



**DUFRY**

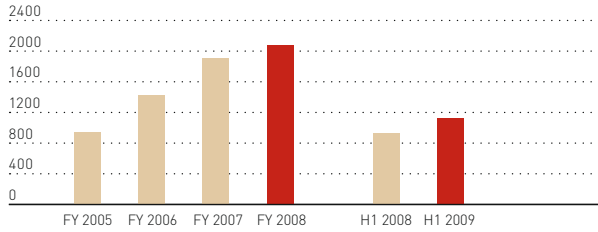
HALF YEAR REPORT **09**



**KEY FIGURES**

**TURNOVER**

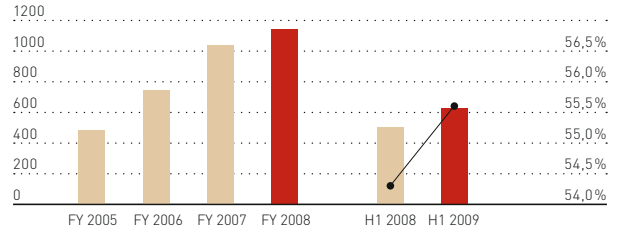
in millions of CHF



**GROSS PROFIT**

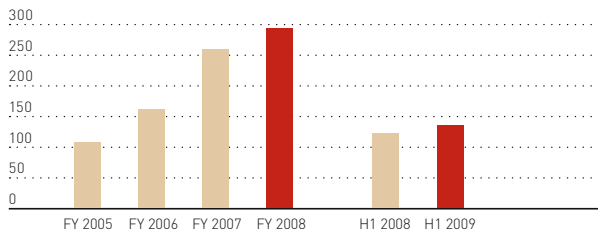
in millions of CHF

Margin



**EBITDA<sup>1</sup>**

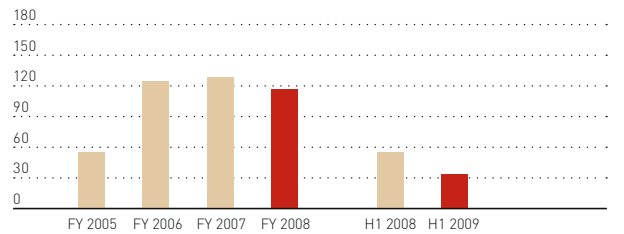
in millions of CHF



<sup>1</sup> EBITDA before other operational result

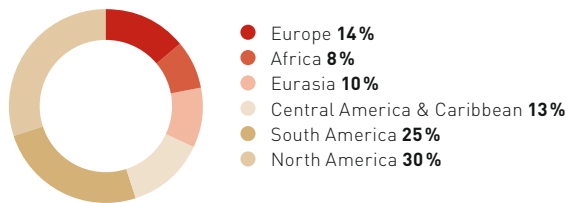
**NET EARNINGS**

in millions of CHF



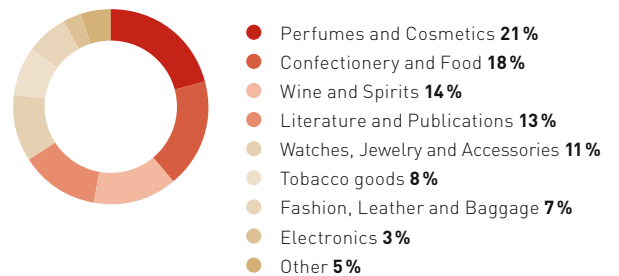
**NET SALES BY REGION**

January - June 2009



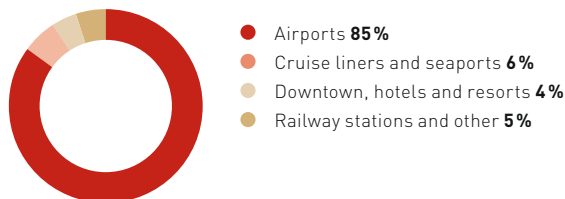
**NET SALES BY PRODUCT CATEGORIES**

January - June 2009



**NET SALES BY CHANNEL**

January - June 2009



**CHAIRMAN OF THE BOARD OF DIRECTORS  
AND CHIEF EXECUTIVE OFFICER**  
**SOLID PERFORMANCE  
IN A CHALLENGING ENVIRONMENT**

Dear Shareholders,

In the first half of 2009, Dufry maintained its growth trend once more. For the period to June 30, the Group's turnover increased by 21.4% to CHF 1,135.1 million from CHF 934.8 million in the first half of 2008. Main contributor to the growth was the consolidation of Hudson as well as new projects, which more than compensated the negative impact that the current economic environment has had on passenger numbers.

Gross profit reached CHF 631.5 million for the first half of 2009, an increase of 24.4%, compared to CHF 507.8 million in the corresponding period of the previous year. Gross margin improved further by 1.3 percentage points to 55.6% in the first half of 2009 from 54.3% in first half of 2008. The gross margin increase is a result of the various initiatives that we carried out in the past years and was mainly generated in the first quarter of 2009. Even so, we were able to improve the gross margin in the second quarter as well, albeit at a lower level, in line with the targets defined in our Efficiency Plan.

