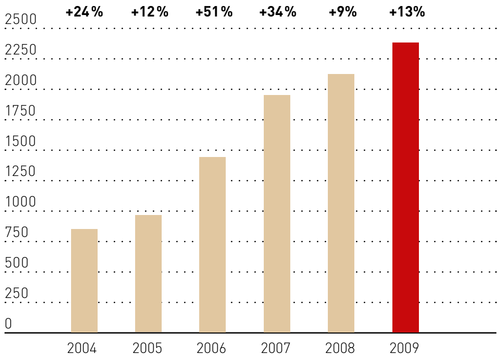
DUFRY

09

ANNUAL
REPORT

TURNOVER

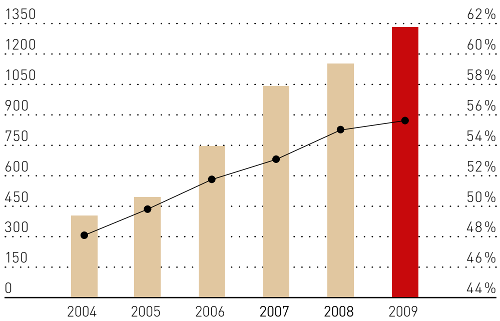
in millions of CHF



GROSS PROFIT

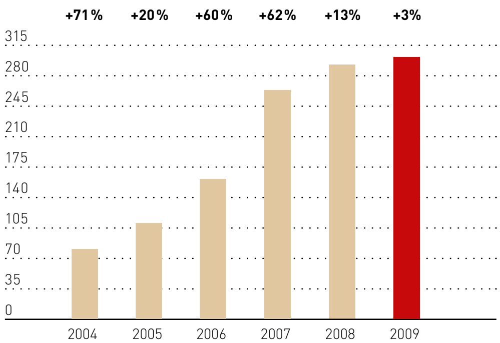
in millions of CHF

Margin



EBITDA[1]

in millions of CHF

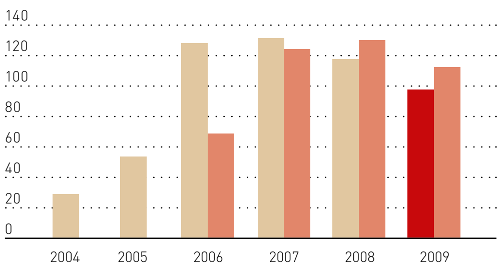


Note: 2004 figure on a pro-forma basis

[1] EBITDA before other operational result

NET EARNINGS

in millions of CHF

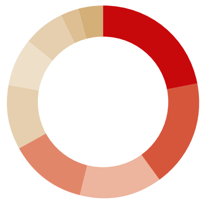


- Adjusted net earnings without other operational result

NET SALES BY REGION 2009

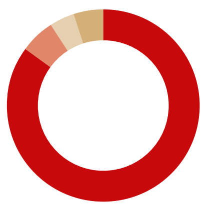
- Europe **14%**
- Africa **8%**
- Eurasia **10%**
- Central America & Caribbean **13%**
- South America **26%**
- North America **29%**

NET SALES BY PRODUCT CATEGORIES 2009



- Perfumes and Cosmetics **22%**
- Confectionery, Food and Catering **18%**
- Wine and Spirits **14%**
- Literature and Publications **13%**
- Watches, Jewelry and Accessories **11%**
- Tobacco goods **8%**
- Fashion, Leather and Baggage **7%**
- Electronics **3%**
- Other **4%**

NET SALES BY CHANNEL 2009



- Airports **85%**
- Cruise liners and seaports **6%**
- Downtown, hotels and resorts **4%**
- Railway stations and other **5%**

ITALY

MILAN MALPENSA AIRPORT

→ EUROPE

– Presence in Italy, France, Spain, Switzerland, Netherlands, Greece, Czech Republic
– Over 21,800 m² sales area
– 115 shops
– Net sales 2009 CHF 312 million
– 1,007 employees

→ MILAN

– Shop established in 2007
– 110 m² sales area
– 4 employees

AFRICA

TUNISIA

TUNIS CARTHAGE INTER-NATIONAL AIRPORT

→ AFRICA

– Presence in Tunisia, Egypt, Algeria, Morocco, Ghana, Ivory Coast
– Over 8,600 m² sales area
– 41 shops
– Net sales 2009 CHF 190 million
– 873 employees

→ TUNIS

– Shop established in 2008
– 14 m² sales area
– 3 employees

BRAND BOUTIQUE

- Located at Departure area Schengen Terminal 1 of Milan Malpensa Airport
- Dufry staff operates this prestigious Emporio Armani boutique
- Vast selection of Armani products including cloths, shoes, accessories, luggage, and many more


COHIBA


CIGAR STORE

- Located at Departure area Terminal 1 of Tunis Carthage International Airport
- Specialized cigar store
- 17 different, most famous cigar brands – selection includes Montechristo, Cohiba, José L. Piedra, Partagas, Romeo y Julieta, etc. and accessories for the cigar aficionado

CHAIRMAN OF THE BOARD OF DIRECTORS
AN IMPRESSIVE RESULT IN A CHALLENGING YEAR

DEAR SHAREHOLDERS

Despite the challenging business environment of 2009, Dufry's business was solidly profitable. Dufry increased its Turnover to CHF 2,379 million from CHF 2,114 million and posted an EBITDA of CHF 301 million. The resulting EBITDA margin of 12.7 % in the most difficult year in the history of the travel retail industry, reflects the quality of the Group's development in recent years, its flexible cost base, the capacity to adapt to new situations quickly, and its execution skills.

The downturn in the global economy was the key theme for Dufry throughout 2009. Dufry responded quickly to the abrupt change in business outlook in the fourth quarter of 2008 and began implementing an Efficiency Plan that safeguarded profitability through cost savings and cash generation. The results speak for themselves: With cost savings of CHF 39 million in 2009 and a reduction of net debt from CHF 824.2 million to CHF 609.7 million on December 31, 2009, Dufry's management realigned the organization so that the underlying businesses could deliver profitability.

Dufry successfully completed the integration of Hudson Group in 2009, which the company fully acquired in October 2008. Dufry realized the planned synergies almost one year ahead of the initial plan thanks to a systematic approach and a dedicated integration team. Furthermore, the company started to implement the expansion strategy outlined for Hudson Group, namely rolling out the business model internationally. In 2009, the first Hudson News shops were opened outside of the US and Canada, Hudson Group's home markets, and Dufry will continue the international rollout of the Hudson News concept over the next few years.

On January 11, 2010, Dufry AG announced the proposed merger with Dufry South America Ltd, its publicly listed subsidiary in South America. The transaction, recently approved by the general meetings of both companies, is expected to close in April 2010. From a strategic perspective, the merger will increase Dufry Group's flexibility to pursue growth opportunities globally and in South America. The merger will simplify the corporate structure of Dufry Group and unify the shareholder base of the two companies. Furthermore, the free float will increase to 62 % from the current 47 %, which should result in improved liquidity in the share trading. As part of the transaction, Dufry AG will list its shares through Brazilian Depositary Receipts ("BDRs") on the BM&F Bovespa Stock Exchange in Brazil. Over the last three years, Dufry South America Ltd has built a strong track record in the financial communities of Brazil and Latin America, creating visibility in key markets for Dufry. With the BDR program, Dufry AG will continue its presence in the Brazilian capital markets. As part of this commitment, the company will maintain substantive Investor Relations activities in Brazil and ongoing dialogue with Latin American investors.

In 2009, Dufry was one of the best performing stocks on the SIX Swiss Exchange with the share price increasing 142%. The extraordinary performance, while partially a correction of the undervalued share price at the end of 2008, also reflects the achievements of Dufry in 2009. Overall, Dufry continues to have a very attractive investment outlook based on diversified businesses, a high quality concession portfolio, a flexible cost structure, and strong organic and external growth projected for 2010 and beyond.

Key to company growth are the employees and Dufry has always recognized the importance of its role as an employer. Job security and the opportunity for a living wage are fundamental for sustainable development of any community. In Dufry's case the responsibility is even greater due to significant presence in emerging markets. Despite the heavy downturn in the economy and the stringent Efficiency Plan implemented in 2009, Dufry avoided any drastic restructuring measures and has maintained overall workforce levels.

As in past years, Dufry continued sponsoring social responsibility programs. These programs have characteristics in common with business, in that continuity gives the organization the dedicated know-how that leads to success. Dufry supports two initiatives in this area; the partnership agreement with the Foundation "Swiss Friends of the SOS Children's Villages" and the education program in Rio de Janeiro. In the first project, Dufry donated funds for the construction of a social centre in Igarassu, Brazil, which will benefit 500 children and 100 mothers. The second project is a comprehensive education program in Rio de Janeiro for 30 adolescents that have no other access to the educational system.

Although there is still uncertainty surrounding global economic development, especially in the medium term, 2010 has started positively for Dufry. As a consequence, Dufry will gradually re-focus back to its original growth strategy. This will be done step-by-step and reflecting the development of Dufry's business.

On behalf of the Board of Directors of Dufry, I would like to thank all our employees for their effort and commitment. We also thank our customers and suppliers for their loyalty and business. Last but not least, we thank our shareholders for their unfailing interest in and support of Dufry.

Sincerely,

Juan Carlos Torres Carretero

CHIEF EXECUTIVE OFFICER
EFFICIENCIES OF 2009 AS BASIS FOR PROFITABLE GROWTH

DEAR ALL

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's turnover in 2009 increased by 12.5 % to CHF 2,379 million and EBITDA (before other operational result) improved to CHF 301.1 million from CHF 293.4 million in 2008. More importantly, Dufry generated an EBITDA margin of 12.7 %, which we consider a strong result given the dire environment. The other important achievement in 2009 was the reduction of our net debt by CHF 214.4 million. Strengthening Dufry's balance sheet through deleveraging was one of the top priorities of management. Therefore, the focus on cash generation as well as maintaining the profitability through cost cutting were the main goals of the Efficiency Plan, which we implemented during 2009.

EFFICIENCY PLAN – RE-SETTING PRIORITIES IN 2009

The economic crisis negatively impacted global international passenger numbers, one of the key drivers in Dufry's business, which decreased by around 5 %. This trend was further amplified by specific situations with material impacts stemming from Dufry's operations in Italy, Mexico and the Caribbean. Whereas Italy had to bear an additional negative impact due to the restructuring of Alitalia's flight schedule during 2008, Mexico suffered due to the outbreak of the Swine Flu. In the Caribbean, the economic turmoil led to a substantial decrease in discretionary spending for high-ticket items like watches & jewelry, which is one of our main categories in this region. Whereas in the fourth quarter of 2009, most regions started to show improving sales trends and a return to positive organic growth, although from a lower level, Europe and the Caribbean continued to be laggards and their development was modest overall.

In order to mitigate the deteriorating environment, we implemented an Efficiency Plan in January 2009 designed to maintain the profitability as well as to maximize cash generation. In terms of profitability targets, Dufry was able to increase the gross margin by 1.4 percentage points compared to the 0.2 percentage points targeted and to reduce the costs by CHF 39 million, well ahead of the CHF 25 million initially planned. As to the cash generation, Dufry substantially improved its net working capital to 6.6 % of sales in 2009 from 9.5 % in 2008, releasing CHF 84 million of cash. On the investment side, we also limited capital expenditure by CHF 41.7 million.

Through the implementation of the Efficiency Plan, Dufry has gained a better understanding of the company's financial and commercial capabilities. In 2010, the focus will be on the operational aspects of the business, which include a significant generation of free cash flow and EBITDA margin improvement while returning to our original strategy of profitable growth.

HUDSON INTEGRATION AND INTERNATIONAL ROLL-OUT

The integration of Hudson Group during 2009 was another important challenge for Dufry and we are pleased with the results to date. The additional margin targets and the cost savings were both achieved or exceeded and the results materialized one year ahead of plan despite the economic headwind. Overall, the synergies and savings created during 2009 amounted to CHF 17.7 million.

Dufry also started the international roll-out of Hudson as outlined in the strategy last year. In 2009, the first 20 Hudson News shops were opened outside of Hudson Group's home markets, US and Canada, and are located in Puerto Rico, Dominican Republic, Italy, Switzerland and Egypt.

Furthermore, in September 2009, we signed an 18-years contract to operate 41 convenience stores in the long-haul train stations in the 13 largest cities in Italy. The transaction is attractive for a number of reasons: Dufry can strengthen its position in the Italian travel retail market and at the same time get more experience on and exposure to train passengers, which within Europe is increasingly an alternative to airplanes. Furthermore, the new operations will generate additional visibility of the Hudson News concept outside North America and can be added to the existing back-office platform in Italy.

Dufry will continue with its strategy defined for Hudson Group to internationally expand and develop the Hudson News format, a duty paid concept with a superior financial and commercial performance. Replicating the business model outside the US will create significant value and the Hudson News concept has the potential to be a significant growth driver on the top-line and in terms of margins going forward. In 2010, the priority will be the expansion of the Hudson News concept in locations where Dufry is already present.

STRENGTHENING OUR POSITION IN EMERGING MARKETS

During 2009, and especially in the last quarter, Dufry concluded several projects which will further strengthen its market position. As communicated in March 2009, Dufry entered the Chinese market through an agreement to provide retail services to 16 duty paid shops at Beijing International Airport. In November 2009, Dufry announced a new contract to operate 20 duty paid stores in Shanghai Hongqiao International Airport.

The travel retail market in China offers major opportunities and the duty paid business is particularly interesting. Serving domestic passengers, Dufry can capture the fast growing segment of Chinese consumers that can afford to travel by plane. To put this into perspective: the 10 largest airports in China welcomed 225 million domestic passengers in 2009 compared to around 30 million international passengers. For Dufry, the projects won in 2009, are an excellent platform to explore further growth opportunities in this highly interesting market.

In the last quarter of 2009, we concluded several other projects. In addition to the contracts signed for Roatan seaport in Honduras, and Nice airport in France, we also acquired the assets and operations from Latinoamericana Duty Free ("LDF"), the second largest travel retailer in Mexico after Dufry. With this move, Dufry has considerably strengthened its market position and can implement substantial synergies.

