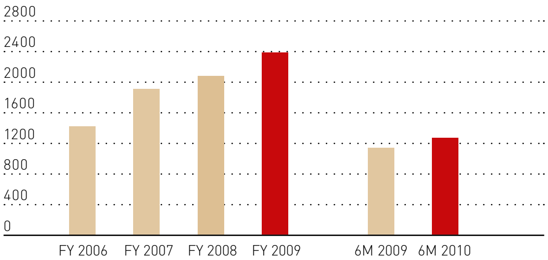
DUFRY

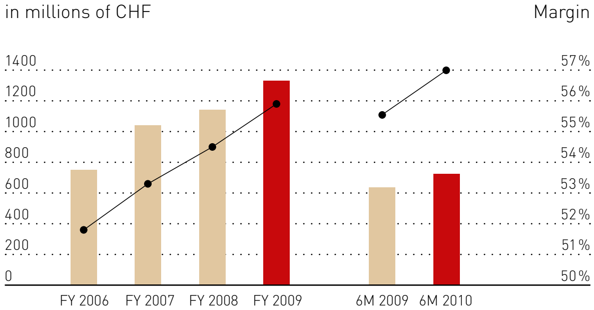
2010
HALF YEAR REPORT

KEY FIGURES

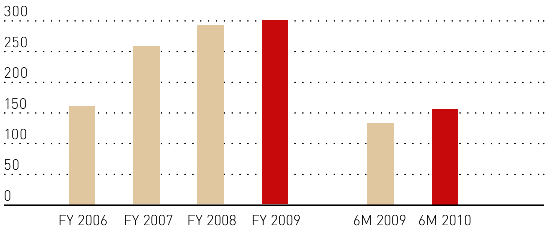
TURNOVER
in millions of CHF



GROSS PROFIT
in millions of CHF

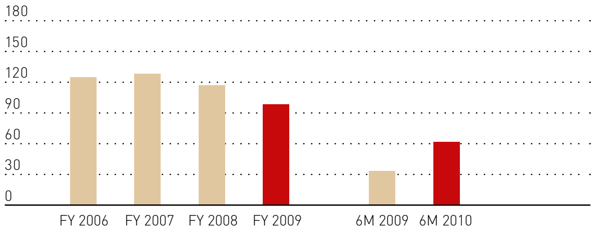


EBITDA[1]
in millions of CHF

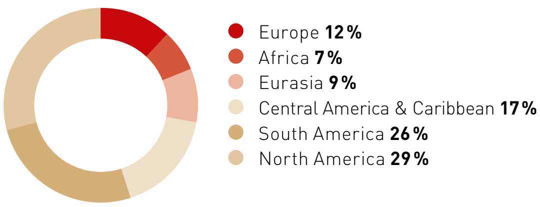


[1] EBITDA before other operational result

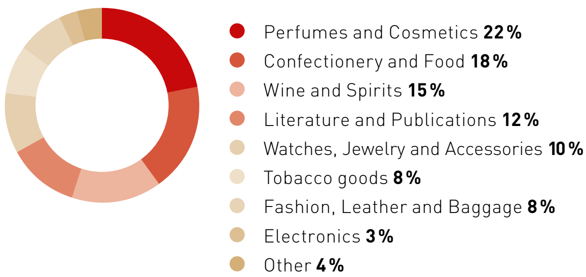
NET EARNINGS
in millions of CHF



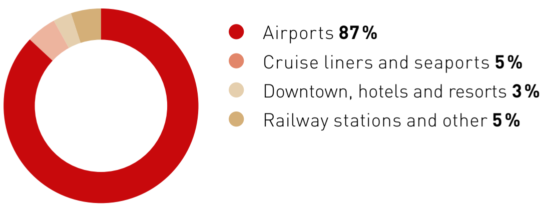
NET SALES BY REGION
January – June 2010



NET SALES BY PRODUCT CATEGORIES
January – June 2010



NET SALES BY CHANNEL
January – June 2010



REPORT FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Dear Shareholders,

In line with Dufry's stated strategy of profitable growth, the Group performed strongly in the first half of 2010 and continued to grow double-digit at top line and profit-wise. For the period to June 30, 2010, the Group's turnover increased by 15.8% on constant FX rates, of which organic growth accounted for 10.2 percentage points. EBITDA grew by 20.3% on constant FX rates and reported net earnings almost doubled to CHF 60.7 million.

Turnover measured in Swiss Franc grew by 11.7% to CHF 1,267.9 million during the period from CHF 1,135.1 million in the first half of 2009. Apart from double-digit organic growth, new projects contributed 5.6% while the foreign exchange impact of translating into Swiss Franc was a negative 4.1%.

Gross margin further improved by 1.4 percentage points to 57.0% in the first half of 2010 from 55.6% in first half of 2009. In absolute terms, gross profit reached CHF 723.3 million for the first half of 2010 compared to CHF 631.5 million for the same period 2009. The improvement was due to continuous growth of the Group, including several new locations, implementation of global negotiation with suppliers, and the further development of new initiatives started in 2010 as part of the "Dufry plus One" project.

EBITDA[1] for the first half of 2010 increased by 20.3% to CHF 160.9 million on constant FX rates. When translated into Swiss Franc, EBITDA grew by 15.4% to CHF 154.3 million compared to CHF 133.7 million for the respective period of 2009. EBITDA margin was 12.2% compared to 11.8% for the relevant period in 2009.

As a percentage of turnover, selling expenses reached 22.1%. During the first six months of 2010, the renewal and the start-up of a number of new concessions resulted in an increase in selling expenses. Also, the development of the local currencies had an effect in certain countries and in the first quarter of 2009, Dufry benefited from temporary rebates on concession fees.

Personnel expenses and general expenses remained stable compared to last year when measured as percentage of turnover. Personnel expenses were 15.8% for half year 2010 compared to 15.9% in the respective period of 2009 and general expenses were unchanged at 6.9%.

Depreciation and amortization amounted to CHF 64.4 million for the first half of 2010 compared to CHF 62.2 million in the corresponding period of 2009. Other operational result was minus CHF 5.7 million for the first half of 2010 and mainly includes restructuring costs and new projects.

EBIT in the first half of 2010 increased by 28.2% to CHF 84.2 million compared to CHF 65.6 million in the respective period of 2009.

Financial expenses decreased by CHF 9.1 million to CHF 14.8 million in the first half of 2010 versus CHF 23.9 million in the respective period of 2009. The improvement is mainly due to lower interest expenses resulting from lower debt during the first quarter of 2010, improved cash management and a favorable interest rate environment.

Income taxes for the first half of 2010 amounted to CHF 8.7 million compared to CHF 8.3 million for the corresponding period of 2009. The tax rate measured as percentage of EBT declined to 12.5% from 19.9%. Due to the seasonality of Dufry's business, the tax rate does vary substantially along the year. The improvement does include some synergies, which we achieved based on tax initiatives linked to the Hudson News integration and the international roll-out of this concept.