EBITDA<sup>1</sup> for the first half of 2009 increased by 10.0% to CHF 133.7 million compared to CHF 121.6 million for the respective period of 2008. The EBITDA margin was 11.8% compared to 13.0% for the relevant period in 2008. The economic crisis negatively impacted our profitability, however, thanks to the consistent implementation of the efficiency plan, the effects could be partially mitigated. We have distinct seasonality in our business with the second half being more important in terms of sales and due to the fixed cost, the seasonality is even more pronounced at EBITDA level. Expressed as a percentage of turnover, selling expenses remained at the same percentage level as last year while personnel expenses increased by 3.1 percentage points to 15.9% from 12.8% for the respective period of 2008. Whereas on the selling expenses, the consolidation of Hudson compensated an increase of the remaining Dufry operations, the higher personnel expenses of Hudson account for more than two thirds of the respective increase. General expenses showed a decrease of 0.6 percentage points to 6.9% from 7.5% respectively. There the efficiency plan as well as the Hudson consolidation contributed both to the reduction.

Depreciation and amortization charges increased to CHF 62.2 million during the first half of 2009 compared to CHF 33.2 million in the corresponding period of 2008 mainly due to the consolidation of Hudson. Depreciation amounted to CHF 32.6 million in the first half of 2009 compared to CHF 14.9 million in the first half of 2008. Amortization was CHF 29.6 million in the first half of 2009 compared to CHF 18.3 million in the respective period of 2008.

EBIT in the first six months of 2009 reached CHF 65.6 million compared to CHF 78.8 million in the respective period of 2008.

Financial expenses increased by CHF 17.8 million to CHF 23.9 million in the first six months of 2009 from CHF 6.1 million in the respective period of 2008. The increase, which is due to higher interest expenses resulting from higher debt charges assumed following the Hudson acquisition was partially compensated with lower interest rates levels in the market. Income tax for the first six months of 2009 decreased and amounted to CHF 8.3 million compared to CHF 17.2 million for the corresponding period of 2008. The tax rate measured as percentage of EBT fell by 3.8 percentage points to 19.9% from 23.7%.

<sup>1</sup> EBITDA before other operational expenses and other operational income

**NUMBER OF SHOPS LOCATED AT**

As of June 30, 2009



- Airports **811**
  - Cruise liners and seaports **72**
  - Downtown, hotels and resorts **62**
  - Railway stations and other **70**
- Total 1,015**

Net earnings for the Group stood at CHF 33.4 million in the first half of 2009 compared to CHF 55.5 million in the same period of 2008. Excluding minority interests, net earnings to equity holders in the first half of 2009 were CHF 10.4 million compared to CHF 28.0 million in the respective period of 2008. The seasonality effect in our business is further magnified at net earnings level due to the fixed nature of depreciation and amortization as well as financial expenses, which is even more pronounced after the acquisition of Hudson Group.

As explained earlier this year, the focus on cash generation has been one of the key themes for 2009. Dufrey has delivered strong results and reduced net debt by CHF 101.7 million in the first half of 2009. This compares to an increase in net debt of CHF 11.2 million in the same period of 2008, excluding the investment in Hudson. As of June 30, 2009, net debt amounted to CHF 722.5 million compared to CHF 824.2 million at December 31, 2008. The strong cash flow generation was due to the improvements in net working capital, contained capital expenditure as well as a cost reduction program, all of which have been implemented as part of the efficiency plan. With adjusted EBITDA/Net Debt at 2.9x Dufrey was well below the respective threshold of 3.5x. As for interest expenses/adjusted EBITDA, the headroom was even bigger with the ratio being 6.1x, 53% above the threshold of 4.0x.

**Development of Turnover<sup>2</sup> by Region**

- Turnover of **Region Europe** decreased by 19.4% to CHF 160.6 million compared to CHF 199.3 million. Italy had a more pronounced decrease than the rest of the region, mainly as a consequence of Alitalia's flight reallocation last year. However all operations performed below last year levels.
- **Region Africa** had a similar level of turnover when measured in local currencies. After translation into CHF, Africa's turnover decreased by 5.4% and amounted to CHF 87.6 million compared to CHF 92.6 million. Whereas Tunisia had a modest decrease, Morocco and most other locations achieved single-digit growth. Egypt performed particularly well and posted a double-digit growth.
- **Region Eurasia's** turnover fell by 13.0% to CHF 109.0 million from CHF 125.3 million. Some Russian operations experienced a strong decrease in sales as did the operations in South East Asia. This was partially balanced by the growth in Sharjah as well as selected Russian operations.

Following the acquisition of Hudson, we have proceeded with a regrouping of 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.

