

HALF-YEAR 2017 INTERIM REPORT

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REPORT BY THE CHAIRMAN

HALF-YEAR RESULTS FROM PERFECT HOLDING SA (SIX: PRFN)

Dear Shareholders,

In the 1st half of 2017, the unaudited consolidated results of Perfect Holding SA were revenue of CHF 8.3 million (CHF 8.2 million in HY 2016), net operating loss of CHF 0.4 million (CHF 0.3 million in HY 2016) and negative net operating cash flow of KCHF 168 (positive net operating cash flow of KCHF 32 in HY 2016).

The HY 2017 results have been penalised by an allocation to provision for bad debts of KCHF 81 related to a doubtful charter customer. This expense is reported in the "Marketing & sales expenses".

Oxygen Aviation continues to operate in a highly competitive charter industry with new start up competitors entering the market regularly. Through development of new market sectors, active client numbers have increased resulting in an 11.7% increase in sales revenue in HY 2017 (at constant exchange rates) when compared to the same period last year. Although sales revenue is up, margins have had to decrease in order to compete against the already established competition and new start-ups.

Through careful investment in recruitment (further recruitment planned for the next months), targeted marketing and new IT, sales revenue will continue to increase from current markets whilst allowing the development of so far unexplored but identified sectors and products. The planned development will continue through the 2nd part of 2017 and 2018.

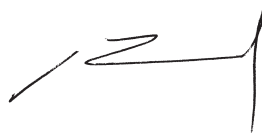
Turbulent world economies, volatile currency exchange rates and increased competition will continue to be a challenge for the remainder of 2017 but sticking to the plan of further develo-

ping existing and careful targeted sales and marketing efforts in new markets, the Group anticipates a continued rise in sales revenue.

It has to be noted that, in 2016 interim condensed consolidated financial statements, an error, identified by SIX Exchange Regulation, occurred to the translation of the goodwill from the acquisition of Oxygen Aviation Ltd. The impact was that both the goodwill and the CTA (cumulative translation adjustment) were overvalued by KCHF 447 as at June 30, 2016. Accordingly, the prior-year interim condensed consolidated financial statements have been restated.

The Group continues the research and evaluation of opportunities for amalgamation with companies of value. Existing corporate instruments such as an authorized capital and a conditional capital reserved for convertible loans are available for the development of the Group's business and possible external growth transactions.

Yours sincerely,



Jean-Claude Roch (Chairman)
PERFECT HOLDING SA

INTERIM CONSOLIDATED INCOME STATEMENTS

(in CHF '000)	Unaudited Six months period ended June 30, 2017	Unaudited Six months period ended June 30, 2016
Revenue	8'324	8'214
Cost of services sold	-7'411	-7'172
Gross profit	913	1'042
Marketing & sales expenses	-736	-572
General & administrative expenses	-565	-648
Amortisation of customer relationship	-64	-94
Other operating income / (expenses)	10	-1
Operating profit / (loss)	-442	-273
Financial income	-	28
Financial expenses	-14	-17
Exchange differences	-1	36
Profit / (loss) before taxes	-457	-226
Income tax expenses	21	-51
Net profit / (loss) for the period	-436	-277
Attributable to:		
Owners of the parent	-436	-277
Non-controlling interests	-	-
Earnings per share		
Basic and diluted profit / (loss) per share (in CHF)	-0,003	-0,002

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in CHF '000)	Unaudited Six months period ended June 30, 2017	Unaudited Six months period ended June 30, 2016
Net profit / (loss) for the period	-436	-277
Other comprehensive income / (loss):		
<i>Items that will not be reclassified to profit or loss</i>		
Actuarial gain (Note 8)	93	-
Total items that will not be reclassified to profit or loss	93	-
<i>Items that may be reclassified subsequently to profit or loss</i>		
Currency translation differences	-37	-485
Total items that may be reclassified subsequently to profit or loss	-37	-485
Other comprehensive income / (loss) for the period, net of tax	56	-485
Total comprehensive income / (loss) for the period	-380	-762
Attributable to:		
Owners of the parent	-380	-762
Non-controlling interests	-	-

