committee and Brands Plan
  - Logistics: Purchase Consolidation Structure
  - HR: New Retail Sales Training

**DUF'RY**  
*plus one!*



# Mid-Term Plan – One Dufry

- A plan to control and reduce risk, increasing compliance and internal control systems maximising result and returns, through increased control through cost and asset management
- Selected Key Initiatives
  - Finance
    - Financial Risk Management / Hedging
    - Tax Structuring
    - Optimize Cash Generation
    - Credit Card Management
    - Expenses Control – Excellence Plan
  - IT
    - Global Data Centre
    - Business Intelligence
  - Human Resources
    - Sales Incentives
    - Organisation Streamline



## 3. Financials

# Turnover/Net Sales Growth Analysis

## Turnover Growth Components

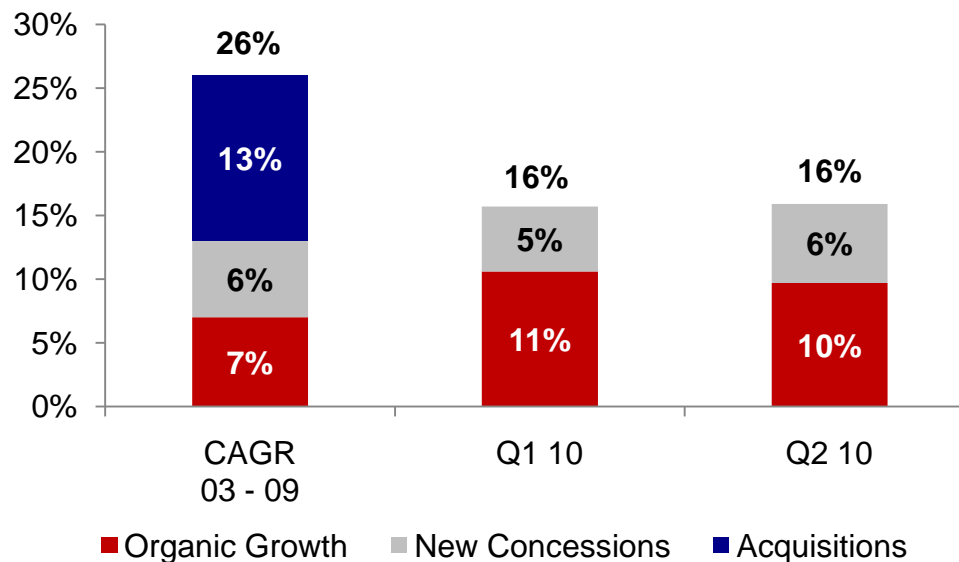
Organic Growth	10.2%	
New Concessions	5.6%	
<b>Turnover Growth at constant FX</b>		<b>15.8%</b>
FX Translation Effect		-4.1%
<b>Reported Growth</b>		<b>11.7%</b>

## FX Rate Development

	Q1	Q2	Q3	Q4
CHF/USD 2010	1.058	1.109		
CHF/USD 2009	1.150	1.113	1.063	1.021
<i>% Change 10/09</i>	-8.0%	-0.4%		
CHF/EUR 2010	1.463	1.409		
CHF/EUR 2009	1.497	1.514	1.520	1.509
<i>% Change 10/09</i>	-2.3%	-6.9%		

