

# SIX MONTHS REPORT 2015

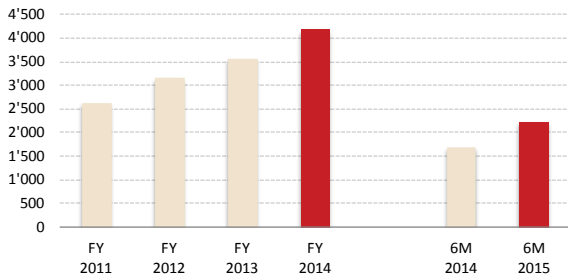


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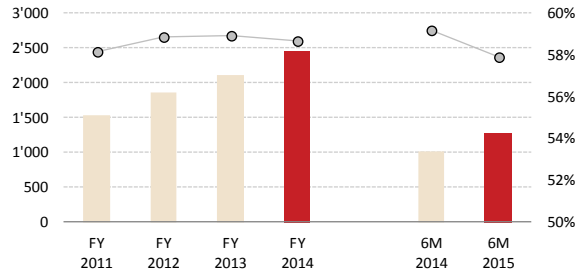


## Key figures

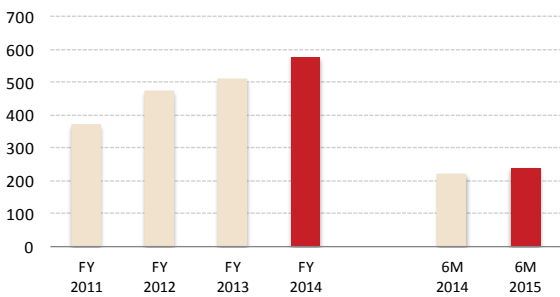
**Turnover**  
IN MILLIONS OF CHF



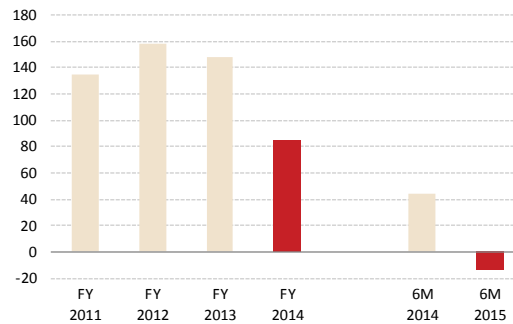
**Gross profit**  
IN MILLIONS OF CHF



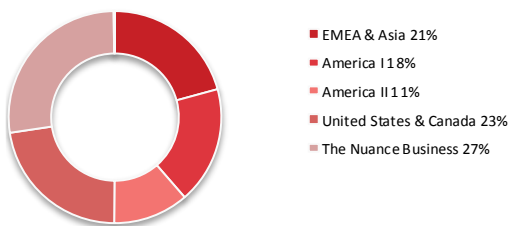
**EBITDA**  
IN MILLIONS OF CHF



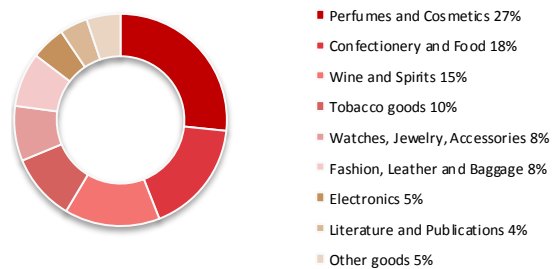
**Net earnings / (loss)**  
IN MILLIONS OF CHF



