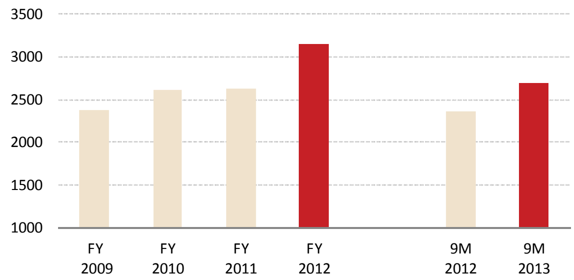
NINE MONTHS REPORT 2013

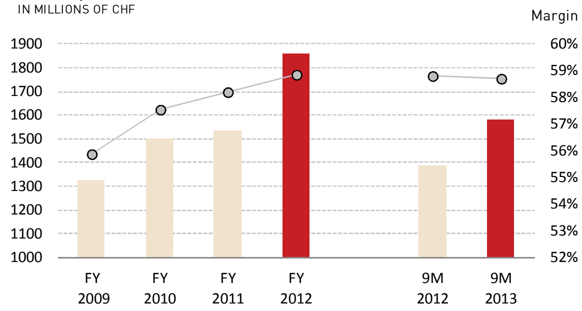
DUFRY

Key figures

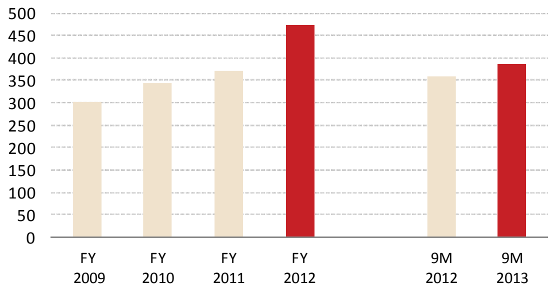
Turnover
IN MILLIONS OF CHF



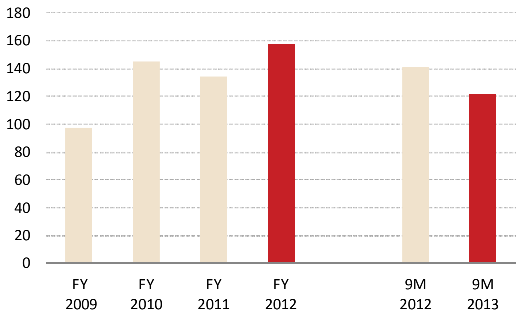
Gross profit
IN MILLIONS OF CHF



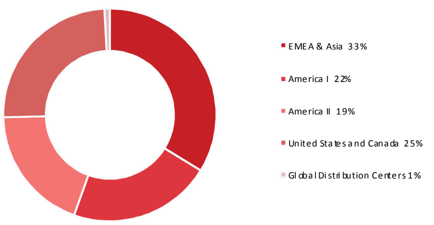
EBITDA
IN MILLIONS OF CHF



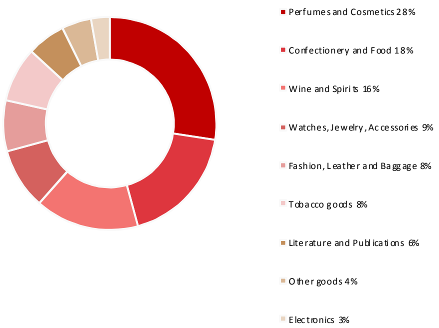
Net earnings
IN MILLIONS OF CHF



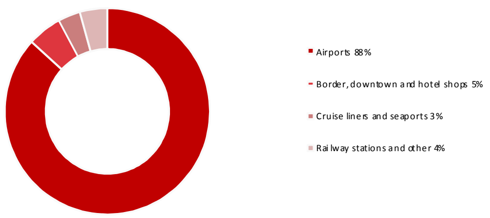
Net sales by region



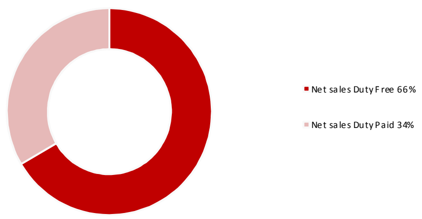
Net sales by product categories



Net sales by channel



Net sales by market sector



Interim Consolidated Income Statement

IN MILLIONS OF CHF	Note	Unaudited 9M 2013	Unaudited 9M 2012 Restated *	Unaudited Q3 2013	Unaudited Q3 2012 Restated *
Net sales		2,610.4	2,295.3	994.1	821.6
Advertising income		78.3	68.6	27.2	24.9
Turnover		**2,688.7**	**2,363.9**	**1,021.3**	**846.5**
Cost of sales		(1,109.6)	(973.6)	(423.2)	(347.9)
Gross profit		**1,579.1**	**1,390.3**	**598.1**	**498.6**
Selling expenses		(619.4)	(517.3)	(227.1)	(186.2)
Personnel expenses	6	(399.5)	(354.3)	(142.8)	(119.6)
General expenses		(174.2)	(158.8)	(60.3)	(52.9)
EBITDA[1]		**386.0**	**359.9**	**167.9**	**139.9**
Depreciation, amortization and impairment		(139.3)	(124.3)	(50.1)	(42.1)
Other operational result		(28.3)	(11.7)	(5.0)	(4.8)
Earnings before interest and taxes (EBIT)		**218.4**	**223.9**	**112.8**	**93.0**
Interest expenses	6	(68.8)	(56.2)	(25.2)	(17.3)
Interest income		2.0	3.5	0.8	1.0
Foreign exchange gain / (loss)		(2.8)	(0.4)	(0.7)	(0.7)
Earnings before taxes (EBT)		**148.8**	**170.8**	**87.7**	**76.0**
Income taxes	6, 8	(27.3)	(30.2)	(16.6)	(13.1)
Net earnings		**121.5**	**140.6**	**71.1**	**62.9**
Attributable to:					
Equity holders of the parent		73.0	115.8	44.1	53.7
Non-controlling interests		48.5	24.8	27.0	9.2
Earnings per share attributable to equity holders of the parent					
Basic earnings per share		2.46	4.31	1.49	2.00
Diluted earnings per share		2.45	4.25	1.48	1.97
Weighted average number of outstanding shares in thousands		29,669	26,868	29,671	26,868

* Certain amounts shown here do not correspond to the 2012 interim financial statements and reflect adjustments made as detailed in Note 6.

[1] EBITDA before other operational result

Interim Consolidated Statement of Comprehensive Income

IN MILLIONS OF CHF	Note	Unaudited 9M 2013	Unaudited 9M 2012 Restated *	Unaudited Q3 2013	Unaudited Q3 2012 Restated *
Net earnings		**121.5**	**140.6**	**71.1**	**62.9**
