

NINE MONTHS REPORT 2019



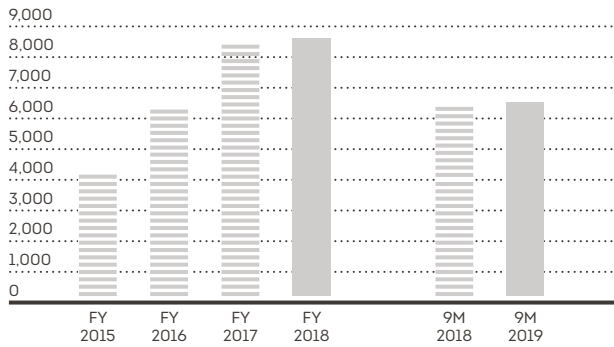
DUFRY

WorldClass.WorldWide.

DUFRY AT A GLANCE YTD

TURNOVER

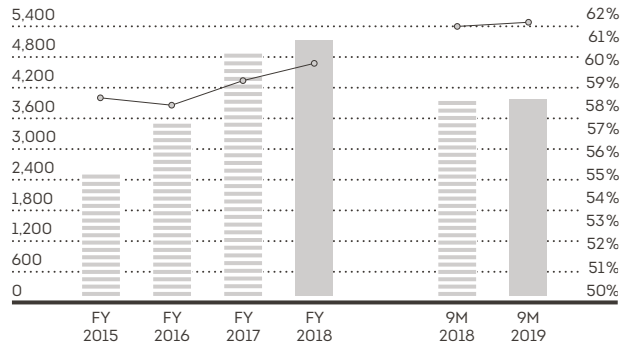
IN MILLIONS OF CHF



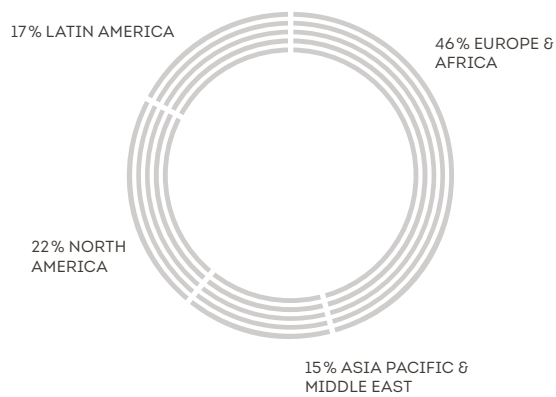
GROSS PROFIT

IN MILLIONS OF CHF

MARGIN



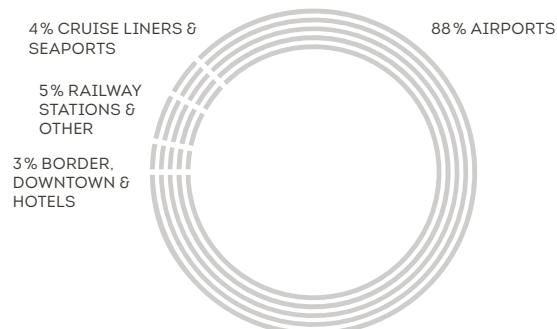
NET SALES BY DIVISION



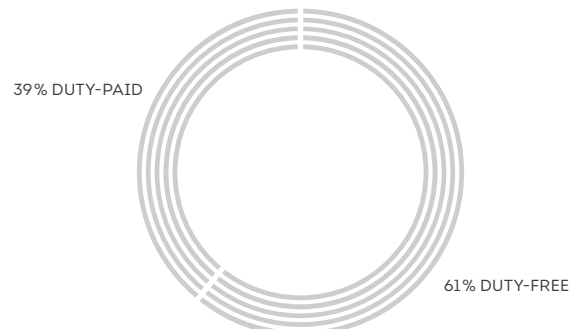
NET SALES BY PRODUCT CATEGORIES



NET SALES BY CHANNEL



NET SALES BY MARKET SECTOR



INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 2019

CONTENT

Interim Consolidated Statement of Profit or Loss	4
Interim Consolidated Statement of Comprehensive Income	5
Interim Consolidated Statement of Financial Position	6
Interim Consolidated Statement of Changes in Equity	7
Interim Consolidated Statement of Cash Flows	8
Notes to the Interim Consolidated Financial Statements	10
Report on the Review of Interim Consolidated Financial Statements	32

IMPORTANT REMARKS

IFRS 16

The company adopted the new lease accounting standard as of 2019, but did not restate the 2018 comparative figures, in accordance with the modified retrospective approach permitted by the standard. (see note 15).

FINANCIAL STATEMENTS

Following the adoption of the new lease accounting standard, the statement of profit or loss and the statement of financial position, include now line items description more representative of our operating activities or current IFRS expressions (see note 16).

In the third quarter of 2019, Dufry has made corrections to the information reported in the interim consolidated financial statements for the periods ended March 31, 2019 and June 30, 2019 as explained in note 2.3.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE 9 MONTHS ENDED SEPTEMBER 30, 2019

IN MILLIONS OF CHF	NOTE	Unaudited 9M 2019	Reclassified* Unaudited 9M 2018	Unaudited Q3 2019	Reclassified* Unaudited Q3 2018
Net sales	5	6,504.8	6,391.9	2,436.2	2,405.9
Advertising income		177.2	168.8	65.7	57.7
Turnover		6,682.0	6,560.7	2,501.9	2,463.6
Cost of sales		(2,655.7)	(2,628.3)	(990.7)	(981.8)
Gross profit		4,026.3	3,932.4	1,511.2	1,481.8
Lease expenses	6	(1,046.1)	(1,870.5)	(412.3)	(694.9)
Personnel expenses		(925.6)	(883.2)	(307.0)	(298.3)
Other expenses	7	(426.5)	(433.6)	(145.3)	(143.0)
Depreciation, amortization and impairment	8	(1,286.9)	(419.4)	(428.5)	(143.2)
Other operating income	9	62.4	-	62.4	-
Operating profit / (loss)		403.6	325.7	280.5	202.4
Finance income	10	57.1	35.2	13.7	9.7
Finance costs	10	(294.8)	(130.2)	(89.6)	(39.9)
Foreign exchange gain / (loss)		4.7	(1.9)	17.1	(3.9)
Profit / (loss) before taxes		170.6	228.8	221.7	168.3
Income tax	11	(89.0)	(92.4)	(54.0)	(45.6)
Net profit / (loss)		81.6	136.4	167.7	122.7
ATTRIBUTABLE TO					
Non-controlling interests		52.2	48.9	31.0	25.6
Equity holders of the parent		29.4	87.5	136.7	97.1
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT					
Basic earnings / (loss) per share in CHF		0.59	1.67	2.74	1.88
Diluted earnings / (loss) per share in CHF		0.59	1.66	2.74	1.87

* See note 16

In the third quarter of 2019, Dufry has made corrections to the information reported in the interim consolidated financial statements for the periods ended March 31, 2019 and June 30, 2019 as explained in note 2.3.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 9 MONTHS ENDED SEPTEMBER 30, 2019

IN MILLIONS OF CHF	Unaudited 9M 2019	Unaudited 9M 2018	Unaudited Q3 2019	Unaudited Q3 2018
Net profit / (loss)	81.6	136.4	167.7	122.7
OTHER COMPREHENSIVE INCOME				
Remeasurements of post-employment benefit plans	17.1	(0.5)	0.4	1.8
Income tax expense	(1.3)	-	-	(0.2)
Items not being reclassified to net profit in subsequent periods, net of tax	15.8	(0.5)	0.4	1.6
Exchange differences on translating foreign operations	11.1	(26.2)	40.1	(47.9)
Net gain / (loss) on hedge of net investment in foreign operations	(7.4)	19.0	(7.6)	(0.4)
Changes related to foreign exchange contracts held as fair value hedges	(0.1)	-	1.0	-
Share of other comprehensive income of associates	(0.2)	0.3	0.4	0.2
Items to be reclassified to net profit in subsequent periods, net of tax	3.4	(6.9)	33.9	(48.1)
Total other comprehensive income / (loss), net of tax	19.2	(7.4)	34.3	(46.5)
Total comprehensive income / (loss), net of tax	100.8	129.0	202.0	76.2
ATTRIBUTABLE TO				
Non-controlling interests	57.8	59.6	35.6	21.5
Equity holders of the parent	43.0	69.4	166.4	54.7