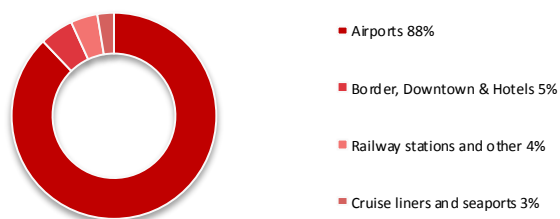
### Net sales by region



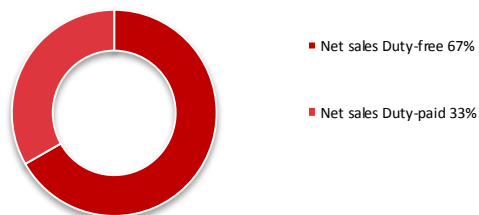
### Net sales by product categories



### Net sales by channel



### Net sales by market sector



## Interim Consolidated Income Statement for the 6 months ended June 30, 2015

IN MILLIONS OF CHF	Note	Unaudited 6M 2015	Unaudited 6M 2014	Unaudited Q2 2015	Unaudited Q2 2014
<b>Continuing operations</b>					
Net sales		2'156.0	1'653.7	1'172.9	905.4
Advertising income		73.2	54.2	37.4	27.5
<b>Turnover</b>		<b>2'229.2</b>	<b>1'707.9</b>	<b>1'210.3</b>	<b>932.9</b>
Cost of sales		(938.2)	(696.8)	(505.6)	(378.6)
<b>Gross profit</b>		<b>1'291.0</b>	<b>1'011.1</b>	<b>704.7</b>	<b>554.3</b>
Selling expenses		(585.8)	(402.6)	(321.5)	(215.4)
Personnel expenses		(343.1)	(274.1)	(177.1)	(146.3)
General expenses		(127.8)	(113.0)	(63.0)	(60.3)
Share of result of associates		2.4	-	1.6	-
<b>EBITDA<sup>1</sup></b>		<b>236.7</b>	<b>221.4</b>	<b>144.7</b>	<b>132.3</b>
Depreciation, amortization and impairment		(170.0)	(101.3)	(86.2)	(51.1)
Other operational result		(21.0)	(17.0)	(17.4)	(13.2)
<b>Earnings before interest and taxes (EBIT)</b>		<b>45.7</b>	<b>103.1</b>	<b>41.1</b>	<b>68.0</b>
Gain/(loss) financial instruments at fair value through profit and loss		(0.6)	-	(0.6)	-
Interest expenses		(84.9)	(55.6)	(50.6)	(31.1)
Interest income		6.2	2.5	2.4	1.4
Foreign exchange gain/(loss)		16.0	0.8	(3.1)	0.7
<b>Earnings before taxes (EBT)</b>		<b>(17.6)</b>	<b>50.8</b>	<b>(10.8)</b>	<b>39.0</b>
Income tax	6	3.4	(6.7)	2.4	(4.8)
<b>Net earnings/(loss) from continuing operations</b>		<b>(14.2)</b>	<b>44.1</b>	<b>(8.4)</b>	<b>34.2</b>
<b>Discontinued operations</b>					
Net profit/(loss) from discontinued operations		0.1	-	0.2	-
<b>Net earnings/(loss)</b>		<b>(14.1)</b>	<b>44.1</b>	<b>(8.2)</b>	<b>34.2</b>
<b>Attributable to:</b>					
Equity holders of the parent		(25.0)	27.5	(16.0)	24.7
Non-controlling interests		10.9	16.6	7.8	9.5
<b>Earnings per share attributable to equity holders of the parent</b>					
Basic earnings per share		(0.66)	0.89	(0.42)	0.80
Diluted earnings per share		(0.66)	0.88	(0.42)	0.79
Weighted average number of outstanding shares in thousands		37'709	30'901	37'798	30'902
<b>Earnings per share for continuing operations</b>					
Basic earnings per share attributable to equity holders of the parent		(0.66)	0.89	(0.42)	0.80
Diluted earnings per share attributable to equity holders of the parent		(0.66)	0.88	(0.42)	0.79