Last but not least, the merger announced on January 11, 2010, of Dufry AG and Dufry South America Ltd will reinforce Dufry as an organization. The transaction will simplify the organizational structure and facilitate the further development of the group on an operational level. There are a number of projects in Procurement, Logistics, IT and Finance, where the full integration of Dufry South America will prove beneficial in terms of flexibility and execution. The merger will also optimize the capital structure, which will ultimately provide more room to maneuver for new projects, be it in South America or elsewhere.

MOVING FORWARD – RETURN TO SUSTAINABLE GROWTH

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. We have set ourselves ambitious internal targets, especially in terms of organic growth. On top of that, the significant amount of new commercial space added along in 2009 and first part of 2010 will also contribute to top-line growth. Last but not least, Dufry will also work hard to materialize on its project pipeline, which at this stage, has a number of interesting smaller and mid-sized opportunities.

In terms of profitability and cash generation, 2009 was a tough year but it also forced us to look at our business in more detail and to become more efficient. Another key target for 2010 is to maintain 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.

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 economic recovery, we are sure that Dufry has all the elements in place to capture the opportunities in 2010 and beyond.

I would like to thank our employees for their efforts, their daily contribution, devotion and persistence, which have made Dufry the successful travel retailer it is today. At the same time we owe our thanks to our many business partners for their valuable partnerships. We hope that our joined forces will make 2010 another successful year.

Julián Díaz González

EURASIA

CHINA

SHANGHAI HONGQIAO INTER-NATIONAL AIRPORT

→ EURASIA

– Presence in Russian Federation, United Arab Emirates, Singapore, China, Cambodia, Serbia
– Over 9,100 m² sales area
– 48 shops
– Net sales 2009 CHF 229 million
– 832 employees

→ SHANGHAI

– New shop established in 2010
– 390 m² sales area
– 30 employees

MEXICO

MEXICO CITY INTER-NATIONAL AIRPORT

→ CENTRAL AMERICA & CARIBBEAN

– Presence in Mexico, Caribbean Islands, Honduras, Nicaragua
– Over 41,500 m² sales area
– 209 shops
– Net sales 2009 CHF 303 million
– 2,047 employees

→ MEXICO CITY

– Shop established in 2007
– 242 m² sales area
– 12 employees


shu uem

LUXURY BRANDED DUTY PAID STORES

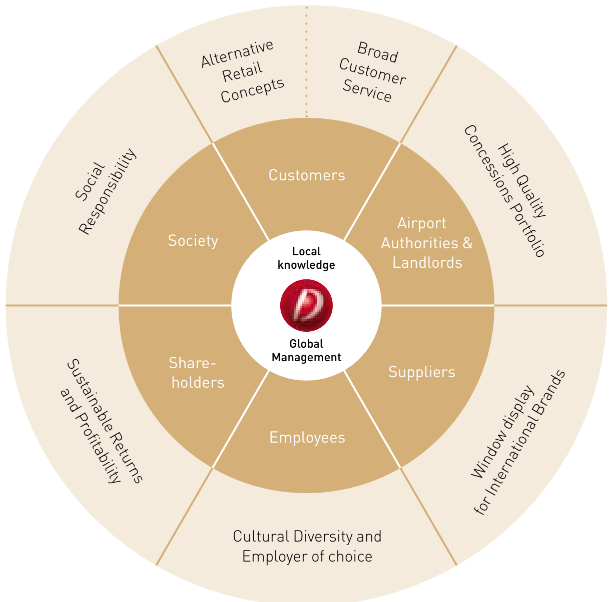
- Located at Wing 4 and 5 at the new terminal of Shanghai Hongqiao International Airport
- Widest selection of perfumes and cosmetics, watches and jewelry, luxury fashion brands
- Over 100 brands on offer

DUTY FREE SHOP

- Located at Departure area Terminal 1 of Mexico City International Airport
- Offerings include a wide selection of duty free items such as food, spirits, tobacco, confectionary products
- Over 200 brands available

DUTY FREE
Tequila
Esperanto
Selección
100% de Agave Azul
Woow...!
THE YEARS. KEEP THE LEGEND GOING.
CONOCER ES NO EXCEDERSE
TEQUILA CENTEN
LEYEN
20%
LIQUORS
WINES
CHAMPAGNE
HISKY
OGNAC
FROZEN

DUFRY BUSINESS MODEL
CREATING VALUE FOR OUR STAKEHOLDERS



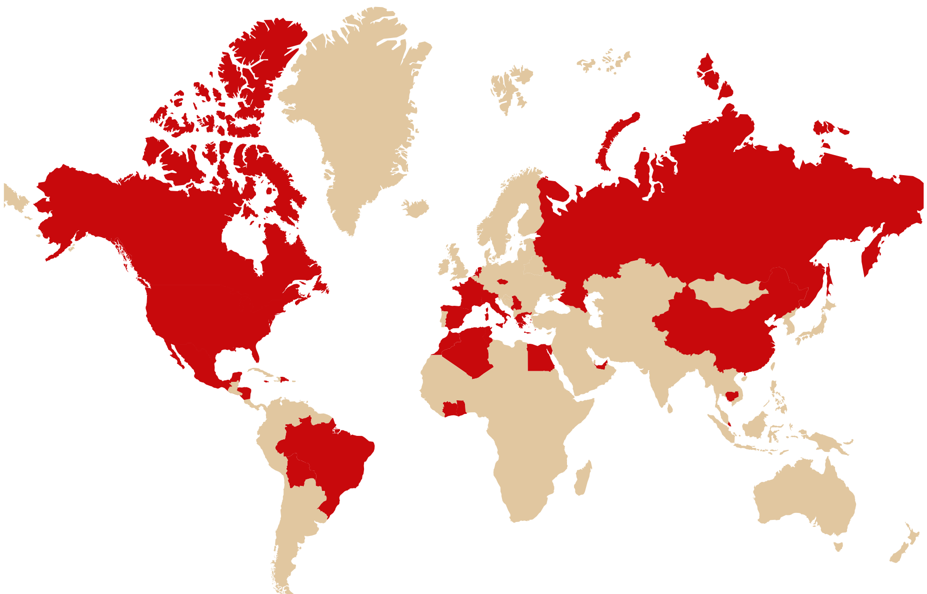
DUFRY – A LEADING TRAVEL RETAILER WITH A GLOBAL FOOTPRINT

Thanks to the fast growth since 2003, Dufry has become one of the leading travel retailers over the last few years in terms of sales and more importantly, when looking at profitability. More than 1.5 billion passengers travel every year through the airports, seaports and other facilities in which we operate our shops. Our retail expertise, the long-term partnerships with landlords and suppliers and our thorough understanding of the dynamics in traveling markets, put us into an excellent position to further grow our business and steadily increase our market share in the coming years.

OUR SUCCESS FORMULA: LOCAL KNOWLEDGE PLUS GLOBAL MANAGEMENT

TAKING CARE OF TRAVELING CUSTOMERS IN OVER 1,000 SHOPS WORLDWIDE

Dufry is one of the world's leading travel retail companies serving travelers in 40 countries across four continents. We combine our extensive local expertise with in-depth travel retail know-how to make our customers feel at home in our shops and to offer them a distinctive shopping experience. Depending on the particular spirit and characteristics of each destination, we individualize the shopping environment and offer special assortments to our customers. Our local teams are responsible for the day-to-day management of the operation. Direct customer feedback and information, collected at a local level, is being aggregated at Group level and helps us to further improve our services and assortment.



SIX REGIONS

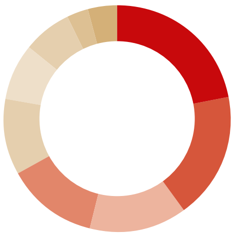
Our six regions monitor all business aspects for their respective locations. The regional headquarters are in daily contact with our local teams, support their work processes, evaluate the performance of each shop and coordinate projects at the regional level. Our regional teams have extensive knowledge of all the individual markets within their respective region. Their insights of the operations in their region is also critical for the further geographic development of our Group.

ONE GROUP

At Group level, a team of specialists is responsible for the overall coordination of Dufry. They ensure that our corporate strategy is being implemented consistently across the entire Group. Based on the information of our local operations and regions, the teams continuously develop Dufry's business model and support the regions as well as the local operations with their expertise. In doing so, we ensure that the Group is fully capitalizing on Dufry's potential.

Globally managed – locally executed: Dufry continues to develop its operations worldwide and creates value through know-how transfer and synergies generated across the entire Group.

NET SALES BY PRODUCT CATEGORIES 2009



- Perfumes and Cosmetics **22%**
- Confectionery, Food and Catering **18%**
- Wine and Spirits **14%**
- Literature and Publications **13%**
- Watches, Jewelry and Accessories **11%**
- Tobacco goods **8%**
- Fashion, Leather and Baggage **7%**
- Electronics **3%**
- Other **4%**

CUSTOMERS

At Dufry, we are very much driven by the knowledge about our customers and by customer satisfaction. For this reason, we have been consistently investing in tools and resources to understand our customers' purchasing habits. Initiatives, such as the implementation of a global customer profile database, mystery shopper programs, customer profile evolution and trend studies, market price positioning and perception analysis, and ad-hoc market research studies, have allowed Dufry to refine its commercial concepts accordingly. This information is the basis for our retail operations teams to set up and execute specific commercial plans for their respective markets focusing on pricing policies, assortment, promotional activities, store lay-outs and customer services.

OUR RETAIL CONCEPTS – TAILORED TO THE NEEDS OF OUR CUSTOMERS

With a base of more than 1.5 billion potential international and domestic customers worldwide, we create and customize retail concepts with the objective of capturing the full potential of each customer through the development of commercial areas together with airport authorities and other landlords.

GENERAL TRAVEL RETAIL SHOPS

These shops offer a large selection of different products (over 50,000 item references) within our core assortment, comprising tobacco, alcoholic beverage, food & confectionary, and perfumes & cosmetics, with an adequate balance of brands exposure and price levels.

Our general travel retail shops are located in both arrival and departure areas in airports. In each location, the product assortment, shop lay-outs and operations are differentiated to the respective customer profiles and spending patterns.

Responding to our customers' habits in departure shops, we have implemented "walk-through" shops in more than ten locations; a specific shop design where the entire passenger flow goes directly through our shop.

NEWS AND CONVENIENCE STORES

This duty paid concept is focused on passengers, whose behavior is based on impulse and convenience shopping, instead of searching for a specific brand at a good price. The core assortment for this retail concept is newspapers, magazines and books, which are complemented by a broad range of convenience products (such as confectionary, travel electronics) which represent about 45% of the respective sales.

Predominantly located in the United States and Canada, we operate such stores under the "Hudson News" brand. In 2009, we started the international roll-out by introducing the Hudson News concept to other parts of the world, with store openings in Puerto Rico, Dominican Republic, Italy, Switzerland and Egypt. We will continue expanding this concept in airports, railway stations and other destinations where we operate and further locations are already earmarked for 2010.

BRAND BOUTIQUES

Dufry operates the most prestigious brand boutiques which complement our general travel retail shops, either as stand alone or integrated within general stores. We analyze the profile of our customers for determining the right concept out of our brand portfolio, seeking for the right combination with our general travel retail shops in order to create attractive and diverse commercial spaces for our customers. Dufry operates international brand boutiques for different prestigious brands such as Hermès, Armani, Victoria Secret, Lacoste, Omega or Bulgari.

SPECIALIZED SHOPS

In order to capture the full potential in particular markets and segments, Dufry exploits specialized concepts. One of our main concepts is the Colombian Emeralds International (CEI) shops; focused on the Caribbean market for jewelry, watches and accessories assortments: We adapt the concepts based on specific commercial principles to reflect the particular location of the shop, be it in airports, seaports, hotels or downtown. Other specialized shops focus on different product categories, such as confectionary, electronics and others.

OFFERING A UNIQUE CUSTOMER SERVICE WITHIN OUR INDUSTRY

Airports are often an unknown environment for our customers. The fact of purchasing in a foreign country, or not being fully aware of customs regulations at their destinations, may create purchasing barriers or indecisions to our customers. To ensure that our customers feel supported and fully covered before, during and after their purchasing decisions, we have created a unique Global Customer Service seeking for total guarantee and customer satisfaction. As part of this initative, several tools and actions have been introduced covering the whole shopping cycle; including pre-ordering systems through our corporate web page, sales training and mystery shopping programs in the shop floor, and the set-up of a 24 × 7 call center.

AIRPORT AUTHORITIES & LANDLORDS

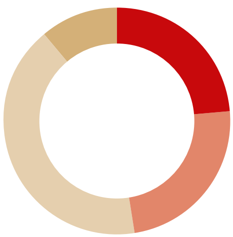
OUR CONCESSION PORTFOLIO – KEY TO OUR BUSINESS

Operating at travel locations means to share the infrastructure with other service providers – hence our strong relationship with airport authorities or other landlords are essential to the success of our business.

DUFRY CUSTOMER SERVICE

CONCESSION CONTRACTS

Breakdown of net sales 2009
by duration of contracts



- 10+ Years **24%**
- 6–9 Years **24%**
- 3–5 Years **42%**
- 1–2 Years **11%**

A BROAD DIVERSIFICATION

Our portfolio of concession contracts that we have successfully built over many years is highly diversified and of outstanding quality. Altogether, the concessions spread across 40 countries and include a retail space of over 146,200 m², be it in airports, seaports, train stations or in other tourist locations.

DURATION

Our concession portfolio also has an above-average duration. Considering net sales of 2009, about 48% of our sales were generated based on concession contracts with a remaining lifetime of more than 5 years, and 24% of our revenues were achieved in locations with contracts of more than 10 years.

SUPPLIERS

OUR BRANDS PORTFOLIO

Dufry has been collaborating worldwide with over 1,200 well known suppliers in the travel retail sector. We are working with the best brands in the travel retail sector in order to optimize and align common business strategies for our retail concepts through the elaboration of specific marketing plans and promotional activities. As a leading travel retailer active in 40 countries, Dufry has developed the strongest portfolio of brands per product category and customer segmentation in the industry.