- Turnover of **Region Central America & Caribbean**, which comprises all the business of the former Region North America & Caribbean except the US business, decreased by 18.8% to CHF 150.5 million from CHF 185.3 million in the same period last year. Our Mexican operations were negatively affected by the swine flu. The Caribbean business also saw a decrease as passengers reduced discretionary spending on larger tickets, such as watches and jewelry, and cruise lines attracted a higher proportion of customers with a lower purchasing power on average.

<sup>2</sup> Turnover as mentioned is calculated as net sales to third parties plus advertising income and does not include intercompany sales

- In the newly formed **Region North America** which comprises Hudson as well as Dufry's original US business, turnover reached CHF 343.4 million from CHF 22.2 million in the first half of 2008 due to the consolidation of Hudson. On a pro forma comparison, Hudson's business model has proven to be resilient, even if we also suffered a decrease in passenger numbers in the US.
- **Region South America** decreased by 8.4% to CHF 284.0 million from CHF 310.1 million. The global economic crisis continued to weigh on the performance. The strengthening of the Brazilian Real versus the US Dollar in the recent months didn't have a significant impact yet but should contribute positively going forward.

### A solid performance in a challenging environment

Putting Dufry's results into the perspective of the challenging environment in the first six months of 2009 where passenger numbers and spending power declined globally on the back of a severe global recession, the Group has delivered a solid performance. The reduction in profitability has been contained thanks to the efficiency plan that was introduced rapidly at the end of 2008 and which has allowed to reduce fixed cost across the board. Moreover, Dufry's cash flow from operations has been impressive, especially in today's situation where the ability to generate cash is more important than ever.

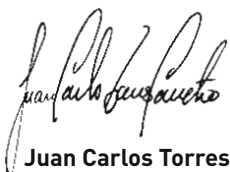
Going forward, visibility remains very limited. In the past six months, international passenger numbers seemed to have stabilized at high single digit figures below last year's levels, and forecasts indicate a gradual improvement going forward. In this respect, Dufry will continue to manage its business based on the latest available trends for the time being.

Looking beyond 2009, our target to expand remains unchanged and we believe that the current economic conditions will create new business opportunities. We expect that a number of potential attractive targets become available in the coming months and we intend to remain a consolidator in the highly fragmented travel retail industry.

We also will continue to integrate Hudson, which has proven to be a resilient business and has delivered the expected results. As a duty paid retailer Hudson has a proven record of highly profitable retail stores in US airports. Together with our retail expertise and experience in global markets, we want to expand our customer base, and the implementation of Hudson's duty paid concept on an international scale in many of Dufry's existing locations will further drive our growth and enhance our profitability.

We will continue our efforts to deliver value to our shareholders, which wouldn't have been possible without our employees, whose contribution and persistence in everyday matters shaped Dufry to what it is today.

Sincerely,



**Juan Carlos Torres Carretero**  
Chairman of the Board of Directors



**Julián Díaz**  
Chief Executive Officer

### SHOPPING AREAS IN M<sup>2</sup>

As of June 30, 2009



Europe	<b>18,400 m<sup>2</sup></b>
Africa	<b>8,600 m<sup>2</sup></b>
Eurasia	<b>9,300 m<sup>2</sup></b>
Central America & Caribbean	<b>36,900 m<sup>2</sup></b>
South America	<b>17,600 m<sup>2</sup></b>
North America	<b>45,000 m<sup>2</sup></b>

**UNAUDITED INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS  
AS OF JUNE 30, 2009**

**INTERIM CONSOLIDATED INCOME STATEMENT**

IN MILLIONS OF CHF	NOTE	UNAUDITED 1.1.–30.6.09	UNAUDITED 1.1.–30.6.08
Net sales		1,098.0	911.5
Advertising income		37.1	23.3
<b>TURNOVER</b>		<b>1,135.1</b>	<b>934.8</b>
Cost of sales		(503.6)	(427.0)
<b>GROSS PROFIT</b>		<b>631.5</b>	<b>507.8</b>
Selling expenses		(239.1)	(196.6)
Personnel expenses		(180.7)	(119.4)
General expenses		(78.0)	(70.2)
Depreciation, amortization and impairment		(62.2)	(33.2)
Other operational expenses		(8.1)	(15.9)
Other operational income		2.2	6.3
<b>Earnings before interest and taxes (EBIT)</b>		<b>65.6</b>	<b>78.8</b>
Interest expenses		(25.9)	(15.5)
Interest income		3.3	3.0
Foreign exchange gain (loss)		(1.3)	6.4
<b>Earnings before taxes (EBT)</b>		<b>41.7</b>	<b>72.7</b>
Income tax	3	(8.3)	(17.2)
<b>PROFIT FOR THE PERIOD</b>		<b>33.4</b>	<b>55.5</b>
<b>ATTRIBUTABLE TO:</b>			
Equity holders of the parent		10.4	28.0
Minority interests		23.0	27.5
<b>EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>			
Basic earnings per share in CHF		0.54	1.99
Diluted earnings per share in CHF		0.54	1.98
EPS adjusted for amortization (cash EPS) in CHF		1.80	2.98
Weighted average number of outstanding shares in millions		19.2	14.1
<b>EBITDA (BEFORE OTHER OPERATIONAL RESULT)</b>			
EBIT		65.6	78.8
Depreciation, amortization and impairment		62.2	33.2
Other operational expenses		8.1	15.9
Other operational income		(2.2)	(6.3)
<b>EBITDA (before other operational result)</b>		<b>133.7</b>	<b>121.6</b>

## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

IN MILLIONS OF CHF	UNAUDITED 1.1.–30.6.09	UNAUDITED 1.1.–30.6.08
<b>PROFIT FOR THE PERIOD</b>	<b>33.4</b>	<b>55.5</b>
Exchange differences on translating foreign operations	18.0	(88.5)
Net gain on hedge of net investment	0.7	25.8
Income tax	–	–
	<b>0.7</b>	<b>25.8</b>
<b>Other comprehensive income (loss) for the period, net of tax</b>	<b>18.7</b>	<b>(62.7)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX</b>	<b>52.1</b>	<b>(7.2)</b>
<b>ATTRIBUTABLE TO:</b>		
Equity holders of the parent	24.6	(17.6)
Minority interests	27.5	10.4

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### ASSETS

IN MILLIONS OF CHF	NOTE	UNAUDITED 30.6.09	AUDITED 31.12.08
Property, plant and equipment	5	244.4	249.8
Intangible assets	4	1,401.8	1,406.3
Other non-current assets		33.7	36.9
Deferred tax assets		146.3	139.0
<b>Non-current assets</b>		<b>1,826.2</b>	<b>1,832.0</b>
Inventories		323.8	344.2
Trade and credit card receivables		59.2	44.3
Other accounts receivable		111.9	109.4
Income tax receivables		10.1	11.8
Cash and cash equivalents	9	331.1	263.7
<b>Current assets</b>		<b>836.1</b>	<b>773.4</b>
<b>TOTAL ASSETS</b>		<b>2,662.3</b>	<b>2,605.4</b>

### EQUITY AND LIABILITIES

IN MILLIONS OF CHF	NOTE	UNAUDITED 30.6.09	AUDITED 31.12.08
Equity attributable to equity holders of the parent	8	684.9	660.0
Minority interests		308.3	291.0
<b>Total equity</b>		<b>993.2</b>	<b>951.0</b>
Financial debt, non-current	9	882.5	928.1
Provisions, non-current	10	3.0	2.5
Post-employment benefit obligations		8.1	7.8
Other non-current liabilities		6.2	8.4
Deferred tax liabilities		166.1	161.3
<b>Non-current liabilities</b>		<b>1,065.9</b>	<b>1,108.1</b>
Trade payables		188.2	151.9
Financial debt	9	171.1	159.8
Income tax payables		12.0	17.5
Other liabilities		229.2	213.1
Provisions	10	2.7	4.0
<b>Current liabilities</b>		<b>603.2</b>	<b>546.3</b>
<b>Total liabilities</b>		<b>1,669.1</b>	<b>1,654.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,662.3</b>	<b>2,605.4</b>

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

IN MILLIONS OF CHF	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT							TOTAL EQUITY
	SHARE CAPITAL	SHARE PREMIUM	TREASURY SHARES	TRANS-LATION RESERVES	RETAINED EARNINGS	TOTAL	MINORITY INTEREST	
<b>Balance as of 1.1.09</b>	<b>96.1</b>	<b>391.4</b>	<b>(9.1)</b>	<b>(77.1)</b>	<b>258.7</b>	<b>660.0</b>	<b>291.0</b>	<b>951.0</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14.2</b>	<b>10.4</b>	<b>24.6</b>	<b>27.5</b>	<b>52.1</b>
Share-based payment	-	-	-	-	0.3	0.3	-	0.3
Purchase of treasury shares	-	-	(0.3)	-	-	(0.3)	-	(0.3)
Distribution of treasury shares	-	-	9.1	-	(9.1)	-	-	-
Tax effect on equity transactions	-	-	-	-	0.3	0.3	-	0.3
Changes in participation of minority interests	-	-	-	-	-	-	1.7	1.7
Dividends to minority interests	-	-	-	-	-	-	(11.9)	(11.9)
<b>Balance as of 30.6.09</b>	<b>96.1</b>	<b>391.4</b>	<b>(0.3)</b>	<b>(62.9)</b>	<b>260.6</b>	<b>684.9</b>	<b>308.3</b>	<b>993.2</b>
<b>Balance as of 1.1.08</b>	<b>70.3</b>	<b>256.5</b>	<b>(13.1)</b>	<b>(39.3)</b>	<b>233.3</b>	<b>507.7</b>	<b>230.1</b>	<b>737.8</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(45.6)</b>	<b>28.0</b>	<b>(17.6)</b>	<b>10.4</b>	<b>(7.2)</b>
Share-based payment	-	-	-	-	3.7	3.7	0.2	3.9
Purchase of treasury shares	-	-	(4.2)	-	-	(4.2)	-	(4.2)
Distribution of treasury shares	-	-	13.1	-	(13.1)	-	-	-
Dividends to shareholders	-	-	-	-	(14.1)	(14.1)	-	(14.1)
Changes in participation of minority interests	-	-	-	-	-	-	2.6	2.6
Dividends to minority interests	-	-	-	-	-	-	(11.3)	(11.3)
<b>Balance as of 30.6.08</b>	<b>70.3</b>	<b>256.5</b>	<b>(4.2)</b>	<b>(84.9)</b>	<b>237.8</b>	<b>475.5</b>	<b>232.0</b>	<b>707.5</b>