Other comprehensive income:					
Actuarial gains / (losses) on defined benefit plans	6	1.1	2.5	0.7	0.8
Income tax	6	(0.1)	(0.2)	(0.1)	(0.1)
Items not being reclassified to net income in subsequent periods, net of tax		**1.0**	**2.3**	**0.6**	**0.7**
Exchange differences on translating foreign operations		(18.2)	19.9	(83.6)	(19.0)
Net gain / (loss) on hedge of net investment in foreign operations		9.5	(15.5)	38.7	9.3
Changes in the fair value of interest rate swaps held as cash flow hedges		–	0.7	–	(0.7)
Income tax on above positions		–	1.8	(3.5)	(1.0)
Items to be reclassified to net income in subsequent periods, net of tax		**(8.7)**	**6.9**	**(48.4)**	**(11.4)**
Total other comprehensive income for the period, net of tax		**(7.7)**	**9.2**	**(47.8)**	**(10.7)**
Total comprehensive income for the period, net of tax		**113.8**	**149.8**	**23.3**	**52.2**
Attributable to:					
Equity holders of the parent		65.3	125.7	0.3	43.7
Non-controlling interests		48.5	24.1	23.0	8.5

* Certain amounts shown here do not correspond to the 2012 interim financial statements and reflect adjustments made as detailed in Note 6.

Interim Consolidated Statement of Financial Position

IN MILLIONS OF CHF	Note	Unaudited 30.09.2013	Audited 31.12.2012 Restated *
ASSETS			
Property, plant and equipment		301.0	259.8
Intangible assets		2,776.2	2,032.6
Deferred tax assets	6	160.2	154.1
Other non-current assets	6	49.2	36.5
Non-current assets		**3,286.6**	**2,483.0**
Inventories		528.9	421.1
Trade and credit card receivables		61.9	59.5
Other accounts receivable		175.9	120.4
Income tax receivables		8.8	8.3
Cash and cash equivalents		270.8	434.0
Current assets		**1,046.3**	**1,043.3**
Total assets		**4,332.9**	**3,526.3**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the parent	6	1,293.9	1,224.5
Non-controlling interests		176.8	128.4
Total equity		**1,470.7**	**1,352.9**
Financial debt	10	1,669.8	1,345.4
Deferred tax liabilities		270.6	165.0
Provisions		49.4	39.0
Post-employment benefit obligations	6	27.4	21.1
Other non-current liabilities		7.3	8.3
Non-current liabilities		**2,024.5**	**1,578.8**
Trade payables		297.9	247.8
Financial debt	10	108.3	39.9
Income tax payables		29.9	10.8
Provisions		9.9	11.2
Other liabilities		391.7	284.9
Current liabilities		**837.7**	**594.6**
Total liabilities		**2,862.2**	**2,173.4**
Total liabilities and shareholders' equity		**4,332.9**	**3,526.3**

* Certain amounts shown here do not correspond to the 2012 financial statements and reflect adjustments made as detailed in Note 6.