Net earnings for the Group (before minorities) almost doubled and stood at CHF 60.7 million in the first half of 2010 versus CHF 33.4 million in the respective period of 2009. Net earnings to equity holders reached CHF 40.4 million for half year 2010 compared to CHF 10.4 million during the same period in 2009. Following the completion of the merger with Dufry South America Ltd. ("DSA") at the end of March, minority interests decreased substantially. Assuming that the merger had taken place at December 31, 2009, pro forma net earnings to equity holders are CHF 51.9 million.

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[1] EBITDA before other operational result

In the first half of 2010, Dufry's net cash flow from operating activities reached CHF 142.5 million, resulting in a pro forma net debt of CHF 559 million as of June 30, 2010. The pro forma net debt does not include the payment of an extraordinary dividend of USD 4.71 per share/BDR by DSA in the context of the merger. This dividend payment made to DSA minority shareholders of CHF 158 million brought net debt to CHF 717 million. The main covenant, Net Debt/adjusted EBITDA, further improved and stood at 2.5x.

Development of Turnover by Region

- Turnover of Region Europe grew by 3.4% when measured in local currencies. Translated into Swiss Francs, turnover decreased by 0.6% to CHF 151.1 million. The performance in the second quarter was impacted by the volcano ash cloud in April 2010, which led to a loss of turnover for approximately one week. However, overall trends continued to improve at a moderate pace including Italy, which saw positive momentum. Furthermore, we also expanded our business in this region, for example with new shops in various Italian railway stations.

- Region Africa posted stable turnover when measured in local currencies; when measured in Swiss Franc, turnover decreased by 3.4% to CHF 84.6 million in the first half of 2010 compared to CHF 87.6 million in the same period in 2009. Region Africa was also impacted by the volcano ash cloud as most flights departing to/from Europe were cancelled during the close-down of the European air space. The region also had temporary effects in Algeria and Egypt, where our shops in Sharm-el-Sheikh were closed due to flooding. Our main operations in Tunisia and Morocco had a solid performance and especially the Moroccan business performed very well.

- Region Eurasia's turnover grew by 4.5% and stood at CHF 113.9 million in the first half of 2010 versus CHF 109.0 million one year ago. Performance in most operations was positive, and Cambodia and certain Russian operations experienced double digit growth. Furthermore, the new operations in Shanghai started to contribute, which was partially compensated by the closing of some shops in Singapore and Hong Kong.

- Turnover of Region Central America & Caribbean increased by 7.2% and stood at CHF 208.1 million in the first six months of 2010 compared to CHF 194.1 million in the same period last year. The English speaking Caribbean have started to gradually improve their performance and most other operations posted positive organic growth for the period. The acquisition of assets in Mexico in the fourth quarter of 2009 and the subsequent restructuring have also contributed to turnover growth.

- Region South America increased its turnover by 35.8% to CHF 326.0 million in the first half of 2010 from CHF 240.1 million in the same period last year. Brazil continued its strong performance as Dufry has implemented several initiatives aimed to increase spend per passenger including innovative promotions and sales incentives programs.

- In Region North America, turnover increased by 9.7% and amounted to CHF 375.7 million for the first six months in 2010 compared to CHF 342.4 million in the first half of 2009. The Hudson Group business continued with its positive organic growth trend as did our other operations in the USA. This was further supported by an active development of the concession portfolio in the USA.

Maintaining the momentum

During the first half of the year, we saw the positive passenger trends, which began towards the end of 2009, to carry through the period. Emerging markets experienced a more dynamic growth compared to developed markets, but in all regions the trend was positive overall. The volcanic ash cloud in April caused a temporary contraction in the passenger flows due to the closing of much of the European air space and the cancellation of almost all flights to and from European destinations. On the other hand, all other months had solid international passenger growth rates.

Since the last quarter of 2009, we have based our operations on the following elements:

- Maintaining the efficiencies achieved in 2009 in relation to the operating cost, net working capital management and capital expenditure.
- Strengthening our execution capabilities through the introduction of the “Dufry plus One” and “One Dufry” initiatives, which comprise a wide range of specific projects across the Group.

As a consequence Dufry has managed to accelerate its growth and profitability over and beyond market growth. Although the global economy still has not fully recovered, Dufry has posted double-digit growth in all respects including turnover, gross profit, EBITDA and net earnings. Both, the organic growth of 10.2% and the gross margin improvement by 1.4 percentage points are a result of the improved spend per passenger and the focused development of our operations.

We also have worked intensely in the past quarters to grow our operations through expansion projects and will continue to do so in the coming quarters. Together with organic growth, maintaining this momentum will lay the ground for Dufry’s profitable growth in the coming quarters and years.

The successful completion of Dufry’s merger with DSA, combined with the listing of the Dufry AG Brazilian Depositary Receipts programme in April 2010, has strengthened our position considerably and has added value to Dufry investors. The transaction has broadened Dufry’s shareholder base, and the improved free float, liquidity and size should allow targeting new investor segments. Since the beginning of the year, our market cap has increased to CHF 2,300 million from CHF 1,350 million and the value of our free float more than doubled to CHF 1,430 million from CHF 630 million.

We will continue our efforts to deliver value to our shareholders, which wouldn’t have been possible without the contribution of our employees, whose efforts and commitment in everyday matters shaped Dufry to what it is today. We also thank our customers and suppliers for their loyalty in Dufry.

Juan Carlos Torres Carretero	Julián Díaz
Chairman of the Board of Directors	Chief Executive Officer

Interim Condensed Consolidated Financial Statements

as of June 30, 2010

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INTERIM CONSOLIDATED INCOME STATEMENT

in millions of CHF	Note	Unaudited 6M 2010	Unaudited 6M 2009	Unaudited Q2 2010	Unaudited Q2 2009
Net sales		1,229.6	1,098.0	662.5	577.9
Advertising income		38.3	37.1	20.4	18.9
Turnover		1,267.9	1,135.1	682.9	596.8
Cost of sales		(544.6)	(503.6)	(290.6)	(263.5)
Gross profit		723.3	631.5	392.3	333.3
Selling expenses		(280.5)	(239.1)	(151.6)	(128.0)
Personnel expenses		(200.8)	(180.7)	(105.1)	(90.8)
General expenses		(87.7)	(78.0)	(46.1)	(38.9)
EBITDA before other operational result		154.3	133.7	89.5	75.6
Depreciation, amortization and impairment		(64.4)	(62.2)	(33.0)	(30.6)
Other operational result		(5.7)	(5.9)	(4.0)	(4.3)
Earnings before interest and taxes (EBIT)		84.2	65.6	52.5	40.7
Interest expenses		(18.6)	(25.9)	(9.5)	(12.2)
Interest income		3.0	3.3	0.8	1.8
Foreign exchange gain / (loss)	5	0.8	(1.3)	(0.3)	0.7
Earnings before taxes (EBT)		69.4	41.7	43.5	31.0
Income taxes	6	(8.7)	(8.3)	(4.7)	(7.9)
Net earnings		60.7	33.4	38.8	23.1
Attributable to:					
Equity holders of the parent		40.4	10.4	32.0	12.2
Non-controlling interests		20.3	23.0	6.8	10.9
Earnings per share attributable to equity holders of the parent					
Basic earnings per share in CHF		1.72	0.54	1.21	0.63
Diluted earnings per share in CHF		1.70	0.54	1.19	0.63
EPS adjusted for amortization (cash EPS) in CHF		2.66	1.80	1.67	1.61
Weighted average number of outstanding shares in million		23.5	19.2	26.5	19.2

