



D U F R Y

2012

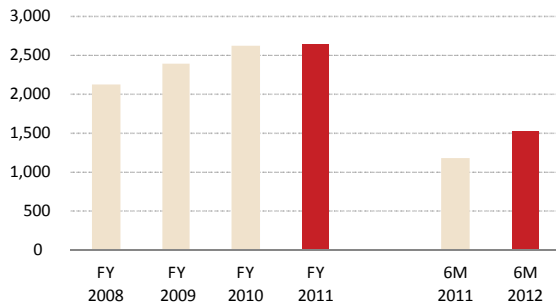
**SIX MONTHS
REPORT**



Key figures

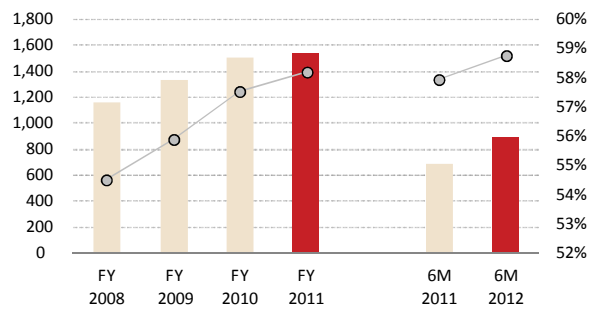
Turnover

IN MILLIONS OF CHF



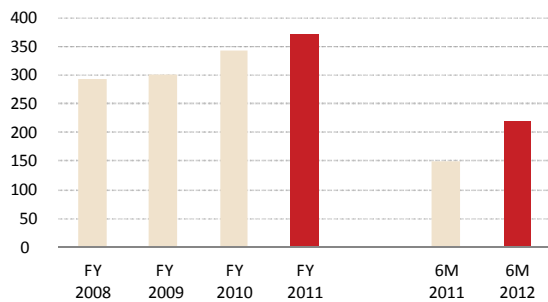
Gross profit

IN MILLIONS IN CHF



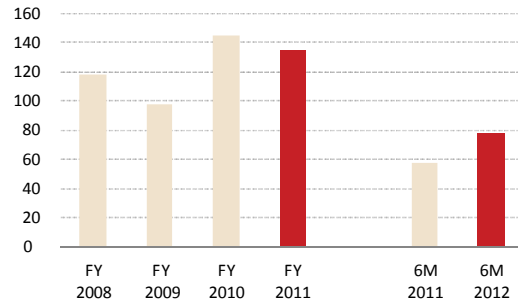
EBITDA¹

IN MILLIONS OF CHF

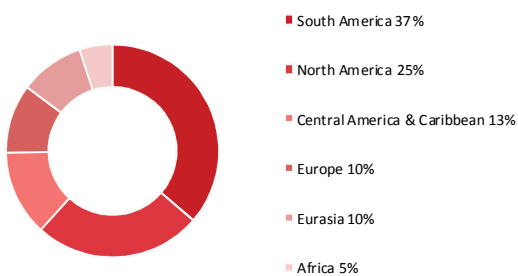


Net earnings

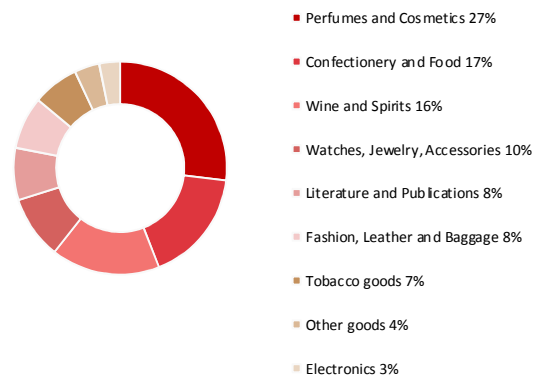
IN MILLIONS OF CHF



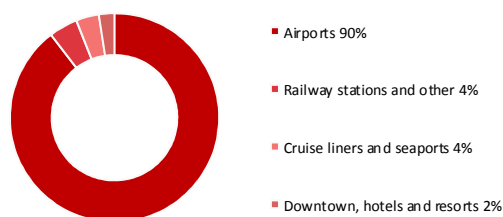
Net sales by region



Net sales by product categories



Net sales by channel



Interim Consolidated Income Statement

IN MILLIONS OF CHF	Note	Unaudited 6M 2012	Unaudited 6M 2011	Unaudited Q2 2012	Unaudited Q2 2011
Net sales		1,473.7	1,145.8	770.3	592.2
Advertising income		43.7	35.5	23.2	17.5
Turnover		1,517.4	1,181.3	793.5	609.7
Cost of sales		(625.7)	(496.6)	(323.9)	(254.5)
Gross profit		891.7	684.7	469.6	355.2
Selling expenses		(331.1)	(260.7)	(173.2)	(134.0)
Personnel expenses		(234.6)	(192.5)	(120.3)	(97.4)
General expenses		(105.9)	(83.2)	(54.1)	(42.2)
EBITDA¹		220.1	148.3	122.0	81.6
Depreciation, amortization and impairment		(82.2)	(57.5)	(42.1)	(27.7)
Other operational result		(6.9)	(6.1)	(4.3)	(3.7)
Earnings before interest and taxes (EBIT)		131.0	84.7	75.6	50.2
Interest expenses		(38.8)	(17.0)	(19.5)	(8.1)
Interest income		2.5	2.0	1.2	0.9
Foreign exchange gain / (loss)		0.3	(0.6)	(0.6)	0.8
Earnings before taxes (EBT)		95.0	69.1	56.7	43.8
Income taxes	6	(17.1)	(12.0)	(10.6)	(8.1)
Net earnings		77.9	57.1	46.1	35.7