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT SEPTEMBER 30, 2019

IN MILLIONS OF CHF	NOTE	Unaudited 30.09.2019	31.12.2018
ASSETS			
Property, plant and equipment		644.6	644.3
Right-of-use assets*	14	4,251.1	-
Intangible assets		3,236.7	3,516.8
Goodwill		2,587.8	2,601.5
Investments in associates		40.3	35.6
Deferred tax assets		119.9	138.4
Net defined benefit asset		4.6	4.8
Other non-current assets		303.7	259.6
Non-current assets		11,188.7	7,201.0
Inventories		1,082.3	1,062.7
Trade and credit card receivables		72.7	62.6
Other accounts receivable		452.9	475.8
Income tax assets		28.1	50.3
Cash and cash equivalents		681.5	538.2
Current assets		2,317.5	2,189.6
Total assets		13,506.2	9,390.6
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the parent		2,744.6	2,898.8
Non-controlling interests		444.5	442.9
Total equity		3,189.1	3,341.7
Borrowings	12	3,689.5	3,766.3
Lease obligations*	12	3,207.1	-
Deferred tax liabilities		397.0	425.9
Provisions		71.8	82.4
Net defined benefit obligations		17.3	33.4
Other non-current liabilities		33.8	62.8
Non-current liabilities		7,416.5	4,370.8
Trade payables		756.7	640.4
Borrowings	12	58.5	58.0
Lease obligations*	12	1,083.2	-
Income tax payables		83.5	64.8
Provisions		57.9	54.8
Other liabilities		860.8	860.1
Current liabilities		2,900.6	1,678.1
Total liabilities		10,317.1	6,048.9
Total liabilities and shareholders' equity		13,506.2	9,390.6

In the third quarter of 2019, Dufrey has made corrections to the information reported in the interim consolidated financial statements for the periods ended March 31, 2019 and June 30, 2019 as explained in note 2.3.

* The Group adopted the new Lease Standard IFRS 16 as of January 1, 2019. The non-current and current lease obligations represent the present value of Dufrey's remaining unavoidable lease payments from concession- and other lease agreements. At the same time, Dufrey recognized a right-of-use asset, which as of January 1, 2019, equaled the lease obligations less accrued lease expense (linearization) and which will be depreciated over the remaining lease term. For additional information please refer to Note 2.2 IFRS 16 leases.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 9 MONTHS ENDED SEPTEMBER 30, 2019

IN MILLIONS OF CHF	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT							TOTAL	NON-CON- TROLLING INTERESTS	TOTAL EQUITY
	Share capital	Share premium	Treasury shares	Employee benefit reserve	Hedging & revaluation reserves	Trans- lation reserves	Retained earnings			
Balance at January 1, 2019	269.4	4,060.6	(520.8)	(18.1)	(0.3)	(324.1)	(567.9)	2,898.8	442.9	3,341.7
Profit / (loss) of the period	-	-	-	-	-	-	29.4	29.4	52.2	81.6
Other comprehensive income / (loss)	-	-	-	15.8	(0.1)	(2.1)	-	13.6	5.6	19.2
Total comprehensive income / (loss) for the period	-	-	-	15.8	(0.1)	(2.1)	29.4	43.0	57.8	100.8
TRANSACTIONS WITH OR DISTRIBUTIONS TO SHAREHOLDERS										
Dividends to shareholders	-	(199.8)	-	-	-	-	-	(199.8)	-	(199.8)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(57.7)	(57.7)
Share capital reduction	(16.6)	(385.3)	401.9	-	-	-	-	-	-	-
Share-based payments	-	-	26.4	-	-	-	(23.4)	3.0	(2.3)	0.7
Tax effect on equity transactions	-	-	-	-	-	-	(0.4)	(0.4)	(0.3)	(0.7)
Total transactions with or distributions to owners	(16.6)	(585.1)	428.3	-	-	-	(23.8)	(197.2)	(60.3)	(257.5)
CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES										
Other changes in participation of non-controlling interests	-	-	-	-	-	-	-	-	4.1	4.1
Balance at September 30, 2019	252.8	3,475.5	(92.5)	(2.3)	(0.4)	(326.2)	(562.3)	2,744.6	444.5	3,189.1

IN MILLIONS OF CHF	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT							TOTAL	NON-CON- TROLLING INTERESTS	TOTAL EQUITY
	Share capital	Share premium	Treasury shares	Employee benefit reserve	Trans- lation reserves	Retained earnings				
Balance at January 1, 2018	269.4	4,259.3	(12.5)	(26.9)	(265.5)	(1,093.7)	3,130.1	226.1	3,356.2	
Profit / (loss) of the period	-	-	-	-	-	87.5	87.5	48.9	136.4	
Other comprehensive income / (loss)	-	-	-	(0.5)	(17.6)	-	(18.1)	10.7	(7.4)	
Total comprehensive income / (loss) for the period	-	-	-	(0.5)	(17.6)	87.5	69.4	59.6	129.0	
TRANSACTIONS WITH OR DISTRIBUTIONS TO SHAREHOLDERS:										
Dividends to non-controlling interests	-	-	-	-	-	-	-	(60.1)	(60.1)	
Dividends to shareholders	-	-	-	-	-	(198.7)	(198.7)	-	(198.7)	
Purchase and sale of treasury shares	-	-	(406.3)	-	-	-	(406.3)	-	(406.3)	
Profit on disposal of treasury shares	-	-	-	-	-	0.2	0.2	-	0.2	
Assignment of treasury shares	-	-	14.3	-	-	(14.3)	-	-	-	
Share-based payments	-	-	-	-	-	25.5	25.5	-	25.5	
Tax effect on equity transactions	-	-	-	-	-	4.3	4.3	-	4.3	
Total transactions with or distributions to owners	-	-	(392.0)	-	-	(183.0)	(575.0)	(60.1)	(635.1)	
CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES:										
Gain on sale of 42.6% of Hudson Ltd	-	-	-	-	-	433.0	433.0	213.1	646.1	
Other changes in participation of non-controlling interests	-	-	-	-	-	(1.6)	(1.6)	12.3	10.7	
Balance at September 30, 2018	269.4	4,259.3	(404.5)	(27.4)	(283.1)	(757.8)	3,055.9	451.0	3,506.9	

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE 9 MONTHS ENDED SEPTEMBER 30, 2019

IN MILLIONS OF CHF	Unaudited 9M 2019	Reclassified Unaudited 9M 2018	Unaudited Q3 2019	Reclassified Unaudited Q3 2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit / (loss) before taxes	170.6	228.8	221.7	168.3
ADJUSTMENTS FOR:				
Depreciation, amortization and impairment	1,286.9	419.4	428.5	143.2
Increase / (decrease) in allowances and provisions	47.3	16.1	21.8	(8.1)
Linearization of concession fees	-	(16.0)	-	(27.6)
Other non-cash items	3.3	19.4	1.7	3.7
Loss / (gain) on sale of non-current assets	0.6	2.0	0.3	0.5
Loss / (gain) on foreign exchange differences	(6.7)	(8.2)	(18.8)	(0.2)
Finance cost	294.8	128.4	91.0	38.9
Finance income	(57.1)	(33.9)	(13.7)	(9.3)
Cash flow before working capital changes	1,739.7	756.0	732.5	309.4
Decrease / (increase) in trade and other accounts receivable	(155.6)	59.3	(135.7)	(13.5)
Decrease / (increase) in inventories	(46.0)	(102.7)	23.0	(0.6)
Increase / (decrease) in trade and other accounts payable	206.2	137.1	134.1	65.9
Dividends received from associates	-	5.7	-	5.7
Cash generated from operations	1,744.3	855.4	753.9	366.9
Income tax expense paid ¹	(58.7)	(81.1)	(31.1)	(29.9)
Net cash flows from operating activities	1,685.6	774.3	722.8	337.0
CASH FLOW USED IN INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(153.6)	(159.6)	(40.4)	(49.7)
Purchase of intangible assets	(25.8)	(28.1)	(11.2)	(7.4)
Purchase of financial assets	-	(0.1)	-	(0.1)
Purchase of interest in associates	(2.1)	(2.6)	-	(2.2)
Proceeds from lease income ³	2.0	-	0.6	-
Payment of 3 rd party loans receivable granted ²	-	(0.5)	-	-
Proceeds from 3 rd party loans receivable repaid ²	0.7	2.1	1.6	1.1
Proceeds from sale of property, plant and equipment	2.2	6.5	(0.3)	3.2
Interest received	22.3	22.4	7.2	7.6
Proceeds from sale of interests in subsidiaries and associates	-	0.2	-	0.2
Net cash flows used in investing activities	(154.3)	(159.7)	(42.5)	(47.3)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE 9 MONTHS ENDED SEPTEMBER 30, 2019