Source: Swiss National Bank

## Turnover Growth Evolution

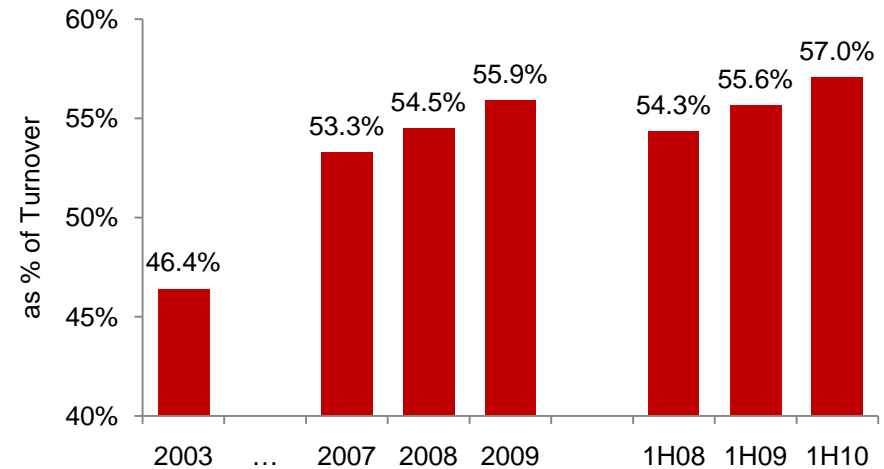


# P&L Analysis

## Turnover Growth by Region

Region	Growth at Constant FX
Europe	3.4%
Africa	0.8%
Eurasia	7.3%
Central America & Caribbean	12.0%
South America	40.5%
North America	13.1%

## Gross Profit Margin



## P&L Overview

(in million of CHF)	H1 10	%	H1 09	%	H1 10/H1 09
<b>GROSS PROFIT</b>	<b>723.3</b>	57.0%	<b>631.5</b>	55.6%	<b>14.5%</b>
<b>EBITDA</b>					
<b>FX Constant</b>	<b>160.9</b>	<b>12.2%</b>	<b>133.7</b>	<b>11.8%</b>	<b>20.3%</b>
Reported	154.3	12.2%	133.7	11.8%	15.4%

# Income Statement

(CHF million)	Dec '03	%	Dec '07	%	Dec '08	%	Dec '09	%	Jun '09	%	Jun '10	%
<b>Turnover</b>	<b>685.7</b>	100.0%	<b>1,930.3</b>	100.0%	<b>2,113.5</b>	100.0%	<b>2,378.7</b>	100.0%	<b>1,135.1</b>	100.0%	<b>1,267.9</b>	100.0%
<b>Gross profit</b>	<b>318.1</b>	46.4%	<b>1,028.0</b>	53.3%	<b>1,151.9</b>	54.5%	<b>1,329.4</b>	55.9%	<b>631.5</b>	55.6%	<b>723.3</b>	57.0%
Concession fees	117.6	17.2%	367.6	19.0%	408.0	19.3%	480.1	20.2%	224.3	19.8%	263.3	20.8%
Personnel expenses	92.9	13.5%	234.6	12.2%	276.1	13.1%	361.3	15.2%	180.7	15.9%	200.8	15.8%
Other expenses	58.7	8.6%	166.6	8.6%	174.4	8.2%	186.9	7.9%	92.8	8.2%	104.9	8.3%
<b>EBITDA (1)</b>	<b>48.9</b>	7.1%	<b>259.3</b>	13.4%	<b>293.4</b>	13.9%	<b>301.1</b>	12.7%	<b>133.7</b>	11.8%	<b>154.3</b>	12.2%
Depreciation	20.8	3.0%	33.2	1.7%	39.7	1.9%	63.9	2.7%	32.6	2.9%	33.1	2.6%
Amortisation	5.8	0.8%	37.0	1.9%	46.7	2.2%	59.1	2.5%	29.6	2.6%	31.3	2.5%
<b>EBIT (1)</b>	<b>22.3</b>	3.2%	<b>189.1</b>	9.8%	<b>207.0</b>	9.8%	<b>178.1</b>	7.5%	<b>71.5</b>	6.3%	<b>89.9</b>	7.1%
Other operational result	-38.3		3.2		-11.9		-14.7		-5.9		-5.7	
Financial result	-4.7		-27.9		-47.3		-43.4		-23.9		-14.8	
<b>EBT</b>	<b>-20.7</b>	-3.0%	<b>164.4</b>	8.5%	<b>147.9</b>	7.0%	<b>120.0</b>	5.0%	<b>41.7</b>	3.7%	<b>69.5</b>	5.5%
Income tax	12.6		38.3		30.1		22.7		8.3		8.7	
<i>As % of EBT</i>			23.3%		20.4%		18.9%		19.9%		12.6%	
<b>Net Earnings</b>	<b>-33.3</b>	-4.9%	<b>126.0</b>	6.5%	<b>117.8</b>	5.6%	<b>97.3</b>	4.1%	<b>33.4</b>	2.9%	<b>60.7</b>	4.8%
<i>Attributable to:</i>												
Minority interest	0.1		51.0		67.5		58.8		23.0		20.3	
Equity holders of the parent	-33.4		75.0		50.3		38.5		10.4		40.4	

