



DUFRY

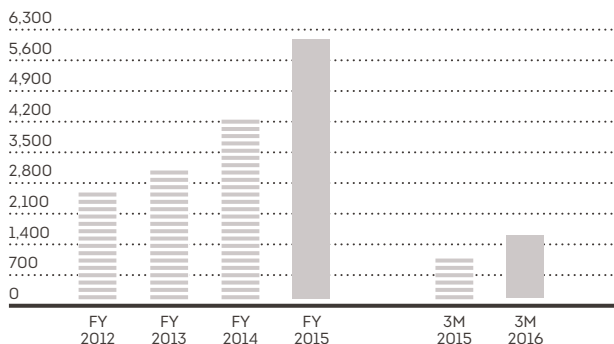
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THREE MONTHS REPORT
2016

DUFRY AT A GLANCE

TURNOVER

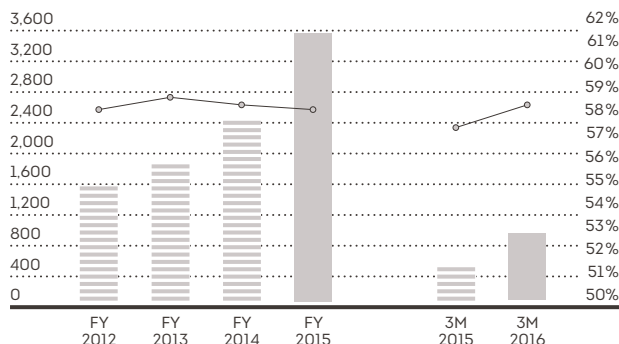
IN MILLIONS OF CHF



GROSS PROFIT

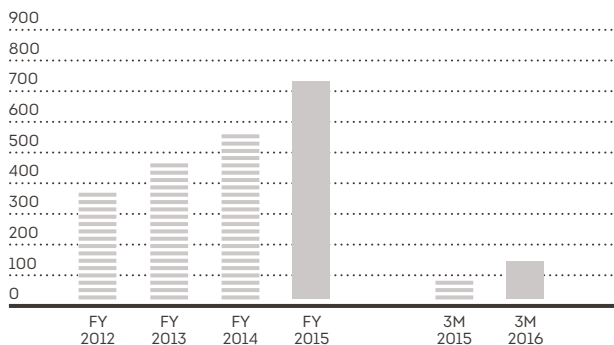
IN MILLIONS OF CHF

MARGIN



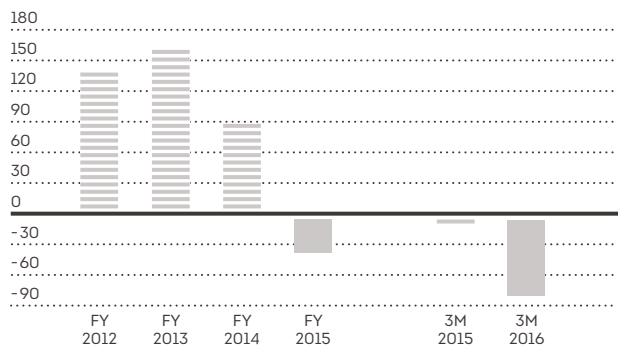
EBITDA¹

IN MILLIONS OF CHF



NET EARNINGS / (LOSS)

