



D U F R Y

2011

THREE MONTHS  
REPORT

## KEY FIGURES

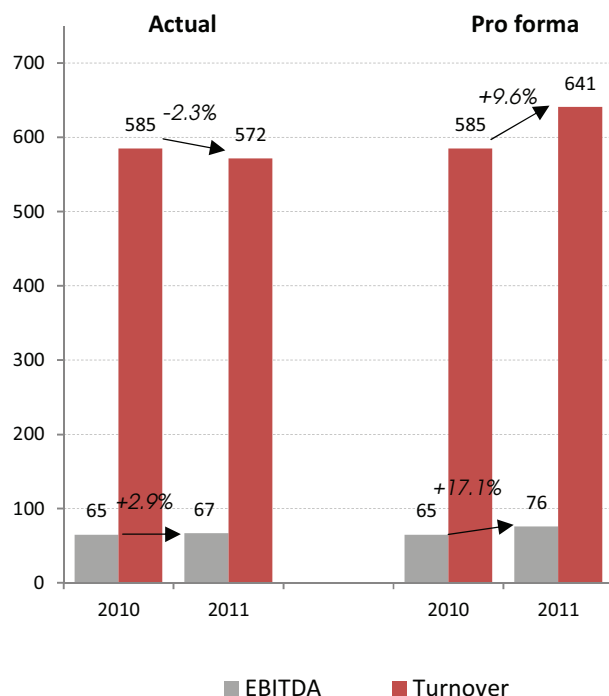
### Pro forma figures at constant exchange rates

in millions of CHF	Q1 2011 *		Q1 2010		Growth
Net sales	621.2		567.1		
Advertising income	19.8		17.9		
<b>Turnover</b>	<b>641.0</b>	<b>100.0%</b>	<b>585.0</b>	<b>100.0%</b>	<b>9.6%</b>
<b>Gross profit</b>	<b>369.0</b>	<b>57.6%</b>	<b>331.0</b>	<b>56.6%</b>	<b>11.5%</b>
Selling expenses	(142.0)	-22.2%	(128.9)	-22.0%	
Personnel expenses	(105.7)	-16.5%	(95.7)	-16.4%	
General expenses	(45.4)	-7.1%	(41.6)	-7.1%	
<b>EBITDA before other operational result</b>	<b>75.9</b>	<b>11.8%</b>	<b>64.8</b>	<b>11.1%</b>	<b>17.1%</b>

\* At exchange rates of same periods 2010

### Turnover and EBITDA growth first three months

in millions of CHF

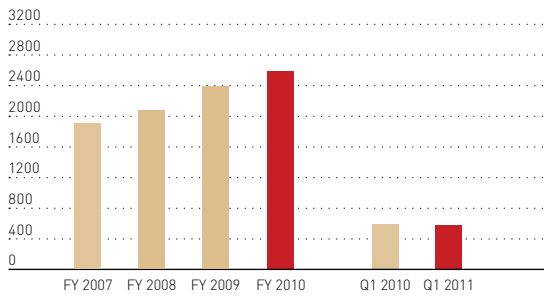


Sales growth break-down	%
<b>Organic growth</b>	<b>7.4</b>
New shops	6.3
Closed shops	-4.1
<b>Change in shops</b>	<b>2.2</b>
<b>At constant exchange rates</b>	<b>9.6</b>
Exchange rate effect	-11.9
<b>Reported growth</b>	<b>-2.3</b>