IN MILLIONS OF CHF	Unaudited 9M 2019	Reclassified Unaudited 9M 2018	Unaudited Q3 2019	Reclassified Unaudited Q3 2018
CASH FLOW FROM FINANCING ACTIVITIES				
Transaction costs for financial instruments	-	(10.8)	-	-
Proceeds from 3 rd party loans payable	7.0	1.2	(0.4)	0.6
Proceeds from borrowings	85.3	187.4	0.1	(1.5)
Repayment of borrowings	(143.3)	(724.4)	(134.2)	(8.7)
Dividends paid to shareholders of the parent	(199.7)	(198.7)	-	-
Dividends paid to non-controlling interest	(55.3)	(55.8)	(30.1)	(38.4)
Purchase of treasury shares	-	(433.5)	-	(183.3)
Proceeds from sale of treasury shares	-	27.4	-	-
Contributions from / (purchase of) non-controlling interests	1.4	669.6	0.4	2.2
Lease payments ³	(936.4)	-	(336.9)	-
Interest paid	(134.5)	(128.6)	(47.6)	(45.5)
Net cash flows (used in) / from financing activities	(1,375.5)	(666.2)	(548.7)	(274.6)
Currency translation on cash	(12.5)	12.1	4.1	(3.6)
Decrease / Increase in cash and cash equivalents	143.3	(39.5)	135.7	11.5
CASH AND CASH EQUIVALENTS AT THE				
- beginning of the period	538.2	565.0	545.8	514.0
- end of the period	681.5	525.5	681.5	525.5

¹ Income tax paid includes a refund of CHF 17.7 (EUR 15.1) million from spanish tax authorities

² Reclassification from cash flows from financing activities

³ Includes interest in the amount of CHF 143.7 for 9M 2019 and CHF 44.7 for Q3 2019

In the third quarter of 2019, Dufry has made corrections to the information reported in the interim consolidated financial statements for the periods ended March 31, 2019 and June 30, 2019 as explained in note 2.3.

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 9 MONTHS ENDED SEPTEMBER 30, 2019

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 2,370 shops worldwide. The shares of the Company are listed on the SIX Swiss Exchange in Zürich.

The interim consolidated financial statements of Dufry AG and its subsidiaries (Dufry or the Group) for the period ended September 30, 2019 were authorized for public disclosure in accordance with a resolution of the Board of Directors of the Company dated October 31, 2019.

2. BASIS OF PREPARATION AND CHANGES TO THE ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The interim consolidated financial statements for the period ended September 30, 2019 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 consolidated financial statements as of December 31, 2018.

Together with the implementation of IFRS 16, Dufry adapted the chart of accounts with more appropriate subtotals. The comparative figures were reclassified accordingly (see note 16).

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 Dufry's annual consolidated financial statements for the year ended December 31, 2018, except for the following new or revised Standards and Interpretations adopted in these interim consolidated financial statements (effective January 1, 2019). The impact is disclosed in note 15.

IFRS 16 – Leases (effective January 1, 2019)

The Group adopted the standard as of January 1, 2019 under the modified retrospective approach.

IFRS 16 replaces IAS 17 and sets the principles for recognition, measurement, presentation of leases, specifying the requirements for disclosures of lessees or lessors more extensive than under IAS 17. The main difference on the Group's consolidated financial statements is that IFRS 16 introduces a single lessee accounting model and requires lessee to recognize right-of-use assets (RoU) and lease liabilities for certain lease contracts.

To contain a lease, an agreement has to convey the right to control the use of an identified asset throughout the period of use in exchange for consideration, so that the lessee has the right to obtain substantially all of the economic benefits from the use of the identified asset and direct the use of the identified asset (i. e. direct how and for what purpose the asset is used). The lease term corresponds to the non-cancellable period of each contract, and where the Group is reasonably certain of exercising renewal options contractually foreseen. Right-of-use assets are capitalized at a value equivalent to the lease obligation at inception and depreciated over the useful life of the asset, except for leases with a lease term (or remaining upon adoption) of less than 12 months or leases of low value assets.

The lease liability represents the net present value of fixed or in substance fixed lease payments over the lease term. The implied interest charge is presented as interest expenses on lease obligation. Where a lease agreement does not specify a discount rate and as the subsidiaries are financed internally, Dufry uses a discount rate which is the aggregation of the risk free rate for the respective currency and lease duration, increased by individual company risk factors.

Usually the lease contracts do not specify interest, so that when the Group pays the variable amount of lease commitment, the minimal in substance fix commitments are presented as lease payments under cash flow from financing, whereas the remaining part is presented as cash outflow from operations.

Initial direct costs for contracts signed in the past were not recognized as part of the right-of-use asset at the date of initial adoption.

Short term leases with a duration of less than 12 months and low value leases, as well as those lease elements, not complying with the principles of recognition defined by IFRS 16 are recognized in Profit or Loss when incurred.

The standard affects the lease accounting of:

a) Shops

Dufry enters into concession agreements with operators of airports, seaports, railway stations etc. to operate retail shops which in substance are considered leases. These concession lease agreements contain complex features, which include variable payment based on sales, which cannot be lower than a minimal threshold (MAG). The MAG can be fixed or variable depending on certain parameters. The MAG amounts may: a) be fixed by the concession agreement or b) be calculated based on a percentage of fees paid in the previous year, or c) adjusted based on an index. In these cases, the unavoidable portions of the fees are considered as in substance fixed payments, despite having a variable component. Management signs and renews on average more than 50 agreements every year with a typical duration of 5 to 10 years. These agreements do not contain a residual value guarantee. In some cases, the current parts of the lease obligations are secured with bank guarantees in case the Group would not fulfill its contractual commitments. Dufry has capitalized all elements of the lease contracts in accordance with IFRS 16 when at the commencement of the agreement such commitments are in substance fixed. Payment obligations that do not have a fixed or in substance fixed commitment, will continue to be presented as variable lease expense. Dufry has identified a number of agreements in its portfolio which are not fulfilling the prin-

principles of recognition defined by IFRS 16, i.e. they have minimal guaranteed payments based on non-predictable parameters or variables, such as actual number of passengers, which will continue to be presented as variable lease expense.

b) Other buildings

Rental agreements for offices or warehouse buildings usually qualify for capitalization under IFRS 16 capitalization rules.

c) Vehicles and other

Dufrey has also entered into many other lease agreements for e.g. vehicles, hard or software, and other assets, which in accordance with IFRS 16 qualify for capitalization of leases.

Other amendments and interpretations

These apply for the first time in 2019, but do not have an impact on the interim condensed consolidated financial statements of the Group.

2.3 CORRECTION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3 MONTHS ENDED MARCH 31, 2019 AND 6 MONTHS ENDED JUNE 30, 2019

In the third quarter of 2019, Dufrey identified a required correction in the accounting adopted on transition to IFRS 16, related to certain lease contracts for its retail shops. These lease contracts contain complex features and certain payments that were previously considered to be variable lease payments, and as such recognized as lease expenses in the statement of profit or loss when incurred, contain in substance fixed commitments, and therefore, should have been included in the initial measurement of the respective lease liabilities and right-of-use assets on January 1, 2019.

More specifically, most of our contracts include payments which are variable based on sales, but not lower than a minimum threshold. This minimum threshold can be fixed or variable with some of the variable thresholds being defined as a percentage of the previous year lease expense. Upon adopting the new lease standard (IFRS 16), the Group considered the future MAG changing every year as variable and consequently these payments fully as variable lease expense. However, as the variability is resolved at a certain point in the future, the minimum portions of the payments for the following years become fixed. These fixed portions of these future lease payments are now recognized as a right-of-use asset and lease obligation.

Since the Group adopted IFRS 16 as of January 1, 2019 under the modified retrospective approach (and did not restate comparative information for 2018), the error has no impact on comparative information presented in the interim consolidated financial statements of 2019 (i.e. March, June or September 2019).

The following corrections have been made to the information reported in the interim consolidated financial statements for the periods ended March 31, 2019 and June 30, 2019:

(For the adjustments based on the implementation of IFRS 16 as of January 1, 2019, see note 15):

Interim consolidated statement of profit or loss for the 3 months ended March 31, 2019

IN MILLIONS OF CHF	AS PREVIOUSLY PUBLISHED 3M 2019 (unaudited)	CORRECTION	RESTATED 3M 2019 (unaudited)
Net sales	1,830.8	-	1,830.8
Advertising income	51.8	-	51.8
Turnover	1,882.6	-	1,882.6
Cost of sales	(747.0)	-	(747.0)
Gross profit	1,135.6	-	1,135.6
Lease expenses	(325.0)	44.1	(280.9)
Personnel expenses	(307.7)	-	(307.7)
Other expenses	(131.6)	(0.2)	(131.8)
Depreciation, amortization and impairment	(402.2)	(24.1)	(426.3)
Operating profit / (loss)	(30.9)	19.8	(11.1)
Finance income	23.8	-	23.8
Finance costs	(96.7)	(8.7)	(105.4)
Foreign exchange gain / (loss)	(6.8)	1.3	(5.5)
Profit / (loss) before taxes	(110.6)	12.4	(98.2)
Income tax	1.0	(5.8)	(4.8)
Net profit / (loss)	(109.6)	6.6	(103.0)
ATTRIBUTABLE TO			
Non-controlling interests	(0.1)	1.7	1.6
Equity holders of the parent	(109.5)	4.9	(104.6)
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Basic earnings / (loss) per share in CHF	(2.20)	0.10	(2.10)
Diluted earnings / (loss) per share in CHF	(2.20)	0.10	(2.10)