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in millions of CHF	Unaudited 6M 2010	Unaudited 6M 2009	Unaudited Q2 2010	Unaudited Q2 2009
Net earnings	60.7	33.4	38.8	23.1
Other comprehensive income:				
Net gain / (loss) on hedge of net investment in foreign operation	(12.1)	0.7	(7.2)	18.9
Changes in the fair value of interest rate swaps held as cash flow hedges	(1.1)	-	(1.1)	-
Exchange differences on translating foreign operations	62.1	18.0	18.9	(56.2)
Income tax relating to net loss on hedge of net investment	-	-	(0.4)	-
Total other comprehensive income for the period, net of tax	48.9	18.7	10.2	(37.3)
Total comprehensive income for the period, net of tax	109.6	52.1	49.0	(14.2)
Attributable to:				
Equity holders of the parent	60.1	24.6	42.5	(12.9)
Non-controlling interests	49.5	27.5	6.5	(1.3)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in millions of CHF	Note	Unaudited 30.06.2010	Audited 31.12.2009
ASSETS			
Property, plant and equipment		239.5	241.6
Intangible assets		1,363.9	1,350.5
Deferred tax assets		158.4	140.9
Other non-current assets		34.0	34.7
Non-current assets		1,795.8	1,767.7
Inventories		326.7	306.5
Trade and credit card receivables		30.4	48.2
Other accounts receivable		124.0	107.6
Income tax receivables		14.0	14.8
Cash and cash equivalents		256.2	405.3
Current assets		751.3	882.4
TOTAL ASSETS		2,547.1	2,650.1
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the parent	9	804.7	674.5
Non-controlling interests		85.5	323.1
Total equity		890.2	997.6
Financial debt		947.1	798.6
Deferred tax liabilities		169.3	163.5
Provisions		3.7	3.3
Post-employment benefit obligations		7.1	7.9
Other non-current liabilities		12.6	5.1
Non-current liabilities		1,139.8	978.4
Trade payables		199.5	202.0
Financial debt		26.1	216.4
Income tax payables		22.0	17.0
Provisions		3.2	2.4
Other liabilities		266.3	236.3
Current liabilities		517.1	674.1
Total liabilities		1,656.9	1,652.5
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,547.1	2,650.1

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2010	Attributable to equity holders of the parent								
in millions of CHF	Share capital	Share premium	Treasury shares	Hedging reserves	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at January 1, 2010	96.1	391.4	(18.2)	85.4	(172.6)	292.4	674.5	323.1	997.6
Net earnings	-	-	-	-	-	40.4	40.4	20.3	60.7
Other comprehensive income	-	-	-	(13.2)	32.9	-	19.7	29.2	48.9
Total comprehensive income for the period	-	-	-	(13.2)	32.9	40.4	60.1	49.5	109.6
Issue of share capital (note 9)	38.8	565.2	-	-	-	-	604.0	-	604.0
Dividends to non-controlling interests [1]	-	-	-	-	-	-	-	(167.9)	(167.9)
Transaction costs of share issuance	-	(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	-	-	-	-	-	6.0	6.0	-	6.0
Changes in participation of non-controlling interests (see note 10)	-	-	-	-	-	(513.2)	(513.2)	(119.2)	(632.4)
Balance at June 30, 2010	134.9	934.2	(4.3)	72.2	(139.7)	(192.6)	804.7	85.5	890.2

[1] Dividends to non-controlling interests for the six months ended June 30, 2010 include CHF 158.0 million in respect of the Dufry South America Ltd Merger (see note 4.1)

2009	Attributable to equity holders of the parent								
in millions of CHF	Share capital	Share premium	Treasury shares	Hedging reserves	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at January 1, 2009	96.1	391.4	(9.1)	70.6	(147.7)	258.7	660.0	293.6	953.6
Net earnings	-	-	-	-	-	10.4	10.4	23.0	33.4
Other comprehensive income	-	-	-	0.7	13.5	-	14.2	4.5	18.7
Total comprehensive income for the period	-	-	-	0.7	13.5	10.4	24.6	27.5	52.1
Dividends to non-controlling interests	-	-	-	-	-	-	-	(11.9)	(11.9)
Purchase of treasury shares	-	-	(0.3)	-	-	-	(0.3)	-	(0.3)
Tax effect on equity transactions	-	-	-	-	-	0.3	0.3	-	0.3
Distribution of treasury shares	-	-	9.1	-	-	(9.1)	-	-	-
Share-based payment	-	-	-	-	-	0.3	0.3	-	0.3
Changes in participation of non-controlling interests (see note 10)	-	-	-	-	-	-	-	1.7	1.7
Balance at June 30, 2009	96.1	391.4	(0.3)	71.3	(134.2)	260.6	684.9	310.9	995.8

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

in millions of CHF	Note	Unaudited 6M 2010	Unaudited 6M 2009	Unaudited Q2 2010	Unaudited Q2 2009
Earnings before taxes (EBT)		69.4	41.7	43.5	31.0
Adjustments for					
Depreciation, amortization and impairment		64.4	62.2	33.0	30.6
Increase / (decrease) in allowances and provisions		6.0	5.5	3.7	2.1
Loss / (gain) on unrealized foreign exchange differences		(12.0)	4.0	(8.5)	0.8
Other non-cash items		6.1	1.4	2.8	(0.3)
Interest expenses		18.6	25.9	9.5	12.2
Interest income		(3.0)	(3.3)	(0.8)	(1.8)
Cash flow before working capital changes		149.5	137.4	83.2	74.6
Decrease / (increase) in trade and other accounts receivable		(0.4)	(13.1)	16.6	(26.3)
Decrease / (increase) in inventories	7.3	(21.2)	23.6	(14.0)	(0.5)
Increase / (decrease) in trade and other accounts payable		26.4	51.9	24.6	53.4
Cash flow generated from operations		154.3	199.8	110.4	101.2
Income tax paid		(11.8)	(14.8)	(6.5)	(7.7)
Net cash flows from operating activities		142.5	185.0	103.9	93.5
Cash flow from investing activities					
Business combinations, net of cash	4.4	(12.4)	(5.2)	(6.8)	(2.3)
Purchase of intangible assets	7.2	(5.9)	(5.7)	(2.2)	(2.3)
Purchase of property, plant and equipment	7.1	(38.3)	(28.1)	(22.8)	(13.9)
Projects & work in progress		(2.9)	(0.4)	(1.3)	(0.4)
Proceeds from sale of property, plant and equipment		2.6	0.3	2.3	-
Interest received		2.8	3.9	0.8	1.8
Net cash flows used in investing activities		(54.1)	(35.2)	(30.0)	(17.1)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