Notes:

(1) EBITDA and EBIT before other operational result

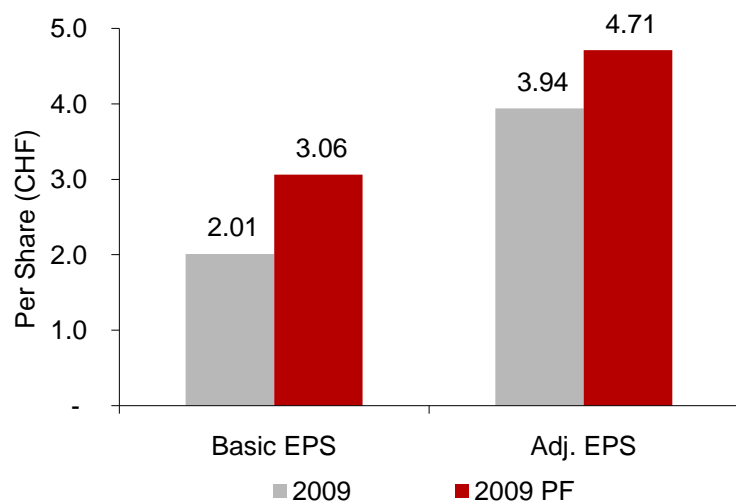
# Net Earnings / Earnings Per Share

## Net Earnings

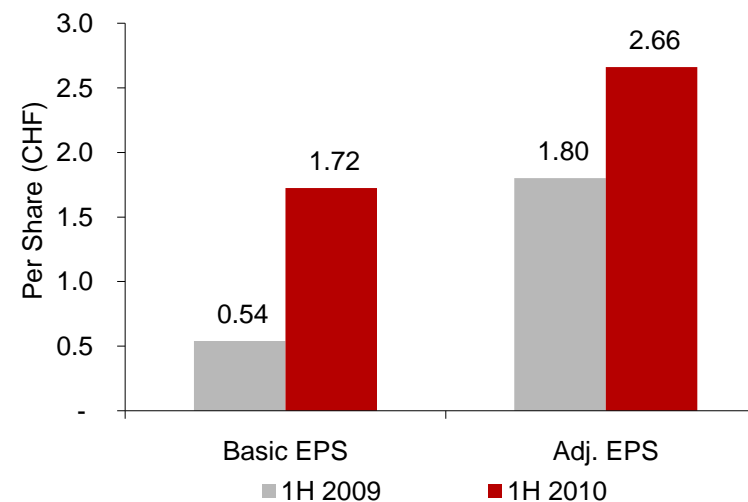
CHF million	1H 10	1H 09	Growth
NET EARNINGS	60.7	33.4	81.7%
<u>Proforma post merger</u>			
Minority Interest <sup>(1)</sup>	8.8	23.0	
Equity Holders of the Parent <sup>(1)</sup>	51.9	10.4	
<u>Reported</u>			
Minority Interest	20.3	23.0	
Equity Holders of the Parent	40.4	10.4	

