

DUFRY

WorldClass.WorldWide.

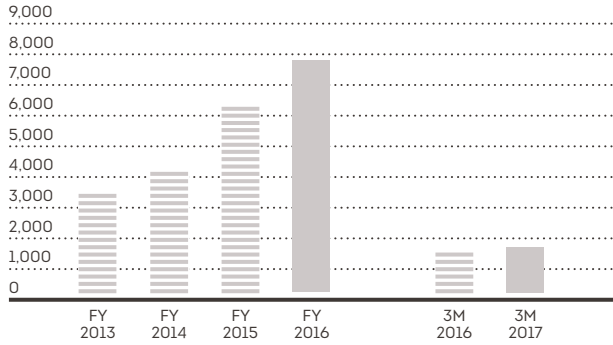
THREE MONTHS REPORT 2017



DUFRY AT A GLANCE

TURNOVER

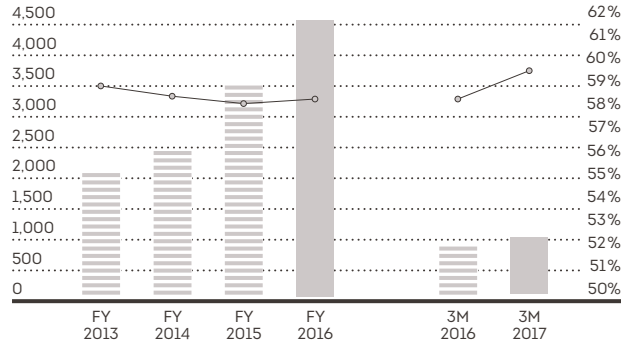
IN MILLIONS OF CHF



GROSS PROFIT

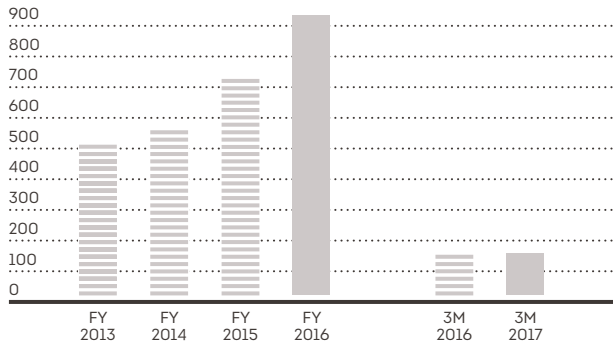
IN MILLIONS OF CHF

MARGIN



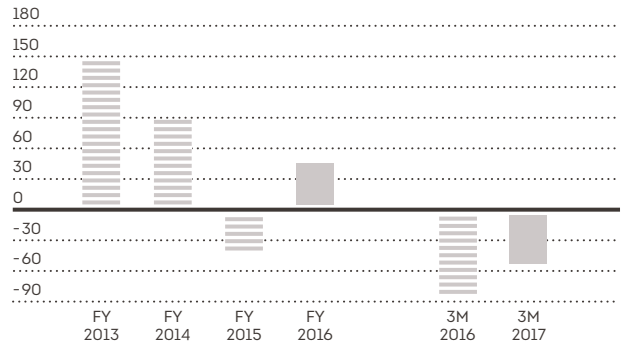
EBITDA¹

IN MILLIONS OF CHF



NET EARNINGS / (LOSS)

