



Media Release

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2006 Full Year Results of Dufry Group

Dufry's turnover in 2006 surged by 51% to CHF 1,436.3 million from CHF 949.8 million in 2005. EBITDA (before other operational result) increased by 60.2% to CHF 160.5 million, compared to CHF 100.1 million in 2005. EBITDA-margin improved by 0.7 percentage points to 11.2% in 2006 from 10.5% in 2005. Net earnings for the Group more than doubled to CHF 124.6 million in 2006 from CHF 52.7 million in 2005, due to operational improvements as well as one-off transactions.

In 2006, Dufry increased its turnover by 51% to CHF 1,436.3 million from CHF 949.8 million in 2005. This increase was spread across Dufry's five Regions and was based on organic growth (8%), new concessions (10%) as well as acquisitions (33%).

Development by Region

- **Europe's** net sales grew by 13.1% to CHF 370.2 million in 2006 from CHF 327.3 million in 2005. Italy, Dufry's main market in this region, grew by 14.7% due to solid organic growth and the full year effect of the activities in Rome, which were opened at the end of 2005. The new operations in Spain (Tenerife, Mallorca and Bilbao), which were opened during 2006, also contributed to sales growth.
- **Africa** increased its net sales by 14.4% to CHF 146.4 million from CHF 127.9 million in 2005. The region had strong growth in Morocco, mainly in Marrakech Airport. In 2006, Dufry also started a new activity in Algier Airport with two duty free shops and signed a new contract to operate in Sharm-El Sheik Airport, Egypt, where operations are scheduled to start later on in 2007.
- **Eurasia** generated net sales of CHF 187.2 million, 24.9% growth compared to CHF 149.9 million in 2005. This increase was mainly due to the strong performance of Dufry's business in Moscow, new shops in Singapore and Sharjah (United Arab Emirates), where two new shops and the refurbishment of the main shops, done in 2005, boosted sales. In addition, new activities in Belgrade Airport, Serbia, were started.

- Net sales of **North America & Caribbean** increased by 17.0% to CHF 328.0 million from CHF 280.4 million in 2005. These figures exclude the cruise line operations and Bolivia, which were transferred to Region South America. Apart from this, North America & Caribbean had other important changes in scope and also experienced one-off effects. The activities in Dominican Republic, started in late 2005, and in Turks & Caicos, opened in 2006, had a positive effect, as did the full year consolidation of the Young Caribbean Group, which Dufry acquired in the last quarter of 2005. The acquisition in Puerto Rico will be integrated into this region and fully consolidated in 2007.
- **South America**, which was created as a new region in 2006, achieved net sales of CHF 371.6 million in 2006 compared to CHF 47.1 million in 2005. The region South America includes the Brazilian operations, which Dufry acquired in March 2006 and which have been consolidated for 9 months, as well as the cruise line operations and Bolivian activities that were transferred from region North America & Caribbean to region South America,

Gross profit jumped by 57.6% to CHF 744.4 million in 2006 from CHF 472.2 million in 2005. The gross margin increase of 2.1 percentage points to 51.8% in 2006 from 49.7% in 2005 is the result of the continued improvements on the operational side, such as the improvement of the product mix and global negotiations with suppliers based on increased presence in airports worldwide.

In 2006, EBITDA (before other operational income/expense) increased by 60.2% to CHF 160.5 million, compared to CHF 100.1 million in 2005. The EBITDA margin improvement of 0.7 percentage points to 11.2% in 2006 from 10.5% in 2005, is due to the improved gross margin and a slight reduction on the weight of personnel expenses. These improvements more than compensated the increase in selling expenses.

EBIT for 2006 increased to CHF 169.2 million compared to CHF 71.5 million for 2005. EBIT in 2006 includes a profit of CHF 58.8 million from "Other operating result" related to several transactions and events. The most important was the partial sale of shares of Dufry South America Ltd. in the initial public offering (IPO) in Brazil and Luxembourg.

