



## Media Release

Basel, 26 March, 2010

### 2009 Full Year Results of Dufry Group

**In 2009, Dufry's turnover grew by 13% to CHF 2,379 million from CHF 2,114 million in 2008. EBITDA (before other operational result) increased to CHF 301.1 million from CHF 293.4 million in 2008, resulting in an EBITDA margin of 12.7%. Net cash flow from operating activities more than doubled to CHF 389.4 million from CHF 172.9 million and Dufry reduced its net debt by CHF 214 million to CHF 610 million at the end of 2009 from CHF 824 million one year earlier and from CHF 943 million since closing of the Hudson Group acquisition.**

In 2009, turnover increased by 14.2% before FX effects. When measured in Swiss Franc, turnover grew by 12.5% reaching CHF 2,378.7 million in 2009 from CHF 2,113.5 million in 2008. Whereas organic growth was negative by 10.0% due to the difficult economic environment and lower passenger numbers throughout most of 2009, the consolidation of Hudson contributed 23.8% and expansions and new projects added another 0.5% to turnover growth. The impact of exchange rate movements was negative 1.7%.

During the last quarter of 2009, the situation started to normalize and Dufry achieved a positive 3.0% organic growth. The challenging trends seen in the previous four quarters started to ease and passenger numbers have started to recover.

#### Development of 2009 full year by region

- In **Region Europe**, turnover reached CHF 332.2 million in 2009 or 14% of group turnover. Turnover of Italy, Dufry's main operation in the region was over-proportionally affected in the first three quarters as in addition to the economic crisis, it suffered from the de-hubbing of Alitalia in the second quarter of 2008. In the fourth quarter, Italy, as most other operations, started to see a certain normalization although at a low basis.
- **Region Africa** remained almost stable when measured in local currencies. Expressed in Swiss Francs turnover reached CHF 190.2 million in 2009 or 8% of total turnover. Apart from Tunisia's and Ghana's slight decrease, all other countries posted positive growth based on constant foreign exchange rates.
- **Region Eurasia** saw a turnover of CHF 232.1 million in 2009 or 10% of group turnover. Selected Russian operations together with our operations in Sharjah and Belgrade were very resilient. Also our new operations in Beijing, which we started in the beginning of 2009, partially offset the softening in other locations.

- Turnover of **Region South America** reached CHF 616.5 million in 2009 or 26% of total turnover. The negative impact of the economic crisis was further accentuated by fears of the Swine Flu in Chile and Argentina, which led to the cancellation of many bookings to these destinations in the main holiday seasons in July and August. On a more positive note, the Brazilian business recovered strongly in the last months of 2009.

Following the acquisition of Hudson in October 2008, we regrouped our operations in North America and Caribbean in order to reflect the geographical presence of the Group more accurately. The new regions formed are presented below along with the respective comparison of the previous year's figures.

- In **Region Central America & Caribbean**, which comprises all the business of the former Region North America & Caribbean except the US business, turnover reached CHF 305.9 million in 2009 or 13% of group turnover. In Mexico, the fear about the Swine Flu substantially affected the business. Also, the operations especially in the English Caribbean had a weak performance as customers cut back on discretionary spending for high ticket items, such as watches and jewelry. Whereas in the fourth quarter several locations started to gradually recover from the lows seen earlier in 2009, the situation in the English Caribbean is likely to persist for some more time.
- **Region North America**, which was newly created following the addition of Hudson last year and also includes the previous US business of Dufry, increased its turnover to CHF 701.8 million in 2009 or 29% of total turnover. The increase is due to the full year contribution of Hudson instead of 3 months following its consolidation since October 2008. In terms of performance, the Hudson business proved to be resilient and its turnover evolution was in line with the passenger decrease.

Gross margin increased again by 1.4 percentage points to 55.9% in 2009 from 54.5% in 2008. The main drivers of this improvement in this complex environment were the successful integration of Hudson ahead of plan, the efficiency plan and the negotiations and the support of the suppliers in our marketing activities.

EBITDA (before other operational result) grew to CHF 301.1 million from CHF 293.4 million in 2008, an increase of 3%. EBITDA margin in 2009 stood at 12.7% compared to 13.9% in 2008. Thanks to Efficiency Plan as well as the high proportion of variable costs in Dufry's cost base, the negative impact of the economic crisis was substantially mitigated.

EBIT reached CHF 163.4 million in 2009 versus CHF 195.1 million in the previous year. The main driver for the change was depreciation & amortization, which increased to CHF 123.0 million in 2009 from CHF 86.4 million in 2008, mainly due to the accounting effect of the consolidation of Hudson Group since October 2008.