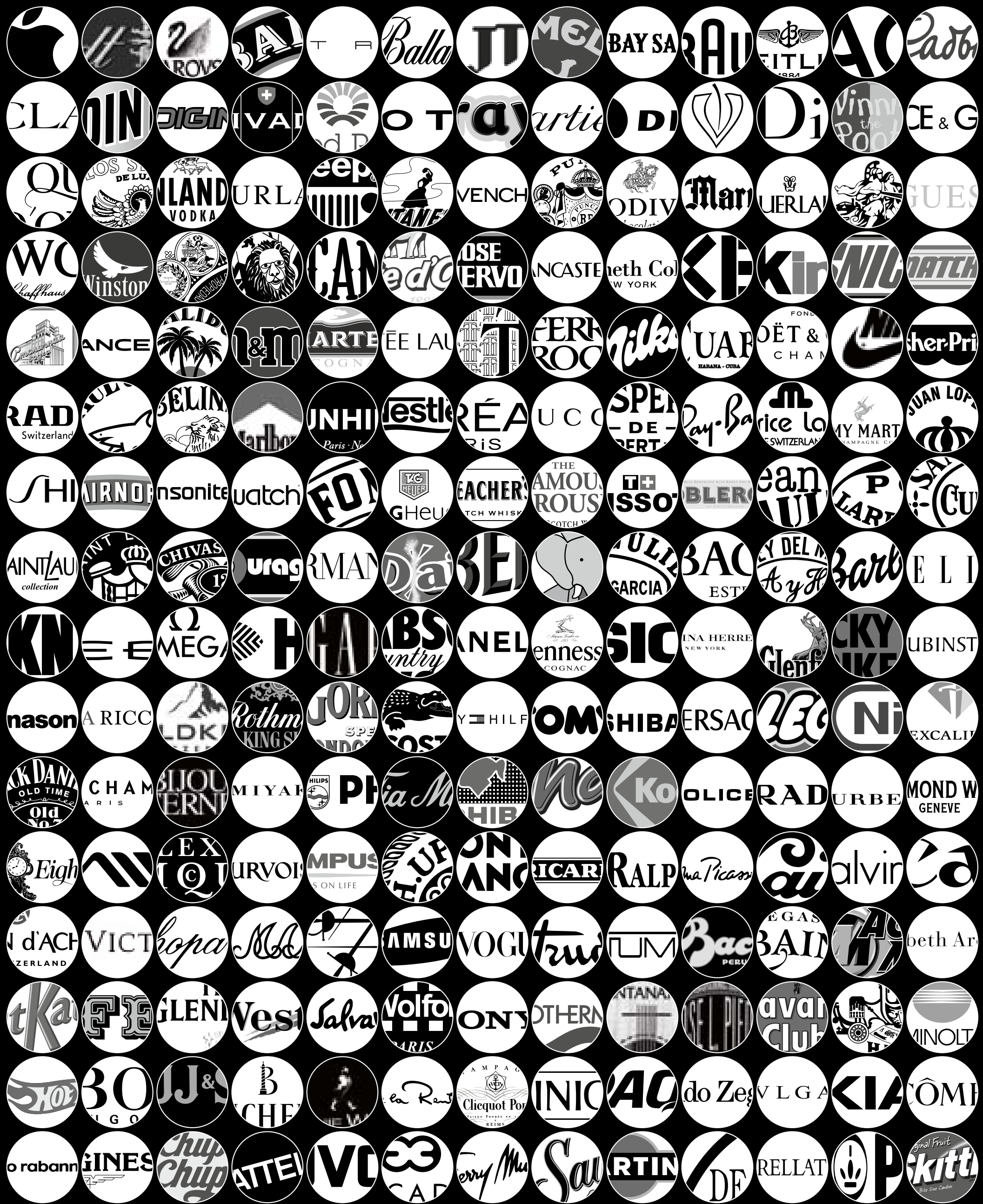
The cooperation with our suppliers is enhanced through the implementation of the Supplier's Extranet, where our partners have on-line access to the commercial performance of their brands and products in our locations.

Dufry has identified a selected pool of 45 suppliers (representing around 75% of total turnover) in order to jointly establish specific marketing plans and promotional activities, enabling Dufry to take its commercial conditions to the next stage whilst building the relationship with suppliers and aligning objectives.

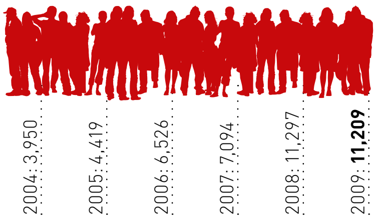
Focused on this cooperation approach with our suppliers, the Group's Logistics Department has already launched several collaborative initiatives. In order to further optimize our net working capital, we are committed to share forecasted sales and projected inventory with our suppliers for them to plan our replenishment demand in advance, which improves their production and manufacturing cycles, as well as reducing their lead times and resulting in a transition from a "shipping on order" to a "shipping on forecast" base. This supply chain model, together with the creation of Consolidation Platform Centers, will leverage synergies of our logistics platforms worldwide by maximizing stock rotation and order frequency.

A SELECTION OF

BRAND NAMES



EMPLOYEES



EMPLOYEES

THE CULTURAL DIVERSITY OF OUR EMPLOYEES – KEY TO SUCCESS

Dufry's success is largely based on the high commitment, motivation and qualification of its employees. Our Group employs people of more than 70 nationalities across all our operations. This broad cultural diversity gives us a strong competitive advantage and, together with our international customer base, creates an interesting and truly international working environment for our employees.

The economic turmoil, which started in the fourth quarter of 2008, also heavily affected our Group. Thanks to the Efficiency Plan launched in the beginning of 2009 and the high degree of flexibility and strong results-oriented attitude of our staff, we were able to retain almost all our employees. Apart from restructuring efforts in some specific operations during 2009 as part of the Efficiency Plan, our total workforce remained stable with over 11,200 employees worldwide. We are proud to acknowledge the tremendous efforts made by our people to successfully manage our operations within one of the most difficult years ever seen in our industry.

LEADERSHIP POTENTIAL WITHIN OUR OWN GROUP

The development of Dufry's internal management potential is a strategic element for our Group. In 2007, Dufry launched a Human Resources project called "Leader" that is particularly designed to broaden leadership responsibility and to provide our organization with a strong base of professionals from which we can fill new or vacant management positions with internal talents.

In 2009, the Leader program included about 70 top professionals, who represent the key management team of our Group. As part of the program, we have also created a talent pool, which includes about 150 persons, who have been identified as potential leader candidates. For these potential leaders, Dufry organizes internal deployment and rotation programs across the regions. Participants leverage their existing know-how, gain exposure to responsibilities outside of their core functions and accumulate broad and international working experiences. We view this exchange program as an important tool to spread the specific personal expertise of our staff across the entire Group and to strongly interconnect our six business regions.

From a Human Resources perspective, the key element of the integration of Hudson Group was to identify and retain the key talents at Hudson and to integrate them into the larger Dufry Group. The successful completion of the integration during 2009 allows us to share the long-term know-how and expertise of both Dufry and Hudson personnel on a daily basis. This close collaboration has already led to further development of our news and convenience store business in the US and Canada and to the international roll-out of the Hudson concept into five countries including Puerto Rico, Dominican Republic, Italy, Switzerland and Egypt.

CUSTOMER CARE TRAININGS

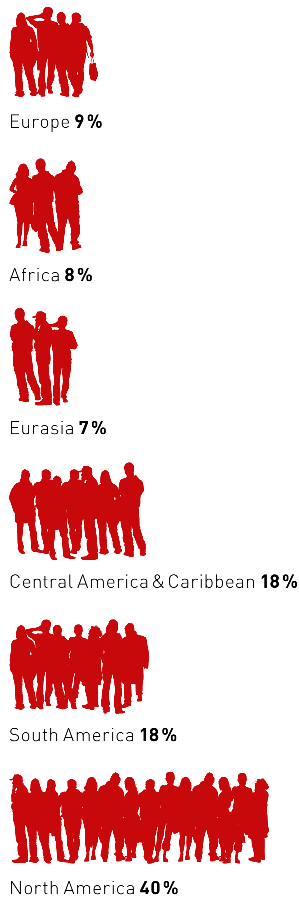
Our retail sales teams serve traveling customers from different parts of the world. Language skills, selling competence and the ability to adapt to the various cultural backgrounds of our customers are among the most important skills for our staff to possess. Each of our six regional headquarters has been running specific employee training programs, particularly in the area of customer care, on a local and regional basis. In 2010, we will launch an additional new global retail sales training program which will provide a standardized training to all shop employees at Dufry during the next two years. To leverage the initiative, shop managers and area retail managers will receive additional train-the-trainer courses to professionalize their existing training skills, which will allow them to personally train their teams in their day-to-day activities.

SAFETY AND SECURITY AT WORK

The health and safety of our employees is important to us. One of the potential risks that we prepare our employees for is the event of a fire in airports, seaports or at any other location where we operate shops. We train our staff regularly in specific fire safety courses for the prevention and reaction in case of fires or other emergencies.

In general, our people mostly operate in locations and environments, like airports, where security is a top priority. As this is an important issue for us and airport authorities, we do a thorough background check on every candidate prior to the employment with Dufry as a standard procedure of our hiring process.

EMPLOYEES BY REGION IN 2009



PRE MERGER

- Advent **47%**
- Hudson Media **6%**
- Free Float **47%**

POST MERGER

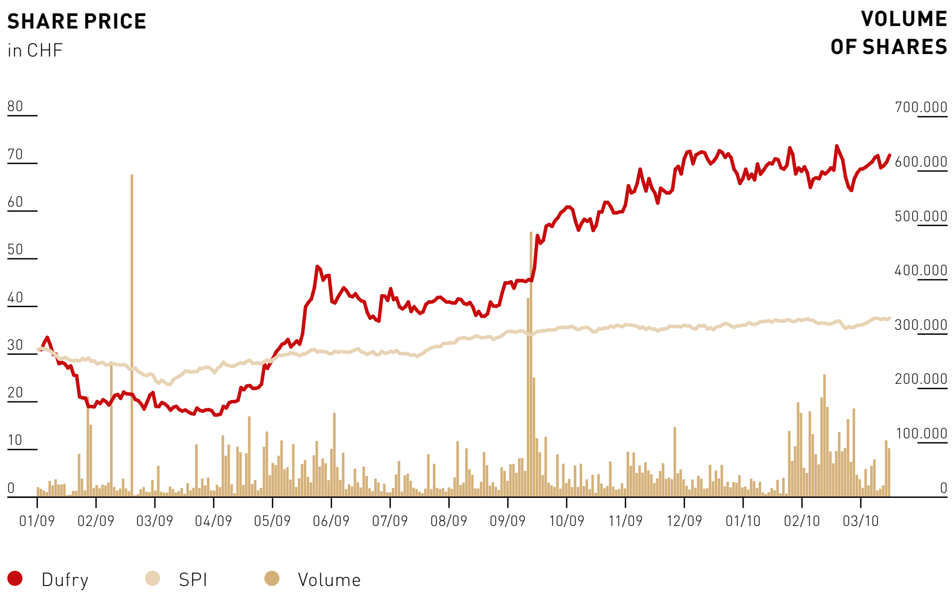
- Advent **33.5%**
- Hudson Media **4.3%**
- Free Float **62.2%**

SHAREHOLDERS

Dufry's strategy of profitable growth is designed to create sustainable long-term shareholder value: Since 2003, Dufry has multiplied by more than 3 times its turnover and has multiplied by 6 its EBITDA with the EBITDA margin increasing to 12.7% from 7.1%. These results reflect the continuous development of Dufry based on operational expertise and financial discipline.

Dufry AG has an international shareholder base and is committed to an open dialogue with the financial community, and the management team places a high importance on the communication with shareholders and analysts. After the merger with Dufry South America Ltd, the free float of the shares will be further enlarged to 62% from 47%. Also, as a consequence of the transaction, trading liquidity in Dufry AG should increase substantially – based on pro forma numbers, the daily volume may increase by more than 300%. With a secondary listing of Dufry AG through a Brazilian Depository Receipt program at the BM & F Bovespa in Brazil, shareholders of Dufry South America Ltd retain the possibility to invest in Dufry AG through their home market. At the same time, Dufry maintains visibility in one of its core markets.

In 2009, Dufry was one of the best performing stocks on the SIX Swiss Stock Exchange with a share price performance of 142%. During the year there was a distinct development: In the first quarter, the concerns of the global economy and its potential implications for Dufry resulted in a negative performance during that period. However, the consistent results of the company restored the confidence in Dufry's investment case step by step and ultimately resulted in a strong performance from the second quarter onwards.