<sup>(1)</sup> DSA minorities considered as Equity Holders of the Parent since Jan 1<sup>st</sup>

## Earnings Per Share FY 2009



## Earnings Per Share H1 2010

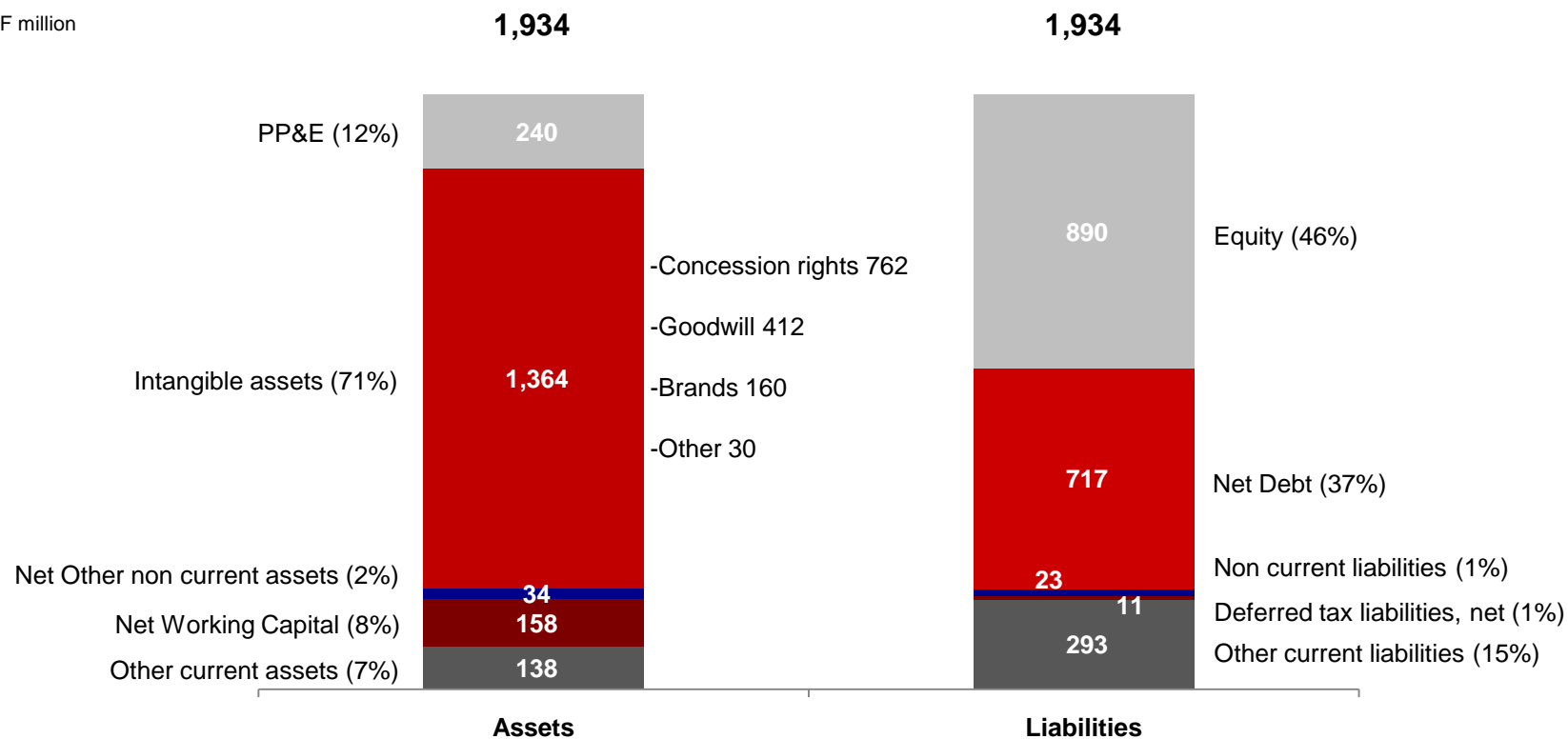


# Balance Sheet

<b>ASSETS</b>				
<b>(CHF million)</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>30/06/2010</b>
Property, Plant & Equipment	128.5	249.8	241.6	239.5
Intangible assets	1,052.0	1,410.9	1,350.5	1,363.9
Other non-current assets	38.0	175.8	175.6	192.4
<b>Non-Current Assets</b>	<b>1,218.5</b>	<b>1,836.5</b>	<b>1,767.7</b>	<b>1,795.8</b>
Inventories	291.4	344.3	306.5	326.7
Trade receivables, net	52.0	44.3	48.2	30.4
Other current assets	89.4	121.1	122.4	138.0
Cash & equivalents	125.1	263.7	405.3	256.2
<b>Current Assets</b>	<b>557.9</b>	<b>773.4</b>	<b>882.4</b>	<b>751.3</b>
<b>TOTAL ASSETS</b>	<b>1,776.4</b>	<b>2,609.9</b>	<b>2,650.1</b>	<b>2,547.1</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>(CHF million)</b>	<b>31/12/2007</b>	<b>31/12/2008</b>	<b>31/12/2009</b>	<b>30/06/2010</b>