<sup>1</sup> EBITDA before other operational result

## Interim Consolidated Statement of Comprehensive Income for the 6 months ended June 30, 2015

IN MILLIONS OF CHF	Note	Unaudited 6M 2015	Unaudited 6M 2014	Unaudited Q2 2015	Unaudited Q2 2014
<b>Net earnings / (loss)</b>		<b>(14.1)</b>	<b>44.1</b>	<b>(8.2)</b>	<b>34.2</b>
<b>Other comprehensive income</b>					
Actuarial gains / (losses) on defined benefit plans		(2.2)	0.5	(3.9)	-
Income tax		0.3	(0.1)	0.5	(0.1)
<b>Items not being reclassified to net income in subsequent periods, net of tax</b>		<b>(1.9)</b>	<b>0.4</b>	<b>(3.4)</b>	<b>(0.1)</b>
Exchange differences on translating foreign operations		(258.5)	(8.1)	(119.7)	3.2
Net gain / (loss) on hedge of net investment in foreign operations		43.3	1.4	32.5	(2.7)
Changes in the fair value of forward exchange contracts held as cash flow hedges		(1.1)	-	(1.1)	-
<b>Items to be reclassified to net income in subsequent periods, net of tax</b>		<b>(216.3)</b>	<b>(6.7)</b>	<b>(88.3)</b>	<b>0.5</b>
<b>Total other comprehensive income / (loss), net of tax</b>		<b>(218.2)</b>	<b>(6.3)</b>	<b>(91.7)</b>	<b>0.4</b>
<b>Total comprehensive income / (loss), net of tax</b>		<b>(232.3)</b>	<b>37.8</b>	<b>(99.9)</b>	<b>34.6</b>
<b>Attributable to:</b>					
Equity holders of the parent		(226.6)	22.8	(98.5)	25.3
Non-controlling interests		(5.7)	15.0	(1.4)	9.3
<b>Total comprehensive income / (loss) attributable to equity holders of the parent</b>		<b>(226.6)</b>	<b>22.8</b>	<b>(98.5)</b>	<b>25.3</b>
<b>Attributable to:</b>					
Continuing operations		(226.6)	22.8	(98.7)	25.3
Discontinued operations		-	-	0.2	-

## Interim Consolidated Statement of Financial Position at June 30, 2015

IN MILLIONS OF CHF	Note	Unaudited 30.06.2015	Audited 31.12.2014
<b>ASSETS</b>			
Property, plant and equipment		401.6	435.4
Intangible assets		4'224.0	4'723.4
Investments in associates	8	38.6	72.9
Deferred tax assets		192.1	195.9
Other non-current assets		80.5	106.6
<b>Non-current assets</b>		<b>4'936.8</b>	<b>5'534.2</b>
Inventories		689.0	741.2
Trade and credit card receivables		80.3	118.7
Other accounts receivable		210.0	227.2
Income tax receivables		12.8	11.0
Financial instruments at fair value through profit and loss		14.6	-
Cash and cash equivalents		2'607.9	513.0
<b>Current assets</b>		<b>3'614.6</b>	<b>1'611.1</b>
Assets of discontinued operations held for sale		-	1.8
<b>Total assets</b>		<b>8'551.4</b>	<b>7'147.1</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Equity attributable to equity holders of the parent	11	4'174.7	2'292.8
Non-controlling interests		140.5	165.8
<b>Total equity</b>		<b>4'315.2</b>	<b>2'458.6</b>
Financial debt		2'706.1	2'821.8
Deferred tax liabilities		363.0	416.4
Provisions		93.5	96.6
Post-employment benefit obligations		38.5	37.7
Other non-current liabilities		1.8	3.3
<b>Non-current liabilities</b>		<b>3'202.9</b>	<b>3'375.8</b>
Trade payables		366.4	418.3
Financial debt		50.2	45.6
Income tax payables		24.9	33.8
Provisions		47.9	54.8
Other liabilities	9	543.9	760.2
<b>Current liabilities</b>		<b>1'033.3</b>	<b>1'312.7</b>
<b>Total liabilities</b>		<b>4'236.2</b>	<b>4'688.5</b>
<b>Total liabilities and shareholders' equity</b>		<b>8'551.4</b>	<b>7'147.1</b>