in millions of CHF	Unaudited 6M 2010	Unaudited 6M 2009	Unaudited Q2 2010	Unaudited Q2 2009
Cash flow from financing activities				
Proceeds from borrowings	93.4	12.8	3.7	5.3
Repayment of borrowings	(162.7)	(62.8)	(119.0)	(32.2)
Proceeds from / (repayment of) loans	4.6	1.5	1.8	(0.1)
Dividends paid to non-controlling interest	(171.2)	(15.2)	(167.6)	(11.3)
Purchase of treasury shares	(4.3)	(0.3)	-	(0.3)
Share issuance costs paid	(8.1)	-	(5.6)	-
Bank arrangement fees paid	(2.9)	-	(2.9)	-
Interest paid	(19.5)	(19.0)	(7.4)	(7.7)
Net cash flows used in financing activities	(270.7)	(83.0)	(297.0)	(46.3)
Currency translation in cash	33.2	0.6	22.6	(12.3)
(Decrease) / increase in cash and cash equivalents	(149.1)	67.4	(200.5)	17.8
Cash and cash equivalents at the				
- beginning of the period	405.3	263.7	456.7	313.3
- end of the period	256.2	331.1	256.2	331.1

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

The interim condensed consolidated financial statements of Dufry Ltd and its subsidiaries for the six months ended June 30, 2010 were authorized for issue in accordance with a resolution of the Board of Directors on August 9, 2010. Dufry Ltd ('Dufry' or 'the Company') is a limited 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 Sao Paulo. 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 condensed consolidated financial statements for the six months ended June 30, 2010 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, 2009.

2.2 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, 2009, except for the adoption of new Standards and Interpretations noted below:

2.2.1 Standards and Interpretations affecting amounts reported in the current period

The following new and revised Standards and Interpretations have been adopted in the current period and have affected the amounts reported in these financial statements. Details of other Standards and Interpretations adopted in these financial statements but that have had no effect on the amounts reported are set out in the second section 2.2.2 below.

Standards affecting the reported results or financial position

- IAS 27 (as revised in 2008) *Consolidated and Separate Financial Statements* (effective for annual periods beginning on or after July 1, 2009)

The revisions to IAS 27 principally affect the accounting for transactions or events that result in a change in the Group's interests in its subsidiaries. The adoption of the revised Standard has affected the accounting for the Group's acquisition of the remaining 49% interest in Dufry South America Limited in the first quarter of 2010 (see note 4.1).

IAS 27 (2008) has been adopted for periods beginning on or after July 1, 2009 and has been applied retrospectively (subject to specified exceptions) in accordance with the relevant transitional provisions. The revised Standard has affected the Group's accounting policies regarding changes in ownership interests in its subsidiaries that do not result in a change in control. In prior years, in the absence of specific requirements in IFRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognized where appropriate; for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognized in profit or loss. Under IAS 27 (2008), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised Standard requires that the Group derecognize all assets, liabilities and non-controlling interests at their carrying amount. Any retained interest in the former subsidiary is recognized at its fair value at the date control is lost, with the gain or loss arising recognized in profit or loss.
In respect of the increase during the period of the Group's interest in subsidiaries with non-controlling interest partners, the change in policy has resulted, inter alia, in the difference of CHF 511.8 million between the fair value of the consideration in the form of a share exchange and the non-controlling interests recognized being recognized directly in equity, instead of goodwill. The consequence of the change of the accounting policy in respect of this and other transactions with non-controlling interests has resulted in a decrease in the equity for the half year period 2010 of CHF 513.2 million (see note 10.2).

2.2.2 Standards and Interpretations adopted with no effect on financial statements

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.

▪ IFRS 3 (as revised in 2008) *Business Combinations* (effective for annual periods beginning on or after July 1, 2009)

The adoption of IFRS 3 (2008) in the current year has not yet affected the accounting for business combinations in the current period. In accordance with the relevant transitional provisions, IFRS 3 (2008) has to be applied prospectively to business combinations for which the acquisition date is on or after January 1, 2010. The impact of the adoption of IFRS 3 (2008) Business Combinations will be:

• to allow a choice on a transaction-by-transaction basis for the measurement of non-controlling interests (previously referred to as 'minority' interests) either at fair value or at the non-controlling interests' share of the fair value of the identifiable net assets of the acquiree. If the group decides to measure at fair value then consequently, the goodwill recognized in respect of that acquisition reflects the impact of the difference between the fair value of the non-controlling interests and their share of the fair value of the identifiable net assets of the acquiree;

• to change the recognition and subsequent accounting requirements for contingent consideration. Under the previous version of the Standard, contingent consideration was recognized at the acquisition date only if payment of the contingent consideration was probable and it could be measured reliably; any subsequent adjustments to the contingent consideration were recognized against goodwill. Under the revised Standard, contingent consideration is measured at fair value at the acquisition date; subsequent adjustments to the consideration are recognized against goodwill only to the extent that they arise from better information about the fair value at the acquisition date, and they occur within the 'measurement period' (a maximum of 12 months from the acquisition date). All other subsequent adjustments are recognized in profit or loss;

• where the business combination in effect settles a pre-existing relationship between the Group and the acquiree, to require the recognition of a settlement gain or loss; and

• to require that acquisition-related costs be accounted for separately from the business combination, generally leading to those costs being recognized as an expense in profit or loss as incurred, whereas previously they were accounted for as part of the cost of the acquisition.

IFRS 3 (2008) has also additional disclosure requirements in respect of the business combinations in the period. Results in future periods may be affected by future impairment losses relating to increased goodwill, and by changes in the fair value of contingent consideration recognized as a liability.

▪ IFRS 8 *Operating segments* (effective for annual periods beginning on or after January 1, 2010)

An amendment made to the disclosures of information about the reported segment profit or loss, including certain specified revenues and expenses included in segment profit or loss, segment assets and segment liabilities, and the basis of measurement.

▪ IAS 7 *Statement of Cash Flows* (effective for annual periods beginning on or after January 1, 2010)

Only expenditure resulting in a recognized asset in the statement of financial position can be recognized as investment activities. Consequently cash flows in respect of development costs that do not meet the criteria in IAS 38 *Intangibles Assets*, have to be disclosed in operating activities in the statement of cash flows.

▪ IAS 36 *Impairment of assets* (effective for annual periods beginning on or after January 1, 2010)

The amendment clarified that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes.

▪ IAS 39 *Financial instruments: Recognition and Measurement* (effective for annual periods beginning on or after January 1, 2010)

Eligible hedged items are defined. Hedged item is an item that exposes the entity to risk of changes in fair value or future cash flows and is designated as being hedged.