Source: Bloomberg
Note: SPI Index has been rebased to Dufry's share price

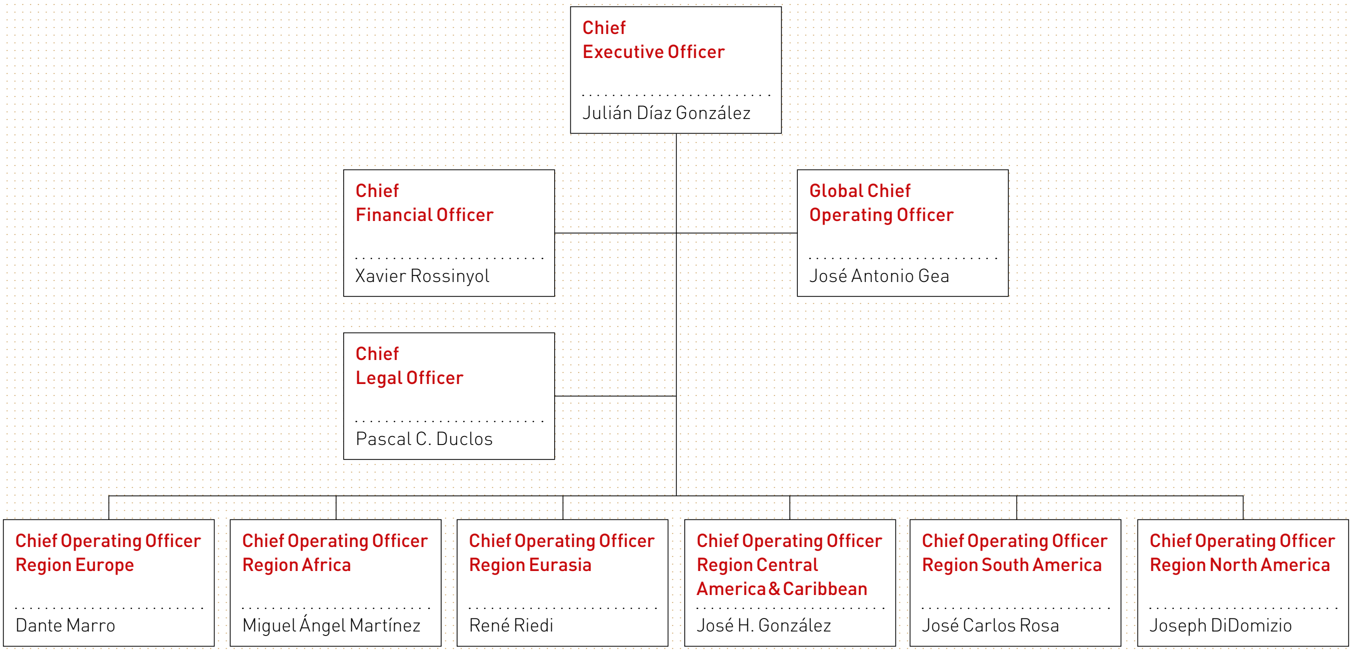
SOCIETY

ENGAGED IN SOCIAL PROJECTS

At Dufry, we are proud to reach out a helping hand to our local neighbourhoods and to support social projects that help poor children in different parts of the world. The two most important projects supported by the Group are located in Brazil:

We signed a partnership with the foundation Swiss Friends of the SOS Children's Villages and donated the funds for the construction of a new SOS Social Center in Igarassu, Brazil. The Center, built in May/June 2009, offers day-care and class room facilities, counsel and training for adults and children, as well as basic medical assistance including a small pharmacy. It provides shelter and services to about five hundred poor children at various ages ranging from infants and younger children to 15-year old teenagers, and around one hundred of their mothers. Dufry has additionally committed to provide the necessary funds to cover the start-up costs for one year to run the Center.

Dufry South America has been supporting the other important project in Brazil for over 15 years. It is a social promotion program in Rio de Janeiro, which offers free professional education to thirty disadvantaged young people every year. The program can be attended by 18 year old teenagers and covers various subjects, such as English, computer classes, retail operations, professional orientation, as well as teamwork, leadership, ethics and citizenship modules. As a complement, students also receive free meals, medical and dental care, life insurance, uniform, education material and transportation assistance. One of the major objectives of the program is to increase their chances to find employment on the local labour market. The average employment rate of people having completed the program is about 90%, with some of them also having joined Dufry operations in Brazil over the past few years.


Chief Executive Officer
Julián Díaz González
Chief Financial Officer
Xavier Rossinyol
Global Chief Operating Officer
José Antonio Gea
Chief Legal Officer
Pascal C. Duclos
Chief Operating Officer Region Europe
Dante Marro
Chief Operating Officer Region Africa
Miguel Ángel Martínez
Chief Operating Officer Region Eurasia
René Riedi
Chief Operating Officer Region Central America & Caribbean
José H. González
Chief Operating Officer Region South America
José Carlos Rosa
Chief Operating Officer Region North America
Joseph DiDomizio

GROUP EXECUTIVE COMMITTEE

Julián Díaz González, Pascal C. Duclos, René Riedi, Dante Marro, José Carlos Rosa,
José Antonio Gea, Xavier Rossinyol, Joseph DiDomizio, José H. González, Miguel Ángel Martínez






BRAZIL

SÃO PAULO GUARULHOS INTER-NATIONAL AIRPORT

→ SOUTH AMERICA

– Presence in Brazil, Bolivia, on board Norwegian Cruise Lines
– Over 17,400 m² sales area
– 87 shops
– Net sales 2009 CHF 599 million
– 1,963 employees

→ SÃO PAULO

– Shop established in 2006
– 28 m² sales area
– 4 employees

NORTH AMERICA

UNITED STATES

CHICAGO O'HARE INTER-NATIONAL AIRPORT

→ NORTH AMERICA

– Presence in United States (over 60 cities), Canada
– Over 47,700 m² sales area
– 597 shops
– Net sales 2009 CHF 675 million
– 4,488 employees

→ CHICAGO

– Shop established in 2003
– 130 m² sales area
– 8 employees

SHOP FOR LOCAL GOODS

- Located at Departure area Terminal 1 of São Paulo Guarulhos International Airport
- Selection of perfumes and cosmetics, watches, jewelry, accessories, tobacco, spirits, confectionary, textiles, leather and luggage, pre-recorded media, books, magazines and press, local goods
- Over 60 brands on offer


mormaii
MOLECA
CACHAÇA BRASILIANA
CACHAÇA BRASILIANA
CACHAÇA BRASILIANA

NEWSSTAND & CONVENIENCE STORE

- Located at Terminal 3 of Chicago O'Hare International Airport
- Most complete selection of magazines, books, newspapers and a wide variety of convenience items, travel necessities, snacks, beverages
- Hundreds of magazine titles, one of the broadest selections at any US airport. Also available are premium brands such as BlackBerry electronic accessories, Foster Grant sunglasses, Godiva single serve chocolates, IGo chargers, Papyrus cards, Samsonite travel accessories, and many more


Buy Before You Fly...
DASANI
DASANI
HERSHEY'S
Trident
PCWorld
Macworld
Mac|Life
50
50 APPS
TIME
HEDGE
dwell
100
NEW RECIPES!

CORPORATE GOVERNANCE
DUFRY IS COMMITTED TO GOOD CORPORATE GOVERNANCE

MERGER BETWEEN DUFRY AND DUFRY SOUTH AMERICA LTD[1]

On February 11, 2010, Dufry AG (the "Company"), Dufry South America Ltd ("DSA") and Dufry Holdings & Investments AG ("DHIAG") entered into a merger and amalgamation agreement (the "Merger and Amalgamation Agreement"), pursuant to which DSA shall be merged and amalgamated with and into DHIAG (the "Merger") by way of absorption in accordance with article 3 et seq. of the Swiss Federal Act on Merger, Demerger, Conversion and Transfer of Liabilities (the "Merger Act") and Section 104B of the Bermuda Companies Act. In connection with the Merger, the trading of the shares of DSA on the Luxembourg Stock Exchange and of the Brazilian Depositary Receipt ("BDRs") of DSA on the BM&FBovespa will be discontinued. The Company will register with the Comissão de Valores Mobiliários ("CVM") and list its shares in the form of BDRs on the BM&FBovespa.

Pursuant to Article 3.1 of the Merger and Amalgamation Agreement, every 4.10 outstanding shares/Brazilian Depositary Receipts (BDRs) in Dufry South America Ltd held by a minority shareholder/BDR-holder of Dufry South America Ltd shall be exchanged for 1.00 registered share/BDR in the Company. Furthermore, pursuant to Article 11 of the Merger and Amalgamation Agreement, the Company has undertaken to vote at the special general meeting of members of Dufry South America Ltd in favour of the merger and amalgamation and of an extraordinary cash dividend in the amount of USD 4.71 per Dufry South America Ltd share or BDR.

CAPITAL INCREASE OF DUFRY[2]

Pursuant to Article 12.1 of the Merger and Amalgamation Agreement, the general meeting of shareholders of the Company shall approve the Merger and the necessary capital increase on March 22, 2010. The share capital is expected to be increased from CHF 96,069,770 to CHF 134,881,015 by the issuance of 7,762,249 new registered shares with a nominal value of CHF 5 each. The pre-emptive rights shall be withdrawn for valid reasons in accordance with Article 652b para. 2 of the Swiss Code of Obligations, i.e. the absorption of DSA by DHIAG, a wholly-owned subsidiary of the Company, according to the Merger and Amalgamation Agreement.

As a result of the Merger Dufry's share capital will amount to 26,976,203 shares with a nominal value of CHF 5 each and Dufry will hold 100 percent of the combined entity DHIAG – DSA.

[1] For more information on the merger, please refer to the website of the Company
[2] At the time of printing of the Annual Report, the Merger has not yet been approved by the shareholders of the Company and of Dufry South America Ltd

1. GROUP STRUCTURE AND SHAREHOLDERS

1.1 GROUP STRUCTURE

For an overview of the management organizational chart and operational Group structure, please refer to page 31 of this Annual Report.

LISTED COMPANIES

Company	**Dufry AG, Hardstrasse 95, 4052 Basel, Switzerland (hereinafter "Dufry AG" or the "Company")**
Listing	SIX Swiss Exchange
Market capitalization	CHF 1,346,898,175 as of December 31, 2009
Percentage of shares	1.4% of Dufry AG share capital as of December 31, 2009 held by Dufry AG
Security number	ISIN-Code CH0023405456, Swiss Security-No. 2340545 SIX Swiss Exchange Ticker Symbol DUFN

Company	**Dufry South America Ltd, Clarendon House, 2 Church Street, Hamilton HM, 11, Bermuda (hereinafter "Dufry South America Ltd" or "DSA")**
Listings	São Paulo Stock Exchange (BM&FBOVESPA – Bolsa de Valores de São Paulo), Brazil: Brazilian Depositary Receipts (BDRs) Luxembourg Stock Exchange, Luxembourg (officially listed on Euro MTF market): Common Shares
Market capitalization	BRL 2,340,000,000 (USD 1,341,744,300) as of December 31, 2009
Percentage of shares held by Dufry AG	51.04% of DSA share capital as of December 31, 2009
Security numbers	ISIN-Code/Ticker Symbol for Shares: BMG286001075 ISIN-Code for BDRs: BRDUFBBDR008 Ticker Symbol for BDRs: DUFB11

Please note that following the effectiveness of the Merger expected to occur on March 23, 2010 DSA will be absorbed by DHIAG. As a result the trading of DSA shares on the Luxembourg Stock Exchange and the trading of the DSA BDRs on the BM&FBOVESPA will be cancelled. The Company will register with the CVM and list its shares in the form of BDRs on the BM&FBovespa. For further information, refer to the Preamble "Merger between Dufry and Dufry South America Ltd" to this report.

NON-LISTED COMPANIES

For a table of the operational non-listed consolidated entities please refer to page 144 in section Financial Statements of this Annual Report[1].

1.2 SIGNIFICANT SHAREHOLDERS

Pursuant to the information provided to the Company by its shareholders in compliance with the Swiss Stock Exchange Act during 2009, the following significant shareholders held more than 3 % of the share capital as of December 31, 2009[2]:

The table shows the participation of the major shareholders before the Merger and after the effectiveness of the Merger (as if effectiveness occurred on December 31, 2009) and the related capital increase of Dufry:

SHAREHOLDER	NUMBER OF SHARES BEFORE THE MERGER	PERCENTAGE BEFORE THE MERGER	NUMBER OF SHARES AFTER THE MERGER	PERCENTAGE AFTER THE MERGER
GROUP OF SHAREHOLDERS CONSISTING OF				
1. Global Retail Group S.à r.l.[(1)] controlled by funds managed by Advent International Corporation[(2)] 2. Travel Retail Investment SCA[(3)] controlled by funds managed by Advent International Corporation, other shareholders of Travel Retail Investment SCA are Petrus PTE Ltd[(4)] and Witherspoon Investments LLC[(5)]	9,036,147	47.03	9,036,147	33.5
Hudson Media Inc.[(6)]	1,154,677	6.01	1,154,677	4.28
Wellington Management Company LLP[(7)]	1,890,819	9.84	1,890,819	7.01
Public shareholders	7,132,311	37.12	14,894,560	55.21
TOTAL SHARE CAPITAL	**19,213,954**	**100**	**26,976,203**	**100**

[(1)] 76 Grand Rue, L-1660 Luxembourg City, Grand Duchy of Luxembourg.
[(2)] 75 State Street, Boston, MA 02109, USA.
[(3)] 76 Grand Rue, L-1660 Luxembourg City, Grand Duchy of Luxembourg.
[(4)] 8 Cross Street, #11-00 PWC Building, Singapore 048424.
[(5)] 1209 Orange Street, Wilmington, DE 19801, USA.
[(6)] One Meadowlands Plaza, Suite 902, East Rutherford, NJ 07073, USA. Hudson Media Inc. is controlled by James Cohen, c/o Hudson Media Inc., One Meadowlands Plaza, Suite 902, East Rutherford, NJ 07073, USA.
[(7)] 75 State Street, Boston, MA 02109, USA.

These shareholders do not have taxpayer registration number or corporate taxpayer number in Brazil.

[1] Including the company names, locations, percentage of shares held, share capital
[2] The actual shareholdings may differ from the figures indicated in the table, as the Company must only be notified by its shareholders, if one of the thresholds defined in Art. 20 of the Swiss Stock Exchange Act is crossed

Global Retail Group S.à.r.l., Travel Retail Investment SCA, Petrus PTE Ltd, Witherspoon Investments LLC and funds managed by Advent International Corporation constitute a group for purposes of the disclosure obligation pursuant to Article 20 of the Federal Act on Stock Exchange and Securities Trading (SESTA). Travel Retail Investment SCA and Global Retail Group S.à r.l. are direct shareholders of Dufry AG, holding 26.84 percent and 20.19 percent respectively of Dufry on December 31, 2009. Both Travel Retail Investment SCA and Global Retail Group S.à.r.l. are controlled by funds managed by Advent International Corporation; other shareholders of Travel Retail Investment SCA are Petrus PTE Ltd, who is an affiliate of Mr. Andrés Holzer Neumann, and Witherspoon Investments LLC, holding on December 31, 2009, 41.72 percent and 2.09 percent respectively of Travel Retail Investment SCA.

Funds managed by Advent International Corporation, Petrus PTE Ltd and Witherspoon Investments LLC, entered into a shareholders agreement to govern their relationship as shareholders of Travel Retail Investment SCA. This agreement provides that the funds managed by Advent International Corporation shall have a right of first refusal should either Petrus PTE Ltd or Witherspoon Investments LLC wish to transfer their holdings in Travel Retail Investment SCA. In addition, if a third party offers to acquire all the interests in Travel Retail Investment SCA and the funds managed by Advent International Corporation in Travel Retail Investment SCA decide to transfer their entire interest in Travel Retail Investment SCA to that third party, then the funds managed by Advent International Corporation shall have the right to compel the other shareholders to transfer their entire holding in Travel Retail Investment SCA to that third party by exercising their drag-along rights.

