

THREE MONTHS REPORT 2014



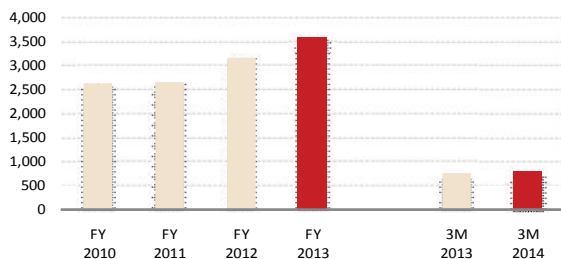
DUFRY



Key figures

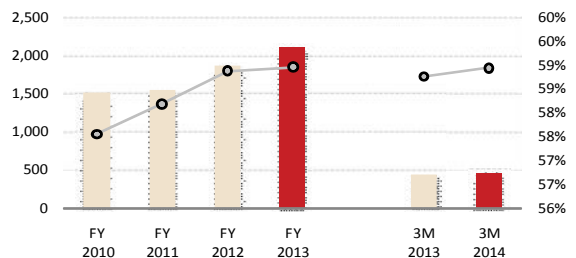
Turnover

IN MILLIONS OF CHF



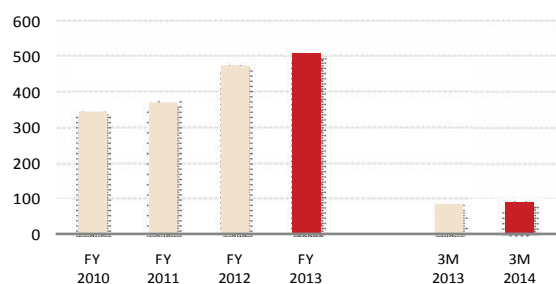
Gross profit

IN MILLIONS OF CHF



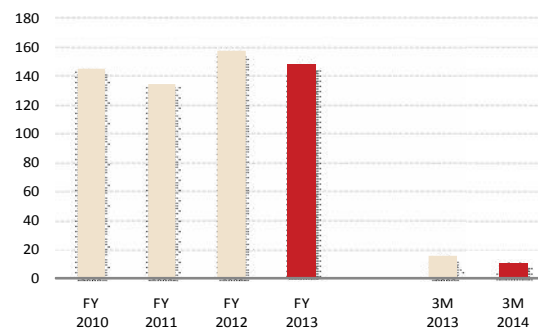
EBITDA

IN MILLIONS OF CHF

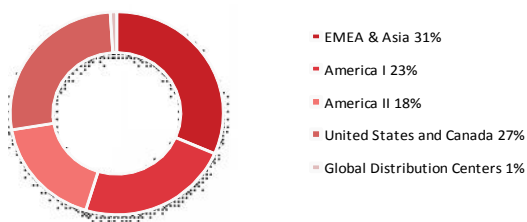


Net earnings

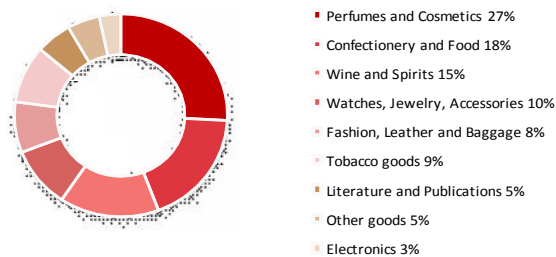
IN MILLIONS OF CHF



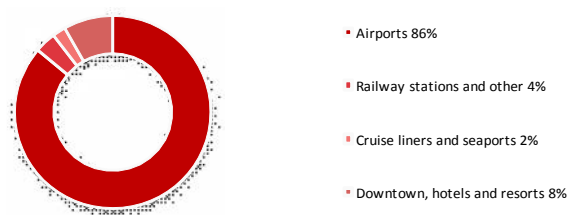
Net sales by region



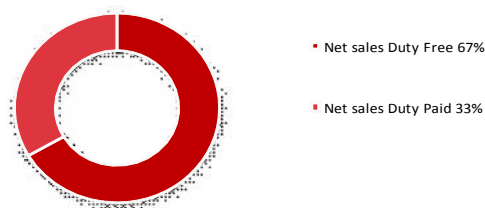
Net sales by product categories



Net sales by channel



Net sales by market sector





Interim Consolidated Income Statement

IN MILLIONS OF CHF	Note	Unaudited 3M 2014	Unaudited 3M 2013
Net sales		748.3	714.3
Advertising income		26.7	22.1
Turnover		775.0	736.4
Cost of sales		(318.2)	(303.7)
Gross profit		456.8	432.7
Selling expenses		(187.2)	(177.7)
Personnel expenses		(127.8)	(115.9)
General expenses		(52.7)	(53.8)
EBITDA¹		89.1	85.3
Depreciation, amortization and impairment		(50.2)	(41.5)
Other operational result		(3.8)	(6.0)
Earnings before interest and taxes (EBIT)		35.1	37.8
Interest expenses		(24.5)	(18.5)
Interest income		1.1	0.6
Foreign exchange gain / (loss)		0.1	(1.1)
Earnings before taxes (EBT)		11.8	18.8
Income taxes	5	(1.9)	(3.4)
Net earnings		9.9	15.4
Attributable to:			
Equity holders of the parent		2.8	8.8
Non-controlling interests		7.1	6.6
Earnings per share attributable to equity holders of the parent			
Basic earnings per share in CHF		0.09	0.30
Diluted earnings per share in CHF		0.09	0.30
Weighted average number of outstanding shares in thousands		30,901	29,667

¹ EBITDA before other operational result



Interim Consolidated Statement of Comprehensive Income

IN MILLIONS OF CHF	Unaudited 3M 2014	Unaudited 3M 2013
Net earnings	9.9	15.4
OTHER COMPREHENSIVE INCOME:		
Actuarial gains / (losses) on defined benefit plans	0.5	1.0
Income tax	-	-
Items not being reclassified to net income in subsequent periods, net of tax	0.5	1.0
Exchange differences on translating foreign operations	(11.3)	67.8
Net gain / (loss) on hedge of net investment in foreign operations	4.1	(31.9)
Income tax on above positions	-	3.8
Items to be reclassified to net income in subsequent periods, net of tax	(7.2)	39.7
Total other comprehensive income for the period, net of tax	(6.7)	40.7
Total comprehensive income for the period, net of tax	3.2	56.1
