Media Release

Basel, July 30, 2015

Dufry reports solid ongoing turnover growth and cash generation in the first half of 2015, despite challenging environment

In the first half 2015, Dufry's risk diversification strategy allowed for a good performance, despite challenging currency fluctuations and economic scenarios in different markets. Turnover reached CHF 2,229.2 million growing by 30.5%, as a result of solid sales performance in most operations as well as the contribution of the consolidation of The Nuance Group. EBITDA reached CHF 236.7 million with an EBITDA margin of 10.6%. Free cash flow grew by 48.4% in the first half of 2015 and reached CHF 80.6 million.

Turnover

Turnover reached CHF 2,229.2 million in the first half of 2015 from CHF 1,707.9 million in the previous year and grew by 30.5%. Like-for-like growth was -2.9%, mainly impacted by the devaluation of emerging market currencies, in particular the Brazilian Real and the Russian Rouble. Gross new openings contributed 2.7% based on the new refurbished and expanded duty free areas in Athens and Milan Malpensa airports. Closings, other than the discontinued operations, was -2.4%, as a result of minor closures and areas being refurbished. Changes in scope[1] added 31.7% to the turnover growth, to which the Nuance acquisition contributed 35.5%. Last but not least, the translational effect from the movement of the Swiss Franc was +1.4%.

Region EMEA & Asia's turnover reached CHF 453.7 million in the year to June from CHF 552.1 million in the first half of 2014. In constant exchange rates (CER), the second quarter showed a performance of -6.6%, improving from the -15.3% seen in the first quarter of the year. Trading improved markedly in Italy and Russia in the second quarter compared to the first quarter.

Western Europe saw an overall stable development with Italy performing very well supported by refurbishments and expansions executed in the Milan Malpensa airport. In Eastern Europe the partial recovery and stabilization of the Russian Ruble seen during the second quarter has positively influenced sales in Russia as well as in the other markets with high Russian passenger flows such as Turkey and Greece; the latter showing a stable performance even despite the recent economic challenges in the country. Furthermore, we also continue to perform strongly in the Czech Republic and Serbia.

This year's early start of the Ramadan impacted some of the locations in both Africa and the Middle East as compared to 2014. Furthermore, in Africa, Dufry continued to face a challenging development on the like-for-like side due to the instability in some countries, with the exception of

[1] Changes in scope comprises acquisitions and discontinued operations

Ivory Coast, which grew strongly. Africa's performance was also impacted by changes in scope. In Middle East and Asia, China, South Korea, Cambodia and Indonesia registered strong growth.

Region America's I turnover grew by 10.0% in local currencies or 8.6% as reported and achieved CHF 388.1 million in the first half of 2015, from CHF 357.3 million in the same period in 2014. While Mexico was flat in local currencies, the Caribbean continued to see positive performance overall. In South America, Argentina showed positive growth.

Turnover in **Region America II** reached CHF 261.3 million in the year to June from CHF 318.4 million in the first half of 2014. While turnover measured in Brazilian Real was flat, the devaluation of the currency versus the US Dollar has continued to impact the purchase power of Brazilians. In the first quarter the Brazilian Real depreciated 21%, while in the second quarter it depreciated by 38%. Thanks to Dufry's risk diversification strategy which has been implemented in the past years, the Group's exposure to the Brazilian market has continuously been reduced from 29% in 2011 to 11% in 2015 and will be further reduced after the acquisition of WDF.

Region United States & Canada's turnover grew by 10.4% to CHF 498.0 million in the first half of 2015 from CHF 451.1 million in the same period in 2014. The performance in the region continues to be equally substantiated by the steady growth in passenger numbers and increase in spend per passenger.

Financial Results

Gross profit grew by 27.7% to CHF 1,291.0 million in the first half of 2015, versus CHF 1,011.1 million one year earlier. Gross margin reached 57.9% from 59.2% one year earlier. The difference was mainly due to the Nuance consolidation.

Selling expenses reached CHF 585.8 million in the year to June, versus CHF 402.6 million in the first half of 2014. As a percentage of turnover, selling expenses went to 26.3%, compared to 23.6% one year earlier. For Dufry's standalone business, selling expenses as a percentage of sales remained flat.

Personnel and general expenses, as a percentage of turnover, saw substantial declines by 60 and 90 basis points respectively. In absolute amounts Personnel expenses stood at CHF 343.1 million or 15.4% of turnover, while general expenses reached CHF 127.8 million or 5.7% of turnover.

EBITDA[2] grew by 7% and reached CHF 236.7 million in the first half of 2015 from CHF 221.4 million in the same period last year. The respective EBITDA margin reached 10.6% in the first half of 2015.

Depreciation, as a percentage of turnover, reached 2.4% versus 2.2% in the H1 2014. In Swiss Francs it reached CHF 53.9 million, from CHF 36.9 million in the respective period in 2014. **Amortization** increased by CHF 51.7 million to CHF 116.1 million in the first half of 2015 from CHF 64.4 million in the last year. The increase reflects the amortization generated due to the acquisition of Nuance.

