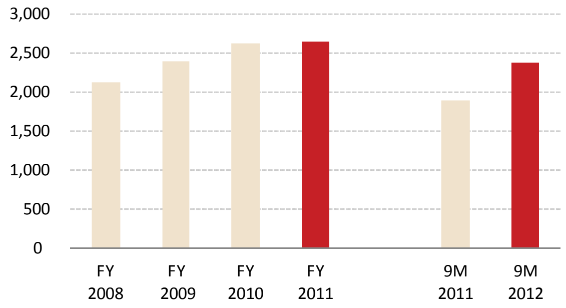
DUFRY

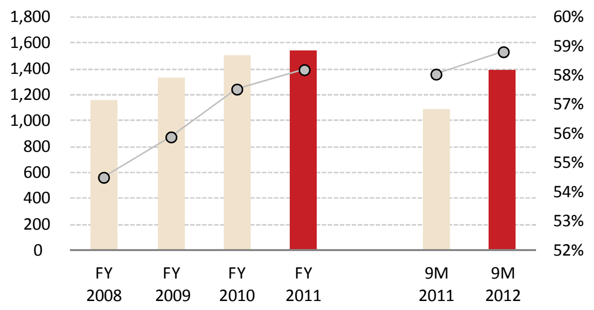
2012
NINE MONTHS REPORT

Key figures

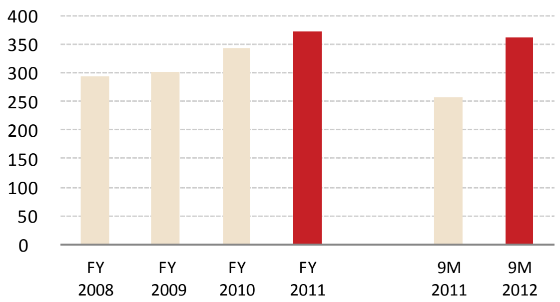
Turnover
IN MILLIONS OF CHF



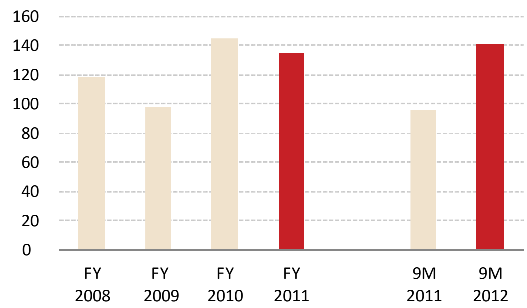
Gross profit
IN MILLIONS IN CHF



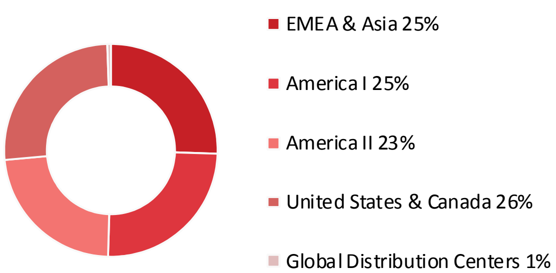
EBITDA[1]
IN MILLIONS OF CHF



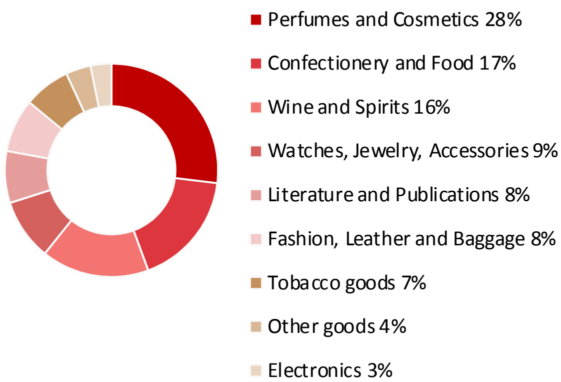
Net earnings
IN MILLIONS OF CHF



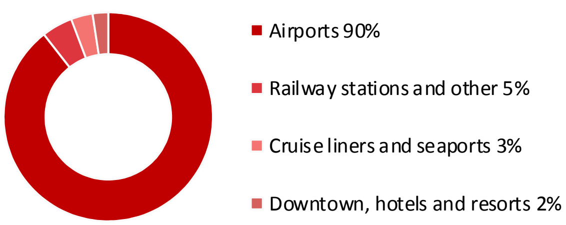
Net sales by region



Net sales by product categories



Net sales by channel



Interim Consolidated Income Statement

IN MILLIONS OF CHF	Note	Unaudited 9M 2012	Unaudited 9M 2011	Unaudited Q3 2012	Unaudited Q3 2011
Net sales		2,295.3	1,824.1	821.6	678.3
Advertising income		68.6	54.9	24.9	19.4
Turnover		**2,363.9**	**1,879.0**	**846.5**	**697.7**
Cost of sales		(973.6)	(788.7)	(347.9)	(292.1)
Gross profit		**1,390.3**	**1,090.3**	**498.6**	**405.6**
Selling expenses		(517.3)	(414.7)	(186.2)	(154.0)
Personnel expenses		(354.0)	(292.2)	(119.4)	(99.7)
General expenses		(158.8)	(127.0)	(52.9)	(43.8)
EBITDA[1]		**360.2**	**256.4**	**140.1**	**108.1**
Depreciation, amortization and impairment		(124.3)	(89.1)	(42.1)	(31.6)
Other operational result		(11.7)	(21.2)	(4.8)	(15.1)
Earnings before interest and taxes (EBIT)		**224.2**	**146.1**	**93.2**	**61.4**
Interest expenses		(56.1)	(35.9)	(17.3)	(18.9)
Interest income		3.5	3.0	1.0	1.0
Foreign exchange gain / (loss)		(0.4)	(1.3)	(0.7)	(0.7)
Earnings before taxes (EBT)		**171.2**	**111.9**	**76.2**	**42.8**
Income taxes	6	(30.2)	(16.2)	(13.1)	(4.2)
Net earnings		**141.0**	**95.7**	**63.1**	**38.6**
Attributable to:					
Equity holders of the parent		116.2	79.1	53.9	32.9
Non-controlling interests		24.8	16.6	9.2	5.7
Earnings per share attributable to equity holders of the parent					
Basic earnings per share		4.32	2.94	2.01	1.22
Diluted earnings per share		4.27	2.91	1.98	1.21
Weighted average number of outstanding shares in thousands		26,868	26,874	26,868	26,868

[1] EBITDA before other operational result

Interim Consolidated Statement of Comprehensive Income

IN MILLIONS OF CHF	Note	Unaudited 9M 2012	Unaudited 9M 2011	Unaudited Q3 2012	Unaudited Q3 2011