IN MILLIONS OF CHF



¹ EBITDA before other operational result and linearization

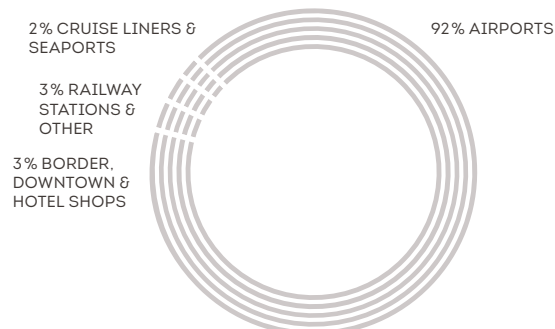
NET SALES BY DIVISION



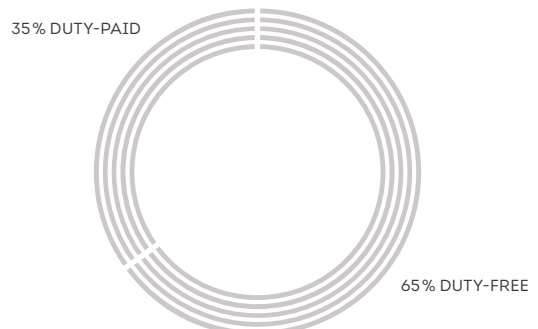
NET SALES BY PRODUCT CATEGORIES



NET SALES BY CHANNEL



NET SALES BY MARKET SECTOR



INTERIM CONSOLIDATED INCOME STATEMENT

FOR THE 3 MONTHS ENDED MARCH 31, 2017

IN MILLIONS OF CHF	NOTE	Unaudited 3M 2017	Unaudited 3M 2016
Net sales		1,657.8	1,582.3
Advertising income		49.0	47.9
Turnover		1,706.8	1,630.2
Cost of sales		(689.6)	(675.7)
Gross profit		1,017.2	954.5
Selling expenses		(495.3)	(457.8)
Personnel expenses		(268.6)	(258.6)
General expenses		(98.8)	(91.4)
Share of result of associates		0.2	(0.2)
EBITDA¹		154.7	146.5
Depreciation, amortization and impairment		(129.5)	(137.5)
Linearization		(41.0)	(43.1)
Other operational result		(6.7)	(5.4)
Earnings before interest and taxes (EBIT)		(22.5)	(39.5)
Interest expenses		(50.3)	(54.7)
Interest income		7.3	5.0
Foreign exchange gain / (loss)		1.4	(0.7)
Earnings before taxes (EBT)		(64.1)	(89.9)
Income tax	5	10.2	9.9
Net earnings		(53.9)	(80.0)
ATTRIBUTABLE TO			
Equity holders of the parent		(60.8)	(85.6)
Non-controlling interests		6.9	5.6
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Basic earnings / (loss) per share		(1.13)	(1.59)
Diluted earnings / (loss) per share		(1.13)	(1.59)
Weighted average number of outstanding shares in thousands		53,772	53,778

¹ EBITDA before other operational result and linearization

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 3 MONTHS ENDED MARCH 31, 2017

IN MILLIONS OF CHF	NOTE	Unaudited 3M 2017	Unaudited 3M 2016
Net earnings		(53.9)	(80.0)
OTHER COMPREHENSIVE INCOME			
Actuarial gains / (losses) on post-employment benefits		0.3	0.2
Income tax		-	-
Items not being reclassified to net income in subsequent periods, net of tax		0.3	0.2
Exchange differences on translating foreign operations		(44.3)	(162.3)
Net gain / (loss) on hedge of net investment in foreign operations		16.2	62.7
Changes in the fair value of forward exchange contracts held as cash flow hedges		-	0.5
Share of other comprehensive income of associates		(0.2)	(0.1)
Income tax on above positions		-	(0.1)
Items to be reclassified to net income in subsequent periods, net of tax		(28.3)	(99.3)
Total other comprehensive income / (loss), net of tax		(28.0)	(99.1)
Total comprehensive income / (loss), net of tax		(81.9)	(179.1)
ATTRIBUTABLE TO			
Equity holders of the parent		(88.0)	(180.4)
Non-controlling interests		6.1	1.3

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT MARCH 31, 2017

IN MILLIONS OF CHF	NOTE	Unaudited 31.03.2017	31.12.2016
ASSETS			
Property, plant and equipment		610.6	629.3
Intangible assets		6,695.9	6,786.6
Investments in associates		39.3	39.7
Deferred tax assets		196.4	177.2
Other non-current assets		283.8	296.1
Non-current assets		7,826.0	7,928.9
Inventories		1,005.4	917.9
Trade and credit card receivables		96.5	94.6
Other accounts receivable		540.5	501.4
Income tax receivables		26.2	26.2
Cash and cash equivalents	6	502.8	450.8
Current assets		2,171.4	1,990.9
Total assets		9,997.4	9,919.8
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the parent		2,977.9	3,062.0
Non-controlling interests		210.6	208.6
Total equity		3,188.5	3,270.6
Financial debt	6	4,129.0	4,073.9
Deferred tax liabilities		504.6	516.5
Provisions		179.3	183.5
Post-employment benefit obligations		65.7	66.0
Other non-current liabilities		124.5	96.1
Non-current liabilities		5,003.1	4,936.0
Trade payables		658.3	590.4
Financial debt	6	212.1	127.3
Income tax payables		42.7	46.3
Provisions		110.1	116.9
Other liabilities		782.6	832.3
Current liabilities		1,805.8	1,713.2
Total liabilities		6,808.9	6,649.2
Total liabilities and shareholders' equity		9,997.4	9,919.8

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 3 MONTHS ENDED MARCH 31, 2017