Changes of significant shareholders in conjunction with Art. 20 of SESTA during fiscal year 2009 can be summarized as follows:

Artio Global Management LLC, 330 Madison Avenue, New York, NY 10017, USA, informed the Company that its shareholding had fallen below the threshold of 3 % to 2.9 % on August 27, 2009, as a result of a sale transaction. Artio Global Management LLC held 4.81 % of the share capital of Dufry AG as of December 31, 2008.

Egerton Capital Limited Partnership, 2 George Yard, London EC3V 9DH, United Kingdom, informed the Company in October 2009 that its shareholding had fallen below the threshold of 3 % to 2.54 % already on December 5, 2008, as a result of a sale transaction. Egerton Capital Limited Partnership had previously reported a participation of 4.47 % of the share capital of Dufry AG.

UBS Fund Management (Switzerland) AG, 4002 Basel, Switzerland, informed the Company that its shareholding had gone above the 3 % threshold to 3.02 % on September 12, 2009, as a result of a purchase transaction and that it had fallen below the 3 % threshold again to 2.92 % on September 18, 2009, as a result of a sale transaction.

Wellington Management Company, LLP, 75 State Street, Boston, MA 02109, USA, informed the Company that its shareholding had gone above the 10 % threshold to 10.03 % on January 28, 2009, as a result of a purchase transaction. The investor informed the Company that its shareholding had fallen below the 10 % threshold again to 9.84 % on June 5, 2009, as a result of a sale transaction. Wellington Management Company, LLP, held 3.68 % of the share capital of Dufry AG as of December 31, 2008.

1.3 CROSS-SHAREHOLDINGS

Dufry AG has not entered into cross-shareholdings with other companies in terms of capital shareholdings or voting rights in excess of 5 %.

2. CAPITAL STRUCTURE

2.1 SHARE CAPITAL

Ordinary share capital	As of December 31, 2009: CHF 96,069,770 (nominal value) divided in 19,213,954 fully paid registered shares with nominal value of CHF 5 each After the Merger: CHF 134,881,015 (nominal value) divided in 26,976,203 fully paid registered shares with nominal value of CHF 5 each
Conditional share capital	CHF 2,836,480 (nominal value) divided in 567,296 fully paid registered shares with nominal value of CHF 5 each
Authorized share capital	None

2.2 DETAILS TO CONDITIONAL AND AUTHORIZED SHARE CAPITAL

CONDITIONAL SHARE CAPITAL

Art. 3 bis of the Articles of Incorporation reads as follows:

1. The share capital may be increased in an amount not to exceed CHF 2,836,480 by the issuance of up to 567,296 fully paid registered shares with a nominal value of CHF 5 each through the exercise of conversion and/or option rights granted in connection with the issuance of newly or already issued convertible debentures, debentures with option rights or other financing instruments by the Company or one of its group companies.
2. The preferential subscription rights of the shareholders shall be excluded in connection with the issuance of convertible debentures, debentures with option rights or other financing instruments. The then current owners of conversion and/or option rights shall be entitled to subscribe for the new shares.
3. The acquisition of shares through the exercise of conversion and/or option rights and each subsequent transfer of the shares shall be subject to the restrictions set forth in Article 5 of these Articles of Incorporation.
4. The Board of Directors may limit or withdraw the right of the shareholders to subscribe in priority to convertible debentures, debentures with option rights or similar financing instruments when they are issued, if
   a) an issue by firm underwriting by a consortium of banks with subsequent offering to the public without preferential subscription rights seems to be the most appropriate form of issue at the time, particularly in terms of the conditions or the time plan of the issue; or
   b) the financing instruments with conversion or option rights are issued in connection with the financing or refinancing of the acquisition of an enterprise or parts of an enterprise or with participations or new investments of the Company.
5. If advance subscription rights are denied by the Board of Directors, the following shall apply:
   a) Conversion rights may be exercised only for up to 15 years; and option rights only for up to 7 years from the date of the respective issuance.
   b) The respective financing instruments must be issued at the relevant market conditions.

AUTHORIZED SHARE CAPITAL

As of December 31, 2009, the Company has no authorized share capital.

2.3 CHANGES IN CAPITAL OF DUFRY AG

Nominal share capital	December 31, 2007	CHF	70,312,500
	December 31, 2008	CHF	96,069,770
	December 31, 2009	CHF	96,069,770
	March 23[1], 2010	CHF	134,881,015
Conditional share capital	December 31, 2007	CHF	7,500,000
	December 31, 2008	CHF	2,836,480
	December 31, 2009	CHF	2,836,480
Authorized share capital	December 31, 2007	CHF	21,093,750
	December 31, 2008		None
	December 31, 2009		None

[1] Assuming effectiveness of the Merger

CHANGES IN CAPITAL IN 2007

The capital of Dufry AG remained unchanged during fiscal year 2007.

CHANGES IN CAPITAL IN 2008

At the Ordinary General Meeting on May 8, 2008, shareholders approved the Board of Directors' proposal to extend the duration of the existing authorized capital from November 23, 2008 to May 8, 2010.

As a result of the transactions in conjunction with the acquisition of Hudson Group, the Company issued 4,218,750 registered shares with a nominal value of CHF 5 (total nominal value: CHF 21,093,750) from the existing authorized capital which were given to the selling shareholders of Hudson Group on October 15, 2008. The nominal share capital was increased accordingly from CHF 70,312,500 (divided into 14,062,500 fully paid registered shares with a nominal value of CHF 5 each) to CHF 91,406,250 (divided into 18,281,250 registered shares with a nominal value of CHF 5 each). On December 9, 2008, the mandatory convertible notes issued as part of the consideration for the acquisition of Hudson Group were converted into 932,704 registered shares with a nominal value of CHF 5 each (total nominal value: CHF 4,663,520) from the conditional share capital. The nominal share capital increased accordingly to CHF 96,069,770, divided into 19,213,954 fully paid registered shares with a nominal value of CHF 5 each.

CHANGES IN CAPITAL IN 2009

The capital of Dufry AG remained unchanged during fiscal year 2009.

CHANGES IN CAPITAL IN 2010

As a result of the Merger, Dufry is expected to issue 7,762,249 new registered shares with a nominal value of CHF 5 on March 23, 2010. Therefore, the capital will increase from CHF 96,069,770, divided into 19,213,954 fully paid registered shares with a nominal value of CHF 5 each to CHF 134,881,015 divided into 26,976,203 shares with a nominal value of CHF 5 each. The new shares will be paid in by the contribution of the new shares of DHIAG created by the merger with DSA.

2.4 SHARES

As of December 31, 2009, the share capital of Dufry AG was divided into 19,213,954 fully paid in registered shares with a nominal value of CHF 5 each. As a result of the Merger, the share capital of Dufry AG is expected to be divided into 26,976,203 shares with a nominal value of CHF 5 each.

The Company has only one category of shares. The shares are issued in registered form. All shares are entitled to dividends if declared. Each share entitles to one vote. The Company maintains a share register showing the name and address of the shareholders or usufructuaries. Only persons registered as shareholders or usufructuaries of registered shares in the share register shall be recognized as such by the Company.

LIMITATION ON TRANSFERABILITY AND NOMINEE REGISTRATION OF REGISTERED SHARES

- Only persons registered as shareholders or usufructuaries of registered shares in the share register shall be recognized as such by the Company. In the share register the name and address of the shareholders or usufructuaries is recorded. Changes must be reported to the Company.
- Acquirers of registered shares shall be registered as shareholders with the right to vote, provided that they expressly declare that they acquired the registered shares in their own name and for their own account.
- The Board of Directors may register nominees with the right to vote in the share register to the extent of up to 0.2 % of the registered share capital as set forth in the commercial register. Registered shares held by a nominee that exceed this limit may be registered in the share register with the right to vote if the nominee discloses the names, addresses and number of shares of the persons for whose account it holds 0.2 % or more of the registered share capital as set forth in the commercial register. Nominees within the meaning of this provision are persons who do not explicitly declare in the request for registration to hold the shares for their own account and with whom the Board of Directors has entered into a corresponding agreement (see also Art. 5 of the Articles of Incorporation). Nominees are only entitled to represent registered shares at the meeting

of shareholders provided that they are registered in the share register and they hold a valid proxy granted by the beneficial owner of the registered shares instructing the nominee how to vote at the meeting of shareholders. Every share held by nominees for which they have not been granted a valid proxy count as not represented at the meeting of shareholders.
- Corporate bodies and partnerships or other groups of persons or joint owners who are interrelated to one another through capital ownership, voting rights, uniform management or otherwise linked as well as individuals or corporate bodies and partnerships who act in concert to circumvent the regulations concerning the nominees (esp. as syndicates), shall be treated as one single nominee within the meaning of the above mentioned regulation in terms of nominees.
- The Board of Directors may cancel the registration, with retroactive effect if appropriate, if the registration was effected based on false information or in case of breach of the agreement between the nominee and the Board of Directors.
- After consulting the party involved, the Company may delete entries in the share register if such entries occurred in consequence of false statements by the purchaser. The purchaser must be informed immediately of the deletion.

With reference to transferability and nominee registrations, no exceptions have been granted during the year 2009.

2.5 PARTICIPATION CERTIFICATES AND PROFIT SHARING CERTIFICATES

The Company has not issued any non-voting equity securities, such as participation certificates ("Partizipationsscheine") or profit sharing certificates ("Genussscheine").

2.6 CONVERTIBLE BONDS AND OPTIONS

As of December 31, 2009, there are no outstanding bonds that are convertible into, or warrants or options to acquire, shares issued by or on behalf of the Company. Dufry has a Restricted Stock Unit (RSU) plan, the essentials of which are disclosed under "Compensation, shareholdings and loans" on page 60.

3. BOARD OF DIRECTORS

3.1 MEMBERS OF THE BOARD OF DIRECTORS

NAME	PROFESSION	NATIONALITY	POSITION WITH DUFRY	DATE OF FIRST ELECTION	TERM OF OFFICE	OTHER POSITIONS WITH DUFRY[1]	RELATED TO CONTROLLING SHAREHOLDERS
Juan Carlos Torres Carretero	Executive at Advent	Spanish	Chairman	2003	2011	AC | NRC	Yes
Ernest George Bachrach	Executive at Advent	American	Vice Chairman	2004	2011	NRC	Yes
Xavier Bouton	Consultant	French	Director	2005	2014	None	No
James Cohen	CEO of Hudson Media Inc.	American	Director	2009	2014	None	No
Mario Fontana	Consultant	Swiss	Director	2005	2010	AC	No
Andrés Holzer Neumann	President of Grupo Industrial Omega	Mexican	Director	2004	2010	NRC	Yes
Joaquín Moya-Angeler Cabrera	Consultant	Spanish	Director	2005	2010	AC	No
David Mussafer	Executive at Advent	American	Director	2009	2014	None	Yes

[1] AC: Audit Committee, NRC: Nomination and Remuneration Committee

3.2 EDUCATION, PROFESSIONAL BACKGROUND, OTHER ACTIVITIES AND FUNCTIONS

JUAN CARLOS TORRES CARRETERO
Chairman
born 1949

Education MS in physics from Universidad Complutense de Madrid and MS in management from MIT's Sloan School of Management.
Professional Background Many years of private equity and senior management operating experience. 1988 Joined Advent International, a private equity firm, in Boston as a partner. 1991 – 1995 Partner at Advent International in Madrid. Since 1995 Managing Director and senior partner in charge of Advent International Corporation's investment activities in Latin America.
Current Board Mandates Dufry AG, Inmobiliaria Fumisa S.A. de C.V., Controladora Milano, S.A. de C.V., Nuevo Banco Comercial, Latin American Airport Holding Ltd, Aeropuertos Dominicanos Siglo XXI, S.A, International Meal Company Holdings Ltd, International Meal Company (IMC) Ltd and Grupo Gayosso S.A. de C.V.

ERNEST GEORGE BACHRACH
Vice Chairman
born 1952

Education BS in chemical engineering from Lehigh University and an MBA from Harvard Business School.
Professional Background More than 22 years of experience in international private equity investing. 1990 Joined Advent International (Advent) in London as a Partner. Since 1995 Managing Advent's Latin American investment activity. Senior Partner and member of Advent's Executive Committee.

Current Board Mandates Advent International Corp., Dufry AG, Bunge Group, Impactos, Frecuencia y Cobertura en Medios S.A. de C.V., Hipotecaria Casa Mexicana, NBC, Grupo Gayosso S.A. de C.V., Controladora Milano, S.A. de C.V., Latin American Airport Holding Ltd, Scitum Integración, S.A. de C.V. and Board of Governors of the Lauder Institute at Wharton Business School.

XAVIER BOUTON
Director
born 1950

Education Diploma in economics and finance from l'Institut d'Etudes Politiques de Bordeaux and doctorate in economics and business administration from the University of Bordeaux.
Professional Background 1978 – 1984 Director of C.N.I.L. (Commission Nationale de l'Informatique et des Libertés). 1985 – 1994 General Secretary of Reader's Digest Foundation. 1990 – 2005 Board member of Laboratoires Chemineau. Since 1999 Chairman of the Supervisory Board of FSDV (Fayenceries de Sarreguemines Digoin & Vitry le François) based in Paris, France.
Current Board Mandates Dufry AG, ADL Partners and F.S.D.V. (Fayenceries de Sarreguemines Digoin & Vitry le François, Chairman of the Supervisory Board).

JAMES COHEN
Director
born 1958

Education Bachelor's degree in Economics from the Wharton School of the University of Pennsylvania.
Professional Background Since 1980 Various positions at Hudson Media Inc (President and CEO since 1994).
Current Board Mandates Dufry AG and Hudson Media, Inc.

MARIO FONTANA
Director
born 1946

Education Engineering studies at ETH Zurich and Georgia Institute of Technology, Master of Science Degree.
Professional Background 1970 – 1977 IBM Switzerland, sales representative and international account manager. 1977 – 1980 Brown Boveri Brazil, Chief of staff and CIO. 1981 – 1983 Storage Technology Switzerland, General Manager. 1984 – 1993 Hewlett-Packard Switzerland, General Manager. 1993 – 1995 Hewlett-Packard Germany, General Manager. 1995 – 1997 Hewlett-Packard Europe, General Manager. 1997 – 1999 Hewlett-Packard USA, General Manager. Since 1998 Independent Board member at various companies (served previously also on the Board of Directors of AC-Service Germany, Amazys, Bon appétit Group, Büro Fürrer, Leica Geosystems and Sulzer).
Current Board Mandates Dufry AG, Swissquote (Chairman), Hexagon AB and Inficon AG.