Net earnings for the Group more than doubled to CHF 124.6 million in 2006 from CHF 52.7 million in 2005. The earnings attributable to the equity holders of the parent rose to CHF 107.7 million in 2006 from CHF 41.6 million in 2005. The strong increase due to one-time effects as well as improvements on the operational side more than compensated the higher financing costs and the increase in amortization as a result of the acquisitions.

As of 31 December, 2006, Dufry had a net debt of CHF 513.4 million compared to CHF 47.0 million by year end of 2005. The increase in net debt is due to the acquisitions in Brazil (CHF 505 million) and Puerto Rico (CHF 175 million), and was partially reduced through the IPO proceeds of Dufry South America Ltd. (CHF 228 million). Equity increased to CHF 655.1 million as of 31 December, 2006, from 446.0 million at 31 December, 2005.

Julian Diaz, Chief Executive Officer of Dufry Group, commented: “Dufry’s performance in 2006 was impressive and we actively drove the development in all areas. As set out in our strategy, we continued to improve our existing operations through organic growth and refurbishments, and at the same time expanded our concession portfolio through concession wins and acquisitions, namely in Brazil and, in late December 2006, in Puerto Rico. Furthermore, the successful IPO of Dufry South America Ltd. was also an important event for Dufry and illustrates our focus on adding value to our shareholders. In our view, Dufry’s has made a quantum leap in the last years and we are now creating the basis for an even stronger position of Dufry in the future.”

Development in 2007

In 2006, the travel retail industry has seen a solid growth in passenger numbers and Dufry expect this trend to continue in 2007. The new security measures introduced in Europe in late 2006 as a consequence of the alleged bomb attacks in the UK, have not had a material impact on Dufry’s performance due to the fact that there is no restriction on the sale of any Duty Free product and due to the geographical diversification of Dufry. Nevertheless, Dufry supports the initiative of European Travel Retail Council (ETRC) to harmonize the security measures on a global scale to further improve the transparency on the regulation as well as the convenience for its customers.

In 2007, Dufry has launched several important projects in the area of Logistics, IT systems, and HR aimed to strengthen the Dufry as an organization and to increase the efficiency of its processes. These projects should allow Dufry to continue to drive organic growth and profitability. In terms of concession wins, Dufry already announced the opening of shops in Hong Kong as well as several new contracts in Moscow-Sheremetyevo, Dominican Republic and Aruba. These new projects, as well as the acquisition in Puerto Rico, which will be fully consolidated in 2007, provide the basis for the further development of Dufry going forward.

Dufry’s Annual Report 2006 will be published on 19 April, 2007, and will be available on the website (www.dufry.com) the same day.

Key Figures Dufry Group

(In CHF million)	2006 audited	2005 audited
Turnover	1,436.3	949.8
Gross Profit	744.4	472.2
<i>Gross Profit Margin</i>	<i>51.8%</i>	<i>49.7%</i>
EBITDA (before other operational result)	160.5	100.1
<i>EBITDA margin</i>	<i>11.2%</i>	<i>10.5%</i>
EBIT	169.2	71.5
<i>EBIT margin</i>	<i>11.8%</i>	<i>7.5%</i>
Net Earnings	124.6	52.7
Attributable to:		
Equity holders of the parent	107.7	41.6
Minority interest	16.9	11.1

Note:

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For further information please contact:

Andreas Schneider
Investor Relations
Phone ++41 61 266 42 38
andreas.schneider@dufry.ch

Lubna Haj Issa
Media Relations
Phone ++41 61 266 44 46
lubna.haj-issa@dufry.ch

Dufry – A leading global travel retailer

Dufry AG (SWX: DUFN) is a leading global travel retailer operating more than 450 duty-free and duty-paid shops in airports, cruise lines, seaports, railway stations and downtown tourist areas.

Dufry South America Ltd. (BOVESPA: DUFB11) is a subsidiary of Dufry AG and is listed on the Brazilian and Luxemburg stock exchanges.

Dufry employs more than 6,750 people. The Company, headquartered in Basel, Switzerland, has about 60 subsidiaries to operate its business in 38 countries in Europe, North America & Caribbean, South America, Asia and Africa.