World Duty Free S.p.A. delivers solid financial performance in a year of strong transformation for the company

The board of Directors approves the consolidated financial statements to 31 December 2013

- Consolidated revenues: EUR 2,078.5m vs. EUR 2,002.0m in 2012 (up 7.1% at constant exchange rates and 3.8% at current exchange rates)
- EBITDA: EUR 254.8m vs. EUR 262.3m in 2012 (up 0.6% at constant exchange rates, down 2.9% at current exchange rates,)
- Cash EBITDA: (Including the recovery of annual concession fees paid in advance to AENA) 274.4m EUR vs. 262.3m in 2012 (up 8.0% at constant exchange rates, 4.6% at current exchange rates)
- Net profit: EUR 105.8m vs. EUR 100.7m in 2012 (up 10.2% at constant exchange rates, 5.1% at current exchange rates)
- Free Operating Cash Flow: Cash flow generation for a total of EUR 116.3m[1] excluding the advance payment to AENA and the US Retail acquisition
- Net financial position: EUR 1,026.7m, an increase of EUR 477.7m compared to 2012, due to the payment of dividends before the demerger, acquisitions and the advance payment to AENA
- First year as a listed company as a result of the the partial and proportional demerger of Autogrill S.p.A.. WDF is listed in FTSE MIB.
- Stable and long-term portfolio of concessions

Outlook 2014

- In the first eight weeks of 2014 the positive evolution of revenue continues in all regions (+11.6% y-o-y) at constant exchange rates, compared with the same period in the previous year

The Board proposes that the Shareholders authorize a share purchase programme totalling 5% of the share capital

***Milan, Italy, 10 March 2014* -** Meeting today, the Board of Directors of WDF S.p.A. (WDF) (Milan: WDF IM) has examined and approved the consolidated financial statements and the Company's draft financial statements for the year ending 31 December 2013[2&3].

2013 has been a transformational year for the Group WDF (WDFG). From a corporate standpoint, in October WDF S.p.A. was listed in the Milan stock exchange, and the WDF shares were included in the FTSE MIB. From a management perspective, the most significant developments include the

[1] Adjusted figure excluding the advance payment of Euro 261.9 million to AENA (the licensor managing most of the Spanish airports) and the US Retail acquisition (travel retail division in the United States acquired from HMSHost on 6th September 2013). Non-adjusted Free Operating Cash Flow in 2013 was Euro EUR -225.6m

[2] The consolidated results and the Company's draft financial statements are currently under audit

[3] As the partial and proportional demerger of Autogrill S.p.A. whereby Autogrill transferred its travel retail and Duty Free businesses to World Duty Free S.p.A. came into effect on 1 October 2013

acquisition of the travel retail division of HMS Host in the **United States** from Autogrill Group, the reinforcement of the company´s position in its core markets (UK and Spain) and the acquisition of concessions in new markets, such as Finland after winning the tender to operate the travel retail activity of Helsinki airport. Nevertheless, these developments have not prevented the company from delivering a high cash flow generation.

The Group has recorded excellent results in the **United Kingdom**, the market in which the company generates almost 50% of its revenues and EBITDA. During the year, the Group has reinforced its position in this market with the extension of contracts with Manchester and London-Stansted airports, with capacity to further stimulate the generation of revenues in a market specially characterized for the long term of the concessions in the portfolio.

The refurbishment and enlargement of the store portfolio operated in **Spain**, where international passenger traffic is recovering, including Madrid, the international expansion achieved with new operations in **Germany, Saudi Arabia, Brazil** and **Jamaica,** and the beginning of operations in new categories following the acquisition of travel retail in the **United States** , have left the Group in a better position to benefit from the improvement in passenger traffic in more dynamic markets and to minimise the impact of the economic recession and the drop in consumption registered in some European countries, thus laying the foundations for continuing to improve revenue and cash flow generation.