## Interim Consolidated Statement of Changes in Equity for the 6 months ended June 30, 2015

for the 6 months ended June 30, 2015

Attributable to equity holders of the parent

IN MILLIONS OF CHF	Note	Share capital	Share premium	Treasury shares	Capital reserve for mandatory convertible notes	Employee benefit reserve	Hedging & revaluation reserves	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance at January 1, 2015</b>		<b>179.5</b>	<b>1'964.7</b>	<b>(14.3)</b>	<b>262.8</b>	<b>(32.9)</b>	<b>-</b>	<b>(112.3)</b>	<b>45.3</b>	<b>2'292.8</b>	<b>165.8</b>	<b>2'458.6</b>
Net earnings / (loss)		-	-	-	-	-	-	-	(25.0)	(25.0)	10.9	(14.1)
Other comprehensive income / (loss)		-	-	-	-	(1.8)	(1.1)	(198.6)	(0.1)	(201.6)	(16.6)	(218.2)
<b>Total comprehensive income / (loss) for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.8)</b>	<b>(1.1)</b>	<b>(198.6)</b>	<b>(25.1)</b>	<b>(226.6)</b>	<b>(5.7)</b>	<b>(232.3)</b>
<b>Transactions with or distributions to shareholders:</b>												
Dividends to non-controlling interests		-	-	-	-	-	-	-	-	-	(22.1)	(22.1)
Rights issue	11	80.8	2'119.2	-	-	-	-	-	-	2'200.0	-	2'200.0
Conversion of mandatory convertible notes	11	9.1	253.7	-	(262.8)	-	-	-	-	-	-	-
Transactions costs for equity instruments	11	-	(94.0)	-	-	-	-	-	-	(94.0)	-	(94.0)
Share-based payment		-	-	-	-	-	-	-	2.5	2.5	-	2.5
<b>Total transactions with or distributions to owners</b>		<b>89.9</b>	<b>2'278.9</b>	<b>-</b>	<b>(262.8)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.5</b>	<b>2'108.5</b>	<b>(22.1)</b>	<b>2'086.4</b>
<b>Changes in ownership interests in subsidiaries:</b>												
Changes in participation of non-controlling interests		-	-	-	-	-	-	-	-	-	2.5	2.5
<b>Balance at June 30, 2015</b>		<b>269.4</b>	<b>4'243.6</b>	<b>(14.3)</b>	<b>-</b>	<b>(34.7)</b>	<b>(1.1)</b>	<b>(310.9)</b>	<b>22.7</b>	<b>4'174.7</b>	<b>140.5</b>	<b>4'315.2</b>

for the 6 months ended June 30, 2014

Attributable to equity holders of the parent

IN MILLIONS OF CHF	Note	Share capital	Share premium	Treasury shares	Capital reserve for mandatory convertible notes	Employee benefit reserve	Hedging & revaluation reserves	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance at January 1, 2014</b>		<b>154.5</b>	<b>1'207.0</b>	<b>(18.1)</b>	<b>-</b>	<b>0.3</b>	<b>-</b>	<b>(224.5)</b>	<b>18.3</b>	<b>1'137.5</b>	<b>129.9</b>	<b>1'267.4</b>
Net earnings		-	-	-	-	-	-	-	27.5	27.5	16.6	44.1
Other comprehensive income / (loss)		-	-	-	-	0.5	-	(5.2)	-	(4.7)	(1.6)	(6.3)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.5</b>	<b>-</b>	<b>(5.2)</b>	<b>27.5</b>	<b>22.8</b>	<b>15.0</b>	<b>37.8</b>
<b>Transactions with or distributions to shareholders:</b>												
Dividends to non-controlling interests		-	-	-	-	-	-	-	-	-	(20.2)	(20.2)
Issuance of mandatory convertible notes		-	-	-	269.6	-	-	-	-	269.6	-	269.6
Transaction costs mandatory convertible notes		-	-	-	(6.6)	-	-	-	-	(6.6)	-	(6.6)
Assignment of treasury shares		-	-	17.6	-	-	-	-	(17.6)	-	-	-
Share-based payment		-	-	-	-	-	-	-	1.1	1.1	-	1.1
<b>Total transactions with or distributions to owners</b>		<b>-</b>	<b>-</b>	<b>17.6</b>	<b>263.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16.5)</b>	<b>264.1</b>	<b>(20.2)</b>	<b>243.9</b>
<b>Changes in ownership interests in subsidiaries:</b>												
Changes in participation of non-controlling interests		-	-	-	-	-	-	-	(3.7)	(3.7)	43.7	40.0
<b>Balance at June 30, 2014</b>		<b>154.5</b>	<b>1'207.0</b>	<b>(0.5)</b>	<b>263.0</b>	<b>0.8</b>	<b>-</b>	<b>(229.7)</b>	<b>25.6</b>	<b>1'420.7</b>	<b>168.4</b>	<b>1'589.1</b>