Interim Consolidated Statement of Changes in Equity

Unaudited 9M 2013

IN MILLIONS OF CHF	Note	Share capital	Share premium	Treasury shares	Employee benefit reserve	Hedging & revaluation reserves	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
		Attributable to equity holders of the parent									
Balance at January 1, 2013		**148.4**	**1,207.0**	**(41.6)**	**-**	**-**	**(199.9)**	**124.9**	**1,238.8**	**128.4**	**1,367.2**
Restatement	6	-	-	-	(14.2)	-	-	(0.1)	(14.3)	-	(14.3)
Balance at January 1, 2013 (restated *)		**148.4**	**1,207.0**	**(41.6)**	**(14.2)**	**-**	**(199.9)**	**124.8**	**1,224.5**	**128.4**	**1,352.9**
Net earnings		-	-	-	-	-	-	73.0	73.0	48.5	121.5
Other comprehensive income (loss)	7	-	-	-	1.0	-	(8.7)	-	(7.7)	-	(7.7)
Total comprehensive income for the period		**-**	**-**	**-**	**1.0**	**-**	**(8.7)**	**73.0**	**65.3**	**48.5**	**113.8**
Transactions with or distributions to shareholders:											
Dividends to non-controlling interests		-	-	-	-	-	-	-	-	(28.9)	(28.9)
Distribution of treasury shares		-	-	41.2	-	-	-	(41.2)	-	-	-
Share-based payment	11	-	-	-	-	-	-	4.1	4.1	-	4.1
Total transactions with or distributions to owners		**-**	**-**	**41.2**	**-**	**-**	**-**	**(37.1)**	**4.1**	**(28.9)**	**(24.8)**
Changes in ownership interests in subsidiaries:											
Acquisitions	5	-	-	-	-	-	-	-	-	17.7	17.7
Several minor subsidiaries		-	-	-	-	-	-	-	-	11.1	11.1
Balance at September 30, 2013		**148.4**	**1,207.0**	**(0.4)**	**(13.2)**	**-**	**(208.6)**	**160.7**	**1,293.9**	**176.8**	**1,470.7**

Unaudited 9M 2012 (restated*)

IN MILLIONS OF CHF	Note	Share capital	Share premium	Treasury shares	Employee benefit reserve	Hedging & revaluation reserves	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
		Attributable to equity holders of the parent									
Balance at January 1, 2012		**134.9**	**934.5**	**(13.5)**	**-**	**(0.9)**	**(176.6)**	**(8.4)**	**870.0**	**84.1**	**954.1**
Restatement	6	-	-	-	(7.2)	-	-	-	(7.2)	-	(7.2)
Balance at January 1, 2012 (restated *)		**134.9**	**934.5**	**(13.5)**	**(7.2)**	**(0.9)**	**(176.6)**	**(8.4)**	**862.8**	**84.1**	**946.9**
Net earnings		-	-	-	-	-	-	115.8	115.8	24.8	140.6
Other comprehensive income	7	-	-	-	2.3	0.6	7.0	-	9.9	(0.7)	9.2
Total comprehensive income for the period		**-**	**-**	**-**	**2.3**	**0.6**	**7.0**	**115.8**	**125.7**	**24.1**	**149.8**
Transactions with or distributions to shareholders:											
Dividends to non-controlling interests		-	-	-	-	-	-	-	-	(22.8)	(22.8)
Share-based payment		-	-	-	-	-	-	7.2	7.2	-	7.2
Total transactions with or distributions to owners		**-**	**-**	**-**	**-**	**-**	**-**	**7.2**	**7.2**	**(22.8)**	**(15.6)**
Changes in ownership interests in subsidiaries:											
Acquisitions		-	-	-	-	-	-	-	-	34.8	34.8
Several minor subsidiaries		-	-	-	-	-	-	-	-	2.8	2.8
Balance at September 30, 2012		**134.9**	**934.5**	**(13.5)**	**(4.9)**	**(0.3)**	**(169.6)**	**114.6**	**995.7**	**123.0**	**1,118.7**

* Certain amounts shown here do not correspond to the 2012 interim financial statements and reflect adjustments made as detailed in Note 6.