For the year ending 31 December 2013, the Group´s revenues were Euro 2,078.5 million, up +7.1% at constant exchange rates (+3.8% at current exchange rates) against Euro 2,002.0 million in 2012. Revenues contributed by US Retail were Euro 44.8 million; excluding this contribution, revenues would have grown +1.6% at current exchange rates (+4.8% at constant exchange rates).

****

Outlook 2014

The first eight weeks of 2014 delivered a growth rate of revenues at constant exchange rate of +11.6% compared to the same period of the previous year, showing a positive evolution across all regions.. Excluding the change in the business perimeter following the recent acquisition of travel retail activity in the United States, revenues in the first eight weeks of the year would have grown +4.2% at constant exchange rate (+5.3% excluding the effect of the Boutiques in Spain). The recovery of a positive economic environment in Europe, which has started to be seen both in terms of traffic and consumer confidence, has been reflected in the good performance of the company in the first part of the year.

The highest contributing region to that growth in sales is Asia and Middle East (+9.4%) while Rest of Europe[4] and UK have grown +4.0% and +3.9%, respectively (Rest of Europe, excluding the effect of

[4] Rest of Europe includes commercial activity in Spain, Germany and Italy

the Boutiques is +8.7%); Americas (excluding the consolidation of the newly acquired activity in the United States) is delivering weaker growth due to the financial situation that the region has faced during this period. As is well known, the start of the year is the low season in most of the Group's operations, particularly in Europe; trends start to become more relevant as the summer season begins.

The Group will provide more detailed information on forecasts for the year in due course when it publishes results for the first half of 2014. The focus for 2014 will be on generating cash and also to reduce current net debt levels, implementing development programs currently in progress across the Group and executing new openings of recently granted concessions, such us Helsinki airport.

****

Consolidated Results as of 31 December 2013

Revenue

The Group closed 2013 with consolidated revenue of Euro 2,078.5 million which at constant exchange rates is up 7.1% against the previous year. The exchange rate trends of the currencies other than the Euro in which WDFG operates had a negative impact on revenue which at current exchange rates increased by 3.8% against the previous year's figures of Euro 2,002.0 million, in particular due to the revaluation of the Euro against the pound sterling and the US Dollar. The US Retail Division, acquired in September 2013, had an impact on total revenues of Euro 44.8 million. The Group's revenue growth at constant exchange rates and excluding the contribution of the US Retail Division would have been +4.8%.

Revenue by segment

Revenues in the **United Kingdom** reached Euro 975.6 million, +6.2% at constant exchange rates (+1.4% at current exchange rates) supported by traffic growth of +3.6%[5] alongside a higher average spend per passenger. Higher pound sterling exchange rates and the staging of the Olympic Games in 2012 meant that travelling in the United Kingdom was more expensive in 2012. The spend per passenger in 2013 was slightly up on 2012, despite the higher number of passengers travelling to European destinations in 2013, who tend to show lower spends.

Sales in the **Rest of Europe** were Euro 620.7 million, up 4.0% compared to Euro 596.9 million in 2012. This increase is due to the contribution of the new operations in Düsseldorf, which more than offset the negative growth rate recorded in the Spanish airports (-4.1%), affected by the drop in traffic (-3.5%) and the impact of the closing of the Boutiques[6]. This negative performance was due to the effect of a lower number of Iberia flights and to a passenger-mix, which was less favourable with fewer business passengers and higher tourist volumes.

[5] Source: BAA, Airport of Manchester and Airport of Gatwick, January-December 2013.
[6] Store discontinued after the new agreement signed with AENA on February 2013.

In **Americas**, revenues amounted to Euro 322.2 million, up +19.4% at constant exchange rates (+14.8% at current exchange rates) compared to 2012. The US Retail business inclusion contributed Euro 44.8 million. Excluding this contribution, Americas grew +2.8% at constant exchange rates, despite the negative impact of the exit from duty free operations in Atlanta and Orlando, and thanks to a good performance recorded in across the region.