Interim consolidated statement of profit or loss for the 6 months ended June 30, 2019

IN MILLIONS OF CHF	AS PREVIOUSLY PUBLISHED 6M 2019 (unaudited)	CORRECTION	RESTATED 6M 2019 (unaudited)
Net sales	4,068.6	-	4,068.6
Advertising income	111.5	-	111.5
Turnover	4,180.1	-	4,180.1
Cost of sales	(1,665.0)	-	(1,665.0)
Gross profit	2,515.1	-	2,515.1
Lease expenses	(722.0)	88.2	(633.8)
Personnel expenses	(618.6)	-	(618.6)
Other expenses	(281.2)	-	(281.2)
Depreciation, amortization and impairment	(810.2)	(48.2)	(858.4)
Operating profit / (loss)	83.1	40.0	123.1
Finance income	43.4	-	43.4
Finance costs	(188.5)	(16.7)	(205.2)
Foreign exchange gain / (loss)	(11.1)	(1.3)	(12.4)
Profit / (loss) before taxes	(73.1)	22.0	(51.1)
Income tax	(26.8)	(8.2)	(35.0)
Net profit / (loss)	(99.9)	13.8	(86.1)
ATTRIBUTABLE TO			
Non-controlling interests	16.9	4.3	21.2
Equity holders of the parent	(116.8)	9.5	(107.3)
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Basic earnings / (loss) per share in CHF	(2.34)	0.19	(2.15)
Diluted earnings / (loss) per share in CHF	(2.34)	0.19	(2.15)

Interim consolidated statement of profit or loss for Q2 2019

IN MILLIONS OF CHF	AS PREVIOUSLY PUBLISHED Q2 2019 (unaudited)	CORRECTION	RESTATE Q2 2019 (unaudited)
Net sales	2,237.8	-	2,237.8
Advertising income	59.7	-	59.7
Turnover	2,297.5	-	2,297.5
Cost of sales	(918.0)	-	(918.0)
Gross profit	1,379.5	-	1,379.5
Lease expenses	(397.0)	44.1	(352.9)
Personnel expenses	(310.9)	-	(310.9)
Other expenses	(149.6)	0.2	(149.4)
Depreciation, amortization and impairment	(408.0)	(24.1)	(432.1)
Operating profit / (loss)	114.0	20.2	134.2
Finance income	19.6	-	19.6
Finance costs	(91.8)	(8.0)	(99.8)
Foreign exchange gain / (loss)	(4.3)	(2.6)	(6.9)
Profit / (loss) before taxes	37.5	9.6	47.1
Income tax	(27.8)	(2.4)	(30.2)
Net profit / (loss)	9.7	7.2	16.9
ATTRIBUTABLE TO			
Non-controlling interests	17.0	2.6	19.6
Equity holders of the parent	(7.3)	4.6	(2.7)
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Basic earnings / (loss) per share in CHF	(0.14)	0.09	(0.05)
Diluted earnings / (loss) per share in CHF	(0.14)	0.09	(0.05)

Interim consolidated statement of financial position at March 31, 2019

IN MILLIONS OF CHF	AS PREVIOUSLY PUBLISHED AT 31.03.2019 (unaudited)	CORRECTION	RESTATEd AT 31.03.2019 (unaudited)
ASSETS			
Property, plant and equipment	646.6	-	646.6
Right-of-use assets	4,276.2	417.8	4,694.0
Intangible assets	3,465.0	-	3,465.0
Goodwill	2,635.4	-	2,635.4
Investments in associates	37.0	-	37.0
Deferred tax assets	149.6	-	149.6
Net defined benefit asset	4.9	-	4.9
Other non-current assets	214.8	-	214.8
Non-current assets	11,429.5	417.8	11,847.3
Inventories	1,084.4	-	1,084.4
Trade and credit card receivables	66.4	-	66.4
Other accounts receivable	433.9	-	433.9
Income tax assets	31.4	-	31.4
Cash and cash equivalents	432.1	-	432.1
Current assets	2,048.2	-	2,048.2
Total assets	13,477.7	417.8	13,895.5
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the parent	2,867.5	4.9	2,872.4
Non-controlling interests	439.6	1.6	441.2
Total equity	3,307.1	6.5	3,313.6
Borrowings	3,782.9	-	3,782.9
Lease obligations	3,406.6	277.9	3,684.5
Deferred tax liabilities	426.2	5.4	431.6
Provisions	82.6	-	82.6
Net defined benefit obligations	23.3	-	23.3
Other non-current liabilities	5.3	-	5.3
Non-current liabilities	7,726.9	283.3	8,010.2
Trade payables	600.8	-	600.8
Borrowings	72.3	-	72.3
Lease obligations	936.4	128.0	1,064.4
Income tax payables	67.1	-	67.1
Provisions	52.1	-	52.1
Other liabilities	715.0	-	715.0
Current liabilities	2,443.7	128.0	2,571.7
Total liabilities	10,170.6	411.3	10,581.9
Total liabilities and shareholders' equity	13,477.7	417.8	13,895.5

Interim consolidated statement of financial position at June 30, 2019

IN MILLIONS OF CHF	AS PREVIOUSLY PUBLISHED AT 30.06.2019 (unaudited)	CORRECTION	RESTATEd AT 30.06.2019 (unaudited)
ASSETS			
Property, plant and equipment	646.4	-	646.4
Right-of-use assets	4,050.9	389.4	4,440.3
Intangible assets	3,322.3	-	3,322.3
Goodwill	2,585.9	-	2,585.9
Investments in associates	39.2	-	39.2
Deferred tax assets	139.9	-	139.9
Net defined benefit asset	4.7	-	4.7
Other non-current assets	212.1	-	212.1
Non-current assets	11,001.4	389.4	11,390.8
Inventories	1,106.2	-	1,106.2
Trade and credit card receivables	70.0	-	70.0
Other accounts receivable	407.5	-	407.5
Income tax assets	23.0	-	23.0
Cash and cash equivalents	545.8	-	545.8
Current assets	2,152.5	-	2,152.5
Total assets	13,153.9	389.4	13,543.3
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the parent	2,568.1	9.2	2,577.3
Non-controlling interests	436.8	4.1	440.9
Total equity	3,004.9	13.3	3,018.2
Borrowings	3,780.6	-	3,780.6
Lease obligations	3,200.0	256.2	3,456.2
Deferred tax liabilities	403.2	7.7	410.9
Provisions	81.8	-	81.8
Net defined benefit obligations	17.2	-	17.2
Other non-current liabilities	4.1	-	4.1
Non-current liabilities	7,486.9	263.9	7,750.8
Trade payables	731.7	-	731.7
Borrowings	56.4	-	56.4
Lease obligations	944.2	112.2	1,056.4
Income tax payables	64.3	-	64.3
Provisions	48.3	-	48.3
Other liabilities	817.2	-	817.2
Current liabilities	2,662.1	112.2	2,774.3
Total liabilities	10,149.0	376.1	10,525.1
Total liabilities and shareholders' equity	13,153.9	389.4	13,543.3

Interim consolidated statement of cash flows for the 3 months ended March 31, 2019

IN MILLIONS OF CHF	AS PREVIOUSLY PUBLISHED 3M 2019 (unaudited)	CORRECTION	RESTATE 3M 2019 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxes	(110.6)	12.4	(98.2)
ADJUSTMENTS FOR:			
Depreciation, amortization and impairment	402.2	24.1	426.3
Increase / (decrease) in allowances and provisions	9.0	-	9.0
Other non-cash items	6.5	-	6.5
Loss / (gain) on sale of non-current assets	0.2	-	0.2
Loss / (gain) on foreign exchange differences	7.2	(1.4)	5.8
Finance cost	95.7	8.8	104.5
Finance income	(23.8)	-	(23.8)
Cash flow before working capital changes	386.4	43.9	430.3
Decrease / (increase) in trade and other accounts receivable	(22.5)	-	(22.5)
Decrease / (increase) in inventories	(16.1)	-	(16.1)
Increase / (decrease) in trade and other accounts payable	(132.4)	-	(132.4)
Cash generated from operations	215.4	43.9	259.3
Income tax expense paid	(0.5)	-	(0.5)
Net cash flows from operating activities	214.9	43.9	258.8
CASH FLOW USED IN INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(58.4)	-	(58.4)
Purchase of intangible assets	(1.8)	-	(1.8)
Purchase of financial assets	(1.9)	-	(1.9)
Purchase of interest in associates	(0.8)	-	(0.8)
Proceeds from lease income	0.6	-	0.6
Payment of 3 rd party loans receivable granted	(1.0)	-	(1.0)
Proceeds from sale of property, plant and equipment	1.7	-	1.7
Interest received	7.7	-	7.7
Net cash flows used in investing activities	(53.9)	-	(53.9)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from 3 rd party loans payable	5.6	-	5.6
Proceeds from borrowings	11.4	-	11.4
Repayment of borrowings	(10.1)	-	(10.1)
Dividends paid to non-controlling interest	(10.5)	-	(10.5)
Contributions from / (purchase of) non-controlling interests net	1.2	-	1.2
Lease payments	(227.7)	(43.9)	(271.6)
Interest paid	(46.9)	-	(46.9)
Net cash flows (used in) / from financing activities	(277.0)	(43.9)	(320.9)
Currency translation on cash	9.9	-	9.9
Decrease / Increase in cash and cash equivalents	(106.1)	-	(106.1)
CASH AND CASH EQUIVALENTS AT THE			
- beginning of the period	538.2	-	538.2
- end of the period	432.1	-	432.1