Interim Consolidated Statement of Cash Flows

IN MILLIONS OF CHF	Note	Unaudited 9M 2013	Unaudited 9M 2012	Unaudited Q3 2013	Unaudited Q3 2012
			Restated *		Restated *
Cash flows from operating activities					
Earnings before taxes (EBT)	6	**148.8**	**170.8**	**87.7**	**76.0**
Adjustments for:					
Depreciation, amortization and impairment		139.3	124.3	50.1	42.1
Increase / (decrease) in allowances and provisions	6	6.0	13.1	6.4	5.1
Loss / (gain) on unrealized foreign exchange differences		2.8	1.6	0.4	0.7
Other non-cash items		4.1	7.4	4.1	2.5
Interest expense	6	68.8	56.2	25.2	17.3
Interest income		(2.0)	(3.5)	(0.8)	(1.0)
Cash flow before working capital changes		**367.8**	**369.9**	**173.1**	**142.7**
Decrease / (increase) in trade and other accounts receivable		(37.4)	(21.1)	(9.3)	(6.5)
Decrease / (increase) in inventories		(30.9)	1.5	(5.1)	(4.4)
Increase / (decrease) in trade and other accounts payable		65.6	(10.8)	(49.3)	9.4
Cash generated from operations		**365.1**	**339.5**	**109.4**	**141.2**
Income taxes paid		(18.5)	(54.1)	(6.8)	(19.4)
Net cash flows from operating activities		**346.6**	**285.4**	**102.6**	**121.8**
Cash flow from investing activities					
Purchase of property, plant and equipment		(83.6)	(61.5)	(34.6)	(19.1)
Purchase of intangible assets	9	(66.8)	(19.4)	(18.9)	(9.0)
Proceeds from sale of property, plant and equipment		2.3	0.6	1.2	0.4
Interest received		1.6	3.3	0.7	0.9
Free cash flow		***200.1***	***208.4***	***51.0***	***95.0***
Business combinations, net of cash	5	(244.0)	(47.1)	-	-
Proceed from sale of interest in subsidiaries, net of cash		0.9	0.9	-	-
Net cash flows used in investing activities		**(389.6)**	**(123.2)**	**(51.6)**	**(26.8)**
Cash flow from financing activities					
Proceeds from borrowings		62.8	8.3	-	-
Repayment of borrowings		(65.9)	(119.8)	(53.1)	(55.5)
Proceeds from / (repayment of) loans		(5.4)	2.2	(3.8)	1.7
Dividends paid to non-controlling interest		(28.9)	(22.8)	(9.8)	(6.0)
Share capital contributions by non-controlling interests		-	0.7	-	-
Bank arrangement fees paid		(15.0)	-	(3.1)	-
Interest paid		(61.2)	(52.0)	(15.7)	(26.1)
Net cash flows (used in) / from financing activities		**(113.6)**	**(183.4)**	**(85.5)**	**(85.9)**
Currency translation on cash		(6.6)	4.6	(16.9)	(3.1)
(Decrease) / Increase in cash and cash equivalents		**(163.2)**	**(16.6)**	**(51.4)**	**6.0**
Cash and cash equivalents at the					
- beginning of the period		434.0	199.1	322.2	176.5
- end of the period		270.8	182.5	270.8	182.5

* Certain amounts shown here do not correspond to the 2012 interim financial statements and reflect adjustments made as detailed in Note 6.

Notes to the Interim Consolidated Financial Statements

1. Corporate information

Dufry AG ('Dufry' or 'the Company') is a publicly listed company with headquarters in Basel, Switzerland. The Company is the world's leading travel retail company. It operates over 1,350 shops worldwide. The shares of the Company are listed on the Swiss Stock Exchange (SIX) in Zürich and its Brazilian Depository Receipts on the BM&FBOVESPA in Sao Paulo.

The interim consolidated financial statements of Dufry AG and its subsidiaries ('the Group') for the period ended September 30, 2013 were authorized for public disclosure in accordance with a resolution of the Board of Directors of the Company dated October 31, 2013.

2. Accounting policies

Basis of preparation
The interim consolidated financial statements for the nine months ended September 30, 2013 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as of December 31, 2012.

Significant accounting policies
The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2012, except for the following new Standards and Interpretations adopted:

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

- IAS 19 Employee Benefits (Revised) (effective January 1, 2013)
The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and rewording. The Group has changed its accounting policy in 2013 to recognize actuarial gains and losses in other comprehensive income. The amended standard impacts the net benefit expense as the expected return on plan assets is calculated using the same interest rate as applied for the purpose of discounting the benefit obligation.
Consequently the previously published financial statements were restated as disclosed in Note 6.
The effect on basic earnings per share related to the restatement in 2012 and 2013 was a decrease of CHF 0.01.

Standards and Interpretations affecting presentation and disclosure only

- IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1 (effective July 1, 2012)
The amendments to IAS 1 changed the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) are presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans). The amendment affected presentation only and had no impact on the Group's financial position or performance.

- IFRS 12 Disclosure of Interests in Other Entities (effective January 1, 2013)
IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required for the year-end reporting, but has no impact on the Group's financial position or performance.

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

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

- IAS 28 Investments in Associates and Joint Ventures (as revised in 2011) (effective January 1, 2013)
As a consequence of the new IFRS 11, and IFRS 12, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates.

- IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7 (effective January 1, 2013)
These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32.

- IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements (effective January 1, 2013)
IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27.

Notes to the Interim Consolidated Financial Statements

2. Accounting policies (continued)

- IFRS 11 Joint Arrangements (effective January 1, 2013)
IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method.

- IFRS 13 Fair Value Measurement (effective January 1, 2013)
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted.

3. Principal foreign exchange rates applied for valuation and translation

	Average rates		Closing rates	
	9M 2013	Q3 2013	30.09.13	
1 USD	0.9348	0.9314	0.9044	
1 EUR	1.2310	1.2338	1.2238	
	9M 2012	Q3 2012	30.09.12	31.12.12
1 USD	0.9401	0.9620	0.9388	0.9146
1 EUR	1.2043	1.2037	1.2087	1.2069

4. Segment information

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

Dufry has grouped its business into 4 geographical and one global distribution centers segments to achieve the financial, commercial and efficiency goals set in the strategic plan.