In **Asia and Middle East** revenues amounted to Euro 160 million, up +2.6% at constant exchange rates (-1.6% at current exchange rates) compared to 2012.

EBITDA

In 2013 EBITDA amounted to Euro 254.8 million, up 0.6% at constant exchange rates (down -2.9% at current exchange rates) from Euro 262.3 million in the same period of 2012. EBITDA margin amounted to 12.3% of total revenue compared to 13.1% in 2012.

The decrease in EBITDA margin was largely due to the increase in rental costs, mainly as a consequence of the contract extensions in Spanish airports. The already commented changes in the business perimeter have also adversely impacted the EBITDA margin, due to the effect of start-up operations; mainly in Düsseldorf (Germany), and the dilution stemming from the acquisition of the US Retail division, with a natural EBITDA margin which is lower than the average margin of the Group.

Cash EBITDA, calculated as the sum of EBITDA and the recovery of annual concession fees paid in advance to AENA, the Spanish licensor, amounted to Euro 274.4 million, representing 13.2% on revenues.

Net profit for the period

Net profit attributable to the controlling interest amounted to Euro 105.8 million compared to Euro 100.7 million recorded in 2012, due to the positive evolution of amortization and income tax being partially offset by lower EBITDA and higher net financial expenses.

Net profit attributable to minority interests amounted to Euro 5.0 million, up from Euro 2.3 million from the previous year.

****

Consolidated balance sheet results at 31 December 2013

Net invested capital

Net invested capital at December 31, 2013 amounted to Euro 1,445.8 million, increasing by Euro 298.6 million against the previous year. The increase is mainly related to "Other non-current non-financial assets and liabilities" that includes the non-current portion of the payment made to AENA, based on the agreement signed in February 2013 with AENA for the extension of the Spanish airport concessions to 2020. In the first quarter of 2013, WDFG España, controlled indirectly by WDF, made an advance payment of Euro 279 million to be offset against future rent payments; of this amount, Euro 17 million have been already offset during 2013.

Net financial position

The Group's financial position is mainly represented by the medium-long term and revolving facilities of Euro 1,250 million, signed by WDFG at the end of May 2013.

Net financial position at December 31, 2013 was Euro 1,026.7 million (Net Debt), with an increase of Euro 477.7 million compared with the previous year's figures.

****

Performance in the fourth quarter of 2013

Revenue

Group revenues at Euro 547.0 million for the fourth quarter 2013, were up +12.8% at current exchange rates (+7.5% at constant exchange rates and excluding the contribution of the US Retail) against the same quarter of 2012.

Revenues in the **United Kingdom** airports reached Euro 253.2 million, up +7.4% at constant exchange rates (+3.1% at current exchange rates) compared to the fourth quarter 2012, driven by traffic (up 3.5%[7]) and higher spend per passenger.

Sales in the **Rest of Europe** were Euro 139.5 million, up +7.5% compared to the same period of 2012. At a constant perimeter, therefore excluding activities in Düsseldorf (Germany) and the effect of the closure of *Boutiques* in Spain (mainly in Madrid), there would be an increase of +2.9%. Particularly, at a constant perimeter, **Spain** recorded an increase in revenues of +3.1% compared to a traffic increase of +1.5%[8]. At Düsseldorf Airport, the new stores recorded sales of Euro 12.3 million in the fourth quarter 2013.

In **Americas** revenues amounted to Euro 113.3 million, +77.5% at constant exchange rates compared to the same period of 2012. This performance is affected by the change in perimeter, with the new US Retail acquisition accounting for Euro 44.8 million sales (excluding the contribution of the US Retail, the growth at constant exchange rates would have been +8.6%).

In **Asia and Middle East**, revenues amounted to Euro 41.0 million up +6.3% at constant exchange rates compared to the same period of 2012.