INTERIM CONSOLIDATED BALANCE SHEETS

(in CHF '000)	Unaudited June 30, 2017	Restated December 31, 2016	Restated June 30, 2016
ASSETS			
Current assets			
Cash and cash equivalents	809	975	1'062
Trade account receivables	1'007	1'280	1'361
Current portion of long-term loan	-	-	357
Other current assets	379	474	1'211
Total current assets	2'195	2'729	3'991
Long-term assets			
Property, plant and equipment	299	311	354
Goodwill	3'351	3'374	3'537
Customer relationship	-	65	167
Other intangible assets	-	-	11
Deferred tax assets	-	-	19
Long-term loan	-	-	357
Total long-term assets	3'650	3'750	4'445
Total assets	5'845	6'479	8'436
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade account payables	197	429	468
Other current liabilities	1'054	723	1'885
Income tax payables	130	134	75
Advances from customers	111	109	111
Current portion of long-term debt	19	242	22
Short-term provisions	-	246	-
Total current liabilities	1'511	1'883	2'561
Non-current liabilities			
Long-term debt	209	-	256
Deferred tax liabilities	56	72	84
Defined benefit liabilities	-	93	93
Total non-current liabilities	265	165	433
Total liabilities	1'776	2'048	2'994
Equity attributable to owners of the parent			
Share capital	7'241	7'241	7'241
Share premium	220	220	220
Other reserves	-	-214	-214
Treasury shares	-410	-443	-443
Cumulative translation adjustment	-804	-767	-495
Accumulated losses	-2'178	-1'606	-867
Total equity	4'069	4'431	5'442
Total liabilities and equity	5'845	6'479	8'436

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in CHF '000)	Attributable to owners of the parent (Unaudited)						Total
	Share capital	Share premium	Other reserves	Treasury shares	Cumulative translation adjustment	Accumulated losses	
SIX MONTHS PERIOD ENDED JUNE 30, 2016							
January 1, 2016 - balance as previously reported	18'102	1'989	-214	-282	26	-13'381	6'240
Effect of IAS 8 (note 3.1)	-	-	-	-	-36	-	-36
January 1, 2016 - restated	18'102	1'989	-214	-282	-10	-13'381	6'204
Net profit / (loss) for the period	-	-	-	-	-	-277	-277
Translation adjustment	-	-	-	-	-485	-	-485
Remeasurements on defined benefit plans, net of taxes	-	-	-	-	-	-	-
<i>Total other comprehensive income / (loss)</i>	-	-	-	-	-485	-	-485
Total comprehensive income / (loss) for the period	-	-	-	-	-485	-277	-762
Share capital reduction (Note 9)	-10'861	-1'769	-	-	-	12'630	-
Treasury shares (Note 12)	-	-	-	-161	-	161	-
Total transactions with owners	-10'861	-1'769	-	-161	-	12'791	-
June 30, 2016 - restated	7'241	220	-214	-443	-495	-867	5'442
SIX MONTHS PERIOD ENDED JUNE 30, 2017							
January 1, 2017	7'241	220	-214	-443	-767	-1'606	4'431
Net profit / (loss) for the period	-	-	-	-	-	-436	-436
Translation adjustment	-	-	-	-	-37	-	-37
Actuarial gain (Note 8)	-	-	214	-	-	-121	93
<i>Total other comprehensive income / (loss)</i>	-	-	214	-	-37	-121	56
Total comprehensive income / (loss) for the period	-	-	214	-	-37	-557	-380
Sale of treasury shares, net (Note 12)	-	-	-	33	-	-15	18
Total transactions with owners	-	-	-	33	-	-15	18
June 30, 2017	7'241	220	-	-410	-804	-2'178	4'069