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

▪ IFRS 2 *Share-based payment* (effective for annual periods beginning on or after January 1, 2010)

An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash.

▪ IFRS 5 *Non-current assets held for sale and discontinued operations* (effective for annual periods beginning on or after July 1, 2009)

Amendments resulting from May 2008 Annual Improvements to IFRSs.

- IFRS 5 *Non-current assets held for sale and discontinued operations* (effective for annual periods beginning on or after January 1, 2010)

Providing guidance in respect of disclosures of non-current assets held for sale (or disposal groups) and discontinued operations required by IFRS 5. The disclosure requirements in Standards other than IFRS 5 do not generally apply to non-current assets classified as held for sale and discontinued operations.

- IAS 1 *Presentation of financial statements* (effective for annual periods beginning on or after January 1, 2010)

The classification of convertible instruments as either non-current or current is clarified.

- IAS 17 *Leases* (effective for annual periods beginning on or after January 1, 2010)

Leases of land and building need to be considered separately for all transactions. In establishing whether the land component is an operating or finance lease the entity should take into account that the land has an indefinite economic life.

- IAS 28 (as revised in 2008) *Investments in Associates* (effective for annual periods beginning on or after 1 July 2009)

The principle adopted under IAS 27 that a loss of control is recognized as a disposal and re-acquisition of any retained interest at fair value is extended by consequential amendment to IAS 28; therefore, when significant influence is lost, the investor measures any investment retained in the former associate at fair value, with any consequential gain or loss recognized in profit and loss. IAS 28 will be applied prospectively in accordance with the relevant transitional provisions.

- IAS 39 *Financial instruments: Recognition and measurement* (effective for annual periods beginning on or after January 1, 2010)

The amendments relate to: the scope of exemption for business combination contracts; treating loan prepayment penalties as closely related embedded derivatives; cash flow hedge accounting.

- Amendments to IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures regarding reclassifications of financial assets (effective for annual periods beginning on or after July 1, 2009)

The amendments to IAS 39 permit an entity to reclassify non-derivative financial assets out of the 'fair value through profit and loss' (FVTPL) and 'available-for-sale' (AFS) categories in very limited circumstances. Such reclassifications are permitted from 1 July 2008. Reclassifications of financial assets made in periods beginning on or after 1 November 2008 take effect only from the date when the reclassification is made.

- IFRIC 17 *Distribution of Non Cash Assets to Owners* (effective for annual periods beginning on or after July 1, 2009)

IFRIC 17 applies when non-cash assets are distributed to owners or when the owner is given a choice of taking cash in lieu of the non-cash assets.

2.2.3 Standards and Interpretations in issue not yet adopted

The Group will apply the following rules for the first time as of the dates stated in the respective standard. The Group has not yet had an opportunity to consider the full impact of the adoption of these amendments.

Standards and Interpretations which might have a significant impact on the presentation, disclosure, financial position and performance of the Group

The Group has not identified any issued standards, but not yet adopted, which will have a significant impact on the future financial statements.

Other standards and interpretations that are relevant for the Group and whose effects are currently being evaluated

- IFRS 9 *Financial instruments* (effective for annual periods beginning on or after January 1, 2013)

The standard, IFRS 9, Financial Instruments, focuses on Classification and Measurement of Financial Assets. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in IAS 39. Thus IFRS 9 improves comparability and makes financial statements easier to understand for investors and other users.

- 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)

In many countries, laws or contractual terms require employers to make minimum funding payments for their pension or other employee benefit plans. This enhances the security of the retirement benefit promise made to members of an employee benefit plan. Normally, such statutory or contractual funding requirements would not affect the measurement of the defined benefit asset or liability. This is because the contributions, once paid, become plan assets and the additional net liability would be nil. However, paragraph 58 of IAS 19 Employee Benefits limits the measurement of the defined benefit asset to the 'present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.' IFRIC 14 addresses the interaction between a minimum funding requirement and the limit placed by paragraph 58 of IAS 19 on the measurement of the defined benefit asset or liability.

Further new and revised standards and interpretations of no practical relevance

- IAS 24 *Related Parties* (effective for annual periods beginning on or after January 1, 2011)

The amendments provide an exemption from disclosure requirements for transactions between entities controlled, jointly controlled or significantly influenced by the same state ('state-controlled entities') and changes the definitions of a related party and of a related party transaction to clarify the intended meaning and remove some inconsistencies.

- 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)

The amendment alters the definition of a financial liability to classify rights issues and certain options or warrants as equity instruments if the rights are given pro rata to all of the existing owners of the same class of equity instruments. By changing the definition of a liability, these rights are no longer considered derivative instruments. Therefore, their fair value will no longer impact profit and loss.

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

In some circumstances, a creditor might agree to accept an entity's shares or other equity instruments to settle the financial liability fully or partially (sometimes referred to as a "debt for equity swap"). IFRIC 19 provides guidance on how an entity should account for such transactions in accordance with IAS 39 Financial Instruments: Recognition and Measurement and IAS 32 Financial Instruments: Presentation.

2.3. Principal foreign exchange rates applied for valuation and translation

FX-rates 2010	Average rates		Closing rate
	Q2	June YTD	30.6.10
1 USD	1.1085	1.0830	1.0774
1 EUR	1.4103	1.4364	1.3184

FX-rates 2009	Average rates		Closing rates	
	Q2	June YTD	30.06.09	31.12.09
1 USD	1.1109	1.1287	1.0859	1.0352
1 EUR	1.5146	1.5059	1.5239	1.4835

3. 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 segments reported are broken down as follows: Europe, Africa, Eurasia, Central America & Caribbean, South America, North America, and Distribution Centers.
According to the changes on the companies' structure, the following companies have been reallocated to these segments as of January 1, 2010:

Company	Previous segment	Current segment
Dufry Travel Retail AG	Europe	Distribution Centers
Flagship Retail Services Inc.	South America	Central America & Caribbean
Eurotrade Corporation Ltd.	South America	Distribution Centers
Dufry Houston DF & Retail Partnership	Central America & Caribbean	North America
Dufry Newark Inc.	Central America & Caribbean	North America
Dufry New York Retail Partnership	Central America & Caribbean	North America
Dufry America Services, Inc.	Central America & Caribbean	Distribution Centers

The comparative figures for 2009 have been restated to reflect the above mentioned changes accordingly.