EBITDA

EBITDA in the fourth quarter 2013 amounted to Euro 60.8 million, showing an increase +8.3% at constant exchange rates (+4.4% at current exchange rates) versus the same period of 2012. The

---

[7] Source: BAA, Airport of Manchester and Airport of Gatwick, October-December 2013.
[8] Source: AENA, October-December 2013.

EBITDA Margin of 11.1% in the fourth quarter of 2013 decreased by -0.9% compared to 12.0% in the same period of 2012.

The US business acquisition at slightly negative EBITDA in the quarter reduced group EBITDA margins in the fourth quarter. Excluding this, the EBITDA margin was +12.2% showing an improvement of 0.2%, since efficiencies in operating costs were seen, more than offsetting the increase in rent rates.

Profit

In the fourth quarter of 2013 the profit reached Euro 19.9 million compared to Euro 19.5 million in the same period of 2012. The profit attributable to owners of the parent company amounted to Euro 16.5 million compared to Euro 18.9 million compared to the fourth quarter of 2012.

****

Parent Company Income Results tables

The 2013 results of World Duty Free S.p.A., are detailed in the enclosed tables (annex section). The Board of Directors will propose to the Shareholders meeting to approve the financial statements of World Duty Free S.p.A. for the year ended 31 December 2013, showing a loss of Euro 958,417

****

Authorization to purchase shares

The Board will ask the Shareholders to authorize the acquisition and eventual subsequent disposal of up to 12,726,000 ordinary shares (5% of the share capital). The authorization is required for investment purposes and for setting up a pool of securities, directly or through intermediaries, as allowed by current legislation. It may also be used for capital transactions or other operations where it is necessary or opportune to trade or transfer stock. Authorization will be requested for a period of 18 months from the date on which the Shareholders vote the relevant resolution.

****

Remuneration report

The Board also approved the report on remuneration, which will be published within the term fixed by art. 123-ter, legislative decree 58/1998 which includes the remuneration policy on which shareholders will be asked to express their opinion.

****

Pursuant to the principle 3.P.2 of the Listed Companies Corporate Governance Code, as amended in December 2011 and the World Duty Free S.p.A.'s Corporate Governance Code, the Board of Directors made an assessment of the independence requirements – as defined by criterion 3.C.1 of the Corporate Governance Code – owned by the Directors currently in office, as well as of the independence requirements as defined by the combined provisions of articles 147-ter, clause 4, and art. 148, clause 3, legislative decree 58/1998. The above assessment acknowledges that the Directors Carla Cico, Laura Cioli and Lynda Christine Tyler-Cagni - 3 of the 9 Directors in office – are independent.

The current composition of the Board of Directors is therefore in perfect compliance with criterion 3.C.3 of the Corporate Governance Code, which requires FTSE-MIB listed companies to have at least one third of the Board of Directors formed by independent Directors, rounding down where necessary if the quota is not a whole number.

– Ends –

The results for 2013 will be illustrated by the Group's top management in a meeting with the financial community starting at 17:00 CET today. The presentation will also be available in the homepage and in the Investor relations section of www.worlddutyfreegroup.com from 16.30 onwards. The event can also be followed in a live webcast here or in a conference call using the following phone numbers:

UK Toll Number:	+44 (0) 207 107 0685
USA Toll-free Number:	+1 866 305 9104
France Toll Number:	+33 (0) 170 721 583
Italy Toll Number:	+39 023 600 6688
Spain Toll Number:	+34 91 788 9303

****

The Executive responsible for the preparation of the accounting documents - David Jiménez-Blanco - with reference to the Italian legislation clause 2 ,art 154 bis DL 58/1998 hereby confirms that the data reported in this release has been reviewed according to the rules.