## Interim Consolidated Statement of Cash Flows for the 6 months ended June 30, 2015

IN MILLIONS OF CHF	Note	Unaudited 6M 2015	Unaudited 6M 2014	Unaudited Q2 2015	Unaudited Q2 2014
<b>Cash flows from operating activities</b>					
Earnings before taxes [EBT]		(17.6)	50.8	(10.8)	39.0
Net profit / (loss) from discontinued operations		0.1	-	0.2	-
<b>Total earnings before taxes (EBT)</b>		<b>(17.5)</b>	<b>50.8</b>	<b>(10.6)</b>	<b>39.0</b>
<b>Adjustments for:</b>					
Depreciation, amortization and impairment		170.0	101.3	86.2	51.1
Loss / (gain) on sale of non-current assets		0.5	-	0.3	-
Increase / (decrease) in allowances and provisions		12.3	7.7	5.7	0.5
Loss / (gain) on unrealized foreign exchange differences		(8.5)	(1.8)	2.7	(2.2)
Other non-cash items		2.5	1.1	1.4	0.5
Share of result of associates		(2.4)	-	(1.6)	-
Interest expense		84.9	55.6	50.6	31.1
Interest income		(6.2)	(2.5)	(2.4)	(1.4)
<b>Cash flow before working capital changes</b>		<b>235.6</b>	<b>212.2</b>	<b>132.3</b>	<b>118.6</b>
Decrease / (increase) in trade and other accounts receivable		35.2	(58.3)	3.5	(28.7)
Decrease / (increase) in inventories		(7.8)	(37.2)	(15.8)	(4.1)
Increase / (decrease) in trade and other accounts payable		(96.3)	54.9	27.4	10.8
Dividends received from associates		4.5	-	3.7	-
<b>Cash generated from operations</b>		<b>171.2</b>	<b>171.6</b>	<b>151.1</b>	<b>96.6</b>
Income taxes paid		(28.3)	(16.6)	(19.0)	(11.4)
<b>Net cash flows from operating activities</b>		<b>142.9</b>	<b>155.0</b>	<b>132.1</b>	<b>85.2</b>
<b>Cash flow from investing activities</b>					
Purchase of property, plant and equipment		(56.8)	(78.7)	(30.8)	(47.2)
Purchase of intangible assets	9	(156.5)	(23.0)	(5.1)	(5.1)
Purchase of financial assets		(15.2)	-	(15.2)	-
Proceeds from sale of property, plant and equipment		3.8	1.0	0.4	0.9
Interest received		3.5	2.1	1.5	1.2
Business combinations, net of cash		-	(6.0)	-	(5.1)
Proceeds from sale of interests in subsidiaries and associates	8	28.6	0.2	-	-
<b>Net cash flows used in investing activities</b>		<b>(192.6)</b>	<b>(104.4)</b>	<b>(49.2)</b>	<b>(55.3)</b>
<b>Cash flow from financing activities</b>					
Proceeds from issue of new shares	11	2'200.0	-	2'200.0	-
Proceeds from mandatory convertible notes		-	275.0	-	275.0
Transaction costs paid for issuance of financial instruments	11	(51.7)	(12.3)	(51.6)	(11.8)
Proceeds from bank loans		146.2	37.7	32.0	-
Repayment of bank loans		(60.1)	(28.8)	(1.5)	(28.8)
Proceeds from / (repayment of) 3rd party loans		3.3	(4.4)	1.4	(2.6)
Dividends paid to non-controlling interest		(22.1)	(20.2)	(17.0)	(17.0)
Net contributions from / (purchase of) non-controlling interests		1.1	14.0	1.1	(4.1)
Interest paid		(66.6)	(46.9)	(40.4)	(30.6)
<b>Net cash flows (used in) / from financing activities</b>		<b>2'150.1</b>	<b>214.1</b>	<b>2'124.0</b>	<b>180.1</b>
Currency translation on cash		(5.5)	0.4	(42.6)	0.6
<b>(Decrease) / increase in cash and cash equivalents</b>		<b>2'094.9</b>	<b>265.1</b>	<b>2'164.3</b>	<b>210.6</b>
<b>Cash and cash equivalents at the</b>					
- beginning of the period		513.0	246.4	443.6	300.9
- end of the period		2'607.9	511.5	2'607.9	511.5

## Notes to the Interim Consolidated Financial Statements for the 6 months ended June 30, 2015

### 1. Corporate information

Dufrey AG ('Dufrey' 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 1.650 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 Dufrey AG and its subsidiaries ('the Group') for the period ended June 30, 2015 were authorized for public disclosure in accordance with a resolution of the Board of Directors of the Company dated July 28, 2015.