Net earnings		141.0	95.7	63.1	38.6
Other comprehensive income:					
Items reclassified subsequently to net income upon derecognition					
Exchange differences on translating foreign operations		19.9	43.1	(19.0)	139.9
Net gain / (loss) on hedge of net investment in foreign operations		(15.5)	(58.8)	9.3	(74.5)
Changes in the fair value of interest rate swaps held as cash flow hedges		0.7	0.9	(0.7)	0.5
Other comprehensive income before taxes		5.1	(14.8)	(10.4)	65.9
Income tax relating to net gain / (loss) on hedge of net investment		1.9	7.1	(1.1)	9.0
Income tax on cash flow hedges		(0.1)	(0.1)	0.1	-
Income tax relating to components of other comprehensive income		1.8	7.0	(1.0)	9.0
Total other comprehensive income for the year, net of tax		6.9	(7.8)	(11.4)	74.9
Total comprehensive income for the year, net of tax		147.9	87.9	51.7	113.5
Attributable to:					
Equity holders of the parent		123.8	71.6	43.2	102.7
Non-controlling interests		24.1	16.3	8.5	10.8

Interim Consolidated Statement of Financial Position

IN MILLIONS OF CHF	Note	Unaudited 30.09.2012	Audited 31.12.2011
ASSETS			
Property, plant and equipment		263.5	246.1
Intangible assets		2,093.7	2,078.6
Deferred tax assets		152.5	146.5
Other non-current assets		36.8	37.8
Non-current assets		**2,546.5**	**2,509.0**
Inventories		427.5	432.0
Trade and credit card receivables		68.9	47.0
Other accounts receivable		129.2	127.3
Income tax receivables		6.1	3.4
Cash and cash equivalents		182.5	199.1
Current assets		**814.2**	**808.8**
Total assets		**3,360.7**	**3,317.8**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the parent		1,001.0	870.0
Non-controlling interests		123.0	84.1
Total equity		**1,124.0**	**954.1**
Financial debt		1,421.7	1,529.8
Deferred tax liabilities		166.1	168.5
Provisions		40.1	39.5
Post-employment benefit obligations		6.3	6.0
Other non-current liabilities		9.6	11.3
Non-current liabilities		**1,643.8**	**1,755.1**
Trade payables		275.5	301.1
Financial debt		34.8	30.6
Income tax payables		13.7	14.2
Provisions		8.8	7.1
Other liabilities		260.1	255.6
Current liabilities		**592.9**	**608.6**
Total liabilities		**2,236.7**	**2,363.7**
Total Liabilities and shareholders' equity		**3,360.7**	**3,317.8**