****

Disclaimer

This press release contains forecasts and estimates that reflect the opinions of the management ("forward-looking statements"), especially regarding future business performance, new investments and developments in the cash flow and financial situation. Such forward-looking statements have by their very nature an element of risk and uncertainty as they depend on the occurrence of future events. Actual results may differ significantly from the forecast figures and for a number of reasons, including by way of example: traffic trends in the countries and business channels where the Group operates; the outcome of procedures for the renewal of existing concession contracts and for the award of new concessions; changes in the competitive scenario; exchange rates between the main currencies and the euro, esp. the US dollar and UK sterling; interest rate movements; future developments in demand; changing oil and other raw material (food) prices; general global economic conditions; geopolitical factors and new legislation in the countries where the Group operates and other changes in business conditions The Group's business is correlated to traffic flows. The 1st and 3rd quarters usually represent the low and high points, respectively, in the business year. Quarterly operating results and changes in net financial indebtedness may not, therefore, be directly compared or extrapolated to obtain forecasts of year-end results.

For further information:

Aurora de Rato
Corporate Communications
& Innovation Director
Email: aurora.rato@wdfg.com
Telephone: +34 91 274 2200

Marina Marini
Global Head of Investor Relations
Email: marina.marini@wdfg.com
Telephone: +44 7771 364 168
+44 7770 811 714

Jorge Muñiz
Head of Financial Communications
Email: jorge.muniz@wdfg.com
Telephone: +34 91 274 256

ABOUT WORLD DUTY FREE GROUP

World Duty Free S.p.A., is the holding company of **World Duty Free Group,** one of the world's leading travel retailers, operating mainly in airports and with a broad geographical reach. It has operations in **21 countries** and more than **130 locations** with over **500 stores**, from its heartland in Western Europe, to the Americas, the

Middle East and Asia. In 2013, the company posted a **turnover** of more than **2,078 million Euros**.

World Duty Free Group's core business is tax and duty free shopping and its proposition covers the complete spectrum of airport shopping including Beauty, Wines & Spirits, Food & Confectionery, Tobacco, Sunglasses, Watches & Jewellery and Souvenirs. World Duty Free Group operates some of the most exciting and engaging airport shops in the world, with focus on the customer and innovative marketing programmes, including multi channel digital and live in-store interactive promotions.

World Duty Free S.p.A. is listed on the Italian FTSE MIB 40 since 1 October 2013 with the ticker symbol WDF:IM. World Duty Free Group was named Airport Retailer of the Year in the 2013 Frontier Awards.
For more information, please visit www.worlddutyfreegroup.com

ANNEXES

Condensed income statement

in thousand Euros	2013
Dividends and other income from investments	-
Other operating income	-
Total revenue and other operating income	**-**
Personnel expense	(35.4)
Other operating expense	(894.2)
EBITDA	**(929.6)**
Depreciation, amortization and impairment losses	(0.7)
EBIT	**(930.3)**
Net financial income/expenses	(28.2)
Pre-tax profit	**(958.4)**
Income tax	-
Profit (loss) for the year	**(958.4)**

Condensed consolidated income statement

in millions of Euro	2013	% of revenue	2012	% of revenue	change	change at constant exchange rates
Revenue	2,078.5	100.0%	2,002.0	100.0%	3.8%	7.1%
Other operating income	26.1	1.3%	26.6	1.3%	(1.9%)	0.6%
Total revenue and other operating income	**2,104.6**	**101.3%**	**2,028.6**	**101.3%**	**3.7%**	**7.0%**
Cost of goods sold	(847.7)	(40.8%)	(820.0)	(41.0%)	3.4%	6.5%
Personnel expense	(220.8)	(10.6%)	(205.9)	(10.3%)	7.2%	10.1%
Leases, rentals, concessions and royalties	(657.5)	(31.6%)	(615.5)	(30.7%)	6.8%	10.2%
Other operating expense	(123.8)	(6.0%)	(124.9)	(6.2%)	(0.9%)	3.1%
EBITDA	**254.8**	**12.3%**	**262.3**	**13.1%**	**(2.9%)**	**0.6%**
Cash EBITDA	**274.4**	**13.2%**	**262.3**	**13.1%**	**4.6%**	**8.0%**
Depreciation, amortization and impairment losses	(91.3)	(4.4%)	(112.7)	(5.6%)	(19.0%)	(16.8%)
EBIT	**163.6**	**7.9%**	**149.7**	**7.5%**	**9.3%**	**13.6%**
Net financial income/expenses	(34.3)	(1.6%)	(18.5)	(0.9%)	85.5%	86.8%
Impairment and revaluation of financial assets	2.0	0.1%	1.8	0.1%	10.7%	10.7%
Pre-tax profit	**131.3**	**6.3%**	**133.0**	**6.6%**	**(1.3%)**	**3.4%**
Income tax	(20.5)	(1.0%)	(30.0)	(1.5%)	(31.8%)	(28.3%)
Profit for the year attributable to:	**110.9**	**5.3%**	**103.0**	**5.1%**	**7.6%**	**12.7%**
- owners of the parent	105.8	5.1%	100.7	5.0%	5.1%	10.2%
- non-controlling interest	5.0	0.2%	2.3	0.1%	121.0%	122.0%

