



Media Release

Basel, 16 October, 2008

Dufry Executes Merger with Hudson Group

On 15 October, 2008, Dufry closed the merger agreement which was signed on 3 September, 2008, with Hudson Group Holdings, Inc (Hudson), following receipt of required regulatory approvals. As planned when the merger was announced, the execution of the transaction consisted of a share swap and the refinancing of Hudson's debt.

As consideration for the equity of Hudson, Dufry issued 4,218,750 new shares from its authorized capital as well as mandatory convertible notes (MCN), which will be converted into 932,704 new shares of Dufry on 9 December, 2008. Both, the new shares as well as the MCN, will be provided to Hudson's current shareholders in exchange for 88.8% of Hudson's share capital, which has been valued at USD 396 million. The number of Dufry shares to be issued were fixed at the time of announcement on 3 September, 2008 and are based on a share price of the Dufry AG share of CHF 85.0.

As planned when the merger with Hudson Group was announced in September, Dufry has assumed Hudson's debt of approximately USD 390 million as part of the transaction. In this respect, Dufry has entered into a new 5-year committed syndicated facility of approximately CHF 1,250 million, which has been fully underwritten by Banco Santander, BNP Paribas, ING, Raiffeisen Zentralbank, and Royal Bank of Scotland. The facility has been used to refinance Hudson's debt as well as Dufry's existing bank debt.

Hudson Group is the premier travel retailer in North America with 540 duty-paid stores in 70 airports and transportation terminals throughout the United States and Canada. In 2007, Hudson generated a turnover of USD 666 million and EBITDA reached USD 85 million resulting in an EBITDA margin of 12.8%.

The transaction will further reinforce Dufry's leading global position in travel retail and strengthen Dufry's presence in the duty paid segment of the industry. The combined group will operate around 1,000 shops at 137 airports with a 2007 pro forma combined turnover of approximately CHF 2.6 billion. Dufry and Hudson have appointed a joint integration team to focus on the combination and to realise synergies of approximately CHF 20 million within two years. Furthermore, Dufry and Hudson also start the international roll-out of the Hudson business model, which will result in additional top-line and profitability growth on top of the synergies mentioned above.

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Dufry – A leading global travel retailer

Dufry Ltd (SWX: DUFN) is a leading global travel retailer operating more than 1'000 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 around 11'000 people. The Company, headquartered in Basel, Switzerland, operates in 41 countries in Europe, North America & Caribbean, South America, Asia and Africa.