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(in CHF '000)	Unaudited Six months period ended June 30, 2017	Unaudited Six months period ended June 30, 2016
Operating activities		
Net profit / (loss) for the period	-436	-277
Adjustments for non-monetary items:		
▪ Allocation to provision for receivables impairment	81	-
▪ Depreciation and amortisation	78	109
▪ Change in provisions	19	-
▪ Result on disposals of property, plant and equipment	-	1
▪ Foreign exchange differences	-21	13
▪ Interest and taxes, net	-7	40
Change in working capital	126	133
Interest and taxes, paid	-8	13
Net cash provided by / (used in) operating activities	-168	32
Investing activities		
Purchases of property, plant and equipment	-9	-9
Net cash provided by / (used in) investing activities	-9	-9
Financing activities		
Reimbursement of borrowings	-14	-11
Sale of treasury shares	18	-
Net cash provided by / (used in) financing activities	4	-11
Net increase / (decrease) in cash and cash equivalents	-173	12
Effect of changes in exchange rates	7	-63
Cash and cash equivalents at beginning of period	975	1'113
Cash and cash equivalents at end of period	809	1'062
Cash and cash equivalents comprise the following:		
Cash and bank balances	744	997
Customers security deposits, available for use under certain conditions	65	65
	809	1'062

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

■ 1. CORPORATE INFORMATION

Perfect Holding SA (Perfect Holding or the Company) was incorporated in Yverdon-les-Bains (Switzerland) as a Swiss limited company on April 8, 1997 with the Register of Commerce of the Canton of Vaud. The Company has its corporate legal headquarter at 3, Avenue de Florimont, 1006 Lausanne, Switzerland. Its duration is undetermined. The corporate purpose of the Company, according to Article 2 of its Articles of incorporation, is the acquisition and the management of participations in other companies as well as any directly or indirectly related purposes.

Perfect Holding, the ultimate parent company, is listed on the SIX Swiss Exchange, International Reporting Standard. The Company is listed under the symbol "PRFN".

Perfect Holding and its subsidiaries are dedicated to services to the business aircraft market.

These unaudited condensed consolidated interim financial statements have been authorised for issue by the Board of Directors on September 25, 2017.

■ 2. BASIS OF PREPARATION

These condensed consolidated interim financial statements for the six months ended June 30, 2017 have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2016, which have been prepared in accordance with IFRSs.

■ 3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2016, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

3.1 RESTATEMENT COMPARATIVE PRIOR-YEAR INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

According to IAS 21, paragraph 47, goodwill arising on the acquisition of a foreign operation shall be treated as asset of the foreign operation. Thus goodwill shall be expressed in the

functional currency of the foreign operation and shall be translated at the closing rate in accordance with paragraphs 39 and 42. In the prior-year interim condensed consolidated financial statements, an error, identified by SIX Exchange Regulation, occurred to the translation of the goodwill from the acquisition of Oxygen Aviation Ltd. The impact was that both the goodwill and the CTA (cumulative translation adjustment) were overvalued by KCHF 447 as at June 30, 2016. Pursuant to IAS 8, corrections of errors, the prior year has been restated. The following positions in the prior interim condensed consolidated financial statements have been amended:

- Goodwill in the balance sheet: KCHF -36 as at January 1, 2016 / KCHF -447 as at June 30, 2016 / KCHF -610 as at December 31, 2016.

- CTA in the balance sheet: KCHF -36 as at January 1, 2016 / KCHF -447 as at June 30, 2016 / KCHF -610 as at December 31, 2016.

This correction has no impact either on the profit and loss statement or on the basic and diluted loss per share.

3.2 IFRS

The following new standards, amendments to standards and interpretations are mandatory for the financial year beginning on January 1, 2017:

- Amendment to IAS 7 'Statement of cash flows' (effective for annual periods beginning on or after January 1, 2017, prospective application, earlier application permitted) - The amendment is introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved.

The Group has applied this amendment from January 1, 2017 but it has no impact on the consolidated financial statements.

The following new standards, amendments to standards and interpretations are mandatory for the financial year beginning on January 1, 2017, but are currently not relevant for the group:

- Amendments to IAS 12 'Income Taxes' (effective date January 1, 2017)

New standards, interpretations to existing standards and standards amendments that are not yet effective:

The group has not early adopted any other new standards, interpretations to existing standards and standards amendments which need adoption by January 1, 2018 or later. The group has commenced, but not yet completed, an assessment of the impact of the adoption of these new or amended standards on its consolidated financial statements and is currently of the

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

view that the impact would not be significant other than certain additional disclosures. The relevant standards and amendments identified by the group to date relate to:

- IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after January 1, 2018, retrospective application, earlier application permitted) - The new standard on the recognition of revenue from contracts with customers applies to all contracts with customers except those that are financial instruments, leases or insurance contracts.

