Media Release

Basel, May 5, 2015

Dufry continues turnover and EBITDA growth in the first quarter 2015

In the first quarter 2015, turnover grew by 31.5% and reached CHF 1,018.9 million, with overall results showing solid underlining performance. EBITDA increased to CHF 92.0 million including first profitability improvements from Nuance. Cash flow before working capital grew by 10.9% and reached CHF 103.8 million. Cash EPS grew by 21% to CHF 1.09 for the quarter.

Key driver of turnover growth was the Nuance consolidation. The like-for-like performance was impacted by the continued devaluation of emerging market currencies, namely the Brazilian Real and the Russian Ruble during the quarter and especially in March. Due to the seasonality of the business, the first quarter is traditionally less relevant in terms of revenues and profits.

Turnover

Overall, Dufry's turnover grew by 31.5% and reached CHF 1,018.9 million in the first quarter of 2015 from CHF 775.0 million in the previous year. In the period under review, like-for-like performance was negative with -2.1% mainly influenced by the devaluation of emerging market currencies. Gross new openings contributed 3.5% based on the carrying effect of additional retail space opened in Brazil, Asia and the United States. Closings and discontinued operations accounted for -6.1% in turnover, of which the discontinued businesses in Egypt, The Netherlands, Spain and Tunisia contributed the most important part, thus resulting in a total organic growth of -4.7%. The strengthening of the Swiss Franc resulted in a positive translation effect of 2.7%.

Going forward, the consolidation of Nuance and World Duty Free may offer space adjustment opportunities in the existing and new concessions portfolio. Dufry therefore considers like-for-like growth to be the most reliable metric for the operating performance, avoiding any potential distortions of restructurings and discontinuing operations in the portfolio. Accordingly, organic growth going forward will be presented as like-for-like growth plus openings and closing in the same locations. Discontinued operations will be allocated as "changes in scope". On a comparable basis, the respective revised organic growth in the first quarter was -0.9%[1].

Turnover in **Region EMEA & Asia** reached CHF 190.0 million in the first quarter versus CHF 239.8 million in the same period in the previous year. Based on local currencies, turnover stood at -5%. Organic performance in the region was challenging mainly in Russia but was also impacted by discontinued operations in Egypt, Spain, The Netherlands and Tunisia.

[1] Organic growth excludes discontinued operations in Egypt, Spain, The Netherlands and Tunisia

In Western Europe performance showed a flat development influenced by currency volatility (devaluation of Russian Ruble, appreciation of Swiss Franc) as well as the economic environment. Switzerland developed positively while Greece stood flat, compensating the lower contribution from Russians with higher sales to Western European passengers. In Eastern Europe, Czech Republic and Serbia continued to perform well, while Russia continued to suffer from the Ruble devaluation versus hard currencies. However, performance in Russia was positive when measured in local currencies.

Africa faced another challenging quarter, with political instability in some countries continuing to affect operations in the whole Northern African region. In the Middle East and Asia results were supported by continuous contributions from openings in the region.

Region America's I turnover surged by 12.3% and went to CHF 196.2 million in the first three months of the year, compared to CHF 174.7 million in 2014. The business in Central America performed very well with stable trading in Mexico and double digits growth in the Caribbean, continuing the positive momentum of the last quarters. South America also performed well, where Argentina posted high single digit growth.

Turnover in **Region America II** reached CHF 130.8 million in the year to March from CHF 138.4 million in the first quarter of 2014. The underlining growth of the business, measured in Brazilian Real, continued to be positive with a growth of 5%, reflecting the positive results from the new retail space opened in 2014. On a US Dollar basis, the performance continued to be impacted by the devaluation of the Brazilian Real, which was more pronounced in this quarter at -21%.

Region United States & Canada's turnover grew by 12.2% to CHF 230.1 million in the first quarter of 2015 from CHF 205.0 million in the same period in 2014. The continued outstanding performance reflects the success of the operations, based on contributions from improvements in productivity and increased passenger numbers.

Financial Results

Gross profit reached CHF 586.3 million in the first quarter of 2015, from CHF 456.8 million in 2014, a growth of 28.3%. On reported terms gross margin reached 57.5% from 58.9% one year earlier. Excluding Nuance, gross margin improved by 30 basis points and resulted in 59.2%.

Selling expenses went to CHF 264.3 million versus CHF 187.2 million in the first quarter of 2014. As a percentage of turnover, they accounted for 25.9% in 2015, compared to 24.2% one year earlier.

Personnel and general expenses, as a percentage of turnover, went down by 20 and 40 basis points respectively. Personnel expenses reached CHF 166.0 million (16.3% of turnover), while general expenses dropped to CHF 64.8 million (6.4% of turnover).

EBITDA[2] stood at CHF 92.0 million in the first three months of 2015 (2014: CHF 89.1 million) with EBITDA margin reaching 9.0%. Both Dufry's and Nuance's businesses have a strong seasonality, with the first quarter being the less representative.

Depreciation reached CHF 26.6 million the year to March, from CHF 18.3 million in the same period last year. As a percentage of turnover, it increased to 2.6% from 2.4%. **Amortization** was CHF 57.2 million in Q1 2015 from CHF 31.9 million on year earlier, an increase of CHF 25.3 million, which is mostly related to the additional amortization generated by the acquisition of Nuance.

[2] EBITDA before Other operational result

Other Operational result (net) amounted to CHF -3.6 million in the first quarter of 2015, from CHF -3.8 million in 2014. **EBIT** reached CHF 4.6 million in the first quarter of 2015 versus CHF 35.1 million in the year before.