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

IN MILLIONS OF CHF	NOTE	UNAUDITED 1.1.–30.6.09	UNAUDITED 1.1.–30.6.08
Earnings before taxes (EBT)		41.7	72.7
<b>ADJUSTMENTS FOR</b>			
Depreciation, amortization and impairment		62.2	33.2
Increase / (decrease) in allowances and provisions		5.5	(1.8)
Loss / (gain) on unrealized foreign exchange differences		4.0	(10.0)
Other non-cash items		1.4	3.9
Interest expenses		25.9	15.5
Interest income		(3.3)	(3.0)
<b>Cash flow before working capital changes</b>		<b>137.4</b>	<b>110.5</b>
Increase in trade and other accounts receivable		(13.1)	(31.3)
Decrease / (increase) in inventories		23.6	(65.5)
Increase in trade and other accounts payable		51.9	28.5
<b>Cash flow generated from operations</b>		<b>199.8</b>	<b>42.2</b>
Income tax paid		(14.8)	(8.9)
<b>Net cash flows from operating activities</b>		<b>185.0</b>	<b>33.3</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Business combinations, net of cash <sup>1)</sup>		(5.2)	(55.6)
Purchase of intangible assets		(5.7)	(11.7)
Purchase of property, plant and equipment	5	(28.1)	(15.4)
Project developments in progress		(0.4)	(3.1)
Proceeds from sale of property, plant and equipment		0.3	1.9
Interest received		3.9	3.0
<b>Net cash flows used in investing activities</b>		<b>(35.2)</b>	<b>(80.9)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		12.8	120.5
Repayment of borrowings		(62.8)	(7.1)
Proceeds from loans		1.5	3.3
Dividends paid to group shareholders	8	–	(14.1)
Dividends paid to minority shareholders		(15.2)	(11.3)
Purchase of treasury shares		(0.3)	(4.2)
Interest paid		(19.0)	(13.7)
<b>Net cash flows (used in) / from financing activities</b>		<b>(83.0)</b>	<b>73.4</b>
Currency translation adjustment		0.6	(5.6)
<b>Increase in cash and cash equivalents</b>		<b>67.4</b>	<b>20.2</b>
<b>CASH AND CASH EQUIVALENTS AT THE</b>			
– beginning of the period		263.7	125.1
– end of the period	9	331.1	145.3

<sup>1)</sup>For the six months period ended June 30, 2009 this mainly results from the settlement of acquisition payables originated before December 2008. In the comparative period the position includes the initial acquisition of 11% interest in the Hudson Group (CHF 52.4 million).

## 1 CORPORATE INFORMATION

The interim condensed consolidated financial statements of Dufry Ltd and its subsidiaries for the six months ended June 30, 2009 were authorized for issue in accordance with a resolution of the Board of Directors on August 27, 2009.

Dufry Ltd ('Dufry' or 'the Company') is a limited company domiciled in Basel, Switzerland, whose shares are listed on the Swiss Stock Exchange (SIX).

The Company is one of the world's leading travel retail companies with more than 1,000 shops worldwide.

## 2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

### BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six months ended June 30, 2009 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2008.

### SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2008, except for the adoption of new Standards and Interpretations as of January 1, 2009, noted below:

- IAS 1 Revised Presentation of Financial Statements

The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income: it presents all items of recognized income and expense, either in one single statement, or in two linked statements. The Group has selected to present two statements.

- IFRS 2 Share-based Payment – Vesting Conditions and Cancellations

The Standard has been amended to clarify the definition of vesting conditions and to prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied. The adoption of this amendment did not have any impact on the financial position or performance of the Group.

- IFRS 7 Financial Instruments: Disclosures

The amended standard requires additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. In addition, reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures. The fair value measurement and the liquidity risk disclosures for the Group are not significantly impacted by the amendments, as Dufry has no significant financial assets measured at fair value.

– IFRIC 16 Hedges of a Net Investment in a Foreign Operation

The interpretation is to be applied prospectively. IFRIC 16 provides guidance on the accounting for a hedge of a net investment. As such it provides guidance on identifying the foreign currency risks that qualify for hedge accounting in the hedge of a net investment, where within the group the hedging instruments can be held in the hedge of a net investment and how an entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment. The Group has elected to recycle the gain or loss that arises from the direct method of consolidation, which is the method the Group uses to complete its consolidation. As the Group did not dispose of any net investment it has had no impact on the financial position or results.