# KEY FIGURES

## TURNOVER

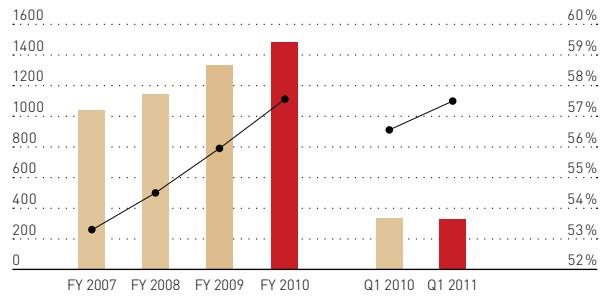
in millions of CHF



## GROSS PROFIT

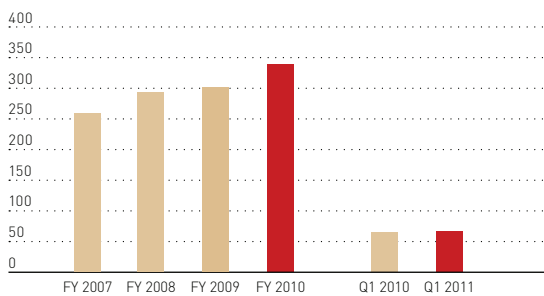
in millions of CHF

Margin



## EBITDA<sup>1</sup>

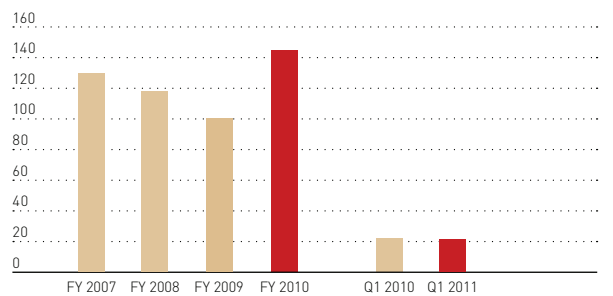
in millions of CHF



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

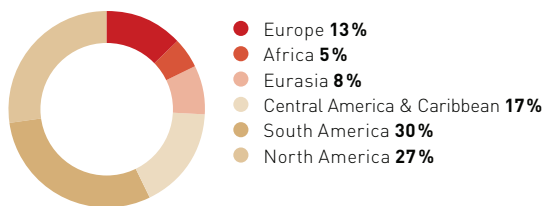
## NET EARNINGS

in millions of CHF



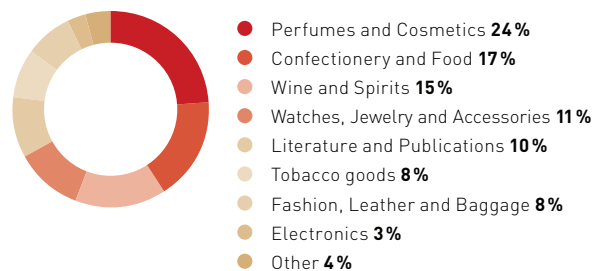
## NET SALES BY REGION

January–March 2011



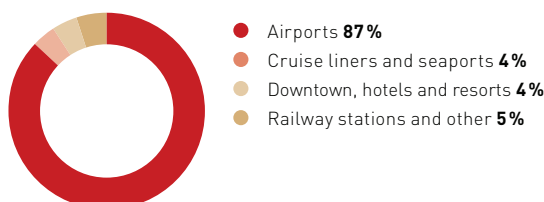
## NET SALES BY PRODUCT CATEGORIES

January–March 2011



## NET SALES BY CHANNEL

January–March 2011




**INTERIM CONSOLIDATED INCOME STATEMENT**

in millions of CHF	Note	Unaudited Q1 2011	Unaudited Q1 2010
Net sales		553,6	567,1
Advertising income		18,0	17,9
<b>Turnover</b>		<b>571,6</b>	<b>585,0</b>
Cost of sales		(242,1)	(254,0)
<b>Gross profit</b>		<b>329,5</b>	<b>331,0</b>
Selling expenses		(126,7)	(128,9)
Personnel expenses		(95,1)	(95,7)
General expenses		(41,0)	(41,6)
<b>EBITDA before other operational result</b>		<b>66,7</b>	<b>64,8</b>
Depreciation, amortization and impairment		(29,8)	(31,4)
Other operational result		(2,4)	(1,7)
<b>Earnings before interest and taxes (EBIT)</b>		<b>34,5</b>	<b>31,7</b>
Interest expenses		(8,9)	(9,1)
Interest income		1,1	2,2
Foreign exchange gain / (loss)		(1,4)	1,1
<b>Earnings before taxes (EBT)</b>		<b>25,3</b>	<b>25,9</b>
Income taxes	4	(3,9)	(4,0)
<b>Net earnings</b>		<b>21,4</b>	<b>21,9</b>
<b>Attributable to:</b>			
Equity holders of the parent		16,7	8,4
Non-controlling interests		4,7	13,5
<b>Earnings per share attributable to equity holders of the parent</b>			
Basic earnings per share in CHF		0,62	0,42
Diluted earnings per share in CHF		0,61	0,42
EPS adjusted for amortization (cash EPS) in CHF		1,05	0,91
Weighted average number of outstanding shares in million		26,9	20,0



## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in millions of CHF	Unaudited Q1 2011	Unaudited Q1 2010
<b>Net earnings</b>	<b>21.4</b>	<b>21.9</b>
<b>Other comprehensive income:</b>		
Net gain / (loss) on hedge of net investment in foreign operation	3.5	(4.9)
Changes in the fair value of interest rate swaps held as cash flow hedges	0.2	-
Exchange differences on translating foreign operations	(14.0)	43.2
<b>Other comprehensive income before taxes</b>	<b>(10.3)</b>	<b>38.3</b>
Income tax relating to net gain / (loss) on hedge of net investment	(0.4)	0.4
Income tax on cash flow hedges	-	-
<b>Income tax relating to components of other comprehensive income</b>	<b>(0.4)</b>	<b>0.4</b>
<b>Total other comprehensive income for the year, net of tax</b>	<b>(10.7)</b>	<b>38.7</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>10.7</b>	<b>60.6</b>
<b>Attributable to:</b>		
Equity holders of the parent	6.2	17.6
Non-controlling interests	4.5	43.0

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in millions of CHF	Note	Unaudited 31.3.2011	Audited 31.12.2010
<b>ASSETS</b>			
Property, plant and equipment		223,0	225,9
Intangible assets		1.166,2	1.188,6
Deferred tax assets		136,6	137,8
Other non-current assets		39,9	38,4
<b>Non-current assets</b>		<b>1.565,7</b>	<b>1.590,7</b>
Inventories		309,9	306,1
Trade and credit card receivables		38,7	50,8
Other accounts receivable	5	123,5	104,9
Income tax receivables		5,6	6,1
Cash and cash equivalents	6	129,1	80,6
<b>Current assets</b>		<b>606,8</b>	<b>548,5</b>
<b>TOTAL ASSETS</b>		<b>2.172,5</b>	<b>2.139,2</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Equity attributable to equity holders of the parent		732,5	733,7
Non-controlling interests		83,2	81,1
<b>Total equity</b>		<b>815,7</b>	<b>814,8</b>
Financial debt		735,4	683,1
Deferred tax liabilities		140,7	146,3
Provisions		3,4	3,1
Post-employment benefit obligations		6,5	6,4
Other non-current liabilities		7,3	9,6
<b>Non-current liabilities</b>		<b>893,3</b>	<b>848,5</b>
Trade payables		188,1	203,9
Financial debt		29,1	35,3
Income tax payables		15,4	11,7
Provisions		2,4	2,4
Other liabilities		228,5	222,6
<b>Current liabilities</b>		<b>463,5</b>	<b>475,9</b>
<b>Total liabilities</b>		<b>1.356,8</b>	<b>1.324,4</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>2.172,5</b>	<b>2.139,2</b>