Reclassified consolidated statement of financial position as of 31 December 2013

in millions of Euro	December 31, 2013	December 31, 2012 *	change	change at constant exchange rates
Intangible assets	1,167.7	1,228.0	(60.3)	(35.6)
Property, plant and equipment	137.7	87.3	50.4	53.5
Financial assets	41.0	13.1	27.9	28.2
A) Non-current assets	**1,346.4**	**1,328.4**	**18.0**	**46.2**
Inventories	156.6	142.5	14.1	19.0
Trade receivables	36.5	28.2	8.2	9.2
Other receivables	54.6	19.6	35.0	38.0
Trade payables	(235.5)	(203.8)	(31.7)	(36.8)
Other payables	(119.2)	(101.8)	(17.4)	(98.2)
B) Working capital	**(107.0)**	**(115.3)**	**8.2**	**(68.8)**
C) Invested capital, less current liabilities	**1,239.3**	**1,213.1**	**26.2**	**(22.6)**
D) Other non-current non-financial assets and liabilities	**206.5**	**(65.9)**	**272.3**	**347.6**
E) Assets held for sale	-	-	-	-
F) Net invested capital	**1,445.8**	**1,147.2**	**298.6**	**325.0**
Equity attributable to owners of the parent	411.0	595.5	(184.6)	(160.4)
Equity attributable to non-controlling interests	8.2	2.7	5.5	5.6
G) Equity	**419.1**	**598.2**	**(179.1)**	**(154.8)**
Non-current financial liabilities	984.3	515.7	468.6	470.3
Non-current financial assets	-	-	-	-
H) Non-current financial indebteness	**984.3**	**515.7**	**468.6**	**470.3**
Current financial liabilities	78.2	64.7	13.5	13.9
Cash and cash equivalent and other current financial assets	(35.8)	(31.4)	(4.4)	(4.3)
I) Current net financial indebteness	**42.4**	**33.3**	**9.1**	**9.6**
Net financial position (H+I)	**1,026.7**	**549.0**	**477.7**	**479.9**

* The figures were adjusted since their original plublication due to the application of IAS 19 revised as described in note 2.1. reported in the illustrative notes of financial statements.

Consolidated cash flow statement

in millions of Euro	2013	2012	change
EBITDA	254.8	262.3	(7.5)
Change in net working capital	(7.1)	(13.0)	5.9
AENA advance payment (Net)	(261.9)	-	(261.9)
Other non-cash items	0.5	1.0	(0.5)
Cash flow from operating activities	**(13.7)**	**250.3**	**(263.9)**
Tax paid	(50.8)	(42.5)	(8.3)
Net interest paid	(31.6)	(18.3)	(13.2)
Net cash flow from operating activities	**(96.1)**	**189.5**	**(285.5)**
Net capex paid	(49.5)	(28.3)	(21.2)
US Retail Division Acquisition	(80.0)	-	(80.0)
Free operating cash flow	**(225.6)**	**161.2**	**(386.7)**