Interim Consolidated Statement of Changes in Equity

Unaudited 9M 2012

IN MILLIONS OF CHF	Attributable to equity holders of the parent: Share capital	Share premium	Treasury shares	Hedging & revaluation reserves	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
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	-	-	-	-	-	116.2	116.2	24.8	141.0
Other comprehensive income (note 8)	-	-	-	0.6	7.0	-	7.6	(0.7)	6.9
Total comprehensive income for the period	-	-	-	0.6	7.0	116.2	123.8	24.1	147.9
Transactions with or distributions to shareholders:									
Dividends to non-controlling interests	-	-	-	-	-	-	-	(22.8)	(22.8)
Share-based payment	-	-	-	-	-	7.2	7.2	-	7.2
Total transactions with or distributions to owners	-	-	-	-	-	7.2	7.2	(22.8)	(15.6)
Changes in ownership interests in subsidiaries:									
Acquisitions (see note 4)	-	-	-	-	-	-	-	34.8	34.8
Other	-	-	-	-	-	-	-	2.8	2.8
Balance at September 30, 2012	134.9	934.5	(13.5)	(0.3)	(169.6)	115.0	1,001.0	123.0	1,124.0

Undaudited 9M 2011

IN MILLIONS OF CHF	Attributable to equity holders of the parent: Share capital	Share premium	Treasury shares	Hedging & revaluation reserves	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
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	-	-	-		-	79.1	79.1	16.6	95.7
Other comprehensive income (note 8)	-	-	-	0.8	(8.3)	-	(7.5)	(0.3)	(7.8)
Total comprehensive income for the period	-	-	-	0.8	(8.3)	79.1	71.6	16.3	87.9
Transactions with or distributions to shareholders:									
Dividends to non-controlling interests	-	-	-	-	-	-	-	(18.4)	(18.4)
Purchase of treasury shares	-	-	(12.5)	-	-	-	(12.5)	-	(12.5)
Tax effect on equity transactions	-	-	-	-	-	0.1	0.1	-	0.1
Distribution of treasury shares	-	-	27.7	-	-	(27.7)	-	-	-
Share-based payment	-	-	-	-	-	10.9	10.9	-	10.9
Total transactions with or distributions to owners	-	-	15.2	-	-	(16.7)	(1.5)	(18.4)	(19.9)
Changes in ownership interests in subsidiaries:									
Changes in participation of non-controlling interests	-	-	-	-	-	-	-	2.2	2.2
Balance at September 30, 2011	134.9	934.2	(13.5)	(1.1)	(207.3)	(43.4)	803.8	81.2	885.0

Interim Consolidated Statement of Cash Flows

IN MILLIONS OF CHF	Note	Unaudited 9M 2012	Unaudited 9M 2011	Unaudited Q3 2012	Unaudited Q3 2011
Cash flows from operating activities					
Earnings before taxes (EBT)		171.2	111.9	76.2	42.8
Adjustments for:					
Depreciation, amortization and impairment		124.3	89.1	42.1	31.6
Increase / (decrease) in allowances and provisions		12.8	10.8	4.9	2.6
Loss / (gain) on unrealized foreign exchange differences		1.6	20.1	0.7	21.5
Other non-cash items		7.4	11.4	2.5	3.8
Interest expense		56.1	35.9	17.3	18.9
Interest income		(3.5)	(3.0)	(1.0)	(1.0)
Cash flow before working capital changes[2]		369.9	276.2	142.7	120.2
Decrease / (increase) in trade and other accounts receivable		(21.1)	(26.1)	(6.5)	3.7
Decrease / (increase) in inventories		1.5	(45.4)	(4.4)	(0.9)
Increase / (decrease) in trade and other accounts payable		(10.8)	48.3	9.4	(2.0)
Cash flow used in changes in working capital		(30.4)	(23.2)	(1.5)	0.8
Cash generated from operations[3]		339.5	253.0	141.2	121.0
Income taxes paid		(54.1)	(25.7)	(19.4)	(11.4)
Net cash flows from operating activities		285.4	227.3	121.8	109.6
Cash flow from investing activities					
Purchase of property, plant and equipment		(61.5)	(45.9)	(19.1)	(16.8)
Purchase of intangible assets		(19.4)	(17.1)	(9.0)	(5.6)
Proceeds from sale of property, plant and equipment		0.6	0.7	0.4	(0.5)
Interest received		3.3	2.9	0.9	1.0
Business combinations, net of cash	4	(47.1)	(739.8)	-	(738.6)
Proceed from sale of interest in subsidiaries, net of cash		0.9	0.6	-	-
Net cash flows used in investing activities		(123.2)	(798.6)	(26.8)	(760.5)
Free cash flow[4]		208.4	167.9	95.0	87.7