Segment information 9M

9M 2013	Turnover			
IN MILLIONS OF CHF	with external customers	with other segments	Total	EBITDA[1]
EMEA & Asia	894.9	-	894.9	141.1
America I	569.6	-	569.6	26.0
America II	519.8	-	519.8	41.7
United States & Canada	659.0	-	659.0	81.4
Global Distribution Centers	45.4	639.9	685.3	95.8
Eliminations	-	(639.9)	(639.9)	-
Dufry Group	**2,688.7**	**-**	**2,688.7**	**386.0**

9M 2012	Turnover			
Restated * IN MILLIONS OF CHF	with external customers	with other segments	Total	EBITDA[1]
EMEA & Asia	592.9	-	592.9	55.9
America I	575.8	-	575.8	35.9
America II	548.3	-	548.3	104.2
United States & Canada	613.9	-	613.9	75.4
Global Distribution Centers	33.0	559.8	592.8	88.5
Eliminations	-	(559.8)	(559.8)	-
Dufry Group	**2,363.9**	**-**	**2,363.9**	**359.9**

* Certain amounts shown here do not correspond to the 2012 interim financial statements and reflect adjustments made as detailed in Note 6.

Notes to the Interim Consolidated Financial Statements

4. Segment information (continued)

Segment information Q3

Q3 2013 IN MILLIONS OF CHF	Turnover with external customers	Turnover with other segments	Turnover Total	EBITDA[1]
EMEA & Asia	396.1	-	396.1	79.2
America I	193.1	-	193.1	9.2
America II	177.2	-	177.2	14.8
United States & Canada	238.9	-	238.9	32.3
Global Distribution Centers	16.0	220.2	236.2	32.4
Eliminations	-	(220.2)	(220.2)	-
Dufry Group	**1,021.3**	**-**	**1,021.3**	**167.9**

Q3 2012 Restated * IN MILLIONS OF CHF	Turnover with external customers	Turnover with other segments	Turnover Total	EBITDA[1]
EMEA & Asia	220.5	-	220.5	23.1
America I	192.7	-	192.7	10.6
America II	191.1	-	191.1	39.0
United States & Canada	227.2	-	227.2	32.1
Global Distribution Centers	15.0	195.1	210.1	35.1
Eliminations	-	(195.1)	(195.1)	-
Dufry Group	**846.5**	**-**	**846.5**	**139.9**

* Certain amounts shown here do not correspond to the 2012 interim financial statements and reflect adjustments made as detailed in Note 6.

[1] EBITDA before other operational result

Segment assets and liabilities

IN MILLIONS OF CHF	30.09.2013 ASSETS	30.09.2013 LIABILITIES	31.12.2012 Restated * ASSETS	31.12.2012 Restated * LIABILITIES
EMEA & Asia	1,486.1	449.7	578.4	208.0
America I	1,234.5	234.4	1,323.9	247.2
America II	408.9	213.0	401.7	142.0
United States & Canada	557.2	178.5	517.3	120.7
Global Distribution Centers	248.2	81.2	203.3	51.0
Unallocated positions	398.0	1,705.4	501.7	1,404.5
Dufry Group	**4,332.9**	**2,862.2**	**3,526.3**	**2,173.4**

* Certain amounts shown here do not correspond to the 2012 financial statements and reflect adjustments made as detailed in Note 6.

Notes to the Interim Consolidated Financial Statements

5. Business combinations

Acquisition of Hellenic Duty Free Shops

Hellenic Duty Free Shops SA (HDFS) is the leading duty free operator in Greece, generating in 2012 sales of CHF 361.9 million (EUR 300.3 million) with Duty Free and Duty paid retail shops in 47 locations, of which 25 are at airports, 11 at seaports and 11 at border shops. During 2012 the company reached an EBIT of CHF 93.8 million (EUR 77.8 million).

On April 22, 2013 Dufry acquired 51% of shares of HDFS, a new company taking over the carved-out travel retail business from Folli Follie Group for a total consideration of CHF 244.7 million (EUR 200.5 million). The agreement includes an option to acquire at fair market value the remaining 49% of the shares in 2017. The acquisition has been accounted for using the acquisition method. These financial statements include the results of Hellenic Duty Free and its subsidiary as of April, 2013. In the period ended September 30, 2013, these operations contributed CHF 274.0 million in turnover to the consolidated income statement of the Group. The total transaction costs in relation with this acquisition amount to CHF 18.2 million, whereof CHF 11.7 million are included in the other operational result of the current period 2013. The non-controlling interests resulting from the transaction were measured at the proportionate share of the identifiable net assets.