IN MILLIONS OF CHF



¹ EBITDA before other operational result and linearization

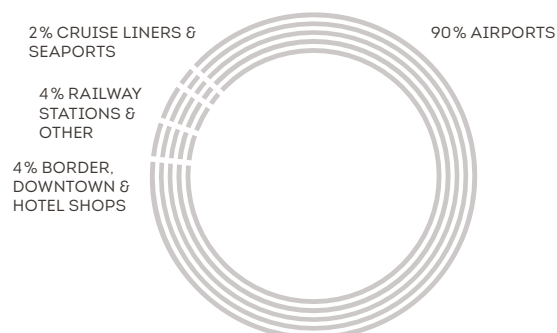
NET SALES BY DIVISION



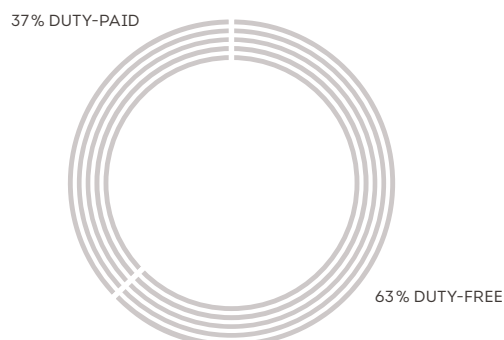
NET SALES BY PRODUCT CATEGORIES



NET SALES BY CHANNEL



NET SALES BY MARKET SECTOR



INTERIM CONSOLIDATED INCOME STATEMENT

FOR THE 3 MONTHS ENDED MARCH 31, 2016

IN MILLIONS OF CHF	NOTE	Unaudited 3M 2016	Unaudited 3M 2015
CONTINUING OPERATIONS			
Net sales		1,582.3	983.1
Advertising income		47.9	35.8
Turnover		1,630.2	1,018.9
Cost of sales		(675.7)	(432.6)
Gross profit		954.5	586.3
Selling expenses		(457.8)	(264.3)
Personnel expenses		(258.6)	(166.0)
General expenses		(91.4)	(64.8)
Share of result of associates		(0.2)	0.8
EBITDA¹		146.5	92.0
Depreciation, amortization and impairment		(137.5)	(83.8)
Linearization		(43.1)	-
Other operational result		(5.4)	(3.6)
Earnings before interest and taxes (EBIT)		(39.5)	4.6
Interest expenses		(54.7)	(34.3)
Interest income		5.0	3.8
Foreign exchange gain / (loss)		(0.7)	19.1
Earnings before taxes (EBT)		(89.9)	(6.8)
Income tax	4	9.9	1.0
Net earnings from continuing operations		(80.0)	(5.8)
DISCONTINUED OPERATIONS			
Net earnings / (loss) from discontinued operations		-	(0.1)
Net earnings		(80.0)	(5.9)
ATTRIBUTABLE TO			
Equity holders of the parent		(85.6)	(9.0)
Non-controlling interests		5.6	3.1
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Basic earnings / (loss) per share		(1.59)	(0.25)
Diluted earnings / (loss) per share		(1.59)	(0.25)
Weighted average number of outstanding shares in thousands		53,778	35,811
EARNINGS PER SHARE FOR CONTINUING OPERATIONS			
Basic earnings / (loss) per share attributable to equity holders of the parent		(1.59)	(0.25)
Diluted earnings / (loss) per share attributable to equity holders of the parent		(1.59)	(0.25)

¹ EBITDA before linearization and other operational result

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 3 MONTHS ENDED MARCH 31, 2016

IN MILLIONS OF CHF	NOTE	Unaudited 3M 2016	Unaudited 3M 2015
Net earnings / (loss)		(80.0)	(5.9)
OTHER COMPREHENSIVE INCOME			
Actuarial gains / (losses) on defined benefit plans		0.2	1.7
Income tax		-	(0.2)
Items not being reclassified to net income in subsequent periods, net of tax		0.2	1.5
Exchange differences on translating foreign operations		(162.3)	(138.8)
Net gain / (loss) on hedge of net investment in foreign operations		62.7	10.8
Changes in the fair value of forward exchange contracts held as cash flow hedges		0.5	-
Share of other comprehensive income of associates		(0.1)	-
Income tax on above positions		(0.1)	-
Items to be reclassified to net income in subsequent periods, net of tax		(99.3)	(128.0)
Total other comprehensive income / (loss), net of tax		(99.1)	(126.5)
Total comprehensive income / (loss), net of tax		(179.1)	(132.4)
ATTRIBUTABLE TO			
Equity holders of the parent		(180.4)	(128.1)
Non-controlling interests		1.3	(4.3)
Total comprehensive income / (loss) attributable to equity holders of the parent		(180.4)	(128.1)
ATTRIBUTABLE TO			
Continuing operations		(180.4)	(127.9)
Discontinued operations		-	(0.2)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT MARCH 31, 2016