IFRS 15 is based on a five step approach:

- 1) Identify the contract with the customer
- 2) Identify the separate performance obligations in the contract
- 3) Determine the transaction price
- 4) Allocate the transaction price to separate performance obligations
- 5) Recognize revenue when a performance obligation is satisfied.

The new standard will require entities to redefine their revenue recognition, and consider adjustments to the invoicing and accounting systems and consider renegotiating contracts with their clients. Entities currently using industry-specific guidance may be more significantly affected. In addition, the amount of revenue-related disclosures will increase.

The group will apply IFRS 15 from January 1, 2018, and it is yet to complete the assessment of IFRS 15's full impact: no significant impact is expected on the consolidated financial statements, apart from extended disclosures.

- Amendment to IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after January 1, 2018) - The amendments clarify certain areas of IFRS 15, in particular:

- identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract;
- how to determine whether a party involved in a transaction is the principal (responsible for providing the goods or services) or the agent (responsible for arranging for the goods or services to be provided to the customer); and
- how to determine whether the revenue from granting a licence should be recognised at a point in time or over time.

In addition to the clarifications, the amendments include two additional reliefs to reduce cost and complexity for a company when it first applies the new Standard.

The group will apply this amendment together with the related standard.

- IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after January 1, 2018, retrospective application, earlier application permitted) - The complete version of IFRS 9 'Financial Instruments' includes requirements on the classification and measurement of financial assets and liabilities; it defines

three classification categories for debt instruments: amortised cost, fair value through other comprehensive income ('FVOCI') and fair value through profit or loss ('FVPL'). Classification for investments in debt instruments is driven by the entity's business model for managing financial assets and their contractual cash flows. Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in other comprehensive income, provided the instrument is not held for trading.

No changes were introduced for the classification and measurement of financial liabilities, except for the recognition of changes in own credit risk in other comprehensive income for liabilities designated at fair value through profit or loss.

IFRS 9 also contains a new impairment model which will result in earlier recognition of losses. The expected credit losses (ECL) model is a 'three-stage' model for impairment based on changes in credit quality since initial recognition.

In addition, the new standard contains amendments to general hedge accounting that will enable entities to better reflect their risk management activities in their financial statements.

The group will apply IFRS 9 from January 1, 2018, but it does not expect any significant impact on its financial instruments (composed of loans and receivables and financial liabilities at amortised costs) in its consolidated financial statements.

- IFRS 16 'Leases' (effective for annual periods beginning on or after January 1, 2019) - Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. IFRS 16 is likely to have a significant impact on the financial statements of a number of lessees.

For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees.

Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The group will apply IFRS 16 from January 1, 2019, and it is yet to assess IFRS 16's full impact: no significant impact is expected.

- IFRIC Interpretation 22 'Foreign Currency Transaction and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) - IFRIC 22 provides requirements

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance. The Group will apply this amendment from 1 January 2018 but it does not expect any significant impact on the consolidated financial statements.

■ 4. ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2016.

Going concern

The group continues the research and evaluation of opportunities for amalgamation with companies of value. Existing corporate instruments such as an authorized capital and a conditional capital reserved for convertible loans are available for the development of the group's business and possible external growth transactions.

At June 30, 2017, the group continues to have no bank borrowings (apart from a mortgage on the UK office premises). Based on the current commitments and operations, as well as the expected cash collection, the Board of Directors believes that the Company will be able to meet all of its obligations for at least the next twelve months as they fall due and hence, the consolidated interim financial statements have been prepared on a going concern basis.

■ 5. FINANCIAL RISK MANAGEMENT

5.1 FINANCIAL RISK FACTORS

The group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The condensed consolidated interim financial statements do not include all financial risk management 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, 2016.

There have been no changes in financial risk management since year-end.

5.2 FAIR VALUE ESTIMATION

The nominal values less any estimated credit adjustments for the following financial assets and liabilities are assumed to approximate their fair values:

- Cash and cash equivalents
- Trade account receivables
- Long-term loan (including current portion)
- Trade account payables
- Current portion of long-term debt
- Long-term debt

In 2017, there were no significant changes in the business or economic circumstances that affect the fair value of the group's financial assets and financial liabilities. In 2017, there were no reclassifications of financial assets.