With this transaction, Dufry expects to increase significantly its presence in the travel retail market in the Mediterranean area. Hellenic Duty Free Shops has the rights to operate long term duty free concessions in Greece. The parties have recognized that joining the experience and know-how from Dufry and Folli Follie will generate significant synergies which are reflected in the value of the goodwill besides other intangibles that are not recognized individually. The resulting goodwill is not amortized, is not tax deductible and will be subject to the annual impairment testing. Dufry closed a separate four year agreement with certain representatives ensuring their future continuous assistance developing the business and avoiding direct competition for a fee of CHF 35.1 million (EUR 28.0 million). Dufry will defer this expense over the lifetime of the agreement. These transactions were financed by Dufry AG with the capital increase of October 2012. On April 22, 2013, Hellenic Duty Free Shops received from a syndicate of Greek banks a non-recourse bank facility of CHF 408.9 million (EUR 335.0 millions)

The fair value of the identifiable assets and liabilities of the acquired group at the date of acquisition and the resulting goodwill were determined preliminary as the company is in the process of verifying the valuation of the intangible assets identified as follows:

April 22, 2013	Preliminary fair value IN MILLIONS OF CHF	Preliminary fair value IN MILLIONS OF EUR
Trade and credit card receivables	8.9	7.3
Inventories	83.9	68.7
Other assets	11.2	9.2
Property, plant and equipment	35.3	28.9
Intangible assets, mainly concession rights	501.4	410.8
Trade payables	(38.8)	(31.8)
Other liabilities	(37.8)	(31.0)
Financial debt	(408.9)	(335.0)
Provisions and contingent liabilities	(10.9)	(8.9)
Deferred tax liability	(108.1)	(88.6)
Identifiable net assets	**36.2**	**29.6**
less: Fair value of the non-controlling interests	(17.7)	(14.5)
Dufry's share in the net assets (51%)	18.5	15.1
Goodwill	226.2	185.4
Fair value of total consideration (paid in cash)	**244.7**	**200.5**

Notes to the Interim Consolidated Financial Statements

5. Business combinations (continued)

Goodwill movement schedule

IN MILLIONS OF CHF	Unaudited 30.09.2013	Audited 31.12.2012
NET BOOK VALUE		
Balance at the beginning of the period	707.4	714.5
Business combinations	226.2	10.0
Currency translation adjustment	(5.2)	(17.1)
Balance at the end of the period	**928.4**	**707.4**

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

IN MILLIONS OF CHF	Total considera-tion	Net cash acquired	Subtotal	Changes in accounts payable	Net cash flow
Hellenic, Greece	(244.7)	1.6	(243.1)	-	(243.1)
Alliance, Puerto Rico	-	-	-	(0.9)	(0.9)
TOTAL	**(244.7)**	**1.6**	**(243.1)**	**(0.9)**	**(244.0)**

6. Adoption of IAS 19R—Employment benefits

The impacts from the adoption of IAS 19R on the relevant positions in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and the consolidated statement of cash flows are shown below:

CONSOLIDATED INCOME STATEMENT - 9M 2012 IN MILLIONS OF CHF	Published Unaudited 9M 2012	Restatement	Restated Unaudited 9M 2012
Personnel expenses	(354.0)	(0.3)	(354.3)
Interest expenses	(56.1)	(0.1)	(56.2)
Income taxes	(30.2)	-	(30.2)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - 9M 2012 IN MILLIONS OF CHF	Published Unaudited 9M 2012	Restatement	Restated Unaudited 9M 2012
Actuarial gains / (losses) on defined benefit plans	-	2.5	2.5
Income tax relating to actuarial gains / (losses) on defined benefit plans	-	(0.2)	(0.2)

Notes to the Interim Consolidated Financial Statements

6. Adoption of IAS 19R—Employment benefits (continued)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN MILLIONS OF CHF	Published Unaudited 30.09.2012	Restatement	Restated Unaudited 30.09.2012
ASSETS			
Deferred tax assets	152.5	0.2	152.7
Other non-current assets	36.8	(0.9)	35.9
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the parent	1,001.0	(5.3)	995.7
Post-employment benefit obligations	6.3	4.6	10.9
	Audited 31.12.2012		Unaudited 31.12.2012
ASSETS			
Deferred tax assets	153.0	1.1	154.1
Other non-current assets	36.9	(0.4)	36.5
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the parent	1,238.8	(14.3)	1,224.5
Post-employment benefit obligations	6.1	15.0	21.1

CONSOLIDATED STATEMENT OF CASH FLOWS - 9M 2012 IN MILLIONS OF CHF	Published Unaudited 9M 2012	Restatement	Restated Unaudited 9M 2012
Earnings before taxes (EBT)	**171.2**	**(0.4)**	**170.8**
Increase / (decrease) in allowances and provisions	12.8	0.3	13.1
Interest expense	56.1	0.1	56.2
Other adjustments	129.8	-	129.8
Cash flow before working capital changes	**369.9**	**-**	**369.9**

Notes to the Interim Consolidated Financial Statements

7. Components of other comprehensive income

9M 2013

IN MILLIONS OF CHF	Attributable to equity holders of the parent					
	Employee benefit reserve	Hedging & revaluation reserves	Translation reserves	TOTAL	Non-controlling interests	Total equity
Exchange differences on translating foreign operations	-	-	(18.2)	(18.2)	-	(18.2)
Net gain / (loss) on hedge of net investment in foreign operations	-	-	9.5	9.5	-	9.5
Income tax effect	-	-	-	-	-	-
Subtotal	-	-	**9.5**	**9.5**	-	**9.5**
Actuarial gains / (losses) on defined benefit plans	1.1	-	-	1.1	-	1.1
Income tax effect	(0.1)	-	-	(0.1)	-	(0.1)
Subtotal	**1.0**	-	-	**1.0**	-	**1.0**
Other comprehensive income	**1.0**	-	**(8.7)**	**(7.7)**	-	**(7.7)**