Attributable to:					
Equity holders of the parent		62.3	46.2	37.2	29.5
Non-controlling interests		15.6	10.9	8.9	6.2
Earnings per share attributable to equity holders of the parent					
Basic earnings per share		2.32	1.72	1.38	1.10
Diluted earnings per share		2.29	1.70	1.37	1.09
Weighted average number of outstanding shares in thousands		26,868	26,878	26,868	26,877

¹ EBITDA before other operational result

Interim Consolidated Statement of Comprehensive Income

IN MILLIONS OF CHF	Note	Unaudited 6M 2012	Unaudited 6M 2011	Unaudited Q2 2012	Unaudited Q2 2011
Net earnings		77.9	57.1	46.1	35.7
Other comprehensive income:					
Items reclassified subsequently to net income upon derecognition					
Exchange differences on translating foreign operations		38.9	(96.8)	96.7	(82.8)
Net gain / (loss) on hedge of net investment in foreign operations		(24.8)	15.7	(47.4)	12.2
Changes in the fair value of interest rate swaps held as cash flow hedges		1.4	0.4	0.9	0.2
Other comprehensive income before taxes		15.5	(80.7)	50.2	(70.4)
Income tax relating to net gain / (loss) on hedge of net investment		3.0	(1.9)	5.7	(1.5)
Income tax on cash flow hedges		(0.2)	(0.1)	(0.1)	(0.1)
Income tax relating to components of other comprehensive income		2.8	(2.0)	5.6	(1.6)
Total other comprehensive income for the year, net of tax		18.3	(82.7)	55.8	(72.0)
Total comprehensive income for the year, net of tax		96.2	(25.6)	101.9	(36.3)
ATTRIBUTABLE TO:					
Equity holders of the parent		80.6	(31.1)	89.9	(37.3)
Non-controlling interests		15.6	5.5	12.0	1.0