IN MILLIONS OF CHF	NOTE	Unaudited 31.03.2016	Audited 31.12.2015
ASSETS			
Property, plant and equipment		576.2	604.6
Intangible assets		7,067.1	7,308.2
Investments in associates		37.9	41.4
Deferred tax assets		176.8	203.9
Other non-current assets		322.2	347.4
Non-current assets		8,180.2	8,505.5
Inventories		888.5	907.3
Trade and credit card receivables		113.9	132.8
Other accounts receivable		348.5	336.0
Income tax receivables		19.6	27.8
Financial instruments at fair value through profit and loss		-	17.7
Cash and cash equivalents		483.5	432.5
Current assets		1,854.0	1,854.1
Total assets		10,034.2	10,359.6
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the parent		2,968.9	3,149.1
Non-controlling interests		181.1	183.6
Total equity		3,150.0	3,332.7
Financial debt		4,287.3	4,313.1
Deferred tax liabilities		629.0	693.1
Provisions		174.9	183.9
Post-employment benefit obligations		53.7	55.3
Other non-current liabilities		96.6	64.9
Non-current liabilities		5,241.5	5,310.3
Trade payables		531.7	546.8
Financial debt		67.3	77.3
Income tax payables		40.4	44.1
Provisions		139.4	153.7
Other liabilities		863.9	894.7
Current liabilities		1,642.7	1,716.6
Total liabilities		6,884.2	7,026.9
Total liabilities and shareholders' equity		10,034.2	10,359.6

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 3 MONTHS ENDED MARCH 31, 2016

2016 IN MILLIONS OF CHF	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT									TOTAL	NON-CON- TROLLING INTERESTS	TOTAL EQUITY
	NOTE	Share capital	Share premium	Treasury shares	Capital reserve for mandatory convertible notes	Employee benefit reserve	Hedging & revalu- ation reserves	Trans- lation reserves	Retained earnings			
Balance at January 1		269.4	4,259.3	(14.3)	-	(21.3)	0.7	(185.8)	(1,158.9)	3,149.1	183.6	3,332.7
Net earnings / (loss)		-	-	-	-	-	-	-	(85.6)	(85.6)	5.6	(80.0)
Other comprehensive income / (loss)		-	-	-	-	0.2	0.4	(95.4)	-	(94.8)	(4.3)	(99.1)
Total comprehensive income / (loss) for the period		-	-	-	-	0.2	0.4	(95.4)	(85.6)	(180.4)	1.3	(179.1)
TRANSACTIONS WITH OR DISTRIBUTIONS TO SHAREHOLDERS:												
Dividends to non-controlling interests		-	-	-	-	-	-	-	-	-	(6.7)	(6.7)
Share-based payment		-	-	-	-	-	-	-	0.2	0.2	-	0.2
Tax effect on equity transactions		-	-	-	-	-	-	-	-	-	-	-
Total transactions with or distributions to owners		-	-	-	-	-	-	-	0.2	0.2	(6.7)	(6.5)
CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES:												
Changes in participation of non-controlling interests		-	-	-	-	-	-	-	-	-	2.9	2.9
Balance at March 31		269.4	4,259.3	(14.3)	-	(21.1)	1.1	(281.2)	(1,244.3)	2,968.9	181.1	3,150.0

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 3 MONTHS ENDED MARCH 31, 2016

2015 IN MILLIONS OF CHF	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT									TOTAL	NON-CON- TROLLING INTERESTS	TOTAL EQUITY
	NOTE	Share capital	Share premium	Treasury shares	Capital reserve for mandatory convertible notes	Employee benefit reserve	Hedging & revalu- ation reserves	Trans- lation reserves	Retained earnings			
Balance at January 1		179.5	1,964.7	(14.3)	262.8	(32.9)	-	(112.2)	46.0	2,293.6	159.5	2,453.1
Net earnings / (loss)		-	-	-	-	-	-	-	(9.0)	(9.0)	3.1	(5.9)
Other comprehensive income / (loss)		-	-	-	-	1.5	-	(120.6)	-	(119.1)	(7.4)	(126.5)
Total comprehensive income for the period		-	-	-	-	1.5	-	(120.6)	(9.0)	(128.1)	(4.3)	(132.4)
TRANSACTIONS WITH OR DISTRIBUTIONS TO SHAREHOLDERS:												
Dividends to non-controlling interests		-	-	-	-	-	-	-	-	-	(5.1)	(5.1)
Share-based payment		-	-	-	-	-	-	-	1.1	1.1	-	1.1
Total transactions with or distributions to owners		-	-	-	-	-	-	-	1.1	1.1	(5.1)	(4.0)
CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES:												
Changes in participation of non-controlling interests		-	-	-	-	-	-	-	-	-	0.5	0.5
Balance at March 31		179.5	1,964.7	(14.3)	262.8	(31.4)	-	(232.8)	38.1	2,166.6	150.6	2,317.2

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE 3 MONTHS ENDED MARCH 31, 2016