**IMPROVEMENTS TO IFRS STANDARDS**

In May 2008, the Board issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard.

The adoption of the following amendments, effective from January 1, 2009, resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group.

– IAS 23 Borrowing Costs (Revised)

The standard has been revised to require capitalization of borrowing costs on qualifying assets and the Group has amended its accounting policy accordingly. In accordance with the transitional requirements of the Standard this has been adopted as a prospective change. Therefore, borrowing costs have been capitalized on qualifying assets with a commencement date on or after January 1, 2009. No changes have been made for borrowing costs incurred prior to this date that have been expensed.

The amendments to the following standards below, effective from January 1, 2009, did not have any impact on the accounting policies, financial position or performance of the Group:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- IAS 8 Accounting Policies, Change in Accounting Estimates and Errors
- IAS 10 Events after the Reporting Period
- IAS 18 Revenue
- IAS 20 Accounting for Government Grants and Disclosures of Government Assistance
- IAS 27 Consolidated and Separate Financial Statements – Subsidiary at fair value
- IAS 32 Financial Instruments: Presentation and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation
- IAS 34 Interim Financial Reporting
- IFRIC 9 Reassessment of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement
- IFRIC 15 Agreements for the construction of real estate

### 3 INCOME TAX

The major components of income tax expenses in the interim consolidated income statement are:

IN MILLIONS OF CHF	1.1. – 30.6.09	1.1. – 30.6.08
Current income tax	(10.9)	(14.9)
Deferred income tax	2.6	(2.3)
<b>TOTAL</b>	<b>(8.3)</b>	<b>(17.2)</b>

### 4 IMPAIRMENT TEST

As per June 30, 2009, the Group performed a test for impairment of all intangible assets with indefinite useful live, i.e. for the goodwill, the concession rights and the brand name, as the overall sales development indicates that the intangible assets might be impaired.

The impairment test calculations are based on revised business plans approved by senior management and use cash flow projections covering a five-year period as well as a discount rate, which represents the weighted average cost of capital (WACC) adjusted for regional specific risks as per June 30, 2009.

The current recoverable amounts of the goodwill, the concession rights and the brand name have been determined based on value-in-use calculations and each of them exceeds its carrying amount.

Management believes that these cash flow projections are appropriate based upon currently available information. However, given the inherent difficulties in estimating business development, future impairment adjustments cannot be excluded.

### 5 PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

For the purpose of the interim consolidated cash flow statement, the cash flow used for purchase of property, plant and equipment are comprised of the following:

IN MILLIONS OF CHF	UNAUDITED 1.1. – 30.6.09	UNAUDITED 1.1. – 30.6.08
Payables for property, plant and equipment beginning of the period	14.6	5.0
Additions of property, plant and equipment	24.5	13.0
Payables for property, plant and equipment end of the period	(11.5)	(2.5)
Translation differences	0.5	(0.1)
<b>Cash flow for purchase of property, plant and equipment</b>	<b>28.1</b>	<b>15.4</b>

### 6 SEASONALITY OF OPERATIONS

The Group operates in different markets with seasonal variations in sales and operational results. At Group level the second half-year, with the summer months in the northern hemisphere is more important than the first half-year.

## 7 SEGMENT INFORMATION

The Group's risks and returns are predominantly affected by the fact that it operates in different countries. Therefore, the Group reports segmental information in its financial statements in the same way as it does internally to senior management, using geographical segments.

The geographical segments reported are broken down as follows: Europe (incl. Headquarters), Africa, Eurasia, Central America & Caribbean, South America and North America.

IN MILLIONS OF CHF	EUROPE (INCL. HQ)		JUNE 2009	AFRICA JUNE 2008	JUNE 2009	EURASIA JUNE 2008
	JUNE 2009	JUNE 2008				
Net sales – third party	149.7	188.6	87.6	92.6	107.3	124.1
Net sales – intersegment	53.1	70.7	–	–	–	–
<b>Net sales</b>	<b>202.8</b>	<b>259.3</b>	<b>87.6</b>	<b>92.6</b>	<b>107.3</b>	<b>124.1</b>
Advertising income	10.9	10.7	–	–	1.7	1.2
<b>Turnover</b>	<b>213.7</b>	<b>270.0</b>	<b>87.6</b>	<b>92.6</b>	<b>109.0</b>	<b>125.3</b>
<b>Earnings before interest and taxes (EBIT)</b>	<b>(0.8)</b>	<b>(4.2)</b>	<b>6.2</b>	<b>8.6</b>	<b>9.4</b>	<b>12.5</b>
Interest, net						
Foreign exchange gain (loss)						
Income tax						
<b>PROFIT FOR THE PERIOD</b>						
<b>ATTRIBUTABLE TO:</b>						
Equity holders of the parent						
Minority interests						
Capital expenditure paid	(6.9)	(6.6)	(0.9)	(3.4)	(1.3)	(3.2)
Depreciation, amortization and impairment	(7.8)	(6.8)	(3.4)	(3.4)	(3.7)	(3.2)
Non-cash expenses / (income) other than depreciation	2.1	6.1	(0.1)	0.2	0.6	–