Interest expenses, net, went to CHF 30.5 million in the first quarter of 2015 based on higher debt levels following the Nuance acquisition. The sharp movement of the Swiss Franc in January, resulted in a **foreign exchange gain** of CHF 19.1 million in the first quarter.

Income taxes were positive at CHF 1.0 million in the first quarter of 2015, compared to an expense of CHF 1.9 million in the same period 2014.

Net earnings were CHF -5.8 million in the first quarter of 2015, versus CHF 9.9 million one year earlier. Net earnings attributable to equity holders reached CHF -9.0 million in the period. Cash net earnings, which exclude the acquisition related amortization, amounted to CHF 39.0 million and the respective cash EPS reached CHF 1.09, an increase of 21% compared to the previous year.

Solid financial structure

Cash flow before working capital changes increased by 11% and reached CHF 103.8 million in the first quarter of 2015 versus CHF 93.6 million one year earlier. In the year to March, capital expenditure stood at CHF 26.8 million, as compared to CHF 49.3 million in the previous year.

Net debt at the end of March 2015, was CHF 2,367.9 million, in line with the CHF 2,354.5 million at the end of December 2014. Excluding for the investments, net, in subsidiaries of CHF 117 million done in the first quarter 2015, net debt was more than CHF 100 million lower compared to December 2014. The main covenant at Group level, Net Debt/adjusted EBITDA, stood at 3.70x as of March 31, 2015.

Update on World Duty Free acquisition

The acquisition of 50.1% of World Duty Free, which was announced on 30th March 2015 and which is expected to be closed in the third quarter 2015, has taken a first important step. At the Ordinary General Meeting of 29th April 2015, Dufry shareholders approved the capital increase to finance the acquisition of WDF. The rights issue for the capital increase is expected for June 2015.

After the closing of the acquisition of the 50.1% WDF stake from Edizione, which is expected for Q3 2015, Dufry will start a mandatory tender offer for the remaining 49.9% of WDF shares according to Italian law.

Solid performance

Julian Diaz, CEO of Dufry Group, commented: “As expected, the first quarter 2015 resulted in being very challenging due to currency fluctuations and the reduction of purchasing power they caused for some of our customer nationalities. These fluctuations evidenced in particular in the month of March, were the devaluation of the Brazilian Real reached a new peak level, thus putting additional pressure on our Brazilian operations. Nevertheless, we succeeded in maintaining our operating profitability at high levels and made considerable progress in the integration of Nuance, which will remain our focus for 2015.

The integration process is running well and is expected to be completed by the end of this year. Following a detailed planning phase concluded at the end of 2014, implementation started to be executed in 2015. We confirm the targeted CHF 70 million synergies to be fully reflected in the FY results in 2016, while small contributions could already by seen ramping up in 2015.

Furthermore, 2015 started again proving to be an exciting year for Dufry. On March 30th, we signed an agreement with Edizione, to acquire their 50.1% stake in World Duty Free. The acquisition of WDF is a truly unique and highly transformational transaction for Dufry and is equally a milestone for the travel retail industry overall. The transaction further enhances our global position and provides us with a market share of 24% in airport retail.

As such, the transaction will transform Dufry into an even more distinct global business with a balanced exposure to developed and emerging markets. This acquisition is a continuation of the global geographic diversification strategy, which we have communicated and executed for many years, lastly with the acquisition of Nuance in 2014. The hard work and dedication of our integration teams and colleagues will be a key asset to make 2015 the “Nuance year” and 2016 the “WDF year”.

The travel retail industry and our business have traditionally been influenced by a distinct seasonality with peak performances in the second and third quarters; while the first and the fourth quarters are less important. With the acquisition of Nuance this effect tends to be even more accentuated due to their portfolio focused on strong tourist destinations.

The trends for the travel retail industry continue solid and the number of international passengers is expected to grow by 4% in 2015. Although with regional differences in the several consumer groups, we expect to largely capitalize on the global growth. We also see a continued volatility in the currency markets shifting purchasing power of certain nationalities. We will remain vigilant to such alterations and adapt our retail strategy accordingly.

Key Figures Dufry Group

In CHF million	**Q1 2015**		**Q1 2014**		**Var.**
Turnover	1,018.9		775.0		31.5%
Gross Profit	586.3	*57.5%*	456.8	*58.9%*	28.3%
EBITDA (before other operational results)	92.0	*9.0%*	89.1	*11.5%*	3.3%
Net Earnings to Equity Holders	-9.0	*-0.9%*	2.8	*0.4%*	
Cash EPS (in CHF)	1.09		0.90		21.1%

Dufry’s Q1 2015 Report is available on the following link:
http://www.dufry.com/en/Investors/FinancialReports/

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Dufry Group – A leading global travel retailer

Dufry AG (SIX: DUFN; BM&FBOVESPA: DAGB33) is a leading global travel retailer operating over 1,650 duty-free and duty-paid shops in airports, cruise lines, seaports, railway stations and downtown tourist areas.

Dufry employs around 20,000 people. The Company, headquartered in Basel, Switzerland, operates in 58 countries in all five continents.

SOS CHILDREN'S VILLAGES

Social Responsibility
Dufry cares for children and supports social projects from SOS Kinderdorf in Brazil, Cambodia, Mexico, Morocco and Ivory Coast. SOS Children's Villages is an independent, non-political and non-demonstrational organization established for orphaned and destitute children all over the world.