IN MILLIONS OF CHF	NOTE	Unaudited 3M 2016	Unaudited 3M 2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Earnings before taxes (EBT)		(89.9)	(6.8)
Net profit / (loss) from discontinued operations		-	(0.1)
Total earnings before taxes (EBT)		(89.9)	(6.9)
ADJUSTMENTS FOR:			
Depreciation, amortization and impairment		137.5	83.8
Loss / (gain) on sale of non-current assets		0.1	0.2
Increase / (decrease) in allowances and provisions		11.7	6.6
Loss / (gain) on unrealized foreign exchange differences		15.4	(11.2)
Other non-cash items		31.7	1.1
Share of result of associates		0.2	(0.8)
Interest expense		54.7	34.3
Interest income		(5.0)	(3.8)
Cash flow before working capital changes		156.4	103.3
Decrease / (increase) in trade and other accounts receivable		18.2	31.7
Decrease / (increase) in inventories		(14.6)	8.0
Increase / (decrease) in trade and other accounts payable		(30.3)	(123.7)
Dividends received from associates		0.2	0.8
Cash generated from operations		129.9	20.1
Income taxes paid		(13.3)	(9.3)
Net cash flows from operating activities		116.6	10.8
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(43.2)	(26.0)
Purchase of intangible assets		(2.7)	(151.4)
Proceeds from sale of property, plant and equipment		1.5	3.4
Interest received		4.2	2.0
Business combinations, net of cash		(0.1)	-
Proceeds from sale of interests in subsidiaries and associates		3.9	28.6
Proceeds from sale of financial assets		17.5	-
Net cash flows used in investing activities		(18.9)	(143.4)
CASH FLOW FROM FINANCING ACTIVITIES			
Transaction costs paid for issuance of financial instruments		(2.5)	(0.1)
Proceeds from bank loans		56.5	114.2
Repayment of bank loans		(0.3)	(58.6)
Proceeds from / (repayment of) 3 rd party loans		0.1	1.9
Dividends paid to non-controlling interest		(6.7)	(5.1)
Interest paid		(61.8)	(26.2)
Net cash flows (used in) / from financing activities		(14.7)	26.1
Currency translation on cash		(32.0)	37.1
(Decrease) / increase in cash and cash equivalents		51.0	(69.4)
CASH AND CASH EQUIVALENTS AT THE			
- beginning of the period		432.5	513.0
- end of the period		483.5	443.6

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 3 MONTHS ENDED MARCH 31, 2016

1. CORPORATE INFORMATION

Dufry AG (the Company) is a publicly listed company with headquarters in Basel, Switzerland. The Company is the world's leading travel retail company. It operates around 2,200 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 São Paulo.

The interim consolidated financial statements of Dufry AG and its subsidiaries (Dufry or the group) for the period ended March 31, 2016 were authorized for public disclosure in accordance with a resolution of the Board of Directors of the Company dated April 28, 2016.

2. BASIS OF PREPARATION AND CHANGES TO THE ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim consolidated financial statements for the period ended March 31, 2016 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 Dufry's annual financial statements as of December 31, 2015.

2.2 NEW STANDARDS, INTERPRETATIONS AND AMENMENTS ADOPTED

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Dufry's annual financial statements for the year ended December 31, 2015, except for the new or revised Standards and Interpretations adopted in these financial statements (effective January 1, 2016). Their adoption did not have a significant impact on the amounts reported in these financial statements or disclosures therein.

Annual Improvements 2012 – 2014 – issued September 2014

- IFRS 5 non-current assets held for sale and discontinued operations: Changes in methods of disposal are clarified, i.e. whether such a change in a disposal method would qualify as a change to a plan of sale. This amendment does not currently have any impact on Dufry.
- IAS 34 Interim Financial reporting: Disclosure of information “elsewhere in the interim financial report” is clarified and requires the inclusion of a cross reference from the interim financial statements to the location of this information.

Disclosure initiative (Amendments to IAS 1 – Presentation of Financial Statements)

- Materiality: Aggregation or disaggregation should not obscure useful information. Materiality applies to each of the primary financial statements, the notes and each specific disclosure required by IFRS.
- Line items in primary financial statements: Additional guidance for line items to be presented in primary statements and new requirements regarding the use of subtotals.
- Notes to the financial statements: Determination of the order of the notes should include consideration of understandability and comparability of financial statements.
- Equity accounted investments: An entity’s share of other comprehensive income would be split between those items that will and will not be reclassified to profit or loss, and presented in aggregate as single line items within those two groups.