Parent equity	507.8	660.0	674.5	804.7
Minorities	230.1	293.6	323.1	85.5
<b>Equity</b>	<b>737.8</b>	<b>953.6</b>	<b>997.6</b>	<b>890.2</b>
Trade payables	165.6	151.8	202.0	199.5
Financial Debt	495.5	1,087.9	1,015.0	973.2
Deferred tax liab.	172.9	163.2	163.5	169.3
Provisions + pension plans	24.6	14.3	13.6	14.0
Other non-current liab.	9.0	8.4	5.1	12.6
Other current liabilities	170.9	230.7	253.3	288.3
<b>Liabilities</b>	<b>1,038.6</b>	<b>1,656.3</b>	<b>1,652.5</b>	<b>1,656.9</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,776.4</b>	<b>2,609.9</b>	<b>2,650.1</b>	<b>2,547.1</b>

# Summary Balance Sheet June 2010

In CHF million



Notes:

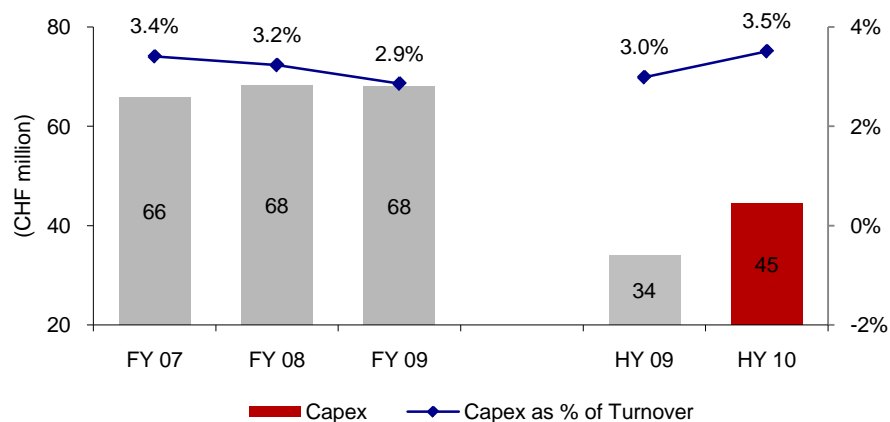
- Net Working Capital calculated as Inventories + Trade and Credit Cards Receivables – Trade Payables
- Net debt calculated as Financial Debt – Cash Equivalent
- Deferred tax liabilities, net calculated as Deferred tax liabilities – Deferred tax assets