### 2. Basis of preparation and changes to the accounting policies

#### Basis of preparation

The interim consolidated financial statements for the period ended June 30, 2015 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, 2014.

#### New standards, interpretations and amendments adopted

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, 2014, except for the new or revised Standards and Interpretations adopted in these financial statements (effective January 1, 2015). Their adoption did not have a significant impact on the amounts reported in these financial statements or disclosures therein.

#### Annual improvements 2010-2012 – issued December 2013

- **IFRS 2 Share-based payment**  
Definition of vesting condition by separately defining a 'performance condition' and a 'service condition'.
- **IFRS 3 Business combinations**  
Accounting for contingent consideration in a business combination that is a financial asset or financial liability can only be measured at fair value, with changes in fair value being presented in either profit or loss or other comprehensive income.
- **IFRS 8 Operating segments**  
Aggregation of operating segments requires the disclosure of those factors that are used to identify the entity's reportable segments.

- **IAS 24 Related party disclosures**

An entity providing key management personnel services to the reporting entity is a related party of the reporting entity.

### 3. Principal foreign exchange rates applied for valuation and translation

	Average rates		Closing rates	
	6M 2015	Q2 2015	30.06.2015	
1 USD	0.9470	0.9413	0.9352	
1 EUR	1.0571	1.0416	1.0429	
	6M 2014	Q2 2014	30.06.2014	31.12.2014
	1 USD	0.8908	0.8891	0.8871
1 EUR	1.2211	1.2191	1.2144	1.2027

### 4. Seasonality

Dufrey has its strongest month 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 stronger on results than in turnover.

### 5. Segment information

The Group's risks and returns are predominantly affected by the fact that Dufrey operates in different countries. Therefore, Dufrey presents the segment information as it does internally to the Group Executive Committee, using 4 geographical areas plus the Nuance business and the distribution centers as additional business units.



## Notes to the Interim Consolidated Financial Statements

### 5. Segment information (continued)

#### Segment information 6M

IN MILLIONS OF CHF	2015				2014			
	Turnover			EBITDA <sup>1</sup>	Turnover			EBITDA <sup>1</sup>
	with external customers	with other segments	Total		with external customers	with other segments	Total	
EMEA & Asia	453.7	-	453.7	47.8	552.1	-	552.1	69.0
America I	388.1	-	388.1	23.9	357.3	-	357.3	22.8
America II	261.3	-	261.3	2.0	318.4	-	318.4	17.1
United States & Canada	498.0	-	498.0	54.6	451.1	-	451.1	51.4
The Nuance Business	605.7	-	605.7	47.8	-	-	-	-
Distribution Centers	22.4	388.9	411.3	60.6	29.0	423.2	452.2	61.1
<b>Total segments</b>	<b>2'229.2</b>	<b>388.9</b>	<b>2'618.1</b>	<b>236.7</b>	<b>1'707.9</b>	<b>423.2</b>	<b>2'131.1</b>	<b>221.4</b>
Eliminations	-	(388.9)	(388.9)	-	-	(423.2)	(423.2)	-
<b>Dufry Group</b>	<b>2'229.2</b>	<b>-</b>	<b>2'229.2</b>	<b>236.7</b>	<b>1'707.9</b>	<b>-</b>	<b>1'707.9</b>	<b>221.4</b>