■ 6. SEASONALITY OF OPERATIONS

The business aircraft market (charters and aircraft acquisitions & sales) is not a seasonal or cyclical market.

■ 7. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the strategic steering committee. This committee reviews the group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The committee considers the business from a service perspective. Management assesses the performance of the following segments:

- charters
- brokerage

The strategic steering committee assesses the performance of the operating segments based on a measure of adjusted earnings before interest, tax, depreciation and amortisation (EBITDA). This measurement basis excludes the effects of non-recurring expenditure from the operating segments, such as restructuring costs, legal expenses and impairments when the impairment is the result of an isolated, non-recurring event. Interest income and expenditure are not included in the result for each operating segment that is reviewed by the strategic steering committee. Other information provided, except as noted below, to the strategic steering committee is measured in a manner consistent with that in the financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Total segments' assets exclude certain current assets and certain financial assets (including liquidity).

(in CHF '000)	Charters	Brokerage	Total
SIX MONTHS PERIOD ENDED JUNE 30, 2016			
Total revenue	8'214	-	8'214
Inter-segment revenue	-	-	-
Revenue external	8'214	-	8'214
Adjusted EBITDA	309	-	309
SIX MONTHS PERIOD ENDED JUNE 30, 2017			
Total revenue	8'324	-	8'324
Inter-segment revenue	-	-	-
Revenue external	8'324	-	8'324
Adjusted EBITDA	8	-	8
TOTAL ASSETS			
December 31, 2016	4'899	308	5'207
June 30, 2017	5'589	-	5'589

The revenue from external customers reported to the strategic steering committee is measured in a manner consistent with that presented in the income statement.

A reconciliation of total adjusted EBITDA to operating result is provided as follows:

(in CHF '000)	Six months period ended June 30, 2017	Six months period ended June 30, 2016
Adjusted EBITDA for reportable segments	8	309
Corporate overheads	-372	-473
Depreciation	-14	-13
Amortisation	-	-2
Amortisation of customer relationship	-64	-94
Operating profit / (loss)	-442	-273
Finance income, net	-14	11
Exchange differences	-1	36
Profit / (loss) before taxes	-457	-226

There are no differences from the last annual financial statements in the basis of measurement of segment profit or loss.

■ 8. DEFINED BENEFIT LIABILITIES

As at May 31, 2017, the defined benefit pension scheme operated by the Swiss company has ended after the leave of its last employee. Since 2015, as the Swiss company had just one employee, the management had made the assumption that employer contributions equal IAS19R's defined benefit pension costs. As the plan is not required anymore, the defined benefit liabilities have been reversed and recognised in the other comprehensive income, as an actuarial gain.

■ 9. SHARE CAPITAL

As at June 30, 2017, the share capital amounts to CHF 7'240'731.24, consisting of 181'018'281 authorised, issued and fully paid-in registered shares with a nominal value of CHF 0.04 each.

At the shareholders' general meeting held on May 27, 2016, the shareholders had accepted the Board resolution to reduce the share capital of the Company from CHF 18'101'828.10 to CHF 7'240'731.24, through a reduction of the nominal value from CHF 0.10 to CHF 0.04 per share. The number of shares had remained unchanged at 181'018'281 shares. This transaction had reduced the accumulated losses by CHF 10'861'096.86.

In addition, an amount of CHF 1'768'614.79 of share premium had been used to absorb accumulated losses.

■ 10. AUTHORISED CAPITAL

At the shareholders' general meeting held on May 27, 2016, the shareholders had accepted the Board resolution to create, in order to dispose of a maximum flexibility for the development of the group's business and possible external growth transactions, an authorised capital of a maximum amount of CHF 3'620'000 (divided into a maximum of 90'500'000 registered shares of CHF 0.04 nominal value each), for (i) the acquisition of businesses or participations in businesses and/or (ii) the financing of the development of the business and/or the acquisitions of the company and its subsidiaries, for a 2-year period until 27 May 2018, with the possibility for the Board of Directors to suppress and/or restrict the preferential subscription rights of the shareholders in respect of the new shares to be issued in connection with all acquisitions of businesses and/or participations in businesses.