3.1 Segment result

6M 2010 in millions of CHF	Net sales third party	Advertising income	Net sales - intercompany	Turnover	EBITDA [1]
Europe	148.0	3.1	-	151.1	2.2
Africa	83.8	0.8	-	84.6	11.9
Eurasia	111.7	2.2	-	113.9	6.6
Central America & Caribbean	205.6	2.5	-	208.1	12.2
South America	316.6	9.4	-	326.0	61.0
North America	363.6	12.1	-	375.7	38.1
Distribution Centers	0.3	8.2	250.4	258.9	22.3
Eliminations	-	-	(250.4)	(250.4)	-
Dufry Group	1,229.6	38.3	-	1,267.9	154.3

6M 2009 in millions of CHF	Net sales third party	Advertising income	Net sales - intercompany	Turnover	EBITDA [1]
Europe	149.7	2.3	-	152.0	4.8
Africa	87.6	-	-	87.6	12.0
Eurasia	107.3	1.7	-	109.0	13.4
Central America & Caribbean	192.5	1.6	-	194.1	4.7
South America	231.9	8.2	-	240.1	40.0
North America	328.8	13.6	-	342.4	35.7
Distribution Centers	0.2	9.7	209.1	219.0	23.1
Eliminations	-	-	(209.1)	(209.1)	-
Dufry Group	1,098.0	37.1	-	1,135.1	133.7

Q2 2010 in millions of CHF	Net sales third party	Advertising income	Net sales - intercompany	Turnover	EBITDA [1]
Europe	76.9	1.5	-	78.4	2.1
Africa	48.8	0.3	-	49.1	8.2
Eurasia	61.6	1.2	-	62.8	4.1
Central America & Caribbean	100.7	1.4	-	102.1	4.9
South America	174.6	5.0	-	179.6	34.6
North America	199.6	6.5	-	206.1	23.8
Distribution Centers	0.3	4.5	135.6	140.4	11.8
Eliminations	-	-	(135.6)	(135.6)	-
Dufry Group	662.5	20.4	-	682.9	89.5

Q2 2009 in millions of CHF	Net sales third party	Advertising income	Net sales - intercompany	Turnover	EBITDA [1]
Europe	80.9	1.2	-	82.1	2.2
Africa	51.6	-	-	51.6	7.9
Eurasia	56.3	0.9	-	57.2	7.3
Central America & Caribbean	89.6	0.7	-	90.3	0.9
South America	124.1	4.2	-	128.3	21.7
North America	175.2	6.1	-	181.3	22.3
Distribution Centers	0.2	5.8	114.3	120.3	13.3
Eliminations	-	-	(114.3)	(114.3)	-
Dufry Group	577.9	18.9	-	596.8	75.6

[1] EBITDA before other operational result.

3.2 Segment assets and liabilities

in millions of CHF	30.06.2010		31.12.2009	
	Total assets	Total liabilities	Total assets	Total liabilities
Europe	211.5	(108.3)	232.3	(118.0)
Africa	68.4	(39.0)	64.9	(43.1)
Eurasia	110.5	(50.3)	94.6	(36.1)
Central America & Caribbean	510.3	(115.4)	485.8	(108.7)
South America	575.9	(67.9)	738.9	(161.8)
North America	618.6	(129.5)	729.4	(97.0)
Distribution Centers	90.4	(19.2)	125.6	(56.7)
Unallocated Assets/Liabilities [1]	361.5	(1,127.3)	178.6	(1,031.1)
Dufry Group	2,547.1	(1,656.9)	2,650.1	(1,652.5)

[1] The unallocated liabilities correspond mainly to the financial debt, long-term and the unallocated assets comprise of the total assets of the Head Quarter companies

4. New operations and merger

4.1 Merger with Dufry South America Ltd

On December 31, 2009, Dufry AG owned 51% of the shares of Dufry South America Ltd. ("DSA") which operates the duty free shops in South America. On 11 February, 2010, Dufry South America Ltd., Bermuda; Dufry AG ("DAG") and Dufry Holdings & Investments AG, Basel ("DHI"), a wholly-owned Swiss subsidiary of DAG, entered into a Merger and Amalgamation Agreement, providing for an amalgamation under the Bermuda Companies Act 1981 and a merger under applicable Swiss law. Simultaneously with the completion of the Merger, the capital of DHI was increased by a contribution in kind consisting of 49% of the net assets of DSA.

Pursuant to the Merger Agreement negotiated between the Special Committee of Board Members of DSA ("SCBM") and the Board of Directors of DAG, DSA shareholders and DSA Brazilian Depositary Receipt holders ("BDR") received one DAG share (or DAG BDR) in exchange for 4.10 DSA shares / BDRs ("Exchange Ratio"). Furthermore, DSA shareholders and BDR holders received an extraordinary dividend of USD 4.71 per DSA share / BDR on April 12, 2010.

The new shares of DHI created in course of the Merger were contributed into DAG in exchange for 7,762,249 shares newly issued and BDRs of DAG ("Merger Shares"). Such Merger shares were then allocated and given to the shareholders of DSA and to the holders of DSA BDRs, respectively. DAG listed its shares through a BDR program in Brazil with the BDRs being traded on BM&FBOVESPA.

The Special General Meeting of the members of DSA ("SGM") held on March 19, 2010 and an Extraordinary Shareholders Meeting of Dufry AG ("EGM") held on March 22, 2010, discussed, evaluated and approved the relevant aspects of the Merger Agreement.

Overview of merger transactions	in thousand of USD	in thousand of CHF
Equity DSA as of March 22, 2010	792,187	
less dividend approved in relation with the merger	(306,150)	
Equity of DSA as per March 22, 2010	486,037	
Portion acquired (48.96%)	237,964	
Value of non-controlling interests at historical cost		117,615
Currency translation adjustments		(25,419)
Carrying amount of these non-controlling interests	87,481	92,196
Goodwill attributable to the non-controlling interests not recognized in the books of the parent	150,482	
Contribution in kind		603,981
Reserve for transactions with non-controlling interests		511,785

4.2 Dufry (Shanghai) Commercial Co. Ltd., China

Dufry founded in February 2009 Dufry (Shanghai) Commercial Co. Ltd. Thereafter Dufry signed a 7-year contract with Shanghai Hongqiao International Airport to operate 20 duty paid stores, distributed over an area of 1,500 m^2, in the new West Terminal. Serving mainly domestic destinations, Hongqiao International Airport handles more than 23 million passengers per year and is considered one of the two main gates for travelers arriving to and departing from Shanghai. The West Terminal, and thus our 20 shops, became operational in end of March 2010, just ahead of the opening of the Shanghai 2010 World Expo.

4.3 Global Service Retail Group

As of May 19, 2010, Dufry acquired the remaining 49% of the voting shares of Global Service Retail Group (GSRL) for a price of CHF 2.8 million from the minority shareholder. The difference of CHF 1.2 million between the book value of the additional interest acquired and the respective consideration has been recognized in the reserve for transactions with non-controlling interest.