Interim consolidated statement of cash flows for the 6 months ended June 30, 2019

IN MILLIONS OF CHF	AS PREVIOUSLY PUBLISHED 6M 2019 (unaudited)	CORRECTION	RESTATEd 6M 2019 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxes	(73.1)	22.0	(51.1)
ADJUSTMENTS FOR:			
Depreciation, amortization and impairment	810.2	48.2	858.4
Increase / (decrease) in allowances and provisions	25.5	-	25.5
Other non-cash items	1.6	-	1.6
Loss / (gain) on sale of non-current assets	0.3	-	0.3
Loss / (gain) on foreign exchange differences	10.7	1.4	12.1
Finance cost	187.1	16.7	203.8
Finance income	(43.4)	-	(43.4)
Cash flow before working capital changes	918.9	88.3	1,007.2
Decrease / (increase) in trade and other accounts receivable	(19.9)	-	(19.9)
Decrease / (increase) in inventories	(69.0)	-	(69.0)
Increase / (decrease) in trade and other accounts payable	72.1	-	72.1
Cash generated from operations	902.1	88.3	990.4
Income tax expense paid	(27.6)	-	(27.6)
Net cash flows from operating activities	874.5	88.3	962.8
CASH FLOW USED IN INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(113.2)	-	(113.2)
Purchase of intangible assets	(14.6)	-	(14.6)
Purchase of interest in associates	(2.1)	-	(2.1)
Proceeds from lease income	1.3	-	1.3
Payment of 3 rd party loans receivable granted	(1.0)	-	(1.0)
Proceeds from 3 rd party loans receivable repaid	0.1	-	0.1
Proceeds from sale of property, plant and equipment	2.5	-	2.5
Interest received	15.2	-	15.2
Net cash flows (used in) / from investing activities	(111.8)	-	(111.8)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from 3 rd party loans payable	7.4	-	7.4
Proceeds from borrowings	85.2	-	85.2
Repayment of borrowings	(9.1)	-	(9.1)
Dividends paid to shareholders of the parent	(199.7)	-	(199.7)
Dividends paid to non-controlling interest	(25.2)	-	(25.2)
Contributions from / (purchase of) non-controlling interests net	1.0	-	1.0
Lease payments	(511.2)	(88.3)	(599.5)
Interest paid	(86.9)	-	(86.9)
Net cash flows used in from financing activities	(738.5)	(88.3)	(826.8)
Currency translation on cash	(16.6)	-	(16.6)
Decrease / Increase in cash and cash equivalents	7.6	-	7.6
CASH AND CASH EQUIVALENTS AT THE			
- beginning of the period	538.2	-	538.2
- end of the period	545.8	-	545.8

Interim consolidated statement of cash flows for Q2 2019

IN MILLIONS OF CHF	AS PREVIOUSLY PUBLISHED Q2 2019 (unaudited)	CORRECTION	RESTATE Q2 2019 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxes	37.5	9.6	47.1
ADJUSTMENTS FOR:			
Depreciation, amortization and impairment	408.0	24.1	432.1
Increase / (decrease) in allowances and provisions	16.5	-	16.5
Other non-cash items	(4.9)	-	(4.9)
Loss / (gain) on sale of non-current assets	0.1	-	0.1
Loss / (gain) on foreign exchange differences	3.5	2.6	6.1
Finance cost	91.4	7.9	99.3
Finance income	(19.6)	-	(19.6)
Cash flow before working capital changes	532.5	44.2	576.7
Decrease / (increase) in trade and other accounts receivable	2.6	-	2.6
Decrease / (increase) in inventories	(52.9)	-	(52.9)
Increase / (decrease) in trade and other accounts payable	204.5	-	204.5
Cash generated from operations	686.7	44.2	730.9
Income tax expense paid	(27.1)	-	(27.1)
Net cash flows from operating activities	659.6	44.2	703.8
CASH FLOW USED IN INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(54.8)	-	(54.8)
Purchase of intangible assets	(12.8)	-	(12.8)
Purchase of financial assets	1.9	-	1.9
Purchase of interest in associates	(1.3)	-	(1.3)
Proceeds from lease income	0.7	-	0.7
Proceeds from 3 rd party loans receivable repaid	0.1	-	0.1
Proceeds from sale of property, plant and equipment	0.8	-	0.8
Interest received	7.5	-	7.5
Net cash flows used in investing activities	(57.9)	-	(57.9)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from 3 rd party loans payable	1.8	-	1.8
Proceeds from borrowings	73.8	-	73.8
Repayment of borrowings	1.0	-	1.0
Dividends paid to shareholders of the parent	(199.7)	-	(199.7)
Dividends paid to non-controlling interest	(14.7)	-	(14.7)
Contributions from / (purchase of) non-controlling interests net	(0.2)	-	(0.2)
Lease payments	(283.5)	(44.2)	(327.7)
Interest paid	(40.0)	-	(40.0)
Net cash flows (used in) / from financing activities	(461.5)	(44.2)	(505.7)
Currency translation on cash	(26.5)	-	(26.5)
Decrease / Increase in cash and cash equivalents	113.7	-	113.7
CASH AND CASH EQUIVALENTS AT THE			
- beginning of the period	432.1	-	432.1
- end of the period	545.8	-	545.8

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, 2019 Dufry merged the division Southern Europe and Africa with the division UK, Central Europe and Eastern Europe into one division Europe and Africa. All the remaining structure remained equal. The comparative figures were presented accordingly to reflect these changes.

The list of most important subsidiaries (page 206 of Dufry's 2018 annual report) indicates the entities consolidated in each segment.

Following the adoption of the new lease standard, the Company is presenting as performance indicator an adjusted operating profit. This indicator is calculated from the operating profit plus amortizations of intangible assets identified during previous acquisitions. The EBITDA, as earnings before interest, taxes, depreciation and amortization, before other operational result and linearization, has been discontinued.

Segment information 9M

IN MILLIONS OF CHF	2019				2018			
	TURNOVER			Adjusted Operating profit	TURNOVER			Adjusted Operating profit
	with external customers	with other divisions	TOTAL		with external customers	with other divisions	TOTAL	
Europe and Africa	2,932.9	-	2,932.9	269.6	2,940.3	-	2,940.3	293.6
Asia Pacific and Middle East	957.3	-	957.3	65.5	849.5	-	849.5	79.0
North America	1,469.8	-	1,469.8	132.7	1,415.1	-	1,415.1	98.8
Central and South America	1,137.6	-	1,137.6	156.2	1,212.6	-	1,212.6	77.7
Distribution Centers	184.4	1,240.3	1,424.7	9.8	143.2	1,138.8	1,282.0	13.1
Total divisions	6,682.0	1,240.3	7,922.3	633.8	6,560.7	1,138.8	7,699.5	562.2
Eliminations	-	(1,240.3)	(1,240.3)	-	-	(1,138.8)	(1,138.8)	-
Dufry	6,682.0	-	6,682.0	633.8	6,560.7	-	6,560.7	562.2

IN MILLIONS OF CHF	Unaudited 9M 2019	Unaudited 9M 2018	Unaudited Q3 2019	Unaudited Q3 2018
Operating profit	403.6	325.7	280.5	202.4
Adjusted for Amortization from acquisitions	230.2	236.5	76.2	80.1
Adjusted Operating Profit	633.8	562.2	356.7	282.5