■ 11. CONDITIONAL SHARE CAPITAL

Conditional capital reserved for convertible loans

At the shareholders' general meeting of May 27, 2016, a con-

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

ditional capital of maximum CHF 3'620'000 (divided into a maximum of 90'500'000 registered shares of a nominal value of CHF 0.04 each, to be fully paid up) had been created in order to secure the exercise of conversion rights that may be issued under future convertible loans of the Company. The new shares may be acquired by creditors of future convertible loans of the Company. The preferential subscription right of shareholders is suppressed for these new shares. The Board of Directors may decide to restrict the preferential right of shareholders to subscribe to such convertible loans by setting minimum individual loan tranches of CHF 50'000. The conversion right can only be exercised for up to 3 years from the date of issuance of the convertible loan. The issuance of the new shares is subject to the applicable conditions of conversion, whereby the conversion price must correspond to the nominal value of the shares.

■ 12. TREASURY SHARES

On May 21, 2012, Perfect Holding SA had completed the acquisition of the entire share capital of Oxygen Aviation Ltd, Horsham (UK). Part of the acquisition price consists in a contingent consideration, based on an earn-out clause (achievement of certain performance criteria during 3 financial years after the acquisition). The performance criteria for the financial years 2014 and 2015 had unfortunately not been met.

Consequently, the second and third portions of escrow shares had not been released in favour of the former shareholders of Oxygen Aviation Ltd, but in favour of Perfect Holding SA.

Accordingly, 4'029'713 own shares had been received by Perfect Holding SA in 2016 (4'029'713 own shares in 2015). Those shares had been considered at the market price as of the date of the official notices of non-release of the third (respectively second) portion of escrow shares to the former shareholders of Oxygen Aviation Ltd, at a price of CHF 0.07 per share (respectively CHF 0.04 per share). An amount of KCHF 161 had therefore been reclassified in 2016 from "Accumulated losses" to "Treasury shares", in the equity (KCHF 282 in 2015). There had been no impact on the income statement.

Movements on the treasury shares position are as follows:

	June 30, 2017			December 31, 2016		
	Price (in CHF)	Number of treasury shares	Value (in CHF '000)	Price (in CHF)	Number of treasury shares	Value (in CHF '000)
At the beginning of the period	0,055	8'059'426	443	0,070	4'029'713	282
Additions	-	-	-	0,040	4'029'713	161
Disposals	-	-600'000	-33	-	-	-
At the end of the period	0,055	7'459'426	410	0,055	8'059'426	443

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The sale of 600'000 treasury shares has been realised at a sales price of CHF 0.03 per share, with a consideration received of KCHF 18, recognised directly in equity. Treasury shares are valued using the weighted average price method.

■ 13. RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties.

Key management compensation:

(in CHF '000)	Six months period ended June 30, 2017	Six months period ended June 30, 2016
Salaries and other short-term employee benefits	310	320

Period-end balances:

(in CHF '000)	June 30, 2017	Dec. 31, 2016
Included in:		
Trade account receivables	-	308

■ 14. EARNINGS PER SHARE

	Six months period ended June 30, 2017	Six months period ended June 30, 2016
Net profit / (loss) attributable to shareholders (in CHF '000)	-436	-277
Weighted average number of ordinary shares in issue	172'972'115	176'014'352
Basic and diluted profit / (loss) per share (in CHF)	-0,003	-0,002

Basic profit per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares held as treasury shares (Note 12).

The diluted profit per share is equivalent to the basic profit per share, as there are no dilutive elements to be taken into consideration.

■ 15. CONTINGENT LIABILITIES

The group has contingent liabilities in respect of legal claims arising in the ordinary course of business. In management's opinion, it is not anticipated that any material liabilities will arise from the contingent liabilities.

IMPORTANT DATES IN 2018

29.03.2018	Annual Report 2017
25.05.2018	Shareholders Ordinary General Meeting



INVESTOR RELATIONS
Perfect Holding SA
Avenue de Florimont 3
CH-1006 Lausanne
Switzerland
Tel: +41 21 552 60 16
E-mail: holding@perfect.aero