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2011

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2011	Attributable to equity holders of the parent						Non-controlling interests	Total equity	
	Share capital	Share premium	Treasury shares	Hedging and revaluation reserves	Translation reserves	Retained earnings			Total
in millions of CHF									
<b>Balance at January 1, 2011</b>	134,9	934,2	(28,7)	(1,9)	(199,0)	(105,8)	733,7	81,1	814,8
Net earnings	-	-	-	-	-	16,7	16,7	4,7	21,4
Net gain / (loss) on hedge of net investment in foreign operation	-	-	-	-	3,5	-	3,5	-	3,5
Changes in the fair value of interest rate swaps held as cash flow hedges	-	-	-	0,2	-	-	0,2	-	0,2
Exchange differences on translating foreign operations	-	-	-	-	(13,8)	-	(13,8)	(0,2)	(14,0)
Income tax relating to components of other comprehensive income	-	-	-	-	(0,4)	-	(0,4)	-	(0,4)
<b>Other comprehensive income (loss)</b>	-	-	-	<b>0,2</b>	<b>(10,7)</b>	-	<b>(10,5)</b>	<b>(0,2)</b>	<b>(10,7)</b>
<b>Total comprehensive income for the period</b>	-	-	-	<b>0,2</b>	<b>(10,7)</b>	<b>16,7</b>	<b>6,2</b>	<b>4,5</b>	<b>10,7</b>
<b>Contributions by and distributions to owners:</b>									
Dividends to non-controlling interests	-	-	-	-	-	-	-	(3,2)	(3,2)
Purchase of treasury shares	-	-	(11,1)	-	-	-	(11,1)	-	(11,1)
Tax effect on equity transactions	-	-	-	-	-	0,1	0,1	-	0,1
Distribution of treasury shares	-	-	27,7	-	-	(27,7)	-	-	-
Share-based payment	-	-	-	-	-	3,6	3,6	-	3,6
<b>Total contributions by and distributions to owners</b>	-	-	16,6	-	-	(24,0)	(7,4)	(3,2)	(10,6)
Changes in ownership interests in subsidiaries:									
Changes in participation of non-controlling interests	-	-	-	-	-	-	-	0,8	0,8
<b>Balance at March 31, 2011</b>	<b>134,9</b>	<b>934,2</b>	<b>(12,1)</b>	<b>(1,7)</b>	<b>(209,7)</b>	<b>(113,1)</b>	<b>732,5</b>	<b>83,2</b>	<b>815,7</b>

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF MARCH 31, 2011

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2010	Attributable to equity holders of the parent					Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Hedging and revaluation reserves	Total		
in millions of CHF							
<b>Balance at January 1, 2010</b>	96,1	391,4	(18,2)	-	674,5	323,1	997,6
<b>Net earnings</b>	-	-	-	-	292,4	13,5	21,9
Net gain / (loss) on hedge of net investment in foreign operation	-	-	-	-	8,4	-	8,4
Exchange differences on translating foreign operations	-	-	-	-	(4,9)	-	(4,9)
Income tax relating to components of other comprehensive income	-	-	-	-	13,7	29,5	43,2
Other comprehensive income (loss)	-	-	-	-	0,4	-	0,4
<b>Total comprehensive income for the period</b>	-	-	-	-	9,2	29,5	38,7
<b>Contributions by and distributions to owners:</b>					8,4	43,0	60,6
<b>Issue of share capital</b>	38,8	565,2	-	-	604,0	-	604,0
Dividends to non-controlling interests <sup>1</sup>	-	-	-	-	-	(158,5)	(158,5)
Transaction costs of share <sup>issuance</sup>	-	(22,4)	-	-	(22,4)	-	(22,4)
Purchase of treasury shares	-	-	(4,3)	-	(4,3)	-	(4,3)
Tax effect on equity transactions	-	-	-	-	-	-	-
Distribution of treasury shares	-	-	18,2	-	(18,2)	-	-
Share-based payment	-	-	-	-	2,8	-	2,8
<b>Total contributions by and distributions to owners</b>	-	-	13,9	-	(1,5)	(158,5)	(182,4)
Changes in ownership interests in subsidiaries:							
Changes in participation of non-controlling interests	-	-	-	-	(511,8)	(117,6)	(629,4)
<b>Balance at March 31, 2010</b>	134,9	934,2	(4,3)	-	760,4	90,0	850,4

Changes in ownership interests in subsidiaries:

Changes in participation of non-controlling interests

<sup>1</sup> Dividends to non-controlling interests included CHF 158.0 million in respect of the Dufry South America Ltd merger.





## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

in millions of CHF	Unaudited Q1 2011	Unaudited Q1 2010
Earnings before taxes (EBT)	25.3	25.9
<b>Adjustments for</b>		
Depreciation, amortization and impairment	29.8	31.4
Increase / (decrease) in allowances and provisions	2.7	2.3
Loss / (gain) on unrealized foreign exchange differences	(8.1)	(3.5)
Other non-cash items	4.0	3.3
Interest expenses	8.9	9.1
Interest income	(1.1)	(2.2)
<b>Cash flow before working capital changes</b>	<b>61.5</b>	<b>66.3</b>
Decrease / (increase) in trade and other accounts receivable	(9.7)	(17.0)
Decrease / (increase) in inventories	(9.8)	(7.2)
Increase / (decrease) in trade and other accounts payable	(1.3)	1.8
<b>Cash flow generated from operations</b>	<b>40.7</b>	<b>43.9</b>
Income tax paid	(6.0)	(5.3)
<b>Net cash flows from operating activities</b>	<b>34.7</b>	<b>38.6</b>
<b>Cash flow from investing activities</b>		
Business combinations, net of cash	(1.2)	(5.6)
Purchase of intangible assets	(4.6)	(3.7)
Purchase of property, plant and equipment	(15.5)	(15.5)
Projects development in progress	-	(1.6)
Proceeds from sale of property, plant and equipment	0.2	0.3
Interest received	1.0	2.0
<b>Net cash flows used in investing activities</b>	<b>(20.1)</b>	<b>(24.1)</b>



## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

in millions of CHF	Unaudited Q1 2011	Unaudited Q1 2010
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	97.6	89.7
Repayment of borrowings	(44.4)	(43.7)
Proceeds from / (repayment of) loans	1.3	2.8
Dividends paid to non-controlling interest	(3.2)	(3.6)
Purchase of treasury shares	(11.1)	(4.3)
Share issuance costs paid	(0.4)	(2.5)
Interest paid	(9.8)	(12.1)
<b>Net cash flows (used in) / from financing activities</b>	<b>30.0</b>	<b>26.3</b>
Currency translation in cash	3.9	10.6
<b>(Decrease) / Increase in cash and cash equivalents</b>	<b>48.5</b>	<b>51.4</b>
<b>Cash and cash equivalents at the</b>		
- beginning of the period	80.6	405.3
- end of the period	129.1	456.7

## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 1. Corporate information

The interim consolidated financial statements of Dufry AG and its subsidiaries for the three months ended March 31, 2011 were authorized for issue in accordance with a resolution of the Board of Directors on May 11, 2011.

Dufry AG ('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 1,100 shops worldwide.

### 2. Significant accounting policies

#### 2.1 Basis of preparation

The interim consolidated financial statements for the three months ended March 31, 2011 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 at December 31, 2010.

#### 2.2 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, 2010, except for the adoption of new Standards and Interpretations noted below:

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

The group has not adopted any new and revised Standards and Interpretations in the current period, which affected the amounts reported in these financial statements.

##### 2.2.2 Standards and Interpretations affecting presentation and disclosure only

- **IAS 1** *Presentation of Financial Statements* (effective for annual periods beginning on or after January 1, 2011)  
The amendment clarifies that an option to present an analysis of each component of other comprehensive income may be included either in the statement of changes in equity or in the notes to the financial statements.
- **IAS 34** *Interim Financial Reporting* (effective for annual periods beginning on or after January 1, 2011)  
The improvement emphasizes the principle that the disclosure about significant events and transactions in interim periods should update the relevant information presented in the most recent annual financial report. It is also clarified how this principle should be applied in respect of financial instruments and their fair values.

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

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

- **IFRIC 14 IAS 19** *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* (effective for annual periods beginning on or after January 1, 2011)

**The amendments to the following standards below did not have any impact on the accounting policies, financial position or performance of the Group:**

- **IFRS 7** *Financial Instruments: Disclosures* - Improvements to IFRSs 2010: Clarification of disclosures (effective for annual periods beginning on or after January 1, 2011).
- **IAS 24** *Related Parties* (effective for annual periods beginning on or after January 1, 2011)
- **IAS 32** *Financial Instruments: Presentation - Amendment on the classification of rights issues, options or warranties denominated in a foreign currency* (effective for annual periods beginning on or after February 1, 2010)
- **IFRIC 13** *Customer Loyalty Programs* (effective for annual periods beginning on or after January 1, 2011)



- **IFRIC 19** *Extinguishing Financial Liabilities with Equity Instruments* (effective for annual periods beginning on or after July 1, 2010)

**2.3. Principal foreign exchange rates applied for valuation and translation**

	Q1 2011 Average rates	Q1 2010 Average rates	Change	31.3.11 Closing rates	31.12.10 Closing rates	Change
1 USD	0,9410	1,0573	-11%	0,9190	0,9352	-2%
1 EUR	1,2874	1,4627	-12%	1,3010	1,2518	4%

**3. Segment Information**

The Group's risks and returns are predominantly affected by the diversity of countries where the retail operations are located. Therefore, for management purposes the group is organized into six business units representing the geographical locations and the distribution centers.