#### Segment information Q2

IN MILLIONS OF CHF	2015				2014			
	Turnover			EBITDA <sup>1</sup>	Turnover			EBITDA <sup>1</sup>
	with external customers	with other segments	Total		with external customers	with other segments	Total	
EMEA & Asia	263.7	-	263.7	35.1	312.3	-	312.3	46.6
America I	191.9	-	191.9	10.3	182.6	-	182.6	9.4
America II	130.5	-	130.5	(0.4)	180.0	-	180.0	11.4
United States & Canada	267.9	-	267.9	34.0	246.1	-	246.1	33.7
The Nuance Business	346.0	-	346.0	36.5	-	-	-	-
Distribution Centers	10.3	202.3	212.6	29.2	11.9	209.7	221.6	31.2
<b>Total segments</b>	<b>1'210.3</b>	<b>202.3</b>	<b>1'412.6</b>	<b>144.7</b>	<b>932.9</b>	<b>209.7</b>	<b>1'142.6</b>	<b>132.3</b>
Eliminations	-	(202.3)	(202.3)	-	-	(209.7)	(209.7)	-
<b>Dufry Group</b>	<b>1'210.3</b>	<b>-</b>	<b>1'210.3</b>	<b>144.7</b>	<b>932.9</b>	<b>-</b>	<b>932.9</b>	<b>132.3</b>

<sup>1</sup> EBITDA before other operational result

#### Segment assets and liabilities

IN MILLIONS OF CHF	30.06.2015		31.12.2014	
	Total assets	Total liabilities	Total assets	Total liabilities
EMEA & Asia	1'238.2	331.5	1'391.1	343.8
America I	1'310.8	172.7	1'324.1	208.1
America II <sup>2</sup>	404.9	99.3	560.6	293.6
United States & Canada	622.6	135.9	729.5	132.8
The Nuance Business	2'017.8	523.2	2'367.7	597.7
Distribution Centers	456.0	134.9	402.4	189.4
<b>Total segments</b>	<b>6'050.3</b>	<b>1'397.5</b>	<b>6'775.3</b>	<b>1'765.4</b>
Unallocated positions	2'501.1	2'838.7	371.8	2'923.1
<b>Dufry Group</b>	<b>8'551.4</b>	<b>4'236.2</b>	<b>7'147.1</b>	<b>4'688.5</b>

<sup>2</sup> Change mainly due to a payment of CHF 147.2 million (see note 9)

## Notes to the Interim Consolidated Financial Statements

### 6. Income taxes

IN MILLIONS OF CHF	Unaudited 6M 2015	Unaudited 6M 2014	Unaudited Q2 2015	Unaudited Q2 2014
Current income tax	(19.0)	(18.7)	(12.3)	(12.6)
Deferred income tax	22.4	12.0	14.7	7.8
<b>TOTAL INCOME TAXES</b>	<b>3.4</b>	<b>(6.7)</b>	<b>2.4</b>	<b>(4.8)</b>

### 7. Acquisition of the Nuance Group in 2014

The fair value of the identifiable assets and liabilities at the date of the acquisition are still considered to be preliminary and unchanged from the disclosure in Dufry's annual financial statements as of December 31, 2014.

### 8. Investments in associates

Dufry's interests in Nuance Group (Orlando) LLC and Broward Duty Free LLC were sold during Q1 2015 for CHF 28.4 (USD 30.0) million to a shareholder in these entities. Dufry purchased these assets as part of the Nuance transaction in September 2014.

### 9. Agreement with a local partner to operate in Brazil

Dufry paid CHF 147.2 (USD 163.2) million during Q1 2015 to acquire an additional 20% of the equity of Dufry Lojas Francas Ltd (DLF) in Brazil. After the exercise of the option, Dufry holds 80% of DLF.

### 10. Important transaction

On March 30, 2015, Dufry announced the signing of an agreement to acquire 50.1% stake in World Duty Free S.p.A. (WDF) for EUR 10.25 per share in cash. Following the completion of the transaction, Dufry will launch a mandatory tender offer for the remaining 49.9% outstanding WDF shares (EUR 10.25 per share in cash). The closing date of the transaction is expected to be during Q3.

WDF is one of the top global travel retailers and in 2014 generated turnover of EUR 2,439.6 million. WDF has operations in 20 countries through 105 locations with over 500 shops, from its heartland in Western Europe, to the Americas, the middle East and Asia and an average of about 9,400 full time equivalent.