[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 9M 2012	Unaudited 9M 2011	Unaudited Q3 2012	Unaudited Q3 2011
Cash flow from financing activities					
Proceeds from borrowings		8.3	815.4	-	767.3
Repayment of borrowings		(119.8)	(87.9)	(55.5)	(43.5)
Proceeds from / (repayment of) loans		2.2	(2.4)	1.7	(4.9)
Dividends paid to non-controlling interest		(22.8)	(18.4)	(6.0)	(4.6)
Purchase of treasury shares		-	(12.5)	-	-
Share capital contributions by non-controlling interests		0.7	0.7	-	0.7
Share issuance costs paid		-	(0.9)	-	0.1
Bank arrangement fees paid		-	(15.8)	-	(15.8)
Interest paid		(52.0)	(31.8)	(26.1)	(16.6)
Net cash flows (used in) / from financing activities		**(183.4)**	**646.4**	**(85.9)**	**682.7**
Currency translation on cash		4.6	4.3	(3.1)	29.1
(Decrease) / Increase in cash and cash equivalents		**(16.6)**	**79.4**	**6.0**	**60.9**
Cash and cash equivalents at the					
- beginning of the period		199.1	80.6	176.5	99.1
- end of the period		182.5	160.0	182.5	160.0

Notes to the Interim Consolidated Financial Statements

1. Corporate information

Dufry AG ('Dufry' 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 Dufry AG and its subsidiaries for the nine months ended September 30, 2012 were authorized for issue in accordance with a resolution of the Board of Directors on October 30, 2012.

2. Accounting policies

Basis of preparation

The interim consolidated financial statements for the nine months ended September 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 Derecognition 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. Dufry has not accounted for any investment property.

3. Principal foreign exchange rates applied for valuation and translation

	Average rates		Closing rates	
	Q3 2012	9M 2012	30.09.12	
1 USD	0.9618	0.9401	0.9388	
1 EUR	1.2038	1.2043	1.2087	
	Q3 2011	9M 2011	30.09.11	31.12.11
1 USD	0.8241	0.8782	0.9042	0.9387
1 EUR	1.1641	1.2341	1.2160	1.2167

4. Business combinations

Acquisition of Regstaer Sheremetjevo Duty Free, Russia

On January 10, 2012, Dufry took control by acquiring 51% of the shares of Dufry 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 Dufry's existing operations by site adding 1,200 square meters in nine duty free shops across several terminals.

Synergies are expected to be achieved among others when Dufry 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 Dufry 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:

Dufry Staer Holding (Group)

IN MILLIONS OF CHF	January 10, 2012 Preliminary fair value
Inventories	7.6
Other current assets	2.8
Property, plant and equipment	6.4
Other non current assets	1.1
Concession rights	68.7
Deferred tax liability	(13.7)
Other liabilities	(1.8)
Identifiable net assets	**71.1**
Dufry's share in the net assets (51%)	36.3
Goodwill	8.4
Total consideration	**44.7**

In the period ended September 30, 2012 these operations contributed CHF 35.8 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, Russia	(44.7)	0.8	(43.9)	-	(43.9)
Alliance, Puerto Rico	-	-	-	(0.9)	(0.9)
Sovenex, France	-	-	-	(2.3)	(2.3)
TOTAL	**(44.7)**	**0.8**	**(43.9)**	**(3.2)**	**(47.1)**

5. Segment information

The group's risks and returns are predominantly affected by the fact that it operates in different countries. Therefore, the Group presents the segment information as it does internally to the group executive committee, using geographical segments and the distribution centers as separate segment.