Interim Consolidated Statement of Financial Position

IN MILLIONS OF CHF	Note	Unaudited 30.06.2012	Audited 31.12.2011
ASSETS			
Property, plant and equipment		259.5	246.1
Intangible assets		2,128.6	2,078.6
Deferred tax assets		145.5	146.5
Other non-current assets		36.7	37.8
Non-current assets		2,570.3	2,509.0
Inventories		430.4	432.0
Trade and credit card receivables		72.1	47.0
Other accounts receivable		123.0	127.3
Income tax receivables		7.5	3.4
Cash and cash equivalents		176.5	199.1
Current assets		809.5	808.8
Total assets		3,379.8	3,317.8
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the parent		955.4	870.0
Non-controlling interests		120.1	84.1
Total equity		1,075.5	954.1
Financial debt		1,484.1	1,529.8
Deferred tax liabilities		160.1	168.5
Provisions		40.0	39.5
Post-employment benefit obligations		6.2	6.0
Other non-current liabilities		10.3	11.3
Non-current liabilities		1,700.7	1,755.1
Trade payables		268.0	301.1
Financial debt		39.0	30.6
Income tax payables		18.8	14.2
Provisions		8.5	7.1
Other liabilities		269.3	255.6
Current liabilities		603.6	608.6
Total liabilities		2,304.3	2,363.7
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,379.8	3,317.8

Interim Consolidated Statement of Changes in Equity

UNAUDITED 6M 2012	Attributable to equity holders of the parent							Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Hedging & revaluation reserves	Translation reserves	Retained earnings	Total		
IN MILLIONS OF CHF									
Balance at January 1, 2012	134,9	934,5	(13,5)	(0,9)	(176,6)	(8,4)	870,0	84,1	954,1
Net earnings	-	-	-	-	-	62,3	62,3	15,6	77,9
Other comprehensive income (note 8)	-	-	-	1,2	17,1	-	18,3	-	18,3
Total comprehensive income for the period	-	-	-	1,2	17,1	62,3	80,6	15,6	96,2
Transactions with or distributions to shareholders:									
Dividends to non-controlling interests	-	-	-	-	-	-	-	(16,8)	(16,8)
Share-based payment	-	-	-	-	-	4,8	4,8	-	4,8
Total transactions with or distributions to owners	-	-	-	-	-	4,8	4,8	(16,8)	(12,0)
Changes in ownership interests in subsidiaries:									
Acquisitions (see note 4)	-	-	-	-	-	-	-	35,1	35,1
Other	-	-	-	-	-	-	-	2,1	2,1
Balance at June 30, 2012	134,9	934,5	(13,5)	0,3	(159,5)	58,7	955,4	120,1	1.075,5

UNAUDITED 6M 2011	Attributable to equity holders of the parent							Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Hedging & revaluation reserves	Translation reserves	Retained earnings	Total		
IN MILLIONS OF CHF									
Balance at January 1, 2011	134,9	934,2	(28,7)	(1,9)	(199,0)	(105,8)	733,7	81,1	814,8
Net earnings	-	-	-	-	-	46,2	46,2	10,9	57,1
Other comprehensive income (note 8)	-	-	-	0,3	(77,6)	-	(77,3)	(5,4)	(82,7)
Total comprehensive income for the period	-	-	-	0,3	(77,6)	46,2	(31,1)	5,5	(25,6)
Transactions with or distributions to shareholders:									
Dividends to non-controlling interests	-	-	-	-	-	-	-	(13,8)	(13,8)
Purchase of treasury shares	-	-	(12,5)	-	-	-	(12,5)	-	(12,5)
Tax effect on equity transactions	-	-	-	-	-	1,1	1,1	-	1,1
Distribution of treasury shares	-	-	27,7	-	-	(27,7)	-	-	-
Share-based payment	-	-	-	-	-	7,3	7,3	-	7,3
Total transactions with or distributions to owners	-	-	15,2	-	-	(19,3)	(4,1)	(13,8)	(17,9)
Changes in ownership interests in subsidiaries:									
Changes in participation of non-controlling interests	-	-	-	-	-	-	-	1,6	1,6
Balance at June 30, 2011	134,9	934,2	(13,5)	(1,6)	(276,6)	(78,9)	698,5	74,4	772,9