Segment information Q3

IN MILLIONS OF CHF	2019				2018			
	TURNOVER			Adjusted Operating profit	TURNOVER			Adjusted Operating profit
	with external customers	with other divisions	TOTAL		with external customers	with other divisions	TOTAL	
Europe and Africa	1,207.4	-	1,207.4	168.6	1,197.1	-	1,197.1	162.1
Asia Pacific and Middle East	333.5	-	333.5	30.5	303.0	-	303.0	37.0
North America	515.3	-	515.3	60.0	518.5	-	518.5	27.9
Central and South America	375.8	-	375.8	93.4	391.3	-	391.3	50.4
Distribution Centers	69.9	481.9	551.8	4.2	53.7	438.1	491.8	5.1
Total divisions	2,501.9	481.9	2,983.8	356.7	2,463.6	438.1	2,901.7	282.5
Eliminations	-	(481.9)	(481.9)	-	-	(438.1)	(438.1)	-
Dufrey	2,501.9	-	2,501.9	356.7	2,463.6	-	2,463.6	282.5

Segment assets and liabilities

IN MILLIONS OF CHF	30.09.2019		31.12.2018	
	TOTAL ASSETS	TOTAL LIABILITIES	TOTAL ASSETS	TOTAL LIABILITIES
Europe and Africa	5,589.8	2,858.9	4,257.1	1,100.2
Asia Pacific and Middle East	1,348.1	961.1	606.5	201.8
North America	2,458.7	1,383.9	1,338.9	234.1
Central and South America	2,139.5	882.8	1,419.6	306.7
Distribution Centers	1,275.6	493.5	1,183.1	339.7
Total divisions	12,811.7	6,580.2	8,805.2	2,182.5
Unallocated positions	694.5	3,736.9	585.4	3,866.4
Dufrey	13,506.2	10,317.1	9,390.6	6,048.9

4. SEASONALITY

Dufrey has its strongest months of net sales and operating profit 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 operating profit level than in net sales. The straight-line depreciation of right-of-use assets further accentuated the volatility of operating profit.

5. NET SALES

IN MILLIONS OF CHF	Unaudited 9M 2019	Unaudited 9M 2018	Unaudited Q3 2019	Unaudited Q3 2018
Perfumes and Cosmetics	2,031.5	2,035.2	753.5	763.0
Confectionery, Food and Catering	1,193.2	1,131.0	445.9	425.8
Wine and Spirits	1,046.9	970.4	388.5	354.2
Tobacco goods	766.4	756.0	274.0	291.7
Fashion, Leather and Baggage	422.9	376.2	181.7	135.4
Watches, Jewelry and accessories	401.9	461.8	114.2	169.0
Souvenirs	173.7	167.4	65.1	63.0
Electronics	139.2	138.9	48.5	32.2
Literature and Publications	135.4	141.6	48.7	50.4
Other product categories	193.7	213.4	116.1	121.2
Total	6,504.8	6,391.9	2,436.2	2,405.9

IN MILLIONS OF CHF	Unaudited 9M 2019	Unaudited 9M 2018	Unaudited Q3 2019	Unaudited Q3 2018
Duty-free	3,936.4	3,930.7	1,450.2	1,437.1
Duty-paid	2,568.4	2,461.2	986.0	968.8
Total	6,504.8	6,391.9	2,436.2	2,405.9

IN MILLIONS OF CHF	Unaudited 9M 2019	Unaudited 9M 2018	Unaudited Q3 2019	Unaudited Q3 2018
Airports	5,746.9	5,780.1	2,161.7	2,186.3
Border, downtown and hotel shops	215.3	210.1	83.0	73.6
Cruise liners and seaports	228.7	199.0	85.8	73.3
Railway stations and other	313.9	202.7	105.7	72.7
Total	6,504.8	6,391.9	2,436.2	2,405.9

6. LEASE EXPENSES

IN MILLIONS OF CHF	Unaudited 9M 2019	Unaudited 9M 2018	Unaudited Q3 2019	Unaudited Q3 2018
Lease expenses (In 2019 variable commitments and complements to fixed commitments) ¹	(1,054.3)	(1,883.6)	(415.6)	(699.6)
Lease expenses short-term contracts	(4.0)	-	(1.4)	-
Lease expenses low value contracts	(0.3)	-	(0.1)	-
Sublease income from right-of-use assets	12.5	13.1	4.8	4.7
Total	(1,046.1)	(1,870.5)	(412.3)	(694.9)

¹ Payment obligations that do not have a fixed or in substance fixed commitment are presented as variable lease expense. See note 2.2 IFRS 16 section.

7. OTHER EXPENSES

IN MILLIONS OF CHF	Unaudited 9M 2019	Unaudited 9M 2018	Unaudited Q3 2019	Unaudited Q3 2018
Repairs, maintenance and utilities	(65.0)	(64.5)	(20.8)	(21.5)
Credit card expenses	(67.6)	(63.8)	(24.2)	(22.5)
Professional advisor expenses	(47.1)	(46.6)	(15.0)	(13.9)
Other operational expenses	(20.6)	(31.9)	(7.9)	(9.1)
IT expenses	(38.1)	(35.4)	(13.1)	(11.3)
Office and admin expenses	(24.6)	(23.5)	(8.4)	(7.6)
Travel, car, entertainment and representation	(22.9)	(25.3)	(6.5)	(8.3)
Advertising expenses	(24.0)	(20.9)	(8.1)	(6.8)
Franchise fees and commercial services	(20.5)	(16.6)	(6.7)	(6.5)
Public relations expenses	(17.7)	(16.7)	(6.6)	(5.9)
Taxes other than Income tax expense	(14.1)	(7.4)	(4.0)	(2.2)
Insurances	(10.1)	(9.5)	(2.9)	(3.3)
Ancillary premises expenses ¹	(12.3)	(53.2)	(4.6)	(18.2)
Freight & packaging material	(34.2)	(10.9)	(13.2)	(3.9)
Bank expenses	(4.0)	(5.0)	(1.4)	(1.5)
Commission expenses Total	(3.7)	(2.4)	(1.9)	(0.5)
Total	(426.5)	(433.6)	(145.3)	(143.0)

¹ As of 2019, part of these expenses are accounted as Lease expenses.

8. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

IN MILLIONS OF CHF	Unaudited 9M 2019	Unaudited 9M 2018	Unaudited Q3 2019	Unaudited Q3 2018
Depreciation RoU Assets	(867.6)	-	(288.5)	-
Subtotal Right-of-Use Assets (see note 14)	(867.6)	-	(288.5)	-
Depreciation PPE	(136.8)	(131.5)	(45.5)	(44.6)
Impairment PPE	(7.5)	(9.7)	(3.3)	(3.7)
Subtotal Property, Plant and Equipment	(144.3)	(141.2)	(48.8)	(48.3)
Amortization	(274.0)	(275.3)	(91.2)	(92.0)
Impairment	(1.0)	(2.9)	-	(2.9)
Subtotal Intangible Assets	(275.0)	(278.2)	(91.2)	(94.9)
Total	(1,286.9)	(419.4)	(428.5)	(143.2)

9. OTHER OPERATING INCOME

In September 2019, a decision of the Federal Court in Rio de Janeiro in a lawsuit between one of our Brazilian subsidiaries and the Brazilian federal tax authority became final and non-appealable, consequently Dufry assessed the recovery of these amounts as virtually certain and will claim back certain indirect tax payments made since 2009. Dufry has estimated that the pre-tax net income in relation to this matter will approximate CHF 62.4 million.

10. FINANCE COSTS - NET

FINANCE INCOME

IN MILLIONS OF CHF	Unaudited 9M 2019	Unaudited 9M 2018	Unaudited Q3 2019	Unaudited Q3 2018
INCOME ON FINANCIAL ASSETS				
Interest income on short-term deposits	21.0	16.7	6.4	5.7
Other finance income	33.3	10.9	6.7	0.8
Interest income on financial assets	54.3	27.6	13.1	6.5
INCOME ON NON-FINANCIAL ASSETS				
Interest income	-	4.6	-	1.4
INCOME FROM FINANCIAL INVESTMENTS AND ASSOCIATES				
Share of result in associates	2.8	3.0	0.6	1.8
Income from financial investments and associates	2.8	3.0	0.6	1.8
Total finance income	57.1	35.2	13.7	9.7

FINANCE COSTS

EXPENSES ON FINANCIAL LIABILITIES				
Interest expense	(266.0)	(118.9)	(83.5)	(39.3)
of which bank interest	(110.2)	(111.9)	(31.7)	(37.1)
of which bank commitment fees	(3.5)	(3.8)	(1.1)	(1.2)
of which bank guarantees commission expense	(2.7)	(2.1)	(0.6)	(0.7)
of which lease interest	(143.7)	-	(44.8)	-
of which related to other financial liabilities	(5.9)	(1.1)	(5.3)	(0.3)
Amortization / write off of arrangement fees and waiver fees	(4.9)	(4.7)	(1.6)	(1.9)
Other finance costs	(22.1)	(4.6)	(4.1)	1.8
Interest expense on financial liabilities	(293.0)	(128.2)	(89.2)	(39.4)
EXPENSES ON NON-FINANCIAL LIABILITIES				
Interest and other finance costs	(1.8)	(2.0)	(0.4)	(0.5)
Total finance costs	(294.8)	(130.2)	(89.6)	(39.9)