ANDRÉS HOLZER NEUMANN
Director
born 1950

Education Graduate of Boston University, MBA from Columbia University.
Professional Background Since 1973 President of Grupo Industrial Omega, S.A. de C.V., the holding company of Holzer y CÌA, S.A. de C.V., Industria Nacional de Relojes Suizos, S.A. de C.V., Consorcio Metropolitano Inmobiliario, S.A. de C.V., Inmobiliara Coapa Larca, S.A. de C.V., Inmobiliara Castellanos, S.A. de C.V. and Negocios Creativos, S.A. de C.V.
Current Board Mandates Dufry AG, Inmobiliaria Fumisa, S.A. de C.V. (Chairman) and Latin American Airport Holding Ltd.

JOAQUÍN MOYA-ANGELER CABRERA
Director
born 1949

Education Master's degree in mathematics from the University of Madrid, diploma in economics and forecasting from the London School of Economics and Political Science and MBA from MIT's Sloan School of Management.
Professional Background Mr Moya-Angeler has focused his career on the technology and real estate industries, including having founded a number of companies. 1990 – 1994 Chairman of IBM Spain and Europe. 1994 – 1997 Chairman of Leche Pascual. 1997 – 2002 Chairman of Meta4 and TIASA (1996 – 1998). To date Chairman of Redsa since 1997, Hildebrando since 2003, as well as Presenzia and Pulsar Technologies since 2002, La Quinta Real Estate since 2003, Inmoan since 1989, Avalon Private Equity since 1999 and Corporación Tecnológica Andalucía since 1995.
Current Board Mandates Dufry AG, Indra Sistemas SA, Corporación Teype, La Quinta Group, Palamon Capital Partners, MCH Private Equity, Industrias Hidráulicas Pardo S.L., Pulsar Technologies (Chairman), Redsa S.A. (Chairman), Hildebrando S.A. de C.V. (Chairman), Presenzia (Chairman), Corporación Tecnológica Andalucia (Chairman), Inmoan S.L., Trustees University of Almeria (Chairman), Fundación Mediterránea (Chairman), Conferencia de los Consejos Sociales (Chairman) and Avalon Private Equity (Chairman).

DAVID MUSSAFER
Director
born 1963

Education BSM from Tulane University and an MBA from the Wharton School of the University of Pennsylvania.
Professional Background Prior to 1990 Chemical Bank and Adler & Shaykin, in New York. Joined Advent in 1990 and is presently a member of Advent's Executive Committee, leading the firm's North American buyout group.
Current Board Mandates Dufry AG, Lululemon Athletica Inc., Amscan Inc., Fifth Third Bancorp, Charlotte Russe Holding Inc., Shoes for Crews, LLC.

Messrs. Juan Carlos Torres Carretero (Chairman), Ernest George Bachrach (Vice Chairman), Andrés Holzer Neumann and David Mussafer are related to the controlling shareholder. The other board members are independent from the controlling shareholder. All members of the Board of Directors are non-executive members and they have never been in a management position at Dufry AG or any of its subsidiaries. For information on related parties and related party transactions please refer to Note 38 on page 132 of this Annual Report.

3.3 ELECTION AND TERMS OF OFFICE

- The Board of Directors shall consist of at least three and at most eight members.
- Members of the Board of Directors shall be elected for a maximum term of five years. A year shall mean the period running between one Ordinary Meeting of Shareholders and the next. Previous resignation and dismissal may change the terms of office. New members elected during the year shall continue in office until the end of their predecessor's term.
- The Board of Directors shall be renewed by rotation, to the extent possible in equal numbers and in such manner that, after a period of five years, all members will have been subject to re-election.
- The members of the Board of Directors may be re-elected without limitation.
- At the Ordinary General Meeting held on May 12, 2009, Mr. Xavier Bouton was re-elected for a term of office of five years. Messrs. James Cohen and David Mussafer were newly elected for a term of office of five years, in replacement of Mr. Jaime Carvajal Urquijo who resigned from the Board of Directors. All members were elected in individual elections.

3.4 INTERNAL ORGANIZATIONAL STRUCTURE

The Board of Directors determines its own organization. It shall elect its Chairman and one or two Vice Chairmen. It shall appoint a Secretary who does not need to be a member of the Board of Directors.

The Board of Directors has established an Audit Committee and a Nomination and Remuneration Committee. Both Committees are assisting the Board of Directors in fulfilling its duties and have also decision authority to the extent described below.

AUDIT COMMITTEE

Members: Joaquín Moya-Angeler Cabrera (Chairman), Juan Carlos Torres Carretero, Mario Fontana.

The members of the Audit Committee are non-executive and independent members of the Board of Directors. An independent member is a non-executive member, has not been an executive member of the Dufry Group in the last three years and does not have major business relations with the Company. The members shall be appointed, as a rule, for the entire duration of their mandate as Board members and be re-eligible.

The Audit Committee assists the Board of Directors in fulfilling its duties of supervision of management. It is responsible for the review of the performance and independence of the Auditors, the review of and the decision on the audit plan and the audit results and the monitoring of the implementation of the findings by management, the review of the internal audit plan, the assessment of the risk management and the decision on proposed measures to reduce risks, the review of the compliance levels and risk management, as well as the review to propose whether the Board of Directors should accept the Company's accounts. The Audit Committee regularly reports to the Board of Directors on its decisions, assessments, findings and proposes appropriate actions. The Audit Committee generally meets at the same dates the Board of Directors meetings take place, although the Chairman may call meetings as often as business requires. The length of the meetings lasted usually for about 2 to 3 hours in fiscal year 2009, during which the Audit Committee held 6 meetings. The auditors attended 2 meetings of the Audit Committee in 2009.

In the context of the Merger, the Audit Committee was in particular in charge of reviewing the fairness opinions and valuation reports received by the Company and of proposing an exchange ratio for the Merger.

NOMINATION AND REMUNERATION COMMITTEE

Members: Ernest George Bachrach (Chairman), Andrés Holzer Neumann, Juan Carlos Torres Carretero.

The Nomination and Remuneration Committee assists the Board of Directors in fulfilling its nomination and remuneration related matters. It is responsible for assuring the long-term planning of appropriate appointments to the positions of the Chief Executive Officer and the Board of Directors, as well as for the review of the remuneration system of the Company and for proposals in relation thereto to the Board of Directors. The Nomination and Remuneration Committee makes proposals in relation to the remuneration of the Chief Executive Officer and of the members of the Board of Directors. The Board of Directors has the ultimate authority to approve such proposals. The Nomination and Remuneration Committee decides on the overall size of the RSUs to be granted under the Company's Restricted Stock Unit plan, if any, and makes proposals on the grant of options or other securities under any other management incentive plan of the Company, if any. The Nomination and Remuneration Committee meets as often as business requires. The length of the meetings usually lasted for about 2 to 3 hours in fiscal year 2009, during which the Nomination and Remuneration Committee held 1 meeting.

WORK METHOD OF THE BOARD OF DIRECTORS

As a rule, the Board of Directors meets about five to six times a year. Additional meetings or conference calls are held as and when necessary. The Board of Directors held 9 meetings during fiscal year 2009. The meetings of the Board of Directors usually lasted half a day. The Chairman determines the agenda and items to be discussed at the Board meetings. All members of the Board of Directors can request to add further items on the agenda.

The Chief Executive Officer, the Chief Financial Officer, the Global Chief Operating Officer and the Chief Legal Officer, also acting as Secretary to the Board, attend the meetings of the Board of Directors. Other members of the Group Executive Committee may attend meetings of the Board of Directors as and when required. The Board of Directors also engages specific advisors to address specific matters when required.

3.5 DEFINITION OF AREAS OF RESPONSIBILITY

The Board of Directors is the ultimate corporate body of Dufry AG. It further represents the Company towards third parties and shall manage all matters which by law, Articles of Incorporation or Board regulations have not been delegated to another body of the Company.

In accordance with the Board regulations ("Organisationsreglement"), the Board of Directors has delegated the operational management of the Company to the Chief Executive Officer who is responsible for overall management of the Dufry Group. The following responsibilities remain with the Board of Directors:
- ultimate direction of the business of the Company and the power to give the necessary directives;
- determination of the organization of the Company;
- administration of the accounting system, financial control and financial planning;
- appointment and removal of the persons entrusted with the management and representation of the Company, as well as the determination of their signatory power;
- ultimate supervision of the persons entrusted with the management of the Company, in particular with respect to their compliance with the law, the Articles of Incorporation, regulations and directives;
- preparation of the business report and the Meetings of Shareholders and to carry out the resolutions adopted by the Meeting of Shareholders;
- notification of the judge if liabilities exceed assets;
- passing of resolutions regarding the subsequent payment of capital with respect to non-fully paid in shares;
- passing of resolutions confirming increases in share capital and the amendments of the Articles of Incorporation entailed thereby;
- examination of the professional qualifications of the Auditors;
- non-delegable and inalienable duties and powers of the Board of Directors pursuant to the Swiss Merger Act;
- to approve any non-operational or non-recurring transaction not included in the annual budget and exceeding the amount of CHF 4,000,000;
- to issue convertible debentures, debentures with option rights or other financial market instruments; and
- to approve the annual investment and operating budgets of the Company and the Dufry Group.

Except for the Chairman of the Board of Directors, who has single signature authority, the members of the Board have joint signature authority, if any.

3.6 INFORMATION AND CONTROL INSTRUMENTS VIS-À-VIS THE SENIOR MANAGEMENT

The Board ensures that it receives sufficient information from the management to perform its supervisory duty and to make the decisions that are reserved to the Board through several means.

- Dufry Group has an internal management information system that consists of financial statements, performance indicators and risk management. Information to management is provided on a regular basis according to the cycles of the business: sales on a weekly basis; income statement, cash management and key performance indicator (KPI) including customer, margins and investment information on a monthly basis; balance sheet and other financial statements on a quarterly basis. The management information is prepared on a consolidated basis as well as per business unit. Financial reports are submitted to the entire Board of Directors on a quarterly basis.
- During Board meetings, each member of the Board may request information from the other members of the Board, as well as from the members of the management present on all affairs of the Company and the Group.
- Outside of Board meetings, each member of the Board may request from the Chief Executive Officer information concerning the course of business of the Company and the Group and, with the authorization of the Chairman, about specific matters.
- The Chief Executive Officer reports at each meeting of the Board on the course of business of the Company and the Group in a manner agreed upon from time to time between the Board and the Chief Executive Officer. Apart from the meetings, the Chief Executive Officer reports immediately any extraordinary event and any change within the Company and within the Dufry Group to the Chairman.
- The Audit Committee met 6 times in 2009 with management and external advisors to review the business, better understand laws, regulations and policies impacting the Dufry Group and its business and support the management in meeting the requirement and expectations of stakeholders. In meetings of the Audit Committee, the Chief Financial Officer acts as Secretary to the Committee. The Auditors are invited to the meetings of the Audit Committee and attended 2 meetings of the Audit Committee in 2009.
- The Internal Audit provides independent and objective assessments of the effectiveness of the internal control and risk management systems. The selection of Internal Audit projects is based on risk assessment, with a focus on operational processes, throughout the Dufry Group. The results of Internal Audit are communicated to management in charge, the Company's senior management and the Audit Committee. Regular follow-up is performed to ensure that risk mitigation and control improvement measures are implemented on a timely basis.

4. GROUP EXECUTIVE COMMITTEE

4.1 MEMBERS OF THE GROUP EXECUTIVE COMMITTEE

As of December 31, 2009, the Group Executive Committee comprised ten executives. The Group Executive Committee, under the control of the Chief Executive Officer, conducts the operational management of the Company pursuant to the Company's board regulations. The Chief Executive Officer reports to the Board of Directors on a regular basis.

The following table sets forth the name and year of appointment of the current ten members of the Group Executive Committee, followed by a short description of each member's business experience, education and activities:

NAME	NATIONALITY	POSITION	APPOINTED IN YEAR
Julián Díaz González	Spanish	Chief Executive Officer	2004
Xavier Rossinyol	Spanish	Chief Financial Officer	2004
José Antonio Gea	Spanish	Global Chief Operating Officer	2004
Pascal C. Duclos	Swiss	Chief Legal Officer	2005
Dante Marro	Italian	Chief Operating Officer Region Europe	2002
Miguel Ángel Martínez	Spanish	Chief Operating Officer Region Africa	2004
René Riedi	Swiss	Chief Operating Officer Region Eurasia	2001
José H. González	American	Chief Operating Officer Region Central America & Caribbean	2002
José Carlos Costa da Silva Rosa	Portuguese	Chief Operating Officer Region South America	2006
Joseph DiDomizio	American	Chief Operating Officer Region North America	2008

All employment agreements entered into with the members of the Group Executive Committee are entered for an indefinite period of time. None of the members of the Group Executive Committee is related to the controlling shareholders.

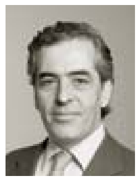
4.2 EDUCATION, PROFESSIONAL BACKGROUND, OTHER ACTIVITIES AND VESTED INTERESTS

JULIÁN DÍAZ GONZÁLEZ
Chief Executive Officer
born 1958

Education Degree in business administration from Universidad Pontificia Comillas I.C.A.D.E., de Madrid.
Professional Background 1989 – 1993 General Manager at TNT Leisure SA. 1993 – 1997 Division Director at Aldeasa. 1997 – 2000 Various managerial and business positions at Aeroboutiques de Mexico SA de CV and Deor SA de CV. 2000 – 2003 General Manager of Latinoamericana Duty-Free, SA de CV. Since 2004 Chief Executive Officer at Dufry AG.