CENTRAL AMERICA & CARIBBEAN		SOUTH AMERICA		NORTH AMERICA		ELIMINATIONS		TOTAL	
JUNE 2009	JUNE 2008	JUNE 2009	JUNE 2008	JUNE 2009	JUNE 2008	JUNE 2009	JUNE 2008	JUNE 2009	JUNE 2008
149.0	183.4	275.7	302.0	328.7	20.8	-	-	1,098.0	911.5
7.5	5.4	-	-	26.7	35.3	(87.3)	(111.4)	-	-
<b>156.5</b>	<b>188.8</b>	<b>275.7</b>	<b>302.0</b>	<b>355.4</b>	<b>56.1</b>	<b>(87.3)</b>	<b>(111.4)</b>	<b>1,098.0</b>	<b>911.5</b>
1.5	1.9	8.3	8.1	14.7	1.4	-	-	37.1	23.3
<b>158.0</b>	<b>190.7</b>	<b>284.0</b>	<b>310.1</b>	<b>370.1</b>	<b>57.5</b>	<b>(87.3)</b>	<b>(111.4)</b>	<b>1,135.1</b>	<b>934.8</b>
<b>(5.6)</b>	<b>7.1</b>	<b>42.3</b>	<b>50.8</b>	<b>14.1</b>	<b>4.0</b>	<b>-</b>	<b>-</b>	<b>65.6</b>	<b>78.8</b>
								(22.6)	(12.5)
								(1.3)	6.4
								(8.3)	(17.2)
								<b>33.4</b>	<b>55.5</b>
								10.4	28.0
								23.0	27.5
(7.2)	(11.2)	(1.2)	(2.6)	(16.3)	(0.1)			(33.8)	(27.1)
(10.7)	(8.6)	(12.0)	(10.7)	(24.6)	(0.5)			(62.2)	(33.2)
0.2	(4.2)	0.5	-	3.1	-			6.4	2.1

## 8 DIVIDENDS PAID AND PROPOSED

During the six months ended June 30, 2009, Dufry Ltd neither paid nor proposed any dividends. On May 8, 2008, the Ordinary General Assembly approved a dividend of CHF 1.00 per share in the total amount of CHF 14,062,500 which was paid on May 14, 2008.

## 9 CASH AND NET DEBT

IN MILLIONS OF CHF	UNAUDITED 30.6.09	AUDITED 31.12.08
Cash and cash equivalents	331.1	263.7
Of which in a notional cash pool <sup>11</sup>	238.8	171.7
<b>Net of cash pool</b>	<b>92.3</b>	<b>92.0</b>

<sup>11</sup>The notional cash pool is used to secure current bank debt.

IN MILLIONS OF CHF	UNAUDITED 30.6.09	AUDITED 31.12.08
Bank debt, current	168.9	156.7
Bank debt, non-current	876.0	921.8
Loans payable, current	2.2	3.1
Loans payable, non-current	6.5	6.3
<b>Financial debt</b>	<b>1,053.6</b>	<b>1,087.9</b>
<b>Cash and cash equivalents</b>	<b>(331.1)</b>	<b>(263.7)</b>
<b>Net debt</b>	<b>722.5</b>	<b>824.2</b>

At June 30, 2009, the Group's main credit line consists of three facilities, two amounting to CHF 400 million each, and one of USD 435 million. These facilities remained unchanged for the six month period ended June 30, 2009 and expire in August 2013.

The facilities contain customary financial covenants and conditions. Dufry complied with all the required covenants.

## 10 PROVISIONS

The main changes in provision are due to:

### DISPUTES ON CONTRACTS

Dufry agreed to settle for CHF 1.1 million the dispute with the landlord of the shops at the airport of Houston, USA. Thereafter, Dufry released the remaining CHF 0.5 million.

### LABOR DISPUTES

The provision of CHF 3.0 million relating to claims in respect of the termination of labor contracts in Brazil was increased by CHF 0.5 million, basically to reflect the higher value of the local currency.

## 11 RELATED PARTIES AND RELATED PARTY TRANSACTIONS

For detailed information about related parties, please refer to the Annual Report 2008. The main changes to related parties are as follows:

The Hudson Group purchased during the six months period ended in June 30, 2009, goods from the following related parties: Hudson Wholesale for USD 9.9 million, from Hudson RPM USD 2.6 million and from MDI for USD 3.2 million. The purchase prices used in these transactions were at arms length. At June 30, 2009, the Hudson Group had open invoices as follows: With Hudson Wholesale USD 3.5 million (December 31, 2008 USD 1.6 million), with Hudson RPM USD 0.9 million (December 31, 2008 USD 0.5 million) and with MDI USD 1.0 million (December 31, 2008 USD 0.8 million).