Attributable to:		
Equity holders of the parent	(2.5)	46.2
Non-controlling interests	5.7	9.9



Interim Consolidated Statement of Financial Position

IN MILLIONS OF CHF	Note	Unaudited 31.03.2014	Audited 31.12.2013
ASSETS			
Property, plant and equipment		318.8	313.9
Intangible assets		2,706.5	2,734.0
Deferred tax assets		149.0	154.9
Other non-current assets		62.8	62.1
Non-current assets		3,237.1	3,264.9
Inventories		547.7	524.7
Trade and credit card receivables		45.0	42.8
Other accounts receivable	6	197.3	149.7
Income tax receivables		9.0	9.9
Cash and cash equivalents		300.9	246.4
Current assets		1,099.9	973.5
Total assets		4,337.0	4,238.4
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the parent		1,135.6	1,137.5
Non-controlling interests		172.5	129.9
Total equity		1,308.1	1,267.4
Financial debt		1,724.8	1,693.6
Deferred tax liabilities		252.1	261.7
Provisions		51.2	51.3
Post-employment benefit obligations		10.7	11.5
Other non-current liabilities		5.0	5.1
Non-current liabilities		2,043.8	2,023.2
Trade payables		294.2	277.9
Financial debt		302.7	306.2
Income tax payables		30.3	30.5
Provisions		9.9	10.1
Other liabilities		348.0	323.1
Current liabilities		985.1	947.8
Total liabilities		3,028.9	2,971.0
Total liabilities and shareholders' equity		4,337.0	4,238.4

Interim Consolidated Statement of Changes in Equity

Unaudited 3M 2014

IN MILLIONS OF CHF	Note	Attributable to equity holders of the parent						Total	Non-controlling interests	Total equity
		Share capital	Share premium	Treasury shares	Employee benefit reserve	Translation reserves	Retained earnings			
Balance at January 1, 2014		154.5	1,207.0	(18.1)	0.3	(224.5)	18.3	1,137.5	129.9	1,267.4
Net earnings		-	-	-	-	-	2.8	2.8	7.1	9.9
Other comprehensive income (loss)		-	-	-	0.5	(5.8)	-	(5.3)	(1.4)	(6.7)
Total comprehensive income for the period		-	-	-	0.5	(5.8)	2.8	(2.5)	5.7	3.2
Transactions with or distributions to shareholders:										
Dividends to non-controlling interests		-	-	-	-	-	-	-	(3.2)	(3.2)
Assignment of treasury shares		-	-	17.6	-	-	(17.6)	-	-	-
Share-based payment		-	-	-	-	-	0.6	0.6	-	0.6
Total transactions with or distributions to owners		-	-	17.6	-	-	(17.0)	0.6	(3.2)	(2.6)
Changes in ownership interests in subsidiaries:										
Changes in participation of non-controlling interests	6	-	-	-	-	-	-	-	40.1	40.1
Balance at March 31, 2014		154.5	1,207.0	(0.5)	0.8	(230.3)	4.1	1,135.6	172.5	1,308.1