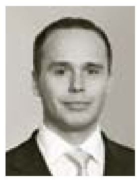
XAVIER ROSSINYOL
Chief Financial Officer
born 1970

Education Bachelor's degree in Business Administration at ESADE (Spain), MBA at ESADE and at the University of British Columbia (Canada and Hong Kong), Master's degree in business law from Universidad Pompeu Fabra (Spain).
Professional Background 1995 – 2003 Various positions at Areas (member of the French group Elior) with responsibility for finance, controlling, strategic planning. Left Areas as its Corporate Development Director. Since 2004 Chief Financial Officer at Dufry AG.



JOSÉ ANTONIO GEA
Global Chief Operating Officer
born 1963

Education Degree in economics and business sciences from Colegio Universitario de Estudios Financieros.
Professional Background 1989 – 1995 Various positions at TNT Express Espana, SA. Director of its Blue Cow Division (1993 – 1995). 1995 – 2003 Various managerial positions at Aldeasa. Left Aldeasa as its Director of Operations. Since 2004 Global Chief Operating Officer at Dufry AG.



PASCAL C. DUCLOS
Chief Legal Officer
born 1967

Education Licence en droit from Geneva University School of Law, LL.M. from Duke University School of Law. Licensed to practice law in Switzerland and admitted to the New York Bar.
Professional Background 1991 – 1997 Senior attorney at law at Geneva law firm Davidoff & Partners. Also academic assistant at the University of Geneva School of Law (1994 – 1996). 1999 – 2001 Attorney at law at New York law firm Kreindler & Kreindler. 2001 – 2002 Financial planner at UBS AG in New York. 2003 – 2004 Senior foreign attorney at law at the Buenos Aires law firm Beretta Kahale Godoy. Since 2005 Chief Legal Officer and Secretary to the Board of Directors at Dufry AG.

DANTE MARRO
Chief Operating Officer
Region Europe
born 1944

Education Graduate degrees in architecture and business administration.
Professional Background Prior to 1981 Served as public administrator and as an administrator of the Airport Milano and the Association Airports Italia. 1981 Joined Dufry. He held various managerial positions at Dufrital SpA as General Manager and Chairman of the Board (1987 – 1992) and acted as General Manager and Board Delegate of all Italian companies belonging to the Group from 1992 – 2002. Since 2002 Chief Operating Officer Region Europe at Dufry AG.

MIGUEL ÁNGEL MARTÍNEZ
Chief Operating Officer
Region Africa
born 1961

Education Bachelor's of science degree in economics and business administration from the Universidad de León.
Professional Background 1986 – 1991 Store Manager at C&A Valencia and Mallorca. 1991 – 1998 Various managerial positions at Aldeasa SA. 1998 – 2003 General Manager at Select Service Partner's subsidiary Madrid Trade Fair Center. Since 2004 Chief Operating Officer Region Africa at Dufry AG.

RENÉ RIEDI
Chief Operating Officer
Region Eurasia
born 1960

Education Degree in business administration from the School of Economy and Business Administration Zurich.
Professional Background Prior to 1993 Worked in product marketing and international sales of the multinational FMCG (Fast Moving Consumer Goods) company Unilever. 1993 – 2000 Joined Dufry in 1993 as Sales Manager Eastern Europe. Product Category Manager Spirits & Tobacco (1995 – 1996). Head of Product Marketing (1996 – 1997). Director Division Spirits & Tobacco (Weitnauer Distribution Ltd 1998 – 2000). Since 2001 Chief Operating Officer Region Eurasia at Dufry AG.

JOSÉ H. GONZÁLEZ
Chief Operating Officer
Region Central
America & Caribbean
born 1946

Education Bachelor's of arts degree from Prieto University, Cuba.
Professional Background Prior to 1992 Active in retail and wholesale industry in North, Central and South America for more than 25 years. 1992 – 2002 Joined Dufry in 1992 and held various managerial and business positions. Since 2002 Chief Operating Officer Region Central America & Caribbean at Dufry AG.

JOSÉ CARLOS COSTA DA SILVA ROSA
Chief Operating Officer
Region South America
born 1955

Education Military and Civil Engineer's degree from the Academia Militar of Portugal.
Professional Background 1993 – 1994 Director of Property Management of Richard Ellis Portugal. 1994 – 2000 General Director of AmoreirasGest. 2000 – 2006 Retail Director at ANA-Aeropuertos de Portugal AS. Since 2006 Chief Operating Officer Region South America at Dufry AG.

JOSEPH DIDOMIZIO
Chief Operating Officer
Region North America
born 1970

Education Bachelor's of arts degree in Marketing and Business Administration from the University of Bridgeport.
Professional Background 1992 – 2008 Several managerial positions in Hudson Group (April – September 2008: President and CEO). Since October 2008 Chief Operating Officer Region North America at Dufry AG.

OTHER ACTIVITIES AND VESTED INTERESTS

Messrs Julián Díaz González and Xavier Rossinyol were members of the Board of Directors and of the Executive Committee of Dufry South America Ltd, the Company's subsidiary listed in Luxembourg and Brazil expected to merge with Dufry. Messrs Pascal Duclos, José Antonio Gea and José Carlos Rosa were members of the Executive Committee of Dufry South America Ltd. Mr. Pascal Duclos was also Secretary to the Board of Directors of Dufry South America Ltd. As of the execution of the Merger these positions will disappear.

With the exception of their role in Dufry South America Ltd and the information disclosed below, none of the members of the Group Executive Committee of Dufry AG has had other activities in governing and supervisory bodies of important Swiss and foreign organizations, institutions and foundations under private and public law. No member of the Group Executive Committee has permanent management and consultancy functions for important Swiss and foreign interest groups, or holds any official functions and political posts.

In addition to his employment relationship with the Dufry Group, Mr. Dante Marro, Chief Operating Officer for Region Europe and member of the Group Executive Committee, acting through GSA Srl Gestione Spazi Attrezzati (GSAS), was granted rights of usufruct over 10 percent of the Company's shareholding in its wholly owned subsidiary Dufry Shop Finance Limited Srl. The rights of usufruct granted to GSAS, which will expire on May 4, 2041, permit it to enjoy the benefits of share ownership, including the receipt of dividends. Upon expiration of the rights of usufruct, provided that the total profits of Dufry Shop Finance Limited Srl. shall not have been declared as dividends, GSAS shall be entitled to receive 10 percent of withheld profits accumulated as reserves on the balance sheet of Dufry Shop Finance Limited Srl as of May 4, 2041.

In addition to his employment relationship with the Group, Mr. José González, Chief Operating Officer for region Central America & Caribbean and member of the Group Executive Committee, owns 26.3 percent of the share capital of the subsidiary Puerto Libre International SA (PLISA). PLISA operates duty free shops at the international airport of Managua as well as border shops in Nicaragua.

4.3 MANAGEMENT CONTRACTS

Dufry Group does not have management contracts with companies or natural persons not belonging to the Group.

5. COMPENSATION, SHAREHOLDINGS AND LOANS

5.1 CONTENT AND METHOD OF DETERMINING THE COMPENSATION AND THE SHAREHOLDING PROGRAMS

BOARD OF DIRECTORS

The Board of Directors determines the amount of the fixed remuneration of its members, taking into account their responsibilities, experience, and the time they invest in their activity as members of the Board of Directors. The Nomination and Remuneration Committee makes proposals in relation to the compensation of the Chief Executive Officer and the members of the Board of Directors. The Board of Directors ultimately decides on the compensation to its members upon proposal of the Nomination and Remuneration Committee. Extraordinary assignments or work which a member of the Board of Directors accomplishes outside of his activity as a Board member is specifically remunerated and is approved by the Board of Directors. In addition, the members of the Board of Directors are reimbursed for all reasonable expenses incurred by them in the pursuance of their duties.

GROUP EXECUTIVE COMMITTEE

Members of the Group Executive Committee receive compensation packages, which consist of a fixed basic salary in cash that reflects competitive compensation, the experience and the area of responsibility of each individual member, and a performance related cash bonus. The bonus is defined once per year and depends on the overall financial results of the Group and of specific sub-divisions thereof, as well as on achieving defined goals by each individual person. Each member of the Group Executive Committee has its own bonus. The main part of the bonus is related to measures regarding financial results, in fiscal year 2009 mainly EBITDA, both of the Group and of the Region in the case of the Regional Chief Operating Officers. Such financial measures are weighted with up to 90 %. Non-results oriented targets are also taken into account and are reflected with a weighting of approx. 10 %. The bonus part of the compensation for the Group Executive Committee represented in 2009 13 % of its total compensation and amounted to CHF 1.34 million in the aggregate. In addition, fringe benefits such as health insurance in an amount of CHF 0.49 million in the aggregate have been granted to certain members. The bonus compensation for each of the members of the Group Executive Committee is approved by the Chief Executive Officer (with the exception of the CEO's own compensation that is approved by the Nomination and Remuneration Committee).

As of December 31, 2009 the Company has a Restricted Stock Unit (RSU) plan in place for the members of the Group Executive Committee and certain members of the Dufry Group management (RSU plan participants). The Company's RSU plan provided for a grant of awards of RSUs on January 1, 2009. The RSU awarded in 2009 vested on January 1, 2010 and January 12, 2010 (as all vesting conditions were fulfilled), date at which the RSU awards were converted into shares of Dufry AG, freely tradable by the RSU Plan Participants. In addition, in the context of the acquisition by the Company of the Hudson Group in October 2008, the Company set up a separate RSU Plan for certain current and former managers of the Hudson Group. This RSU plan also provided for a grant of awards of RSUs on January 1, 2009. The RSU awarded in 2009 vested on January 1, 2010 and January 12, 2010 (as all vesting conditions were fulfilled), date at which the RSU awards were converted into shares of Dufry AG, freely tradable by the Hudson Group RSU Plan Participants.

From an economic point of view, the Restricted Stock Units are stock options with an exercise price of nil. The vesting of the RSU Awards is conditioned upon the price of the Dufry share at the vesting date being superior to the price of the Dufry share at the grant date.

For information about individual grants please refer to Note "Compensation, participations and loans" on page 151 of this Annual Report. The fair value calculation and the individual vesting conditions of the granted RSUs are described in Note 32 of this Annual Report.

As of December 31, 2009, 268,258 RSUs were outstanding under the above mentioned RSU Plans and they represent, on a vested basis, 268,258 shares, i.e. 1.4 percent of the total ordinary share capital of Dufry AG.

Except for legal and tax advices, Dufry did neither consult any external advisors in respect of structuring the compensation and the above mentioned RSU plans nor did it use any salary comparisons.

5.2 COMPENSATION, SHAREHOLDINGS AND LOANS OF ACTING AS WELL AS FORMER MEMBERS OF GOVERNING BODIES

For detailed information on remuneration, shareholdings and loans please refer to the Financial Statements, Statutory Notes on page 151 of this Annual Report.

6. SHAREHOLDERS' PARTICIPATION RIGHTS

6.1 VOTING RIGHTS AND REPRESENTATION

Each share recorded as share with voting rights in the share register confers one vote on its registered holder. Each shareholder duly registered in the share register on the record date may be represented at the Meeting of Shareholders by any person who is authorized to do so by a written proxy. A proxy does not need to be a shareholder. Shareholders entered in the share register as shareholders with voting rights on a specific qualifying date (record date) designated by the Board of Directors shall be entitled to vote at the Meeting of Shareholders and to exercise their votes at the Meeting of Shareholders. See below 6.5.

6.2 QUORUMS

The Meeting of Shareholders shall be duly constituted irrespective of the number of shareholders present or of the shares represented. Unless the law or Articles of Incorporation provide for a qualified majority, an absolute majority of the votes represented at a Meeting of Shareholders is required for the adoption of resolutions or for elections, with abstentions, blank and invalid votes having the effect of "no" votes. The Chairman of the Meeting shall have a casting vote.

A resolution of the Meeting of Shareholders passed by at least two thirds of the votes represented and the absolute majority of the nominal value of shares represented shall be required for:

1. a modification of the purpose of the Company
2. the creation of shares with increased voting powers
3. restrictions on the transfer of registered shares and the removal of such restrictions
4. restrictions on the exercise of the right to vote and the removal of such restrictions
5. an authorized or conditional increase in share capital
6. an increase in share capital through the conversion of capital surplus, through a contribution in kind or in exchange for an acquisition of assets, or a grant of special benefits upon a capital increase
7. the restriction or denial of pre-emptive rights
8. the change of the place of incorporation of the Company
9. the dismissal of a member of the Board of Directors
10. an increase in the maximum number of members of the Board of Directors
11. the dissolution of the Company
12. other matters where statutory law provides for a corresponding quorum

6.3 CONVOCATION OF THE MEETING OF SHAREHOLDERS

The Meeting of Shareholders shall be called by the Board of Directors or, if necessary, by the Auditors. One or more shareholders with voting rights representing in aggregate not less than 10% of the share capital can request, in writing, that a Meeting of Shareholders shall be convened. Such request must be submitted to the Board of Directors, specifying the items and proposals to appear on the agenda.

The Meeting of Shareholders shall be convened by notice in the Swiss Official Gazette of Commerce (SOGC) not less than 20 days before the date fixed for the Meeting. Registered shareholders will also be informed by ordinary mail.

6.4 AGENDA

The invitation for the Meeting of Shareholders shall state the day, time and place of the Meeting, and the items and proposals of the Board of Directors and, if any, the proposals of the shareholders, who demand that the Meeting of Shareholders be called or that items be included in the agenda.

One or more shareholders with voting rights whose combined holdings represent an aggregate nominal value of at least CHF 1,000,000 may request that an item be included in the agenda of a Meeting of Shareholders. Such a request must be made in writing to the Board of Directors at the latest 60 days before the Meeting and shall specify the agenda items and the proposals made.

6.5 REGISTRATION IN THE SHARE REGISTER

The record date for the inscription of registered shareholders into the share register in view of their participation in the Meeting of Shareholders is defined by the Board of Directors. It is usually 19 days before the Meeting. Shareholders who dispose of their shares before the Meeting of Shareholders are no longer entitled to vote.

7. CHANGE OF CONTROL AND DEFENCE MEASURES

7.1 DUTY TO MAKE AN OFFER

The Articles of Incorporation of the Company contain neither an opting-out nor an opting-up provision (Art. 22 SESTA).