Q1 2011 in millions of CHF	Net sales third party	Advertising income	Net sales - intercompany	Turnover	EBITDA <sup>1</sup>
Europe	69.9	1.2	-	71.1	2.0
Africa	27.9	0.4	-	28.3	2.8
Eurasia	43.7	0.6	-	44.3	1.2
Central America & Caribbean	91.9	1.1	-	93.0	7.4
South America	164.0	4.8	-	168.8	29.3
North America	156.2	5.7	-	161.9	12.6
Distribution Centers	-	4.2	119.3	123.5	11.4
Eliminations	-	-	(119.3)	(119.3)	-
<b>Dufry Group</b>	<b>553.6</b>	<b>18.0</b>	<b>-</b>	<b>571.6</b>	<b>66.7</b>

Q1 2010 in millions of CHF	Net sales third party	Advertising income	Net sales - intercompany	Turnover	EBITDA <sup>1</sup>
Europe	71.1	1.6	-	72.7	0.2
Africa	35.0	0.5	-	35.5	3.9
Eurasia	50.1	1.0	-	51.1	2.7
Central America & Caribbean	104.9	1.1	-	106.0	7.7
South America	142.0	4.4	-	146.4	24.1
North America	164.0	5.6	-	169.6	15.1
Distribution Centers	-	3.7	114.8	118.5	11.1
Eliminations	-	-	(114.8)	(114.8)	-
<b>Dufry Group</b>	<b>567.1</b>	<b>17.9</b>	<b>-</b>	<b>585.0</b>	<b>64.8</b>

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



<b>March 31, 2011</b> in millions of CHF	Total assets	Total liabilities	<b>December 31, 2010</b> in millions of CHF	Total assets	Total liabilities
Europe	218,9	103,6	Europe	213,4	104,8
Africa	62,4	36,2	Africa	72,1	49,1
Eurasia	77,5	40,6	Eurasia	86,6	40,5
Central America & Caribbean	398,4	70,1	Central America & Caribbean	402,9	72,4
South America	540,2	221,0	South America	535,6	229,4
North America	551,4	111,9	North America	545,0	93,3
Distribution Centers	195,8	109,9	Distribution Centers	194,0	118,3
Unallocated positions	127,9	663,5	Unallocated positions	89,6	616,6
<b>Dufry Group</b>	<b>2.172,5</b>	<b>1.356,8</b>	<b>Dufry Group</b>	<b>2.139,2</b>	<b>1.324,4</b>

#### 4. Income taxes

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

in millions of CHF	<b>Unaudited</b> <b>Q1</b> <b>2011</b>	<b>Unaudited</b> <b>Q1</b> <b>2010</b>
Current income tax	(10.6)	(8.4)
Deferred income tax	6.7	4.4
<b>Total</b>	<b>(3.9)</b>	<b>(4.0)</b>

#### 5. Other accounts receivable

The increase in other accounts receivable mainly relate to the position 'accrued concession fees and rents' of CHF 18.6 million (December 31, 2010: CHF 9.4 million).

#### 6. Notional Cash Pool

Dufry's notional cash pool is operated by a major finance institution. Since September 2010 Dufry fulfills the requirements to net the financial positions of the notional cash pool.

#### 7. 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.

To the Board of Directors of  
**Dufry AG, Basel**

Basel, 11 May 2011

## Report on review of interim consolidated financial statements

### *Introduction*

As independent auditors we have reviewed the interim consolidated financial statements of Dufry AG as of 31 March 2011, comprising of the interim consolidated statement of financial position as of 31 March 2011 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended and explanatory notes (pages 1 - 10). The Board of Director is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young Ltd



Patrick Fawer  
Licensed audit expert  
(Auditor in charge)



David Haldimann  
Licensed audit expert