9M 2012

Restated *

IN MILLIONS OF CHF	Attributable to equity holders of the parent					
	Employee benefit reserve	Hedging & revaluation reserves	Translation reserves	TOTAL	Non-controlling interests	Total equity
Exchange differences on translating foreign operations	-	-	20.6	20.6	(0.7)	19.9
Net gain / (loss) on hedge of net investment in foreign operations	-	-	(15.5)	(15.5)	-	(15.5)
Income tax effect	-	-	1.9	1.9	-	1.9
Subtotal	-	-	**(13.6)**	**(13.6)**	-	**(13.6)**
Changes in the fair value of interest rate swaps held as cash flow hedges	-	0.7	-	0.7	-	0.7
Income tax effect	-	(0.1)	-	(0.1)	-	(0.1)
Subtotal	-	**0.6**	-	**0.6**	-	**0.6**
Actuarial gains / (losses) on defined benefit plans	2.5	-	-	2.5	-	2.5
Income tax effect	(0.2)	-	-	(0.2)	-	(0.2)
Subtotal	**2.3**	-	-	**2.3**	-	**2.3**
Other comprehensive income	**2.3**	**0.6**	**7.0**	**9.9**	**(0.7)**	**9.2**

* Certain amounts shown here do not correspond to the 2012 interim financial statements and reflect adjustments made as detailed in Note 6.

Notes to the Interim Consolidated Financial Statements

8. Income taxes

IN MILLIONS OF CHF	Unaudited 9M 2013	Unaudited 9M 2012	Unaudited Q3 2013	Unaudited Q3 2012
Current income tax	(37.2)	(50.6)	(18.9)	(15.6)
Deferred income tax	9.9	20.4	2.3	2.5
TOTAL INCOME TAXES	**(27.3)**	**(30.2)**	**(16.6)**	**(13.1)**

9. Cash flow used for purchase of intangible assets

IN MILLIONS OF CHF	Unaudited 9M 2013	Unaudited 9M 2012	Unaudited Q3 2013	Unaudited Q3 2012
Additions of intangible assets				
Concessions rights	(44.0)	(5.0)	(43.8)	(4.9)
Software	(17.9)	(12.1)	(5.7)	(3.5)
Brands	-	-	-	-
Other [1]	(35.9)	-	(0.8)	-
Total additions	**(97.8)**	**(17.1)**	**(50.3)**	**(8.4)**
Changes in the payables for capital expenditure	31.4	(1.5)	31.5	(0.1)
Currency translation differences	(0.4)	(0.8)	(0.1)	(0.5)
Total Cash Flow	**(66.8)**	**(19.4)**	**(18.9)**	**(9.0)**

[1] Includes a non-compete agreement

10. Financial debt

IN MILLIONS OF CHF	Unaudited 30.09.2013	Audited 31.12.2012
Bank debt (overdrafts)	29.8	25.3
Bank debt Hellenic Duty Free Shops S.A.	61.2	-
Bank debt (loans)	13.9	11.5
3rd party loans	3.4	3.1
Financial debt, short-term	**108.3**	**39.9**
Bank debt (loans)	921.4	894.4
Bank debt Hellenic Duty Free Shops S.A.	300.8	-
Senior Notes	443.4	447.4
3rd party loans	4.2	3.6
Financial debt, long-term	**1,669.8**	**1,345.4**
Total	**1,778.1**	**1,385.3**
of which are:		
Bank debt	1,327.1	931.2
Senior Notes	443.4	447.4
Loans payable	7.6	6.7

Notes to the Interim Consolidated Financial Statements

10. Financial debt (continued)

Bank debt

IN MILLIONS OF CHF	Unaudited 30.09.2013	Audited 31.12.2012
BANK DEBT (LOANS AND OVERDRAFTS) DENOMINATED IN:		
US Dollar	895.2	921.6
Swiss Franc	58.0	0.7
Euro	366.6	5.6
Other currencies	24.8	19.3
Subtotal	**1,344.6**	**947.2**
Deferred bank arrangement fees	(17.5)	(16.0)
Total	**1,327.1**	**931.2**

In addition to the credit facilities described in the Annual Report 2012, the newly acquired group, Hellenic Duty Free Shops, obtained on April 22, 2013 a bank credit facility granted by a Greek bank syndicate, with Alfa Bank acting as agent for the bank syndicate. The facility consists of:

A committed 5-year amortizing bank loan of CHF 408.9 million (EUR 335.0 million) which includes an amortization schedule with payments scheduled from June 2013 to December 2017.