Interim Consolidated Statement of Cash Flows

IN MILLIONS OF CHF	Note	Unaudited 6M 2012	Unaudited 6M 2011	Unaudited Q2 2012	Unaudited Q2 2011
Cash flows from operating activities					
Earnings before taxes (EBT)		95.0	69.1	56.7	43.8
Adjustments for:					
Depreciation, amortization and impairment		82.2	57.5	42.1	27.7
Increase / (decrease) in allowances and provisions		7.9	8.2	2.5	5.5
Loss / (gain) on unrealized foreign exchange differences		0.9	(1.4)	4.8	6.7
Other non-cash items		4.9	7.6	2.4	3.6
Interest expense		38.8	17.0	19.5	8.1
Interest income		(2.5)	(2.0)	(1.2)	(0.9)
Cash flow before working capital changes²		227.2	156.0	126.8	94.5
Decrease / (increase) in trade and other accounts receivable		(14.6)	(29.8)	(20.9)	(20.1)
Decrease / (increase) in inventories		5.9	(44.5)	(27.0)	(34.7)
Increase / (decrease) in trade and other accounts payable		(20.2)	50.3	47.2	51.6
Cash generated from operations³		198.3	132.0	126.1	91.3
Income taxes paid		(34.7)	(14.3)	(20.7)	(8.3)
Net cash flows from operating activities		163.6	117.7	105.4	83.0
Cash flow from investing activities					
Purchase of property, plant and equipment		(42.4)	(29.1)	(18.4)	(13.6)
Purchase of intangible assets		(10.4)	(11.5)	(6.9)	(6.9)
Proceeds from sale of property, plant and equipment		0.2	1.2	0.1	1.0
Interest received		2.4	1.9	1.1	0.9
Business combinations, net of cash	4	(47.1)	(1.2)	(1.8)	-
Proceed from sale of interest in subsidiaries, net of cash		0.9	0.6	-	0.6
Net cash flows used in investing activities		(96.4)	(38.1)	(25.9)	(18.0)
Free cash flow⁴		113.4	80.2	81.3	64.4

² Comprise cash flows generated by earnings before taxes adjusted for all non cash items, i.e. up to interest income

³ Comprise net cash flows from operating activities before income taxes paid

⁴ Comprise net cash flows from operating activities and the cash flows from investing activities related to property plant and equipment, intangible assets and interest received

Interim Consolidated Statement of Cash Flows (continued)

IN MILLIONS OF CHF	Note	Unaudited 6M 2012	Unaudited 6M 2011	Unaudited Q2 2012	Unaudited Q2 2011
Cash flow from financing activities					
Proceeds from borrowings		8.3	48.1	-	(49.5)
Repayment of borrowings		(64.3)	(44.4)	(20.4)	-
Proceeds from / (repayment of) loans		0.5	2.5	0.9	1.2
Dividends paid to non-controlling interest		(16.8)	(13.8)	(11.9)	(10.6)
Purchase of treasury shares		-	(12.5)	-	(1.4)
Share capital contributions by non-controlling interests		0.7	-	0.7	-
Share issuance costs paid		-	(1.0)	-	(0.6)
Interest paid		(25.9)	(15.2)	(6.7)	(5.4)
Net cash flows (used in) / from financing activities		(97.5)	(36.3)	(37.4)	(66.3)
Currency translation on cash		7.7	(24.8)	10.5	(28.7)
(Decrease) / Increase in cash and cash equivalents		(22.6)	18.5	52.6	(30.0)
Cash and cash equivalents at the					
- beginning of the period		199.1	80.6	123.9	129.1
- end of the period		176.5	99.1	176.5	99.1

Notes to the Interim Consolidated Financial Statements

1. Corporate information

Dufrey AG ('Dufrey' or 'the Company') is a limited liability company domiciled in Basel, Switzerland, whose shares are listed on the Swiss Stock Exchange (SIX) and its Brazilian Depository Receipts on the BM&FBOVESPA in São Paulo. The Company is the world's leading travel retailer with more than 1,200 shops on five continents.

The interim consolidated financial statements of Dufrey AG and its subsidiaries for the six months ended June 30, 2012 were authorized for issue in accordance with a resolution of the Board of Directors on July 27, 2012.

2. Accounting policies

Basis of preparation

The interim consolidated financial statements for the six months ended June 30, 2012 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim 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 of December 31, 2011.