7.2 CLAUSES ON CHANGE OF CONTROL

In case of change of control or in any event which would trigger a mandatory offer pursuant to the SESTA with respect to the Company, the Restricted Stock Units awarded to the RSU Plan Participants shall vest immediately. In case of change of control, all amounts drawn under the CHF 800,000,000 and USD 435,000,000 multicurrency term and revolving credit facility agreement shall become immediately due and payable.

8. AUDITORS

8.1 AUDITORS, DURATION OF MANDATE AND TERM OF OFFICE OF LEAD AUDITOR

Pursuant to the Articles of Incorporation, the Auditors shall be elected every year and may be re-elected. Ernst & Young Ltd acted as Auditors and has held the mandate as Auditor since 2004. Bruno Chiomento has been the Lead Auditor in charge for the consolidated financial statements of the Company and the statutory financial statements as of December 31, 2009. Mr. Chiomento took the existing auditing mandate in 2005.

8.2 AUDITING FEE

During fiscal year 2009, Dufry agreed with Ernst & Young Ltd to pay a fee of CHF 2.4 million for services in connection with auditing the statutory annual financial statements of Dufry AG and its subsidiaries, as well as the consolidated financial statements of Dufry Group and a fee of CHF 1.4 million for services in connection with the extraordinary audit and reviews of Dufry's statutory and consolidated financial statements ended March 2009, June 2009 and September 2009 required for the listing of Dufry as BDR issuer with the CVM.

8.3 ADDITIONAL FEES

Additional fees amounting to CHF 0.1 million were paid to Ernst & Young Ltd for tax services.

8.4 SUPERVISORY AND CONTROL INSTRUMENTS PERTAINING TO THE AUDIT

The Audit Committee as a committee of the Board of Directors reviews and evaluates the performance and independence of the Auditors each year. The Audit Committee determines the scope of the external audit and the relevant methodology to be applied to the external audit with the Auditors and discusses the results of the respective audits with the Auditors. The Auditors prepare a management letter addressed to the Senior Management, the Board of Directors and the Audit Committee once per year, informing them in detail on the result of their audit.

Representatives of the Auditors are regularly invited to meetings of the Audit Committee, namely to attend during those agenda points that dealt with accounting, financial reporting or auditing matters. In addition, the Audit Committee reviews regularly the internal audit plan.

During the fiscal year 2009, the Audit Committee held 6 meetings. The Auditors were present at 3 of those meetings. The Board of Directors has determined the rotation interval for the Lead Auditor to be seven years, as defined by the Swiss Code of Obligation; such rotation shall occur in 2012.

9. INFORMATION POLICY

Dufry is committed to open and transparent communication with its shareholders, financial analysts, potential investors, the media, customers, suppliers and other interested parties.

As of March 31, 2010, and as a result of the Merger, Dufry AG will publish its financial reports and report of auditors on a quarterly basis, both in English and Portuguese. The financial reports and media releases containing financial information are available on the Company's website.

In addition, Dufry AG organizes presentations and conference calls with the financial community and media to further discuss details of the reported earnings or on any other matters of importance. The Company undertakes roadshows for institutional investors on a regular basis.

Details and information on the business activities, Company structure, financial reports, media releases and investor relations are available on the Company's website www.dufry.com.

Details regarding the Merger, in particular copy of Merger Agreement, Merger Report, Fairness Opinions, Valuation Reports, etc. (see above Preamble "Merger between Dufry and Dufry South America Ltd" to this report) are available on the Company's website.

Web-links regarding the SIX Swiss Exchange push-/pull-regulations concerning ad-hoc publicity issues are

http://www.dufry.com/new-index/new-mediarelease.htm
http://www.dufry.com/new-index/new-latest.htm

Web-links regarding the filings made by the Company with the CVM and BM & FBOVESPA are

http://www.cvm.gov.br
http://www.bovespa.com.br

The current Articles of Incorporation are available on Dufry's website under
http://www.dufry.com/inv-index/inv-articles.htm

For the Investor Relations and Corporate Communications contacts as well as a summary of anticipated key dates in 2010 please refer to page 156 of this Annual Report.

CHIEF FINANCIAL OFFICER
MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS

DEAR ALL

In 2009 again, Dufry continued to evolve and worked on several important issues, not least due to the difficult economic environment having a substantial impact on Dufry's business. Among our challenges in the past year was the execution of the Hudson integration plan to capture the planned synergies following the acquisition in October 2008 as well as the implementation of the Efficiency Plan. Thanks to the decisive realization of the latter on one hand and to the high proportion of variable costs in our cost base on the other hand, we managed to mitigate a substantial part of the negative impact of the economic crisis in our results. Equally, we applied a strict cash management, which allowed us complying with all financing covenants and to de-leverage by CHF 214.4 million in 2009.

The merger with Dufry South America Ltd, which was announced on January 11, 2010, was one of the key projects for us in the last part of 2009. As a result of this transaction, there will be a substantial change in Dufry's shareholder structure and net earnings attributable to minorities will be reduced significantly. Additionally, the internal organization will be facilitated and will allow a further optimization of various aspects, such as the capital structure or the cash management of the group.

TURNOVER

In 2009, turnover increased by 12.5 % versus the previous year reaching CHF 2,378.7 million. Whereas organic growth was negative by 10 %, the consolidation of Hudson accounted for 23.8 % of turnover growth. Turnover contribution of expansions and new projects was 0.5 % and the impact due to exchange rate movements was negative 1.7 %. As a percentage of turnover, net sales accounted for 97.0 % in 2009 versus 97.3 % in 2008. Advertising income increased by 27.4 % and reached CHF 71.6 million in 2009 from CHF 56.2 million in 2008.

In **Region Europe,** turnover decreased by 15.7 % to CHF 332.2 million in 2009 against CHF 394.0 million in 2008. Italy, our main operation in the region, was over-proportionally affected in the first 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 recover although from a low basis.

Region Africa decreased its turnover by 7.4 % when measured in Swiss Francs but remained almost stable when measured in local currencies. In absolute terms, turnover reached CHF 190.2 million in 2009 compared to CHF 205.4 million in the previous year. 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 reduction of 13.1 % to CHF 232.1 million in 2009 from CHF 267.1 million in 2008. 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 **South America** declined by 6.1 % reaching CHF 616.5 million in 2009 against CHF 656.6 million in 2008. 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 and Caribbean,** which comprises all the business of the former Region North America & Caribbean except the US business, turnover decreased by 17.4 % to CHF 305.9 million in 2009 compared to CHF 370.5 million in 2008. 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 versus CHF 219.8 million in the previous year. 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 reduction in turnover was more moderate than other comparable markets and in line with the passenger evolution.

GROSS PROFIT

In 2009, gross profit increased by 15.4 % to CHF 1,329.4 million from CHF 1,151.9 million in 2008. 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 and the support of the suppliers in our marketing activities.

SELLING EXPENSES

Selling expenses, net, reached CHF 510.9 million representing 21.5 % of turnover compared to CHF 437.5 million, or 20.7 % of turnover in 2008. The increase of the selling expenses as a percentage of turnover of 0.8 percentage points was primarily due to certain fixed rent components, but as the limited increase indicates, the overall concession portfolio has largely a variable structure.

PERSONNEL EXPENSES

In 2009, personnel expenses accounted for CHF 361.3 million compared to CHF 276.1 million in 2008. As a percentage of turnover, personnel expenses increased by 2.1 percentage points to 15.2 % in 2009 from 13.1 % in 2008, which is mainly due to the above average personnel cost of Hudson. The number of full time equivalents remained stable at 11,209 on December 31, 2009, compared to 11,297 on the same date in 2008.

GENERAL EXPENSES

General expenses, net, amounted to CHF 156.1 million in 2009 against CHF 144.9 million in 2008. As a percentage of turnover, general expenses improved by 0.3 percentage points to 6.6 % in 2009 from 6.9 % in 2008, the main driver being the reduction of fixed costs as part of the Efficiency Plan.

EBITDA

In 2009, EBITDA (before other operational result) grew by 2.6 % to CHF 301.1 million from CHF 293.4 million in 2008. EBITDA margin in 2009 stood at 12.7 % compared to 13.9 % in 2008.

DEPRECIATION AND AMORTIZATION

Depreciation and Amortization rose to CHF 123.0 million in 2009 compared to CHF 86.4 million in 2008. Depreciation increased to CHF 63.9 million in 2009 versus CHF 39.7 million in the previous year and amortization increased by 12.4 million, to CHF 59.1 million in 2009 from CHF 46.7 million in 2008. For both components, the increase was mainly related to the consolidation of Hudson since October 2008.

CONSOLIDATED INCOME STATEMENT

IN MILLIONS OF CHF		2009 %		2008 %
Net sales	2,307.1		2,057.3	
Advertising income	71.6		56.2	
Turnover	**2,378.7**	**100.0%**	**2,113.5**	**100.0%**
Cost of sales	(1,049.3)		(961.6)	
Gross Profit	**1,329.4**	**55.9%**	**1,151.9**	**54.5%**
Selling expenses	(510.9)	21.5%	(437.5)	20.7%
Personnel expenses	(361.3)	15.2%	(276.1)	13.1%
General expenses	(156.1)	6.6%	(144.9)	6.9%
EBITDA (before other operational result)	**301.1**	**12.7%**	**293.4**	**13.9%**
Depreciation, amortization and impairment	(123.0)	5.2%	(86.4)	4.1%
Other operational result	(14.7)		(11.9)	
EBIT	**163.4**	**6.9%**	**195.1**	**9.2%**
Financial expenses, net	(43.4)		(47.2)	
EBT	**120.0**	**5.0%**	**147.9**	**7.0%**
Income taxes	(22.7)		(30.1)	
Net earnings	**97.3**	**4.1%**	**117.8**	**5.6%**
ATTRIBUTABLE TO:				
Equity holders of the parent	38.5		50.3	
Minority interest	58.8		67.5	
Net earnings adjusted for amortization in respect of acquisitions	**143.3**		**155.8**	
Basic earnings per share (IFRS) in CHF	2.01		3.36	
Cash earnings per share[1] in CHF	3.94		5.29	
Weighted average number of shares used in computation of EPS (in millions)	19.2		14.9	

[1] adjusted for amortization of acquisitions

EBIT

EBIT reached CHF 163.4 million in 2009 versus CHF 195.1 million in the previous year. The other operational result changed by CHF 2.8 million, mainly due to higher restructuring cost of certain low-performing activities and the implementation of certain initiatives of the Efficiency Plan with expected longer-term benefits.

FINANCIAL RESULT

Net financial expenses improved to CHF 43.4 million in 2009 from CHF 47.2 million in 2008. Interest expense increased marginally by CHF 1.5 million, as the lower interest rates almost compensated the substantially higher average debt due to the Hudson acquisition. The foreign exchange result also contributed positively as the impact in 2009 was significantly lower, reaching negative CHF 2.9 million compared to negative CHF 9.0 million in 2008.

TAXES

The Group's tax rate is subject to a combination of different tax rates applicable due to its operations in various countries. In 2009, taxes were CHF 22.7 million compared to CHF 30.1 million in the previous year. The tax rate as a percentage of EBT was 18.9 % in 2009 versus 20.4 % in 2008.

NET EARNINGS

Net earnings before minorities in 2009 decreased by 17.4 % to CHF 97.3 million from 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 also decreased by CHF 8.7 million, or 12.9 %, to CHF 58.8 million in 2009 versus CHF 67.5 million in 2008.

If 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 minorities would have amounted to CHF 14.9 million.

In 2009, Basic earnings per share were CHF 2.01 compared to CHF 3.36 in 2008. Cash earnings per share adjusted for the amortization effect of acquisitions, were CHF 3.94 compared to CHF 5.29 in 2008. 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 CHF 4.71.

CASH FLOW

Net cash from operating activities more than doubled to CHF 389.4 million in 2009 versus CHF 172.9 million in 2008. Key driver for the increase was the net working capital, where in 2009 we released CHF 105.5 million, whereas in 2008, we invested CHF 63.8 million in net working capital. Main drivers for the improvement were the logistics reorganization, the global order platform and the disciplined approach to procurement. Capital expenditure and investments were reduced by CHF 45.6 million and reached CHF 78.0 million in 2009 compared to CHF 123.6 million in 2008.

Cash flow generation was one of the key targets for 2009 and it was the year with the highest cash flow generation in the history of the company, which is even more remarkable, as the economic environment was complex.

LIQUIDITY AND CAPITAL RESOURCES

During 2009, Dufry reduced its net debt position by CHF 214.4 million to CHF 609.7 million as of December 31, 2009, from CHF 824.2 million at the end of 2008. The reduction is due to the implementation of the Efficiency Plan, which focused on improvement in the net working capital, the containment of capital expenditure and cash generation through the reduction of fixed costs.

Equity increased to CHF 997.6 million as of December 31, 2009, from CHF 953.6 million in the respective period of the previous year. Equity attributable to equity holders of the parent increased to CHF 674.5 million from CHF 660.0 million. Minority interests increased by CHF 29.5 million to CHF 323.1 million from CHF 293.6 million in 2008. Minorities as a percentage over total equity increased to 32.4 % from 30.8 % in the previous year.

Gearing, measured as Net Debt in relation to equity, improved to 61 % as per end of 2009 from 86 % in the previous year, thanks to the strong deleveraging during 2009.

The market capitalization of Dufry AG more than doubled to CHF 1,346 million at December 31, 2009, from CHF 556 million one year earlier. In this respect, we are committed to a clear and transparent communication and we will continue to actively interact with the investor community.

In 2009, Dufry demonstrated that it can act quickly and adapt its organization to new circumstances. This flexibility, together with our strict approach in assessing the potential of our growth opportunities, and our diversified portfolio of concession and operations, builds the framework of managing our business risks. The implementation of the Efficiency Plan focused on fixed cost savings and cash generation proved to be instrumental in aligning our global organization in a very short period of time. 2009 was a tough year but we are proud to say that we have demonstrated our ability to perform and Dufry ultimately strengthened its market position. In this context, the current expectations for 2010 are indicating a return to normal, which should allow us to materialize our strong project pipeline. However, given the complexities of the economic situation of many countries and governments, we will remain alert and we plan to act if required, as we did during 2009.

I would like to thank our shareholders, investors and analysts, our financial institutions, professional services providers, and particularly our team, for their support and contribution.

Xavier Rossinyol