Other operational result (net) reached CHF -21.0 million in the first six months of 2015, compared to CHF -17.0 million in the same period in 2014. **EBIT** went to CHF 45.7 million in the year to June from CHF 103.1 million in the first half of 2014.

[2] EBITDA before Other operational result

Financial results (net) amounted to CHF 63.3 million in the year to June, from CHF 52.3 million in the first half of 2014. In the year to June, one-offs related to the acquisition of WDF allocated in the financial results amounted to CHF 16.2 million.

Income taxes reached positive CHF 3.4 million in the first half of 2015, versus the negative CHF 6.7 million reported one year before.

Net earnings reached CHF -14.1 million in the first half of 2015, versus CHF 44.1 million one year earlier. Net earnings to equity holders achieved CHF -25.0 million in the period. Excluding one-offs from the WDF acquisition, Cash EPS amounted to CHF 2.49 from CHF 2.51 in the first half of 2014.

Solid financial structure

Cash flow before working capital changes increased by 11.0% and reached CHF 235.6 million in the first half of 2015 versus CHF 212.2 million one year earlier. Both net working capital and Capex, as percentage of turnover, were reduced to 8.0% (9.1% in the HY 2014) and 2.8% (5.9% in the HY 2014), respectively. As a result, **Free cash flow** grew by 48.4% and reached CHF 80.6 million, from CHF 54.3 million.

Reported **net debt** at the end of June 2015, was CHF 148.4 million, which includes CHF 2,132.2 million of net proceeds from the capital increase. Adjusting for the capital increase, net debt was CHF 2,280.6 million compared to the CHF 2,354.4 million at the end of December 2014. The main covenant at Group level, Net debt/adjusted EBITDA, stood at 0.25x as of June 30, 2015. Adjusting for the capital increase, Net debt/adjusted EBITDA was 3.61x.

Update on World Duty Free acquisition

Dufry continues moving forward to close the acquisition of the 50.1% WDF stake from Edizione, announced on 30th March 2015. The long-term financing for the transaction has successfully been completed including a rights issue with gross proceeds of CHF 2.2 billion, a new bank facility of EUR 800 million and a EUR 700 million Senior Notes completed on 24th July 2015, with a term of eight years and an interest rate of 4.5%.

After the closing of the acquisition, 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: “The first half of 2015 was, as expected, a challenging period for Dufry due to the pronounced currency volatility in some of our markets. While in some cases we already saw improvements, such as the impact of the Ruble and the Russian consumer, the Brazilian Real continued to weaken and to impact the purchasing power of the Brazilians. The flexible cost structure with a high proportion of variable costs we have in both markets, allows us to protect our EBITDA margin, even in severe conditions as we see today. Furthermore, we already have implemented cost saving programs in the respective organizations.

We are working hard to mitigate the effects of these external factors, by both implementing initiatives to drive sales as well as to optimize efficiency and reduce costs at local level in the respective markets. We have also launched our refurbishment plan, including the 200 most important locations/shops. The refurbishment plan is focused on locations where such investments will provide highest incremental returns and it will allow to further increase the shop attractiveness for customers, thereby also contributing to a higher spend per passenger and a better conversion rate of potential customers.

The integration of Nuance is well on track, with completion expected by the end of 2015 as planned. The announced target of CHF 70 million synergies is confirmed and will be fully reflected in the 2016 full year results, while first improvements will already be seen building up in the second half of 2015. The integration process is well advanced for cost related synergies, while the process for the realization of gross margin synergies is ongoing according to plan.

As to the WDF acquisition, we worked on the closing of the WDF acquisition which is proceeding as expected. We reached many milestones such as the completion of the capital increase, raising CHF 2.2 billion of new equity, as well as receiving the anti-trust approvals in most jurisdictions. Next steps will be the completion of the acquisition of the 50.1% stake from Edizione and the sequential launch of the mandatory tender offer to WDF minorities. The acquisition has temporarily impacted our net earnings performance, since transaction costs of CHF 22.0 million have been booked in the first semester, while the consolidation is expected to occur in the third quarter.

From an industry perspective, trends continue supportive for the ongoing business development. Solid passenger growth of 6.5% in the year-on-year comparison and the expectation of further growth in the range of 4-5% for the next 10-20 years well confirm our strategic positioning and our business model with its resilient growth potential to develop the business. In 2015, the number of international passengers is expected to grow by 4.9%.

Key Figures Dufry Group

In CHF million	**HY 2015**		**HY 2014**		**Var.**
Turnover	2,229.2		1,707.9		30.5%
Gross Profit	1,291.0	57.9%	1,011.1	59.2%	27.7%
EBITDA (before other operational results)	236.7	10.6%	221.4	13.0%	6.9%
Net Earnings to Equity Holders					
Cash EPS (in CHF)	1.91		2.51		-24.0%
Excl. one-offs from WDF acquisition	2.49		2.51		-0.8%

Dufry's HY 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 around 1,700 duty-free and duty-paid shops in airports, cruise lines, seaports, railway stations and downtown tourist areas.

Dufry employs around 21,000 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.