Unaudited 3M 2013

IN MILLIONS OF CHF	Note	Attributable to equity holders of the parent						Total	Non-controlling interests	Total equity
		Share capital	Share premium	Treasury shares	Employee benefit reserve	Translation reserves	Retained earnings			
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		-	-	-	(15.8)	-	0.1	(15.7)	-	(15.7)
Balance at January 1, 2013 (restated *)		148.4	1,207.0	(41.6)	(15.8)	(199.9)	125.0	1,223.1	128.4	1,351.5
Net earnings		-	-	-	-	-	8.8	8.8	6.6	15.4
Other comprehensive income (loss)		-	-	-	1.0	36.4	-	37.4	3.3	40.7
Total comprehensive income for the period		-	-	-	1.0	36.4	8.8	46.2	9.9	56.1
Transactions with or distributions to shareholders:										
Dividends to non-controlling interests		-	-	-	-	-	-	-	(3.2)	(3.2)
Assignment of treasury shares		-	-	41.2	-	-	(41.2)	-	-	-
Total transactions with or distributions to owners		-	-	41.2	-	-	(41.2)	-	(3.2)	(3.2)
Changes in ownership interests in subsidiaries:										
Changes in participation of non-controlling interests		-	-	-	-	-	-	-	2.8	2.8
Balance at March 31, 2013		148.4	1,207.0	(0.4)	(14.8)	(163.5)	92.6	1,269.3	137.9	1,407.2

* Certain amounts shown here do not correspond to the 3M 2013 financial statements and reflect the IAS-BR adjustments made as detailed in the annual report 2013.

Interim Consolidated Statement of Cash Flows

IN MILLIONS OF CHF	Note	Unaudited 3M 2014	Unaudited 3M 2013
Cash flows from operating activities			
Earnings before taxes (EBT)		11.8	18.8
Adjustments for:			
Depreciation, amortization and impairment		50.2	41.5
Increase / (decrease) in allowances and provisions		7.2	1.1
Loss / (gain) on unrealized foreign exchange differences		0.4	1.7
Other non-cash items		0.6	-
Interest expense		24.5	18.5
Interest income		(1.1)	(0.6)
Cash flow before working capital changes		93.6	81.0
Decrease / (increase) in trade and other accounts receivable		(29.6)	(17.4)
Decrease / (increase) in inventories		(33.1)	(7.6)
Increase / (decrease) in trade and other accounts payable		44.1	44.0
Cash generated from operations		75.0	100.0
Income taxes paid		(5.2)	(5.5)
Net cash flows from operating activities		69.8	94.5
Cash flow from investing activities			
Purchase of property, plant and equipment		(31.5)	(19.5)
Purchase of intangible assets		(17.9)	(2.9)
Proceeds from sale of property, plant and equipment		0.1	1.0
Interest received		0.9	0.4
Business combinations, net of cash		(0.9)	(0.9)
Proceed from sale of interest in subsidiaries, net of cash		0.2	0.9
Net cash flows used in investing activities		(49.1)	(21.0)
Cash flow from financing activities			
Proceeds from bank loans		37.7	2.2
Repayment of bank loans		-	(6.6)
Repayment of 3rd party loans		(1.8)	(1.3)
Dividends paid to non-controlling interest		(3.2)	(3.2)
Contributions from non-controlling interest holders	6	18.1	-
Share issuance costs paid		(0.1)	-
Arrangement fees paid		(0.4)	(4.3)
Interest paid		(16.3)	(19.6)
Net cash flows (used in) / from financing activities		34.0	(32.8)
Currency translation on cash		(0.2)	12.5
(Decrease) / Increase in cash and cash equivalents		54.5	53.2
Cash and cash equivalents at the			
- beginning of the period		246.4	434.0
- end of the period		300.9	487.2



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 March 31, 2014 were authorized for public disclosure in accordance with a resolution of the Board of Directors of the Company dated April 29, 2014.