## 12 PRINCIPAL FOREIGN EXCHANGE RATES APPLIED FOR VALUATION AND TRANSLATION

	1.1. – 30.6.09 AVERAGE RATES	1.1. – 30.6.08 AVERAGE RATES	30.6.09 CLOSING RATES	31.12.08 CLOSING RATES
1 USD	1.1287	1.0497	1.0859	1.0687
1 EUR	1.5059	1.6056	1.5239	1.4934

## INFORMATION FOR INVESTORS AND MEDIA

### DUFY GROUP

#### TICKER DETAILS DUFY SHARES

Listing SIX Swiss Exchange  
Ticker Symbol DUFN  
ISIN-No. CH 0 023 405 456  
Swiss Security-No. 2 340 545  
Reuters DUFN.S  
Bloomberg DUFN SW

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#### ANTICIPATED KEY DATES IN 2009

September 2 Publication of Half Year  
2009 Results  
November 11 Publication of Q3 2009 Results

### DUFY SOUTH AMERICA LTD

#### TICKER DETAILS DUFY SOUTH AMERICA SHARES

Listing BOVESPA and Luxembourg  
Stock Exchange  
Ticker Symbol DUFB11 (for Brazilian  
Depository Receipts)  
ISIN-No. BRDUFBBDR008 for BDR's  
ISIN-No. BMG286001075 for shares  
Reuters DUFB11.SA  
Bloomberg DUFB11.BZ

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#### ANTICIPATED KEY DATES IN 2009

September 2 Publication of Half Year 2009 Results  
November 11 Publication of Q3 2009 Results

This Half Year Report contains certain forward-looking statements, which can be identified by terms like "believe", "assume", "expect" or similar expressions, or implied discussions regarding potential new projects or potential future revenues, or discussions of strategy, plans or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. All forward-looking statements are based only on data available to Dufry at the time of preparation of this Half Year Report. Dufry does not undertake any obligation to update any forward-looking statements contained in this Half Year Report as a result of new information, future events or otherwise.

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## GLOBAL PRESENCE



### EUROPE

**Italy:** Bergamo, Brescia, Genoa, Milan-Malpensa, Milan-Linate, Central Milan, Naples, Palermo, Rome-Ciampino, Rome-Fiumicino, Rome-Termini, Turin, Verona  
**France:** Nice, Pointe-à-Pitre  
**Spain:** Palma de Mallorca, Tenerife  
**Switzerland:** Basel-Mulhouse, Samnaun  
**Netherlands:** Amsterdam  
**Greece:** Patras-Blue Star Ferries, Patras-Superfast Ferries, Piraeus-Blue Star Ferries, Eptanisos, Diagoras  
**Czech Republic:** Prague-Ruzyne

### AFRICA

**Tunisia:** Djerba, Monastir, Sfax, Tabarka, Tozeur, Tunis  
**Egypt:** Sharm-el-Sheikh  
**Algeria:** Algiers  
**Morocco:** Agadir, Casablanca, Marrakech, Rabat  
**Ghana:** Accra  
**Ivory Coast:** Abidjan

### EURASIA

**Russian Federation:** Moscow-Domodedovo, Moscow-Sheremetyevo  
**United Arab Emirates:** Sharjah  
**Singapore:** Singapore  
**Cambodia:** Phnom Penh, Siem Reap  
**Serbia:** Belgrade  
**China:** Hong Kong

### CENTRAL AMERICA & CARIBBEAN

**Mexico:** Cancun, Cozumel, Guadalajara, Laredo, Los Cabos, Mexico City, Monterrey, Progreso, Puerto Vallarta, Reynosa  
**Caribbean Islands:** Aruba, Antigua, Bahamas, Barbados, Bonaire, Cayman Islands, Curaçao, Dominican Republic, Grand Turk, Grenada, Jamaica, Puerto Rico, St Lucia, St Maarten, St Thomas, Trinidad  
**Nicaragua:** El Espino, Guasaule, Las Manos, Managua, Peñas Blancas

### SOUTH AMERICA

**Brazil:** Belo Horizonte, Brasilia, Florianopolis, Fortaleza, Natal, Porto Alegre, Recife, Rio de Janeiro, Sao Paulo, Salvador  
**Bolivia:** La Paz, Santa Cruz  
**NCL:** on-board Norwegian Cruise Lines

### NORTH AMERICA

**Canada:** Calgary, Halifax, Vancouver  
**United States:** Over 60 US cities including Albuquerque, Anchorage, Baltimore, Boston, Charleston, Chicago, Cleveland, Dallas, Denver, Ft Lauderdale, Houston, Las Vegas, Los Angeles, Manchester, Memphis, Miami, Nashville, New Orleans, New York, Newark, Norfolk, Omaha, Orlando, Philadelphia, Phoenix, Pittsburgh, Richmond, Santa Ana, Seattle, Washington