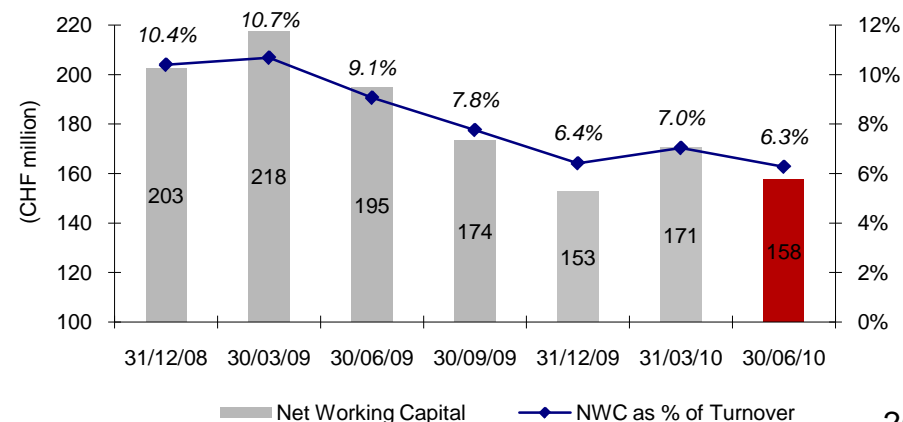
# Cash Flow Statement

In millions of CHF	H1 2010	H1 2009
<b>Net debt - Dec 31</b>	<b>(609.8)</b>	<b>(824.2)</b>
<b>Cash flow before working changes</b>	<b>149.5</b>	<b>137.4</b>
Change in net working capital	4.8	62.4
Income taxes paid	(11.8)	(14.8)
<b>Net cash flows from operating activities</b>	<b>142.5</b>	<b>185.2</b>
Capex (PPE and intangible assets)	(44.6)	(33.8)
(Acquisitions) / proceeds from sale of investments, net of cash	(12.4)	(5.2)
Net interest paid	(16.7)	(15.2)
Dividends paid to group and minority shareholders	(171.2)	(15.4)
Share issuance costs and arrangements fees paid	(11.0)	-
Other	3.3	2.2
<b>Cash flow affecting net debt</b>	<b>(110.1)</b>	<b>117.8</b>
Currency translation	2.8	(16.1)
<b>Net debt - Jun 30</b>	<b>(717.1)</b>	<b>(722.5)</b>
Extraordinary dividend	158.0	-
<b>Net debt proforma before extraordinary dividends payment</b>	<b>(559.1)</b>	<b>(722.5)</b>