2. Accounting policies

Basis of preparation

The interim consolidated financial statements for the three months ended March 31, 2014 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, 2013.

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, 2013, except for the new or revised Standards and Interpretations (effective January 1, 2014) adopted in these financial statements. Their adoption did not have a significant impact on the amounts reported in these financial statements or disclosures therein.

- IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32**

These amendments should clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. The Group did not identify any additional disclosure obligation.

- IAS 39 Novation of Derivatives and Continuation of Hedge Accounting - Amendments to IAS 39**

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The Group did not designate any derivatives as hedging instruments during the current period.

3. Acquisition of Hellenic Duty Free shops, Greece in 2013

The fair value of the identifiable assets and liabilities at the date of the acquisition are considered to be final and unchanged from the disclosure in the Group's annual financial statements as of December 31, 2013.

4. Principal foreign exchange rates applied for valuation and translation

	Average rates	Closing rates	
	3M 2014	31.03.14	31.12.13
1 USD	0.8925	0.8842	
1 EUR	1.2231	1.2177	
	3M 2013	31.03.13	31.12.13
1 USD	0.9305	0.9490	0.8886
1 EUR	1.2282	1.2165	1.2250

5. Income taxes

IN MILLIONS OF CHF	UNAUDITED 3M 2014	UNAUDITED 3M 2013
Current income tax	(6.1)	(6.0)
Deferred income tax	4.2	2.6
TOTAL INCOME TAXES	(1.9)	(3.4)

6. Agreement with a local partner to operate in Brazil

Through its new subsidiary Dufry Lojas Francas Ltd, Dufry will operate the new and renewed concessions in Brazil jointly with its new local partner. The local partner will hold 40% of the equity, which will be injected as cash contribution in several payments. Up to March 2014, the local partner made a first contribution of CHF 17 million to their equity. The remaining cash contributions will be made during the next quarters in line with the implementation plan.

7. Seasonality

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

8. 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 4 geographical areas and the distribution centers as separate segments.

Notes to the Interim Consolidated Financial Statements

8. Segment information (continued)

Segment information 3M

3M 2014	Turnover			EBITDA ¹
	with external customers	with other segments	Total	
IN MILLIONS OF CHF				
EMEA & Asia	239.8	-	239.8	22.4
America I	174.7	-	174.7	13.4
America II	138.4	-	138.4	5.7
United States & Canada	205.0	-	205.0	17.7
Global Distribution Centers	17.1	213.5	230.6	29.9
Total segments	775.0	213.5	988.5	89.1
Eliminations	-	(213.5)	(213.5)	-
Dufry Group	775.0	-	775.0	89.1

3M 2013	Turnover			EBITDA ¹
	with external customers	with other segments	Total	
IN MILLIONS OF CHF				
EMEA & Asia	182.5	-	182.5	14.4
America I	190.5	-	190.5	11.2
America II	158.6	-	158.6	13.4
United States & Canada	189.8	-	189.8	17.5
Global Distribution Centers	15.0	215.9	230.9	28.8
Total segments	736.4	215.9	952.3	85.3
Eliminations	-	(215.9)	(215.9)	-
Dufry Group	736.4	-	736.4	85.3

¹ EBITDA before other operational result

Segment assets and liabilities

IN MILLIONS OF CHF	31.03.2014		31.12.2013	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
EMEA & Asia	1,454.3	398.2	1,435.1	386.8
America I	1,202.9	175.1	1,228.2	184.6
America II	368.2	111.1	361.0	106.1
United States & Canada	591.6	125.3	576.5	109.4
Global Distribution Centers	346.9	181.2	246.8	177.9
Total segments	3,963.9	990.9	3,847.6	964.8
Unallocated positions	373.1	2,038.0	390.8	2,006.2
Dufry Group	4,337.0	3,028.9	4,238.4	2,971.0



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, 29 April 2014

Report on the review of interim condensed consolidated financial statements

Introduction

We have reviewed the interim condensed consolidated financial statements of Dufry AG as of 31 March 2014, comprising of the interim consolidated statement of financial position as of 31 March 2014 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended and explanatory notes (Pages 3 to 9). 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 and consequently 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 International Financial Reporting Standard IAS 34 "Interim Financial Reporting".

Ernst & Young Ltd

Patrick Fawer
Licensed audit expert
(Auditor in charge)

Olaf Reich
Licensed audit expert