11. INCOME TAX

IN MILLIONS OF CHF	Unaudited 9M 2019	Unaudited 9M 2018	Unaudited Q3 2019	Unaudited Q3 2018
Current income tax	(99.2)	(105.2)	(44.6)	(45.6)
Deferred income tax	10.2	12.8	(9.4)	-
Total	(89.0)	(92.4)	(54.0)	(45.6)

12. BORROWINGS AND LEASE OBLIGATIONS, NET

IN MILLIONS OF CHF	CASH AND CASH EQUIVALENTS	LEASE OBLIGATIONS	BORROWINGS CURRENT	BORROWINGS NON-CURRENT	NET DEBT
Balance at January 1, 2019	538.2	-	58.0	3,766.3	3,286.1
Lease obligation at January 1, 2019	-	4,784.3	-	-	4,784.3
Balance including lease obligation at January 1, 2019	538.2	4,784.3	58.0	3,766.3	8,070.4
Cash flows from operating, financing and investing activities	155.8	-	-	-	(155.8)
Proceeds from 3 rd party loans payable	-	-	0.5	6.5	7.0
Proceeds from borrowings	-	-	60.4	24.9	85.3
Repayment of borrowings	-	-	(137.3)	(6.0)	(143.3)
Repayments of lease obligations	-	(936.4)	-	-	(936.4)
Cash flow	155.8	(936.4)	(76.4)	25.4	(1,143.2)
Additions to lease obligations	-	361.2	-	-	361.2
Interest on lease obligations	-	143.7	-	-	143.7
Arrangement fees amortization	-	-	-	5.0	5.0
Early termination of lease obligations	-	(30.4)	-	-	(30.4)
Foreign exchange adjustments	(12.5)	(32.1)	76.9	(107.2)	(49.9)
Other movements	(12.5)	442.4	76.9	(102.2)	429.6
Balance at September 30, 2019	681.5	4,290.3	58.5	3,689.5	7,356.8

IN MILLIONS OF CHF	CASH AND CASH EQUIVALENTS	BORROWINGS CURRENT	BORROWINGS NON-CURRENT	NET DEBT
Balance at January 1, 2018	565.0	86.8	4,165.1	3,686.9
Cash flows from operating, financing and investing activities	(51.6)	-	-	51.6
Transaction costs for financial instruments	-	-	(0.6)	(0.6)
Proceeds from borrowings	-	(4.9)	193.5	188.6
Repayments of borrowings	-	(14.1)	(710.3)	(724.4)
Cash flow	(51.6)	(19.0)	(517.4)	(484.8)
Arrangement fees amortization	-	-	7.9	7.9
Foreign exchange adjustments	12.1	7.2	(117.5)	(122.4)
Other movements	12.1	7.2	(109.6)	(114.5)
Balance at September 30, 2018	525.5	75.0	3,538.1	3,087.6

13. FAIR VALUE MEASUREMENT

FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT AMORTIZED COST

Except as detailed in the table Quantitative disclosures fair value measurement hierarchy for assets and liabilities below, Dufry considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

The following tables provide the fair value measurement hierarchy of Dufry's assets and liabilities, that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i. e. as prices) or indirectly (i. e. derived from prices).
- **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Quantitative disclosures fair value measurement hierarchy for assets

FAIR VALUE MEASUREMENT AT SEPTEMBER 30, 2019 USING					
SEPTEMBER 30, 2019 IN MILLIONS OF CHF	TOTAL	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	BOOK VALUES
ASSETS MEASURED AT FAIR VALUE					
Derivative financial assets					
Foreign exchange swaps contracts - EUR	3.7	-	3.7	-	3.7
Foreign exchange swaps contracts - OTHER	1.3	-	1.3	-	1.3
Cross currency swaps contracts - GBP	3.6	-	3.6	-	3.6
Total	8.6	-	8.6	-	8.6
ASSETS FOR WHICH FAIR VALUES ARE DISCLOSED					
Loans and receivables					
Credit card receivables	14.7	-	14.7	-	15.1
Total	14.7	-	14.7	-	15.1
FAIR VALUE MEASUREMENT AT DECEMBER 31, 2018 USING					
DECEMBER 31, 2018 IN MILLIONS OF CHF	TOTAL	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	BOOK VALUES
ASSETS MEASURED AT FAIR VALUE					
Derivative financial assets					
Foreign exchange forward contracts - USD	0.2	-	0.2	-	0.2
Foreign exchange swaps contracts - USD	0.5	-	0.5	-	0.5
Foreign exchange swaps contracts - EUR	4.5	-	4.5	-	4.5
Foreign exchange swaps contracts - OTHER	0.9	-	0.9	-	0.9
Cross currency swaps contracts - USD	1.0	-	1.0	-	1.0
Cross currency swaps contracts - GBP	0.5	-	0.5	-	0.5
Total	7.6	-	7.6	-	7.6
Financial assets valued at FVOCI					
Equity investments at FVOCI	1.7	1.7	-	-	1.7
Total	1.7	1.7	-	-	1.7
ASSETS FOR WHICH FAIR VALUES ARE DISCLOSED					
Loans and receivables					
Credit card receivables	18.1	-	18.1	-	18.6
Total	18.1	-	18.1	-	18.6

Quantitative disclosures fair value measurement hierarchy for liabilities

FAIR VALUE MEASUREMENT AT SEPTEMBER 30, 2019 USING					
SEPTEMBER 30, 2019 IN MILLIONS OF CHF	TOTAL	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	BOOK VALUES
LIABILITIES MEASURED AT FAIR VALUE					
Derivative financial liabilities					
Foreign exchange forward contracts - USD	0.8	-	0.8	-	0.8
Foreign exchange forward contracts - OTHER	0.8	-	0.8	-	0.8
Foreign exchange swaps contracts - OTHER	6.4	-	6.4	-	6.4
Foreign exchange options contracts - USD	4.3	-	4.3	-	4.3
Cross currency swaps contracts - GBP	0.2	-	0.2	-	0.2
Total	12.5	-	12.5	-	12.5
LIABILITIES FOR WHICH FAIR VALUES ARE DISCLOSED					
At amortized cost					
Senior Notes EUR 800	896.2	896.2	-	-	864.3
Senior Notes EUR 700	779.2	779.2	-	-	756.2
Total	1,675.4	1,675.4	-	-	1,620.5
Floating rate borrowings USD	767.9	-	767.9	-	695.8
Floating rate borrowings CHF	104.7	-	104.7	-	100.0
Floating rate borrowings GBP	1,297.8	-	1,297.8	-	1,258.5
Total	2,170.4	-	2,170.4	-	2,054.3
FAIR VALUE MEASUREMENT AT DECEMBER 31, 2018 USING					
DECEMBER 31, 2018 IN MILLIONS OF CHF	TOTAL	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	BOOK VALUES
LIABILITIES MEASURED AT FAIR VALUE					
Derivative financial liabilities					
Foreign exchange swaps contracts - USD	0.5	-	0.5	-	0.5
Foreign exchange swaps contracts - OTHER	1.5	-	1.5	-	1.5
Cross currency swaps contracts - USD	5.9	-	5.9	-	5.9
Cross currency swaps contracts - GBP	6.7	-	6.7	-	6.7
Total	14.6	-	14.6	-	14.6
Financial liabilities valued at FVPL					
Interest rate swaps	2.7	-	2.7	-	2.7
Total	2.7	-	2.7	-	2.7
LIABILITIES FOR WHICH FAIR VALUES ARE DISCLOSED					
At amortized cost					
Senior Notes EUR 800	857.8	857.8	-	-	893.4
Senior Notes EUR 700	805.0	805.0	-	-	782.0
Total	1,662.8	1,662.8	-	-	1,675.4
Floating rate borrowings USD	1,368.5	-	1,368.5	-	1,317.8
Floating rate borrowings CHF	201.4	-	201.4	-	199.3
Floating rate borrowings GBP	583.4	-	583.4	-	560.6
Total	2,153.3	-	2,153.3	-	2,077.7

For our bank loans which are listed as Level 2, we used a present-value model where the key-inputs are interest rate and credit spread.