2017 IN MILLIONS OF CHF	NOTE	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT							TOTAL	NON-CON- TROLLING INTERESTS	TOTAL EQUITY
		Share capital	Share premium	Treasury shares	Employee benefit reserve	Hedging & revalu- ation reserves	Trans- lation reserves	Retained earnings			
Balance at January 1		269.4	4,259.3	(15.0)	(36.7)	1.6	(250.4)	(1,166.2)	3,062.0	208.6	3,270.6
Net earnings / (loss)		-	-	-	-	-	-	(60.8)	(60.8)	6.9	(53.9)
Other comprehensive income / (loss)		-	-	-	0.3	-	(27.5)	-	(27.2)	(0.8)	(28.0)
Total comprehensive income / (loss) for the period		-	-	-	0.3	-	(27.5)	(60.8)	(88.0)	6.1	(81.9)
TRANSACTIONS WITH OR DISTRIBUTIONS TO SHAREHOLDERS											
Dividends to non-controlling interests		-	-	-	-	-	-	-	-	(7.0)	(7.0)
Share-based payment		-	-	-	-	-	-	5.1	5.1	-	5.1
Tax effect on equity transactions		-	-	-	-	-	-	(0.1)	(0.1)	-	(0.1)
Total transactions with or distributions to owners		-	-	-	-	-	-	5.0	5.0	(7.0)	(2.0)
CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES											
Changes in participation of non-controlling interests		-	-	-	-	-	-	(1.1)	(1.1)	2.9	1.8
Balance at March 31		269.4	4,259.3	(15.0)	(36.4)	1.6	(277.9)	(1,223.1)	2,977.9	210.6	3,188.5

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 3 MONTHS ENDED MARCH 31, 2017

2016 IN MILLIONS OF CHF	NOTE	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT							TOTAL	NON-CON- TROLLING INTERESTS	TOTAL EQUITY
		Share capital	Share premium	Treasury shares	Employee benefit reserve	Hedging & revalu- ation reserves	Trans- lation reserves	Retained earnings			
Restated*											
Balance at January 1		269.4	4,259.3	(14.3)	(21.3)	0.7	(185.8)	(1,153.3)	3,154.7	184.1	3,338.8
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 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)	(1,238.7)	2,974.5	181.6	3,156.1

* Based on the final assessment of the Purchase Price Allocation related to World Duty Free Group (WDF), certain amounts presented in the annual report 2015 have been restated

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE 3 MONTHS ENDED MARCH 31, 2017

IN MILLIONS OF CHF	NOTE	Unaudited 3M 2017	Unaudited 3M 2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Earnings before taxes (EBT)		(64.1)	(89.9)
Total earnings before taxes (EBT)		(64.1)	(89.9)
ADJUSTMENTS FOR:			
Depreciation, amortization and impairment		129.5	137.5
Loss / (gain) on sale of non-current assets		3.1	0.1
Increase / (decrease) in allowances and provisions		20.7	11.7
Loss / (gain) on unrealized foreign exchange differences		(9.0)	15.4
Linearization of concession fees		28.7	31.5
Other non-cash items		5.1	0.2
Share of result of associates		(0.2)	0.2
Interest expense		50.3	54.7
Interest income		(7.3)	(5.0)
Cash flow before working capital changes		156.8	156.4
Decrease / (increase) in trade and other accounts receivable		(56.9)	18.2
Decrease / (increase) in inventories		(110.3)	(14.6)
Increase / (decrease) in trade and other accounts payable		29.6	(30.3)
Dividends received from associates		-	0.2
Cash generated from operations		19.2	129.9
Income taxes paid		(24.3)	(13.3)
Net cash flows from operating activities		(5.1)	116.6
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(42.3)	(43.2)
Purchase of intangible assets		(35.9)	(2.7)
Net purchase of financial assets		(0.1)	-
Proceeds from sale of property, plant and equipment		0.8	1.5
Interest received		5.5	4.2
Business combinations, net of cash		-	(0.1)
Proceeds from sale of interests in subsidiaries and associates		-	3.9
Proceeds from sale of financial assets		0.1	17.5
Net cash flows used in investing activities		(71.9)	(18.9)
Transaction costs paid for issuance of financial instruments		-	(2.5)
Proceeds from bank loans	6	416.1	56.5
Repayment of bank loans	6	(245.3)	(0.3)
Proceeds from / (repayment of) 3 rd party loans		0.1	0.1
Dividends paid to non-controlling interest		(7.0)	(6.7)
Interest paid		(43.6)	(61.8)
Net cash flows (used in) / from financing activities		120.3	(14.7)
Currency translation on cash	6	8.7	(32.0)
(Decrease) / increase in cash and cash equivalents		52.0	51.0
CASH AND CASH EQUIVALENTS AT THE			
- beginning of the period	6	450.8	432.5
- end of the period	6	502.8	483.5

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 3 MONTHS ENDED MARCH 31, 2017

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 SIX Swiss Exchange 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, 2017 were authorized for public disclosure in accordance with a resolution of the Board of Directors of the Company dated April 26, 2017.

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, 2017 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, 2016.