4.4 Reconciliation of cash flows on business combinations

30.06.2010 in millions of CHF	Cost of the acquisition	Net cash acquired	Subtotal	Changes in the payables	YTD Net cash outflow	QTD Net cash outflow
Operadora Aero-Boutiques (LDF)	-	-	-	(6.6)	(6.6)	(4.0)
NetworkItalia Edicole	-	-	-	(1.5)	(1.5)	-
Puerto Rico	-	-	-	(1.1)	(1.1)	-
Hudson Group	-	-	-	(0.4)	(0.4)	-
Global Retail Services	(2.8)	-	(2.8)	-	(2.8)	(2.8)
Total	(2.8)	-	(2.8)	(9.6)	(12.4)	(6.8)

30.06.2009 in millions of CHF	Cost of the acquisition	Net cash acquired	Subtotal	Changes in the payables	YTD Net cash outflow	QTD Net cash outflow
Puerto Rico	-	-	-	(1.2)	(1.2)	(1.2)
Hudson Group	-	-	-	(4.0)	(4.0)	(1.1)
Total	-	-	-	(5.2)	(5.2)	(2.3)

5. Foreign exchange gain / (loss)

in millions of CHF	Unaudited 6M 2010	Unaudited 6M 2009	Unaudited Q2 2010	Unaudited Q2 2009
Foreign exchange gain / (loss)	0.8	(1.3)	(0.3)	0.7
Thereof:				
Gain / (loss) currency forward contracts (see note 8)	(0.8)	-	(0.8)	-

6. Income taxes

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

in millions of CHF	Unaudited 6M 2010	Unaudited 6M 2009	Unaudited Q2 2010	Unaudited Q2 2009
Current income tax	(17.5)	(10.9)	(9.1)	(5.3)
Deferred income tax	8.8	2.6	4.4	(2.6)
Total tax expense	(8.7)	(8.3)	(4.7)	(7.9)
Income tax recognized in other comprehensive income	-	-	(0.4)	-
Income tax recognized in equity	-	0.3	-	0.3
Total income taxes	(8.7)	(8.0)	(5.1)	(7.6)

7. Cash flow reconciliations

7.1 Purchase of property, plant and equipment

The cash flow used for purchase of property, plant and equipment is comprised of the following:

in millions of CHF	Unaudited 6M 2010	Unaudited 6M 2009	Unaudited Q2 2010	Unaudited Q2 2009
Payables for capital expenditure at the beginning of the period	(15.8)	(14.6)	(14.7)	(7.2)
Additions to property, plant and equipment	(32.6)	(24.5)	(18.7)	(18.5)
Payables for capital expenditure at the end of the period	9.8	11.5	9.8	11.5
Currency translation effect	0.3	(0.5)	0.8	0.3
Net cash out flow	(38.3)	(28.1)	(22.8)	(13.9)

7.2 Purchase of intangible assets

The cash flow used for purchase of intangible assets is comprised of the following:

in millions of CHF	Unaudited 6M 2010	Unaudited 6M 2009	Unaudited Q2 2010	Unaudited Q2 2009
Payables for capital expenditure at the beginning of the period	(0.8)	(6.5)	(15.7)	(4.2)
Additions to intangible assets [1]	(19.0)	(2.9)	(1.1)	(1.0)
Payables for capital expenditure at the end of the period	13.9	3.3	13.9	3.3
Currency translation effect	-	0.4	0.7	(0.4)
Net cash out flow	(5.9)	(5.7)	(2.2)	(2.3)

[1] The additions for the six months ended June 30, 2010 mainly comprise of CHF 7.5 million for Flagship concession rights, CHF 6.6 million for the brand name CEI (Colombian Emeralds International) and CHF 3.7 million for a non-compete clause.

7.3 Decrease / (increase) in inventories

The cash flow used for inventories is calculated on gross inventories as follows:

in millions of CHF	Unaudited 6M 2010	Unaudited 6M 2009	Unaudited Q2 2010	Unaudited Q2 2009
Balance at the beginning of the period	(315.7)	(353.3)	(324.5)	(347.0)
Balance at the end of the period	(338.7)	(336.1)	(338.7)	(336.1)
Gross change	(23.0)	17.2	(14.2)	10.9
Currency translation effect	1.8	6.4	0.2	(11.4)
Cash Flow – (Increase) /decrease in inventories	(21.2)	23.6	(14.0)	(0.5)

8. Financial instruments

8.1 Financial risk management objectives

The Group seeks to minimize the risk of the fluctuation effects of foreign currencies and interest rates by using appropriate transaction structures and if required, derivative financial instruments to hedge these risk exposures. During the second quarter of 2010, the Group utilized interest swaps and foreign currency forward contracts for hedging purposes. In accordance with its Treasury policy, the group did not enter into or trade for speculative purposes financial instruments.

Foreign currency risk management

Dufry manages the cash flow surplus or deficits of the operations through transactions in the respective local or functional currency. Major imbalances in foreign currencies at group level are hedged through foreign exchange forwards contracts. The terms of the foreign currency forward contracts have been negotiated to match the terms of the forecast transactions. As at June 30, 2010 the Group had open contracts with a notional value of CHF 270.7 million. The net loss of CHF 0.8 million resulting from the subsequent valuation at fair values is included as foreign exchange gain / (loss) in the income statement to compensate corresponding foreign exchange positions in the opposite direction.

Interest rate risk management

The Group manages the interest rate risk through interest rate swaps and options to the extent that the hedging cannot be implemented through managing the duration of the debt drawings. The levels of the hedging activities are evaluated regularly and may be adjusted in order to reflect the development of the various parameters. During the second quarter of 2010 the Group entered into a payer swap agreement with a notional value of USD 300 million which was designated as a cash flow hedge The net loss of CHF 0.8 million resulting from the subsequent valuation at fair values is included as foreign exchange gain / (loss) in the income statement to compensate corresponding foreign exchange positions in the opposite direction..

8.2 Derivative Financial Instruments

The following table shows the contract or underlying principal amounts and fair values of non speculative derivative financial instruments. Contracts or underlying principal amounts indicate the volume of business outstanding at the balance sheet date and do not represent amounts at risk. The fair values are determined by reference to market prices or standard pricing models that used observable market inputs at June 30, 2010.

	Contract or underlying principal amount		Positive Fair Values		Negative Fair Values	
in thousands of CHF	Unaudited 30.06.2010	Audited 31.12.2009	Unaudited 30.06.2010	Audited 31.12.2009	Unaudited 30.06.2010	Audited 31.12.2009
Foreign exchange forward contracts and options	270,710	-	74	-	851	-
Interest rate related instruments [1]	323,220	-	-	-	1,116	-
Total	593,930	-	74	-	1,967	-

[1] Designated as cash flow hedge

8.3 Fair Values hierarchy

The financial assets and liabilities recorded at fair value in the consolidated financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

Level 1 - Inputs that are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs are derived principally from or corroborated by observable market data by correlation or other means at the measurement date and for the duration of the instruments' anticipated life.

Level 3 - Inputs that are unobservable for the asset or liability. These inputs reflect the Group's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

The Group held the following financial instruments measured at fair value at the reporting date:

June 30, 2010 in thousands of CHF	Level 1	Level 2	Level 3	Total
Assets measured at Fair Value [1]				
Foreign exchange related derivative financial instruments	-	74	-	74
Interest rate related derivative financial instruments	-	-	-	-
Total	-	74	-	74
Liabilities measured at Fair Value [2]				
Foreign exchange related derivative financial instruments	-	851	-	851
Interest rate related derivative financial instruments	-	1,116	-	1,116
Total	-	1,967	-	1,967

1 Included in the position "other accounts receivable" in the statement of financial position
2 Included in the position "other liabilities" in the statement of financial position

As of June 30 and December 31, 2009, there were no open positions.