As of July 1st, 2012 Dufry has regrouped its business into 4 geographical segments and one global distribution centers to achieve the financial, commercial and efficiency goals set in the strategic plan. The former regions Europe, Africa and Eurasia have been merged into one new region. The former region South America was broken down into a new region America I and a region America II. The former region Central America and Caribbean has been merged into the region America I. Of the former region South America, the operations in Argentina, Ecuador and Uruguay have been merged into Region America I; and Bolivia and Brazil have been moved to Region America II. The region North America has been renamed United States & Canada. The distribution centers have not changed.

The comparative figures for 2011 have been restated to reflect the above mentioned changes accordingly .

Segment information 9M

9M 2012

IN MILLIONS OF CHF	Turnover with external customers	Turnover with other segments	Total	EBITDA[1]
EMEA & Asia	592.9	-	592.9	56.2
America I	575.8	-	575.8	35.9
America II	548.3	-	548.3	104.2
United States & Canada	613.9	-	613.9	75.4
Global Distribution Centers	33.0	559.8	592.8	88.5
Eliminations	-	(559.8)	(559.8)	-
Dufry Group	**2,363.9**	**-**	**2,363.9**	**360.2**

9M 2011 (restated)

IN MILLIONS OF CHF	Turnover with external customers	Turnover with other segments	Total	EBITDA[1]
EMEA & Asia	485.6	-	485.6	35.5
America I	322.8	-	322.8	21.9
America II	534.1	-	534.1	96.0
United States & Canada	519.1	-	519.1	56.6
Global Distribution Centers	17.4	414.8	432.2	46.4
Eliminations	-	(414.8)	(414.8)	-
Dufry Group	**1,879.0**	**-**	**1,879.0**	**256.4**

[1] EBITDA before other operational result

Segment information Q3

Q3 2012

IN MILLIONS OF CHF	Turnover with external customers	Turnover with other segments	Total	EBITDA[1]
EMEA & Asia	220.5	-	220.5	23.3
America I	192.7	-	192.7	10.6
America II	191.1	-	191.1	39.0
United States & Canada	227.2	-	227.2	32.1
Global Distribution Centers	15.0	195.1	210.1	35.1
Eliminations	-	(195.1)	(195.1)	-
Dufry Group	**846.5**	**-**	**846.5**	**140.1**

Q3 2011 (restated)

IN MILLIONS OF CHF	Turnover with external customers	Turnover with other segments	Total	EBITDA[1]
EMEA & Asia	177.7	-	177.7	17.1
America I	143.7	-	143.7	9.2
America II	189.4	-	189.4	36.9
United States & Canada	178.0	-	178.0	22.6
Global Distribution Centers	8.9	162.4	171.3	22.3
Eliminations	-	(162.4)	(162.4)	-
Dufry Group	**697.7**	**-**	**697.7**	**108.1**

[1] EBITDA before other operational result

Segment assets and liabilities

IN MILLIONS OF CHF	30.09.2012 ASSETS	30.09.2012 LIABILITIES	31.12.2011 (restated) ASSETS	31.12.2011 (restated) LIABILITIES
EMEA & Asia	609.0	218.4	503.2	184.8
America I	1,414.7	233.8	1,472.7	282.8
America II	430.8	141.2	407.8	149.0
United States & Canada	555.6	119.7	541.5	103.4
Global Distribution Centers	252.2	198.4	259.5	182.7
Unallocated positions	98.4	1,325.2	133.1	1,461.0
Dufry Group	**3,360.7**	**2,236.7**	**3,317.8**	**2,363.7**

6. Income taxes

IN MILLIONS OF CHF	UNAUDITED 9M 2012	UNAUDITED 9M 2011	UNAUDITED Q3 2012	UNAUDITED Q3 2011
Current income tax	(50.6)	(28.0)	(15.6)	(10.9)
Deferred income tax	20.4	11.8	2.5	6.7
TOTAL INCOME TAXES	(30.2)	(16.2)	(13.1)	(4.2)

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 September 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 September 30, 2012	2,697,620	13,488

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

8. Components of other comprehensive income

9M 2012 IN MILLIONS OF CHF	Attributable to equity holders of the parent Hedging & revaluation reserves	Translation reserves	TOTAL	Non-controlling interests	Total equity
Exchange differences on translating foreign operations	-	20.6	20.6	(0.7)	19.9
Net gain / (loss) on hedge of net investment in foreign operations	-	(15.5)	(15.5)	-	(15.5)
Income tax effect	-	1.9	1.9	-	1.9
Subtotal	-	(13.6)	(13.6)	-	(13.6)
Changes in the fair value of interest rate swaps held as cash flow hedges	0.7	-	0.7	-	0.7
Income tax effect	(0.1)	-	(0.1)	-	(0.1)
Subtotal	0.6	-	0.6	-	0.6
Other comprehensive income	0.6	7.0	7.6	(0.7)	6.9