Dufry expects to generate significant cost synergies through the integration by cost reductions and gross profit improvements. WDF will further enhance Dufry's

global position in the travel retail market industry.

For the financing of the transaction and the refinancing of WDF's debt, Dufry has secured via a fully committed debt bridge facility of CHF 3,800 (EUR 3,600) million, of which CHF 2,200 million was financed through equity (see note 11 below) and up to CHF 1,600 (EUR 1,500) million will be re-financed through debt instruments.

The capital increase was fully secured by a combination of an underwriting by a bank consortium as well as commitments by three investors; Singapore's Sovereign Wealth Fund, the Qatar Investment Authority and Temasek, which all committed to invest up to CHF 450 million each in equity. The equity increase was successfully concluded on June 25, 2015.

### 11. Equity

#### Issued capital

IN MILLIONS OF CHF	Unaudited 30.06.2015	Audited 31.12.2014
Share capital	269.4	179.5
Share premium	4'243.6	1'964.7
<b>Total</b>	<b>4'513.0</b>	<b>2'144.2</b>

#### Fully paid ordinary shares

IN MILLIONS OF CHF	Number of shares	Share capital	Share premium
Balance at January 1, 2014	30'905'056	154.5	1'207.0
Issue of shares	5'000'000	25.0	785.0
Share issuance costs	-	-	(27.3)
<b>Balance at December 31, 2014</b>	<b>35'905'056</b>	<b>179.5</b>	<b>1'964.7</b>
Conversion of mandatory convertible notes	1'809'188	9.1	253.7
Issue of shares	16'157'463	80.8	2'119.2
Share issuance costs	-	-	(94.0)
<b>Balance at June 30, 2015</b>	<b>53'871'707</b>	<b>269.4</b>	<b>4'243.6</b>

#### Authorized and conditional share capital

AUTHORIZED SHARE CAPITAL	Number of shares	In thousands of CHF
Balance at January 1, 2014	1'466'387	7'332
Expiration May 2, 2014	(1'466'387)	(7'332)
<b>Balance at December 31, 2014</b>	<b>-</b>	<b>-</b>
<b>Balance at June 30, 2015</b>	<b>-</b>	<b>-</b>

CONDITIONAL SHARE CAPITAL	Number of shares	In thousands of CHF
Balance at January 1, 2014	2'497'620	13'488
<b>Balance at December 31, 2014</b>	<b>2'697'620</b>	<b>13'488</b>
Utilization June, 2015	(1'809'188)	(9'046)
<b>Balance at June 30, 2015</b>	<b>888'432</b>	<b>4'442</b>



## Notes to the Interim Consolidated Financial Statements

### 11. Equity (continued)

#### Mandatory Convertible Notes conversion

The Mandatory Convertible Notes amounting to CHF 262.8 million (net of issuance costs) were converted into 1'809'188 ordinary registered shares of Dufry during June 2015 at a conversion price of CHF 152 per note. Dufry issued the shares out of the existing conditional share capital.

#### Share capital increase

The General Meeting held on April 29, 2015, approved the increase of the share capital of Dufry from currently CHF 179.5 million by up to CHF 157.2 million to a maximum amount of up to CHF 336.7 million through the issuance of fully paid-in new registered shares with a par value of CHF 5 each.

On June 18, 2015, Dufry AG issued 16'157'463 new registered shares representing 43% additional shares. After this share issuance, the share capital of Dufry AG amounts to CHF 269.4 million. The offer price for the rights offering as well as for the committed investors was set at CHF 136.16 per new share. In the rights offering, 9'744'390 new shares were subscribed for by existing shareholders, while 6'413'073 new shares were purchased by committed investors, resulting in gross proceeds of CHF 2,200 million. The trading of the offered shares on the SIX Swiss Exchange commenced on June 25, 2015. The share issuance costs related with these transactions have been estimated at CHF 94.0 million and is presented in equity.



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To the Board of Directors of  
**Dufry AG, Basel**

Basel, 28 July 2015

## **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 30 June 2015, comprising of the interim consolidated statement of financial position as of 30 June 2015 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 11). 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



Bruno Chiomento  
Licensed audit expert  
(Auditor in charge)



Christian Krämer  
Licensed audit expert