During the six month period ended June 30, 2010, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

9. Increase in share capital

The Extraordinary General Shareholders' Meeting of Dufry AG celebrated on March 22, 2010 approved the increase of registered share capital by CHF 38,811,245 from CHF 96,069,770 to CHF 134,881,015 by the issuance of 7,762,249 new registered shares, each with a par value of CHF 5. The new share capital of CHF 38,811,245 was settled in by a contribution in kind consisting of 4,896 registered shares of Dufry Holdings & Investments AG, Basel with a nominal value of CHF 100 each. The price of the contribution in kind amounts to CHF 604.0 million.

10. Reconciliation of transactions with non-controlling interests

10.1 Changes in participations of non-controlling interests

Recognized in equity attributable to non-controlling interests:

in millions of CHF	Unaudited 6M 2010	Unaudited 6M 2009
Merger with Dufry South America Ltd	(117.6)	-
Acquisition of 49% interest in the Global Retail Services Group	(1.6)	-
Net change in non-controlling interests of subsidiaries of Hudson Group	-	1.7
Changes in participations of non-controlling interests	(119.2)	1.7

10.2 Reserve for transactions with non-controlling interests
Recognized in equity attributable to holders of the parent:

in millions of CHF	Unaudited 6M 2010	Unaudited 6M 2009
Balance at the beginning of the period	-	-
Changes from transactions with non-controlling interests:		
Merger with Dufry South America Ltd	(511.8)	-
Acquisition of 49% interest in the Global Retail Services Group	(1.2)	-
Increase of interests in subsidiaries of Hudson Group	(0.2)	-
Balance at the end of the period	(513.2)	-

11. Related parties and related party transactions

A party is related to the Group if the party directly or indirectly controls, is controlled by, or is under common control with Dufry, has an interest in the Group that gives it significant influence over the Group, has joint control over the Group or is an associate or a joint venture of the Group. In addition, members of the key management personnel of Dufry or close members of the family are also considered related parties as well as post employment benefit plans for the benefit of employees of the Group. Transactions with related parties are conducted on an at-arm's-length basis.

Main changes to related party transactions are as follows

Latin American Airport Holding Ltd is the holding company of Inmobiliaria Fumisa SA de CV ('Fumisa') and Aeropuertos Dominicanos Siglo XXI, SA ('Aerodom'). Three members of the Company's Board of Directors are also members of the Board of Directors of Latin American Airport Holding Ltd. Advent International Corporation manage funds that control among others, the Group, Fumisa and Aerodom. On August 4, 2008, the Company entered in a 5-years cooperation agreement with Fumisa for the development and promotion of commercial activities in the leased area of the airport Benito Juarez in Mexico, including improvement of the layout of the terminal as to facilitate the passenger flow and the expected extension of the current lease agreements. For these benefits, Fumisa received a compensation of CHF 11.4 million plus VAT, paid in a first payment of CHF 3.5 million, and the remaining amount in 16 monthly installments. Dufry Mexico SA de CV operates shops at Mexico City's Benito Juarez Airport under concession agreements with Fumisa. According to these agreements, Dufry Mexico SA de CV compensates through monthly rental payments the right to use the commercial areas leased to it by Fumisa. On August 28, 2008, Dufry renegotiated with Fumisa the existing lease agreements, obtaining a temporary reduction of the rent for the period from January 2008 until December 2009. After the takeover of the operations of Operadora Aero-boutiques S.A. de C.V. (LDF) on November 1, 2009, Dufry renegotiated with Fumisa the existing lease agreements, obtaining a waiver for the last two installments commented above in the amount of CHF 0.9 million. Up to June 2010, Fumisa charged CHF 11.4 million (2009: CHF 18.1 million) to the Company in concept of rent. On January 15, 2010, Transportes Aereos de Xalapa SA de CV, a subsidiary of Aerodom agreed to provide transport services to Dufry for USD 2.1 million per year at least for the next two years. Up to June 2010 Dufry accrued an amount of CHF 1.2 million.

12. Seasonality

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

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To the Board of Directors of

Dufry AG, Basel

Basel, 9 August 2010

Report on review of interim condensed consolidated financial statements

Introduction
As independent auditors we have reviewed the accompanying interim condensed consolidated financial statements of Dufry AG as of 30 June 2010, comprising of the interim consolidated statement of financial position as of 30 June 2010 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the six- and the three-month period then ended and explanatory notes (Pages 7 to 26). 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 accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young Ltd

Bruno Chiomento
Licensed audit expert
(Auditor in charge)

Patrick Fawer
Licensed audit expert

OTHER INFORMATION

INFORMATION FOR INVESTORS AND MEDIA

TICKER DETAILS DUFRY SHARES

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

TICKER DETAILS DUFRY BDR

Listing	BM&FBOVESPA
Type of security	Brazilian Depositary Receipts (BDRs)
Ticker Symbol	DAGB11
ISIN-No.	BRDAGBBDR008
Reuters	DAGB11.SA
Bloomberg	DAGB11 BZ

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For detailed information in respect of anticipated key dates in 2010, corporate and regional headquarter addresses, as well as other information please refer to our website: http://www.dufry.com

GLOBAL PRESENCE

EUROPE

Italy: Bergamo, Brescia, Genoa, Milan-Malpensa, Milan-Linate, Central Milan, Naples, 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: Diagoras, Eptanisos, Patras-Blue Star Ferries, Patras-Superfast Ferries, Piraeus-Blue Star Ferries
Czech Republic: Prague-Ruzyne

AFRICA

Tunisia: Djerba, Monastir, Sfax, Tabarka, Tozeur, Tunis
Egypt: Cairo, Sharm-el-Sheikh
Algeria: Algiers
Morocco: Agadir, Casablanca, Essaouira, Fez, 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: Shanghai

CENTRAL AMERICA & CARIBBEAN

Mexico: Acapulco, Cancun, Cozumel, Guadalajara, Ixtapa, Laredo, Leon, Los Cabos, Mazatlan, Mexico City, Monterrey, Progreso, Puerto Vallarta, Reynosa
Caribbean Islands: Aruba, Antigua, Bahamas, Barbados, Bonaire, 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
Honduras: Roatan
NCL: on-board Norwegian Cruise Lines

SOUTH AMERICA

Brazil: Belo Horizonte, Brasilia, Florianopolis, Fortaleza, Natal, Porto Alegre, Recife, Rio de Janeiro, Sao Paulo, Salvador
Bolivia: La Paz, Santa Cruz

NORTH AMERICA

Canada: Calgary, Edmonton, 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