14. RIGHT OF USE ASSETS MOVEMENT SCHEDULE

IN MILLIONS OF CHF	SHOPS	OTHER BUILDINGS	VEHICLES	OTHER	TOTAL
AT COST					
Balance at January 1, 2019	-	-	-	-	-
Adjustment on IFRS 16 implementation (see note 15)	4,619.8	172.3	3.8	1.0	4,796.9
Adjusted Balance at January 1, 2019	4,619.8	172.3	3.8	1.0	4,796.9
Additions	335.1	22.7	0.5	0.5	358.8
Disposals	(32.0)	(1.5)	-	-	(33.5)
Currency translation adjustments	(14.3)	0.2	(0.1)	(0.1)	(14.3)
Balance at September 30, 2019	4,908.6	193.7	4.2	1.4	5,107.9
ACCUMULATED DEPRECIATION					
Balance at January 1	-	-	-	-	-
Additions	(841.6)	(24.6)	(0.9)	(0.5)	(867.6)
Disposals	0.1	0.2	-	-	0.3
Currency translation adjustments	10.2	0.2	0.1	-	10.5
Balance at September 30, 2019	(831.3)	(24.2)	(0.8)	(0.5)	(856.8)
CARRYING AMOUNT					
Balance at September 30, 2019	4,077.3	169.5	3.4	0.9	4,251.1

15. IFRS 16 LEASES

The table below shows the changes in presentation or valuation of the financial positions as of January 1, 2019 after adopting IFRS 16. The comparative figures presented during 2018 have not been restated as the company applied the modified retrospective approach permitted by IFRS.

This table shows all accounts of the statement of financial position and the effects of the IFRS 16 implementation:

IN MILLIONS OF CHF	2018 AS PUBLISHED	ADJUSTMENT ON IFRS 16 IMPLEMENTATION	PUBLISHED 6M REPORT ADJUSTED BALANCE 01.01.2019	CORRECTION*	RESTATED BALANCE 01.01.2019
ASSETS					
Property, plant and equipment	644.3	-	644.3	-	644.3
Right of use assets	-	4,356.0	4,356.0	440.9	4,796.9
Intangible assets	3,516.8	(3.6)	3,513.2	-	3,513.2
Goodwill	2,601.5	-	2,601.5	-	2,601.5
Investments in associates	35.6	-	35.6	-	35.6
Deferred tax assets	138.4	-	138.4	-	138.4
Net defined benefit asset	4.8	-	4.8	-	4.8
Other non-current assets	259.6	(53.3)	206.3	-	206.3
Non-current assets	7,201.0	4,299.1	11,500.1	440.9	11,941.0
Inventories	1,062.7	-	1,062.7	-	1,062.7
Trade and credit card receivables	62.6	-	62.6	-	62.6
Other accounts receivable	475.8	(51.6)	424.2	-	424.2
Income tax receivables	50.3	-	50.3	-	50.3
Cash and cash equivalents	538.2	-	538.2	-	538.2
Current assets	2,189.6	(51.6)	2,138.0	-	2,138.0
Total assets	9,390.6	4,247.5	13,638.1	440.9	14,079.0
LIABILITIES AND SHAREHOLDERS' EQUITY					
Equity attributable to equity holders of the parent	2,898.8	-	2,898.8	-	2,898.8
Non-controlling interests	442.9	-	442.9	-	442.9
Total equity	3,341.7	-	3,341.7	-	3,341.7
Borrowings	3,766.3	-	3,766.3	-	3,766.3
Lease obligations	-	3,388.5	3,388.5	319.4	3,707.9
Deferred tax liabilities	425.9	-	425.9	-	425.9
Provisions	82.4	-	82.4	-	82.4
Post-employment benefit obligations	33.4	-	33.4	-	33.4
Other non-current liabilities	62.8	(61.4)	1.4	-	1.4
Non-current liabilities	4,370.8	3,327.1	7,697.9	319.4	8,017.3
Trade payables	640.4	-	640.4	-	640.4
Borrowings	58.0	-	58.0	-	58.0
Lease obligations	-	954.9	954.9	121.5	1,076.4
Income tax payables	64.8	-	64.8	-	64.8
Provisions	54.8	-	54.8	-	54.8
Other liabilities	860.1	(34.5)	825.6	-	825.6
Current liabilities	1,678.1	920.4	2,598.5	121.5	2,720.0
Total liabilities	6,048.9	4,247.5	10,296.4	440.9	10,737.3
Total liabilities and shareholders' equity	9,390.6	4,247.5	13,638.1	440.9	14,079.0

* See note 2.3

16. STATEMENT OF PROFIT OR LOSS, CHANGE IN ACCOUNTING POLICIES

Dufrey reclassified the Statement of Profit or Loss and changed its accounting policies in order to better reflect the performance of the Group. The comparative figures for 2018 are presented accordingly to reflect the changes.

IN MILLIONS OF CHF	FOOTNOTE	Published 9M 2018	Reclassification	9M 2018	Published Q3 2018	Reclassification	Q3 2018
Net sales		6,391.9		6,391.9	2,405.9	-	2,405.9
Advertising income		168.8		168.8	57.7	-	57.7
Turnover		6,560.7		6,560.7	2,463.6	-	2,463.6
Cost of sales		(2,628.3)		(2,628.3)	(981.8)	-	(981.8)
Gross profit		3,932.4		3,932.4	1,481.8	-	1,481.8
Selling expenses	mainly 1, 6	(1,942.1)	1,942.1	-	(742.7)	742.7	-
Lease expenses	1, 4	-	(1,870.5)	(1,870.5)	-	(694.9)	(694.9)
Personnel expenses		(883.2)	-	(883.2)	(298.3)	-	(298.3)
General expenses		(303.6)	303.6	-	(100.2)	100.2	-
Other expenses	mainly 2, 6	-	(433.6)	(433.6)	-	(143.0)	(143.0)
Share of result of associates	5	3.0	(3.0)	-	1.8	(1.8)	-
EBITDA (discontinued expression)		806.5		-	342.4	-	-
Depreciation, amortization and impairment		(419.4)	-	(419.4)	(143.2)	-	(143.2)
Linearization	4	(27.2)	27.2	-	13.3	(13.3)	-
Other operational result	2, 3	(31.7)	31.7	-	(8.9)	8.9	-
Operating profit / (loss)		328.2	(2.5)	325.7	203.6	(1.2)	202.4
Interest income	7	30.9	(30.9)	-	7.5	(7.5)	-
Interest expense	8	(128.4)	128.4	-	(38.9)	38.9	-
Foreign exchange gain / (loss)		(1.9)	-	(1.9)	(3.9)	-	(3.9)
Finance income	mainly 5, 7	-	35.2	35.2	-	9.7	9.7
Finance costs	3, 8	-	(130.2)	(130.2)	-	(39.9)	(39.9)
Profit / (loss) before taxes		228.8	-	228.8	168.3	-	168.3
Income tax		(92.4)		(92.4)	(45.6)	-	(45.6)
Net profit / (loss)		136.4		136.4	122.7	-	122.7
ATTRIBUTABLE TO							
Non-controlling interests		48.9		48.9	25.6	-	25.6
Equity holders of the parent		87.5		87.5	97.1	-	97.1
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT IN CHF							
Basic earnings / (loss) per share		1.67		1.67	1.88	-	1.88
Diluted earnings / (loss) per share		1.66		1.66	1.87	-	1.87

Footnotes

CONCEPT (includes financial impact in MILLIONS OF CHF)	Reclassification from	Reclassification to	9M 2018	Q3 2018
1. Concession fee expenses	Selling expenses	Lease expenses	1,843.3	708.2
2. Other operating expenses and income	Other operational result	Other expenses	29.8	8.0
3. Impairment financial assets	Other operational result	Finance costs	1.8	0.9
4. Linearization	Linearization	Lease expenses	27.2	(13.3)
5. Share of result from associates	Share of result from associates	Finance income	(3.0)	(1.8)
6. Sales related expenses	Selling expenses	Other expenses	98.5	34.3
7. Interest income	Interest income	Finance income	(30.9)	(7.5)
8. Interest expenses	Interest expenses	Finance costs	128.4	38.9

17. PRINCIPAL EXCHANGE RATES

IN CHF PER	AVERAGE RATES		CLOSING RATES	
	9M 2019	30.09.2019		
1 USD	0.9948	0.9978		
1 EUR	1.1179	1.0878		
1 GBP	1.2671	1.2267		
IN CHF	9M 2018	30.09.2018	31.12.2018	
1 USD	0.9726	0.9819	0.9814	
1 EUR	1.1611	1.1400	1.1259	
1 GBP	1.3138	1.2797	1.2524	

18. EVENTS AFTER REPORTING DATE

Until October 31, 2019, when these interim consolidated financial statements have been authorized, no material subsequent event occurred.



To the Board of Directors of
Dufry AG, Basel

Basel, 1 November 2019

Report on the review of interim consolidated financial statements



Introduction

We have reviewed the interim condensed consolidated financial statements (statement of profit and loss, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes, pages 4 to 31) of Dufry AG, Basel, for the period from 1 January 2019 to 30 September 2019. 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

/s/ Jolanda Dolente

Jolanda Dolente
Licensed audit expert
(Auditor in charge)

/s/ Siro Bonetti

Siro Bonetti
Licensed audit expert