2.2 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 Dufry's annual financial statements for the year ended December 31, 2016, except for:

New or revised Standards and Interpretations adopted in these financial statements (effective January 1, 2017)

- Disclosure initiative - amendments to IAS 7 Statement of cash flows
Requires additional disclosure of changes in liabilities arising from financing activities (see note 6).
- IAS 12 Income taxes
Additional clarification was issued on the recognition of deferred tax assets for unrealized losses on debt instruments at fair value. Dufry currently does not have debt instruments at fair value.

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.

Segment information 3M

IN MILLIONS OF CHF	2017				2016			
	TURNOVER			EBITDA ¹	TURNOVER			EBITDA ¹
	with external customers	with other divisions	TOTAL		with external customers	with other segments	TOTAL	
Southern Europe and Africa	288.8	-	288.8	29.4	286.9	-	286.9	29.0
UK, Central and Eastern Europe	415.5	-	415.5	34.3	427.6	-	427.6	33.9
Asia, Middle East and Australia	188.5	-	188.5	7.6	187.2	-	187.2	12.8
Latin America	400.2	-	400.2	20.5	351.8	-	351.8	16.6
North America	392.1	-	392.1	29.6	367.3	-	367.3	28.4
Distribution Centers	21.7	252.9	274.6	33.3	9.4	194.5	203.9	25.8
Total divisions	1,706.8	252.9	1,959.7	154.7	1,630.2	194.5	1,824.7	146.5
Eliminations	-	(252.9)	(252.9)	-	-	(194.5)	(194.5)	-
Dufry	1,706.8	-	1,706.8	154.7	1,630.2	-	1,630.2	146.5

¹ EBITDA before linearization and other operational result

Segment assets and liabilities

IN MILLIONS OF CHF	31.03.2017		31.12.2016	
	TOTAL ASSETS	TOTAL LIABILITIES	TOTAL ASSETS	TOTAL LIABILITIES
Southern Europe and Africa	2,295.4	650.0	2,296.2	656.4
UK, Central and Eastern Europe	2,396.0	737.4	2,392.2	646.8
Asia, Middle East and Australia	495.0	247.3	498.3	265.7
Latin America	1,892.5	371.4	1,967.2	397.0
North America	1,396.5	282.5	1,417.9	268.6
Distribution Centers	843.5	288.9	748.6	240.3
Total divisions	9,318.9	2,577.5	9,320.4	2,474.8
Unallocated positions	678.5	4,231.4	599.4	4,174.4
Dufry	9,997.4	6,808.9	9,919.8	6,649.2

4. 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 the result than in turnover.

5. INCOME TAXES

IN MILLIONS OF CHF	Unaudited 3M 2017	Unaudited 3M 2016
Current income tax	(20.6)	(19.2)
Deferred income tax	30.8	29.1
Total	10.2	9.9

6. NET DEBT

IN MILLIONS OF CHF	CASH AND CASH EQUIVALENTS	FINANCIAL DEBT CURRENT	FINANCIAL DEBT NON-CURRENT	NET DEBT
Balance at January 1, 2017	450.8	127.3	4,073.9	3,750.4
Cash flows from operating, financing and investing activities	60.7	-	-	(60.7)
Proceeds from bank loans	-	112.2	303.9	416.1
Repayments of bank loans	-	(26.7)	(218.6)	(245.3)
Cash flow	60.7	85.5	85.3	110.1
Currency translation adjustments	(8.7)	(0.7)	(23.0)	(15.0)
Unrealized exchange differences on the translation of bank loans in foreign currencies	-	-	(26.8)	(26.8)
Foreign exchange adjustments	(8.7)	(0.7)	(49.8)	(41.8)
Discounted interest	-	-	0.2	0.2
Arrangement fees amortization	-	-	19.4	19.4
Other non-cash movements	-	-	19.6	19.6
Balance at 31 March, 2017	502.8	212.1	4,129.0	3,838.3

7. PRINCIPAL FOREIGN EXCHANGE RATES APPLIED FOR VALUATION AND TRANSLATION

IN CHF	AVERAGE RATE		CLOSING RATE
	3M 2017	31.03.2017	31.12.2016
1 USD	1.0037	1.0029	
1 EUR	1.0698	1.0686	
1 GBP	1.2438	1.2593	
IN CHF	3M 2016	31.03.2016	31.12.2016
1 USD	0.9931	0.9589	1.0178
1 EUR	1.0956	1.0913	1.0706
1 GBP	1.4227	1.3803	1.2561



To the Board of Directors of
Dufry AG, Basel

Basel, 27 April 2017

Report on the review of interim consolidated financial statements



Introduction

We have reviewed the interim consolidated financial statements (income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes, pages 3 to 11) of Dufry AG for the period from 01 January 2017 to 31 March 2017. The Board of Directors is responsible for the preparation and presentation of these interim 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 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 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

Christian Krämer
Licensed audit expert
(Auditor in charge)

Philipp Baumann
Licensed audit expert