Significant accounting policies

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2011, except for the following new Standards and Interpretations adopted :

Standards and Interpretations affecting the reported financial performance and/or financial position

The group has not adopted any new or revised Standards and Interpretations during the current period that would affect the amounts reported in these financial statements.

Standards and Interpretations affecting presentation and disclosure only

- IFRS 7 Financial Instruments: Disclosures — Enhanced Disclosure Requirements (effective July 1, 2011).

The amendment requires additional disclosure about financial assets that have been transferred but not derecognized to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognized and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognized assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognized assets. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

Standards and Interpretations adopted with no material effect on the financial statements during the current reporting period

The following new or revised Interpretation has been adopted in these financial statements. Its adoption has not had a significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

- IAS 12 Deferred tax - Recovery of underlying assets amendments to IAS 12 (effective January 1, 2012):

IAS 12 has been updated to include a presumption that deferred tax on investment property measured using the fair value model in IAS 40 and on non-depreciable assets measured using the revaluation model in IAS 16, should always be measured on a sale basis. Dufrey has not accounted for any investment property.

3. Principal foreign exchange rates applied for valuation and translation

	Average rates		Closing rates	
	Q2 2012	6M 2012	30.06.12	
1 USD	0.9365	0.9289	0.9494	
1 EUR	1.2014	1.2046	1.2010	
	Q2 2011	6M 2011	30.06.11	31.12.11
1 USD	0.8701	0.9054	0.8404	0.9387
1 EUR	1.2523	1.2697	1.2187	1.2167

4. Business combinations

Acquisition of Regstaer Sheremetjevo Duty Free, Russia

On January 10, 2012 Dufrey took control by acquiring 51% of the shares of Dufrey Staer Holding Group (DSH) for a total consideration of CHF 44.7 million. Its main subsidiary, Regstaer Ltd, is a travel retailer operating Duty Free Shops at the Muscovite airport of Sheremetyevo in Russia. The acquired business complements Dufrey's existing operations at site adding 1,200 square meters in nine duty free shops across several terminals.

Synergies are expected to be achieved among others when Dufrey integrates the 200 Regstaer employees into its local organization, introduces the standard corporate procedures and integrates the logistics into its global supply chain.

The acquisition has been accounted for using the acquisition method. The total transaction costs in relation with this acquisition amount to CHF 1.0 million, whereof CHF 0.2 million are included in the other operational result of the current period 2012.

These financial statements include the results of Dufrey Staer Holding and its subsidiaries as of January, 2012.

The resulting goodwill is not amortized and will be subject to annual impairment testing. The fair value of the identifiable assets and liabilities of the acquired group at the date of acquisition and the resulting goodwill were determined preliminary as the company is in the process of verifying the valuation of the intangible assets identified as follows:

Dufrey Staer Holding (Group)

IN MILLIONS OF CHF	January 10, 2012 Preliminary fair value
Inventories	7.5
Other current assets	3.3
Property, plant and equipment	6.4
Other non current assets	1.0
Concession rights	68.7
Deferred tax liability	(13.7)
Other liabilities	(1.5)
Identifiable net assets	71.7
Dufrey's share in the net assets (51%)	36.6
Goodwill	8.1
Total consideration	44.7

In the period ended June 30, 2012 these operations contributed CHF 22.5 million in net sales to the consolidated income statement of the Group.

Reconciliation of cash flows used for business combinations, net of cash

IN MILLIONS OF CHF	Total consideration	Net cash acquired	Subtotal	Changes in accounts payable	NET CASH FLOW
Regstaer Ltd	(44.7)	0.8	(43.9)	-	(43.9)
Puerto Rico	-	-	-	(0.9)	(0.9)
Sovenex SAS	-	-	-	(2.3)	(2.3)
TOTAL	(44.7)	0.8	(43.9)	(3.2)	(47.1)