3. SEGMENT INFORMATION

Dufry's risks and returns are predominantly affected by the fact that Dufry operates in different countries. Therefore, Dufry presents the segment information as it does internally to the Group Executive Committee, using geographical segments and the distribution centers as an additional segment.

As of January 1, 2016 Dufry implemented the new management organization resulting in five geographical Divisions and one global distribution centre segment. The divisions comprise all retail operations of the former Dufry Regions, as well as, The Nuance and World Duty Free business.

We refer to pages 62/63 of the Dufry's 2015 annual report for the assignment of each of the 370 locations to the respective segments.

The comparative figures for 2015 were prepared accordingly to reflect the above-mentioned changes.

Segment information 3M

IN MILLIONS OF CHF	2016				2015 *			
	TURNOVER			EBITDA ¹	TURNOVER			EBITDA ¹
	with external customers	with other divisions	TOTAL		with external customers	with other segments	TOTAL	
Southern Europe and Africa	286.9	-	286.9	29.0	125.3	-	125.3	9.1
UK, Central and Eastern Europe	427.6	-	427.6	33.9	150.3	-	150.3	3.2
Asia, Middle East and Australia	187.2	-	187.2	12.8	137.0	-	137.0	6.4
Latin America	351.8	-	351.8	16.6	327.1	-	327.1	16.0
North America	367.3	-	367.3	28.4	267.1	-	267.1	26.0
Distribution Centers	9.4	194.5	203.9	25.8	12.1	186.6	198.7	31.3
Total divisions	1,630.2	194.5	1,824.7	146.5	1,018.9	186.6	1,205.5	92.0
Eliminations	-	(194.5)	(194.5)	-	-	(186.6)	(186.6)	-
Dufry	1,630.2	-	1,630.2	146.5	1,018.9	-	1,018.9	92.0

¹ EBITDA before linearization and other operational result

* Adjusted

Segment assets and liabilities

IN MILLIONS OF CHF	31.03.2016		31.12.2015 *	
	TOTAL ASSETS	TOTAL LIABILITIES	TOTAL ASSETS	TOTAL LIABILITIES
Southern Europe and Africa	2,616.9	733.5	2,612.5	700.4
UK, Central and Eastern Europe	2,422.6	710.7	2,585.4	785.6
Asia, Middle East and Australia	573.1	285.2	604.4	292.8
Latin America	1,930.8	342.8	2,021.1	354.1
North America	1,264.0	278.3	1,319.1	279.8
Distribution Centers	564.1	114.4	668.7	152.2
Total divisions	9,371.5	2,464.9	9,811.2	2,564.9
Unallocated positions	662.7	4,419.3	548.4	4,462.0
Dufry	10,034.2	6,884.2	10,359.6	7,026.9

* Adjusted

4. INCOME TAXES

IN MILLIONS OF CHF	Unaudited 3M 2016	Unaudited 3M 2015
Current income tax	(19.2)	(6.7)
Deferred income tax	29.1	7.7
Total	9.9	1.0

5. ACQUISITION OF WORLD DUTY FREE GROUP IN 2015

The fair value of the identifiable assets and liabilities at the date of the acquisition are still considered to be preliminary and materially unchanged from the disclosure in Dufry's annual financial statements as of December 31, 2015.

6. PRINCIPAL FOREIGN EXCHANGE RATES APPLIED FOR VALUATION AND TRANSLATION

IN CHF	AVERAGE RATE		CLOSING RATE
	3M 2016	31.03.2016	
1 USD	0.9931	0.9589	
1 EUR	1.0956	1.0913	
1 GBP	1.4227	1.3803	
IN CHF	3M 2015		31.12.2015
1 USD	0.9528	0.9728	0.9997
1 EUR	1.0728	1.0437	1.0863
1 GBP	1.4425	1.4438	1.4730

7. SEASONALITY

Dufry has its strongest months of turnover and EBITDA between July and September corresponding to the summer time in the northern hemisphere, whereas the first quarter is the weakest. These seasonality effects are more prominent on results than in turnover.



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, 28 April 2016

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 2016, comprising of the interim consolidated statement of financial position as of 31 March 2016 and the related interim consolidated income statement, comprehensive income, changes in equity and cash flows for the three-month period then ended and explanatory notes (Pages 3 to 12). 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". 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

Bruno Chiomento
Licensed audit expert
(Auditor in charge)

Christian Krämer
Licensed audit expert