This agreement contains covenants and conditions customary to this type of financing based on HDFSs' consolidated financial statements. The borrowings under this credit facility bear interest at a floating rate of 3M-EURIBOR plus spread. At September 30, 2013 the average interest rate was 5.971%.

11. Share-based payments

Dufry has implemented specific restricted stock unit ("RSU") plans for members of the Group Executive Committee (GEC) and selected members of the Senior management. These RSU Awards are from economic point of view stock options with an exercise price of nil. Each RSU represents the right to receive one share if the vesting conditions are met. Additionally Dufry implemented a long term incentive plan for the members of the GEC called Performance Share Unit Plan ("PSUP")

RSU PLANS OF DUFRY AG

Under the RSU award 2013 the members of the GEC and selected members of the Senior management have been granted the right to receive on January 1, 2014, free of charge, 110'352 RSU's on aggregate, based on the market value of the Company's shares on the Swiss Stock Exchange (SIX) on July 29, 2013 ("the RSU Awards 2013"). The RSU Awards 2013 contain two vesting conditions to be met:

a) the participants must be employed by the Company from January 1, 2013 until January 1, 2014 and

b) the average price of the Company's shares on the SIX for the ten previous trading days to January 1, 2014 must be 1% higher than at January 1, 2013.

The fair value of the RSU Awards 2013 has been estimated at the grant date using a binominal pricing model, taking into account the terms and conditions (risk free interest rate of 0.1%, an expected volatility of 23.2% and the market condition noted above) upon which the awards were granted. The contractual life of the awards 2013 is five months. The expected volatility reflects assumptions, that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. There are no cash settlement alternatives. Up to September 2013, the expense recognized for employee services received during the period based on a fair value of CHF 83.93 per RSU is CHF 3.7 million and has been recorded against equity.

PSUP PLANS OF DUFRY AG

Under the PSUP award 2013 the members of the GEC have been granted 42'958 PSU's. One PSU gives the right to receive on January 1, 2016, free of charge, a variable quantity of shares, based on the performance achieved by the Group. This performance will be measured as the average growth rate reached by the earnings per share adjusted for amortization and non-recurrent effects (Cash EPS) of the Group. The basis for the award 2013 is the Cash EPS of 2012. If the targeted average yearly growth of 7% is achieved, for each PSU one share will be granted, whereas for an average yearly growth rate of 3.5% or less no shares are granted and an average growth rate of 10.5% will result in two shares per PSU (maximum) with a linear interpolation. The PSUP Awards 2013 contain two vesting conditions to be met:

a) the participants must be employed by the Company from January 1, 2013 until January 1, 2016 and

b) a minimum targeted average yearly growth rate of 3.5% on the Cash EPS must be exceeded.

Notes to the Interim Consolidated Financial Statements

11. Share-based payments (continued)

The market value of the share at grant date represents the fair value of the PSUP Awards 2013. The contractual life of the PSUP awards 2013 is two years and five months. There are no cash settlement alternatives for the employees. Dufry does not have a past practice of cash settlement for these awards. Up to September 2013, the expense recognized for employee services received during the period based on a fair value of CHF 124.10 per PSU is CHF 0.4 million and has been recorded against equity.

AGREEMENT WITH A LOCAL PARTNER TO OPERATE IN BRAZIL

In order to facilitate the further development of Dufry's duty free business in Brazil, Dufry entered into an agreement with a local partner. The agreement foresees that the local partner will support Dufry in the renewals of concession agreements as well as in signing new projects in Brazil, including the 10-year extension of Terminal 3 in Sao Paulo. As part of the agreement, a new company is established, which will operate the renewed as well as new concession agreements in Brazil, including the contract extension in Sao Paulo International airport. The local partner participates with a 40% equity contribution in the new company. The new company consists of assets and liabilities of existing operations before renewal.

As part of the arrangement, the parties also agreed on a call/put option, whereby the local partner has the right to sell, and Dufry has the right to buy, 20% of the equity of the new company until December 31, 2014 for an estimated amount of CHF 130 -160 million. This value is based on a formula which considers the scope of Dufry's duty free business in Brazil before the renewal of Terminal 3 in Sao Paulo and takes into account the renewal of the existing concession agreements as well as the new ones. The new agreements Dufry signed in Brazil consider a significant increase in retail shop space, which will allow Dufry to increase the sales per passenger.

12. Seasonality

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

Financial Definitions

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

Building a better working world

Ernst & Young Ltd
Aeschengraben 9
P.O. Box
CH-4002 Basel

Phone +41 58 286 86 86
Fax +41 58 286 86 00
www.ey.com/ch

To the Board of Directors of

Dufry AG, Basel

Basel, 31 October 2013

Report on review of interim condensed consolidated financial statements

Introduction

As independent auditors we have reviewed the interim condensed consolidated financial statements of Dufry AG as of 30 September 2013, comprising of the interim consolidated statement of financial position as of 30 September 2013 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine- and the three-month period then ended and explanatory notes (Pages 3 to 17). The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

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

Ernst & Young Ltd

Patrick Fawer Licensed audit expert (Auditor in charge)	David Haldimann Licensed audit expert