5. Segment information

Segment information 6M

6M 2012 IN MILLIONS OF CHF	Net sales third party	Advertising income	Net sales - intercompany	Turnover	EBITDA ¹
Europe	149.6	2.4	-	152.0	7.4
Africa	73.5	0.6	-	74.1	9.6
Eurasia	144.4	1.9	-	146.3	15.9
Central America & Caribbean	191.5	2.1	-	193.6	14.7
South America	534.9	11.8	-	546.7	75.8
North America	374.5	12.2	-	386.7	43.3
Distribution Centers	5.3	12.7	364.7	382.7	53.4
Eliminations	-	-	(364.7)	(364.7)	-
Dufrey Group	1,473.7	43.7	-	1,517.4	220.1

6M 2011 IN MILLIONS OF CHF	Net sales third party	Advertising income	Net sales - intercompany	Turnover	EBITDA ¹
Europe	147.4	2.3	-	149.7	5.7
Africa	62.3	0.6	-	62.9	7.0
Eurasia	93.9	1.4	-	95.3	5.7
Central America & Caribbean	177.0	2.1	-	179.1	12.6
South America	334.8	9.9	-	344.7	59.2
North America	330.2	10.9	-	341.1	34.0
Distribution Centers	0.2	8.3	252.4	260.9	24.1
Eliminations	-	-	(252.4)	(252.4)	-
Dufrey Group	1,145.8	35.5	-	1,181.3	148.3

Segment information Q2

Q2 2012 IN MILLIONS OF CHF	Net sales third party	Advertising income	Net sales - intercompany	Turnover	EBITDA ¹
Europe	78.5	1.2	-	79.7	4.5
Africa	41.7	0.3	-	42.0	6.1
Eurasia	78.9	1.0	-	79.9	9.8
Central America & Caribbean	90.0	1.2	-	91.2	6.0
South America	273.0	6.4	-	279.4	39.6
North America	204.0	5.9	-	209.9	28.1
Distribution Centers	4.2	7.2	190.1	201.5	27.9
Eliminations	-	-	(190.1)	(190.1)	-
Dufrey Group	770.3	23.2	-	793.5	122.0

¹ EBITDA before other operational result



Q2 2011 IN MILLIONS OF CHF	Net sales third party	Advertising income	Net sales - intercompany	Turnover	EBITDA ¹
Europe	77.5	1.1	-	78.6	3.7
Africa	34.4	0.2	-	34.6	4.2
Eurasia	50.2	0.8	-	51.0	4.5
Central America & Caribbean	85.1	1.0	-	86.1	5.2
South America	170.8	5.1	-	175.9	29.9
North America	174.0	5.2	-	179.2	21.4
Distribution Centers	0.2	4.1	133.1	137.4	12.7
Eliminations	-	-	(133.1)	(133.1)	-
Dufry Group	592.2	17.5	-	609.7	81.6

¹ EBITDA before other operational result

Segment assets and liabilities

IN MILLIONS OF CHF	30.06.2012		31.12.2011	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Europe	203.4	100.5	203.2	96.7
Africa	74.9	41.2	66.8	37.8
Eurasia	192.6	74.8	108.3	52.8
Central America & Caribbean	412.0	69.3	429.3	83.8
South America	1,089.6	244.4	1,097.0	273.7
North America	567.9	113.7	553.9	103.4
Distribution Centers	354.7	174.8	351.5	182.7
Unallocated positions	484.7	1,485.6	507.8	1,532.8
DUFY GROUP	3,379.8	2,304.3	3,317.8	2,363.7

6. Income taxes

IN MILLIONS OF CHF	UNAUDITED 6M 2012	UNAUDITED 6M 2011	UNAUDITED Q2 2012	UNAUDITED Q2 2011
Current income tax	(35.0)	(17.1)	(20.1)	(6.5)
Deferred income tax	17.9	5.1	9.5	(1.6)
TOTAL INCOME TAXES	(17.1)	(12.0)	(10.6)	(8.1)

7. Authorized and conditional share capital

AUTHORIZED SHARE CAPITAL	Number of shares	In thousands of CHF
Balance at December 31, 2011	-	-
Increase of authorized share capital	5,395,241	26,976
Balance at June 30, 2012	5,395,241	26,976

CONDITIONAL SHARE CAPITAL	Number of shares	In thousands of CHF
Balance at December 31, 2011	567,296	2,836
Increase of conditional share capital	2,130,324	10,652
Balance at June 30, 2012	2,697,620	13,488

As per Dufrey's Ordinary General Meeting held on May 2, 2012 the shareholders approved the increase of
- the authorized share capital by CHF 26'976'205
- the existing conditional share capital to CHF 13'488'100.