## Capex Evolution

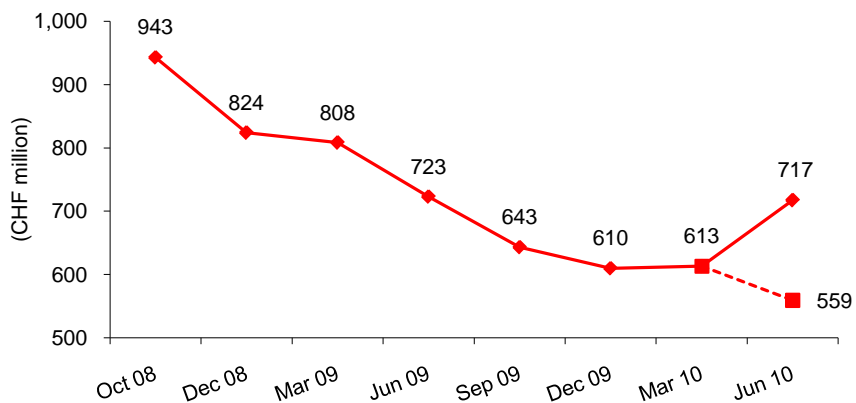


## Net Working Capital Evolution

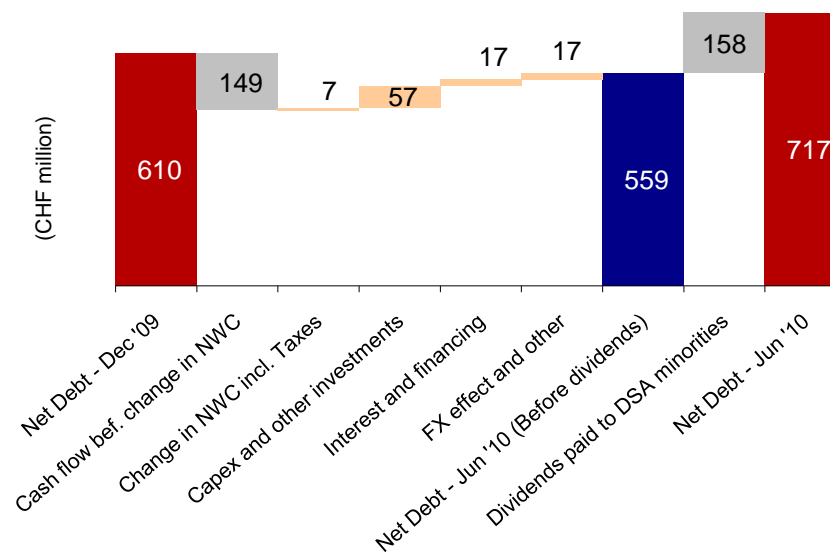


# Financing and Covenants

## Net Debt Evolution



## Change in Net Debt

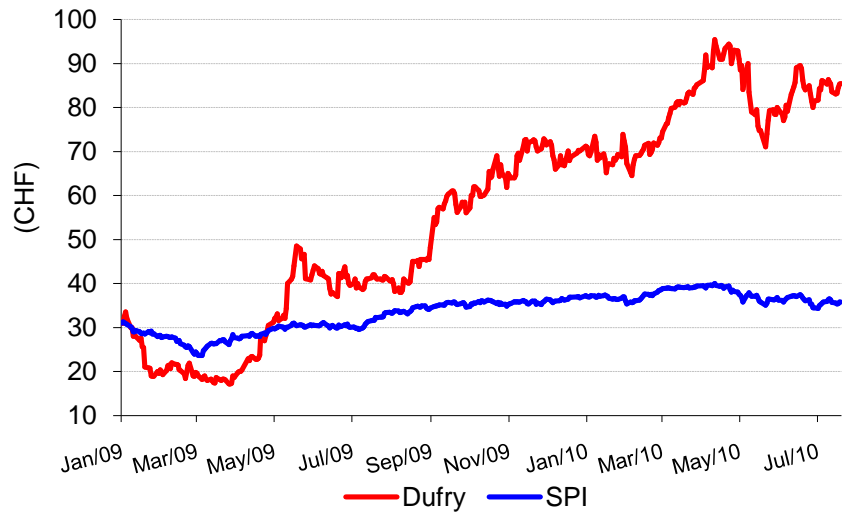


## Covenants

Ratio	Actual			Required
	Dec '09	Mar '10	Jun '10	Mar '10
Total drawn debt / Adj. EBITDA	2.7x	2.6x	2.5x	<3.0x
Adj. EBITDA/ Total interest expenses	7.4x	9.1x	12.5x	> 4.0x