Net earnings before minorities in 2009 amounted to CHF 97.3 million compared to CHF 117.8 million in the previous year. Earnings attributable to the equity holders of the parent were CHF 38.5 million in 2009 compared to CHF 50.3 million in 2008. Minority interest decreased by CHF 8.7 million to CHF 58.8 million in 2009 versus CHF 67.5 million in 2008.

On a pro forma basis, assuming that the merger with DSA had been executed at the beginning of 2009, the pro forma net earnings attributable to equity holders would have been CHF 82.4 million and minority interest would have amounted to CHF 14.9 million.

In 2009, basic earnings per share were CHF 2.01 and cash earnings per share, which are adjusted for amortization of acquisitions, were CHF 3.94. Pro forma adjusted for the DSA merger at the beginning of 2009, the respective basic earnings per share would have been CHF 3.06 and cash earnings per share would have been CHF 4.71.

As of December 31, 2009, Dufry reduced its net debt position by CHF 214.4 million to CHF 609.7 million from CHF 824.2 million at the end of 2008 and from CHF 943 million since the acquisition of Hudson Group in October 2008. The reduction is due to the implementation of the Efficiency Plan, which focused on strengthening the balance sheet via improvements in net working capital, containment of capital expenditure and cash generation through reduction of fixed costs. Equity increased to CHF 997.6 million as of December 31, 2009, from CHF 953.6 million in the previous year. In terms of covenants, adjusted EBITDA/Net Debt was well within the range at 2.7x compared to a maximum threshold of 3.0x. The second covenant, net interest expense/adjusted EBITDA, stood at 7.4x versus a minimum threshold of 4.0x.

Julian Diaz, Chief Executive Officer of Dufry Group, commented: "In 2009, Dufry managed successfully through a very challenging period and was able to safeguard its profitability despite a severe downturn in the global economy. Dufry generated an EBITDA margin of 12.7%, which we consider a strong result given the weak environment. In addition, we also reduced net debt by CHF 214 million. We delivered on both main goals of the Efficiency Plan, namely maintaining the profitability and focus on cash generation, which allowed us to reduce our leverage and to strengthen the balance sheet.

2010 has started well for Dufry and compared to 2009, the trends are encouraging. Consequently, Dufry will focus on growth as it did in the years prior to 2009. Another key target for 2010 is to maintain as much of the efficiencies generated in 2009 and also to align the expansion with the group's cash generation, with a specific focus on gross margin improvements, control of fix cost, net working capital improvements and more effective capital expenditure. The successful completion of the merger with Dufry South America will facilitate the implementation of new initiatives across the group and will allow to further shape the organization to anticipate the development of Dufry going forward.

Dufry has demonstrated its resilience in 2009 and is now better positioned than ever to lead the consolidation in the fragmented travel retail industry. The economic crisis has accentuated the competitiveness and Dufry has further strengthened its leading role. We aim to capitalize on the combination of the lessons learnt during last year together with our long-standing growth strategy and proven execution capabilities. Although there are still question marks as to timing and the path of the recovery, we are sure that Dufry has all the elements in place to capture the opportunities in 2010 and beyond.

In this regard, we have launched our mid-term plan 2010 – 2012 with the target of improving our operational capabilities through the "Dufry Plus One" programme as well as to deploy our resources more effectively with the "One Dufry" initiative, in order to enlarge and implement our full organic growth potential."

## Key Figures Dufry Group

(In CHF million)	2009 audited		2008 audited		Variation 09/08
Turnover	2'378.7		2'113.5		12.5%
Gross Profit	1'329.4	55.9%	1'151.9	54.5%	15.4%
EBITDA (before other operational result)	301.1	12.7%	293.4	13.9%	2.6%
Net Earnings	97.3		117.8		
Attributable to:					
Equity holders of the parent	38.5		50.3		
Minority interest	58.8		67.5		

Dufry's Annual Report 2009 is published on 26 March, 2010, and is available on the website ([www.dufry.com](http://www.dufry.com) → Investor Relations → Financial Reports) the same day.

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### Dufry Group – A leading global travel retailer

Dufry AG (SIX: DUFN) is a leading global travel retailer operating more than 1,100 duty-free and duty-paid shops in airports, cruise lines, seaports, railway stations and downtown tourist areas.

Dufry employs around 11,000 people. The company, headquartered in Basel, Switzerland, operates in 40 countries in Europe, North America & the Caribbean, South America, Asia and Africa.



#### Social Responsibility

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