9M 2011 IN MILLIONS OF CHF	Attributable to equity holders of the parent Hedging & revaluation reserves	Translation reserves	TOTAL	Non-controlling interests	Total equity
Exchange differences on translating foreign operations	-	43.4	43.4	(0.3)	43.1
Net gain / (loss) on hedge of net investment in foreign operations	-	(58.8)	(58.8)	-	(58.8)
Income tax effect	-	7.1	7.1	-	7.1
Subtotal	-	(51.7)	(51.7)	-	(51.7)
Changes in the fair value of interest rate swaps held as cash flow hedges	0.9	-	0.9	-	0.9
Income tax effect	(0.1)	-	(0.1)	-	(0.1)
Subtotal	0.8	-	0.8	-	0.8
Other comprehensive income	0.8	(8.3)	(7.5)	(0.3)	(7.8)

9. Related parties

Dufry and Inmobiliaria Fumisa SA de CV, the airport operator of the International Airport Benito Juarez of Ciudad de Mexico 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 the end of 2011, than the ones due on the original contract from November 2009, as palliative measures 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 nine months period 2012 the local operations amortized prepaid concessions in the value of CHF 1.4 million and accrued concession fees of CHF 14.2 million (2011: CHF 11.7 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.

11. Subsequent events

Dufry signs agreement to acquire travel retail operations of Folli Follie Group

On October 10, 2012, Dufry signed an agreement to acquire 51% of the travel retail business of Folli Follie Group for a total consideration of EUR 200.5 million (CHF 242.3 million) . Dufry expects to close the transaction early in 2013. The deal includes an option to acquire the remaining 49% of the shares after four years at fair market value.

Before closing of the transaction, the target business will be carved-out into a separate entity by Folli Follie Group in a series of legal steps which involves various regulatory and shareholder approvals. Furthermore, a syndicate of local banks has committed to provide the new entity with a non-recourse bank facility of EUR 335 million (CHF 405 million) at closing of the transaction, structured as a committed 5-year amortizing term loan secured through pledging of all shares of the new entity.

Share capital increase

On October 11, 2012, Dufry AG utilized part of its authorized share capital and placed 2,697,620 new registered shares representing 9.99% of the total shares. After this share issuance, the share capital of the company amounts to CHF 148,369,115. Using an accelerated book building procedure the company offered the new shares as a private placement in Switzerland and to certain qualifying institutional investors outside of Switzerland. Dufry received for this offering a price of CHF 109 per share, resulting in gross proceeds of CHF 294 million, which are planned to be used to finance the acquisition of the Folli Follie Travel Retail operations. The trading of the offered shares on the SIX Swiss Exchange commenced on October 15, 2012.

Other finance agreements

On October 11, 2012, a syndicate of banks granted Dufry a committed 5-year revolving credit facility (RCF) of CHF 650 million which replaced the existing RCF of CHF 415 million expiring in August 2013. The new facility allows extending the maturity profile of the financial indebtedness. The facility will be used for general corporate purposes and has the same covenants as the other bank syndicate facilities.

Bond Issuance

On October 22, 2012, Dufry placed USD 500 million (CHF 469.4 million) Senior Notes denominated in USD with a maturity of eight years with qualified institutional investors in Switzerland and abroad. The Notes are listed at the Dublin stock exchange. The notes carry a coupon of 5.5 percent per annum which will be payable semi-annually in arrears. Dufry used the proceeds to refinance term loans expiring in August 2013.

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	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	Net cash flows from operating activities before income taxes paid
Free cash flow	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

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To the Board of Directors of

Dufry AG, Basel

Basel, 30 October 2012

Report on review of interim condensed consolidated financial statements

Introduction
As independent auditors we have reviewed the interim condensed consolidated financial statements of Dufry AG as of 30 September 2012, comprising of the interim consolidated statement of financial position as of 30 September 2012 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine- and the three-month period then ended and explanatory notes (pages 3 to15). The Board of Directors is responsible for the preparation and presentation of these interim condensed 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 condensed 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young Ltd

D. Haldimann

Patrick Fawer
Licensed audit expert
(Auditor in charge)

David Haldimann
Licensed audit expert