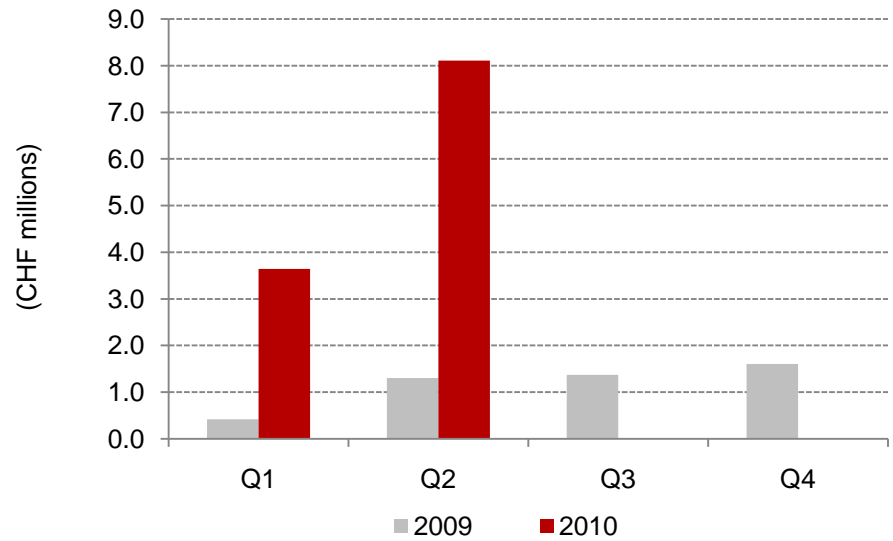
# Trading Volumes

## Dufry AG Share Price



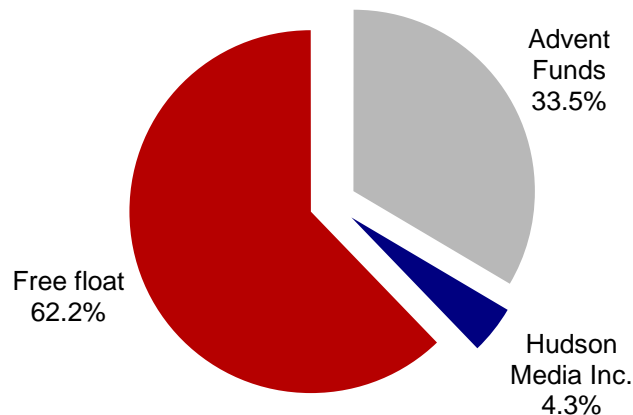
Note: SPI rebased to Dufry in Jan-09

## Daily Average Volume in CHF

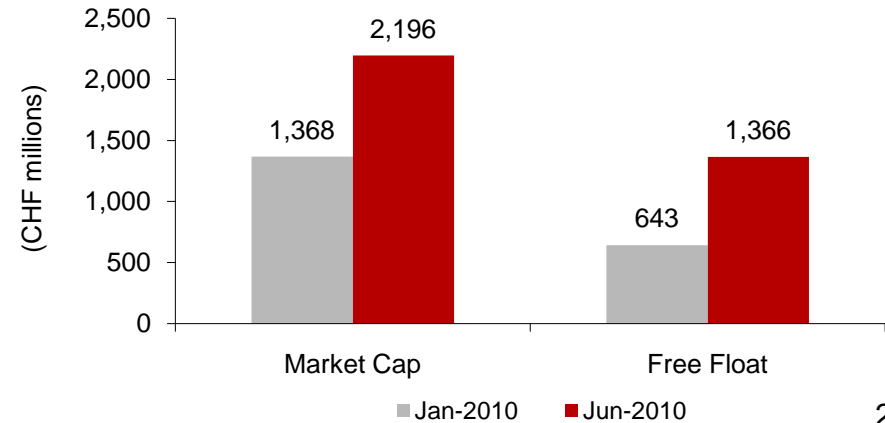


Note: Since April 2010 including trading volumes of Dufry AG BDR

## Shareholder Structure



## Market Capitalization



## 4. Conclusion

## Key Targets for 2010

- Q2 10 performance has confirmed that growth trend is back as mentioned in Q4 09 and Q1 10
  - Last passenger projections for 2010 confirm a positive outlook for the travel retail business
- Reevaluating our strategy and creating the future
  - Improve our execution capabilities
  - Sustain the efficiencies achieved in 2009
  - NWC and Capex management
  - Manage expansion according to performance
- Preliminary figures of Q3 10 confirms the growth trend is back

Thank You