8. Components of other comprehensive income

6M 2012 IN MILLIONS OF CHF	Attributable to equity holders of the parent			Non-controlling interests	Total equity
	Hedging & revaluation reserves	Translation reserves	TOTAL		
Exchange differences on translating foreign operations	-	38.9	38.9	-	38.9
Net gain / (loss) on hedge of net investment in foreign operations	-	(24.8)	(24.8)	-	(24.8)
Income tax effect	-	3.0	3.0	-	3.0
Subtotal	-	(21.8)	(21.8)	-	(21.8)
Changes in the fair value of interest rate swaps held as cash flow hedges	1.4	-	1.4	-	1.4
Income tax effect	(0.2)	-	(0.2)	-	(0.2)
Subtotal	1.2	-	1.2	-	1.2
Other comprehensive income	1.2	17.1	18.3	-	18.3

6M 2011	Attributable to equity holders of the parent			Non-controlling interests	Total equity
	Hedging & revaluation reserves	Translation reserves	TOTAL		
IN MILLIONS OF CHF					
Exchange differences on translating foreign operations	-	(91.4)	(91.4)	(5.4)	(96.8)
Net gain / (loss) on hedge of net investment in foreign operations	-	15.7	15.7	-	15.7
Income tax effect	-	(1.9)	(1.9)	-	(1.9)
Subtotal	-	13.8	13.8	-	13.8
Changes in the fair value of interest rate swaps held as cash flow hedges	0.4	-	0.4	-	0.4
Income tax effect	(0.1)	-	(0.1)	-	(0.1)
Subtotal	0.3	-	0.3	-	0.3
Other comprehensive income	0.3	(77.6)	(77.3)	(5.4)	(82.7)

9. Related parties

Dufry and Inmobiliaria Fumisa SA de CV, the airport operator of the International Airport Benito Juarez of Ciudad de Mexico have reached an agreement in May 2012 to amend the present agreement setting new terms and conditions for the years 2012 and 2013 for the shop rental. In October 2010 Fumisa granted lower fees until end of 2011, than the ones due on the original contract from November 2009, as palliative after the slow down caused when Mexicana Airlines ceased operations in August 2010. This year, even though traffic development is currently improving, Fumisa agreed to still offer Dufry better conditions than the original terms of the agreement. During the current period 2012 the local operations amortized prepaid concessions in the value of CHF 1.4 million and accrued concession fees of CHF 8.8 million (2011: CHF 6.9 million). In this context, both parties also agreed to waive the receivables and payables existing at such date. As a consequence Dufry derecognized prepaid concessions fees in the amount of CHF 7.3 million in the current period 2012 through profit and loss.

10. Seasonality

Dufry does not have distinctive sales seasonality as the combined effect of the different regions is well balanced, but in terms of EBITDA the last two quarters are normally the strongest.



Financial Definitions

Weighted average number of outstanding shares	Average number of fully paid ordinary shares less the average number of treasury shares held during the period
Other operational result	Income or expenses of non-recurring nature
EBITDA ¹	EBITDA before other operational result related to regular business activities
Intangible assets	Intangible assets mainly comprise of concession rights with definite or indefinite useful life, brands and goodwill
Cash flow before working capital changes ²	Cash flows generated by earnings before taxes adjusted for all non-cash or non-operative items, i.e. up to interest income
Cash generated from operations ³	Net cash flows from operating activities before income taxes paid
Free cash flow ⁴	Net cash flows from operating activities after deducting the cash flows from investing activities related to property plant and equipment, intangible assets and interest received