

BoD approves the Consolidated results to 30 June 2014

World Duty Free S.p.A.: In the first half of the year, growth of revenue, improvement of the net financial position and slight reduction of Ebitda

Q2 Results Highlights

- Revenue: EUR 608.5m vs. EUR 525.2m in Q2 2013 (+15.9%; +15.8% at constant FX rates). Excluding the contribution of US Retail¹: EUR 574.2m vs. EUR 525.2m in Q2 2013 (+9.3%; +8.9% at constant FX rates)
- EBITDA: EUR 71.0m vs. EUR 69.8m in Q2 2013 (+1.7%; +1.1% at constant FX rates). Excluding the contribution of US Retail: 69.7m. vs. 69.8m in Q2 2013 (-0.1%; down -0.7% at constant FX rates)

H1 2014 Results Highlights

- Revenue: EUR 1,046.9m vs. EUR 922.9m in 1H 2013 (+13.4%; +13.8% at constant FX rates). Excluding the contribution of US Retail: EUR 981.8m vs. EUR 922.9m in H1 2013 (+6.4%; +6.4% at constant FX rates)
- EBITDA: EUR 106.3m vs. EUR 109.8m in 1H 2013 (-3.2%; -3.4% at constant FX rates). Excluding the contribution of US Retail: EUR 105.6m vs. EUR 109.8m in H1 2013 (-3.8%; -4.0% at constant FX rates)
- Cash EBITDA (includes the recovery of annual concession fees paid in advance to AENA): 120.8m EUR vs. 113.7m in H1 2013 (+6.2%; +6.1% at constant FX rates)
- Net profit: EUR 28.0m vs. EUR 42.5m in 1H 2013 (-34.1%; -34.1% at constant FX rates)
- Net financial position: EUR 977.4m, an improvement of 49.3m compared to the end of 2013

Outlook 2014

- Revenues for 2014 are expected to be in the range of Euro 2,375–2,425 million
- Cash EBITDA to be between Euro 284–294 million. EBITDA between Euro 255-265 million
- Net Financial Position is expected to be between Euro 885-935 million at the close of 2014
- In the first 30 weeks of 2014, sales were up +14.7% (+13.4% at constant FX rates) compared to the same period in 2013. Excluding the contribution of US Retail: +7.2% (+6.1% at constant FX rates)

Milan, Italy, 1 August 2014 - Meeting today, the Board of Directors of WDF S.p.A. (WDF) (Milan: WDF IM) has examined and approved the Company's consolidated results to 30 June 2014.

The Group's consolidated revenues showed a strong performance in the first half of the year, continuing the positive trend initiated in the first quarter. UK revenues showed solid performance even with strong appreciation of the sterling. Sales in Spanish airports reported growth in the period despite poor performance of Madrid.

EBITDA was lower than same period in 2013 mainly due to higher rents paid in the new contracts of Rest of Europe (Spain and Germany) and for the dilutive contribution of the US Retail business.

¹ US Retail refers to the travel retail division in the United States acquired on 6th September 2013

The Group continued its strong cash generation that has permitted the company to keep reducing debt levels and to improve its financial position.

Outlook 2014

The first thirty weeks of 2014 (ending 27 July) delivered a growth rate in airport sales of +14.7% (+13.4% at constant exchange rates) compared to the same period of the previous year. Excluding the contribution of the US Retail activity acquired in September 2013, revenues grew +7.2% (+6.1% at constant exchange rates) with all the regions recording positive growth rates at constant exchange rates.

The Group expects to generate **Revenues** for the twelve months of 2014 between **Euro 2,375-2,425 million**, thanks mainly to the full year consolidation of the US Retail business acquired in September 2013 as well as to the contribution of the new operations in Helsinki and the expected overall growth across all the regions and the full year additions to the perimeter of operations.

Cash Ebitda is expected to be within a range of **Euro 284-294 million**; this translates into Ebitda between Euro 255-265 million, with margin on sales below the previous year, basically due to the dilution derived from the contribution of the US Retail Business and higher rent levels to be seen (particularly in Spain).

The Group expects the **Net Financial Position** to be in a range within **Euro 885-935 million**, projecting a remarkable deleverage despite the higher than prior year's level of Net Capex outflows and Net interest payments.

Consolidated income data for 1st half 2014

Revenue

The Group closed the 1st Half of 2014 with consolidated revenue of Euro 1,046.9 million, +13.4% compared to the previous year's figures of Euro 922.9 million. At constant exchange rates, revenue increased by +13.8%, since the exchange rate trends of the currencies other than Euro in which WDFG operates had a slightly negative impact on revenue due to USD weakness against the Euro being offset by sterling strength versus the Euro. The US Retail business, acquired in September 2013, had an impact on total revenues of Euro 65.0 million for the 1st Half of 2014. Excluding the US Retail business, sales grew by +6.4% at both current and constant exchange rates.

Revenues related to the airport channel amounts to Euro 1,026.6 million or 98.1% of the total revenues generated in the 1st Half of 2014. The Group also supplies services as commercial and operation services in certain cultural institutions in Panama and Spain and logistic and wholesale commercial services for different categories of customers, for amounts of 1.9% of WDFG's total revenues, amounting to Euro 20.3 million.

Category sales mix movements versus the 1st Half of 2013 were impacted by the inclusion of the US Retail business with a different category profile. Excluding this effect, the airport sales growth above the average was seen in the Beauty, Tobacco and Food categories. This is supported by a strategy focusing

on Beauty excellence. Beauty airport sales at Euro 431.2 million (+7.8% versus 2013) are 42.0% of the business. Wine & Spirits sales grow in line with the average.

Revenue by segment

In the **United Kingdom** revenues reached Euro 461.0 million, compared with Euro 432.5 million in 2013, representing an increase of +6.6% versus the first half of 2013 despite the weak performance of Heathrow, offset by other main airports. At constant exchange rates the growth was +2.9%.

Rest of Europe sales were Euro 302.7 million, +10.5% versus 2013. Of this, some Euro 19.4 million sales were from Wholesale and Palacios y Museos businesses, which are -7.2% versus 2013.

Rest of Europe Airport sales were Euro 283.3 million, up +12.0% compared to Euro 253.0 million in 2013. This Euro 30.3 million sales increase includes Euro 8.0 million sales or +3.2pp from the new Helsinki business. A Euro sales increase of 22.2 million was seen across Spain, Germany and Italy combined, being +8.8% versus last year. *Spain* airport sales at Euro 247.6 million improved +9.2% while traffic² increased by +4.2%.

Americas revenues amounted to Euro 200.7 million, up +56.8% on constant exchange rates. The acquisition of the US Retail business in September 2013 contributed 1st Half Euro sales of 65.0 million. Americas sales growth at constant exchange excluding US Retail came to +7.5%.

Asia and Middle East revenues amounted to Euro 82.5 million, up 9.7% on constant exchange.

Ebitda

Ebitda amounted to Euro 106.3 million, down -3.2% from Euro 109.8 million in the 1st Half of 2013. Ebitda margin was 10.2% on revenue compared to 11.9% in the same period of 2013.

The decrease in the Ebitda margin was driven by two factors: higher rents in new contracts in Rest of Europe along with the dilutive contribution of the US Retail business, since the products sold in the United States have a lower marginality.

Cash Ebitda was Euro 120.8 million, +6.2% compared to Euro 113.7 million in the 1st Half of 2013 (+6.1% at constant exchange rates).

Net profit of the period

In the 1st Half of 2014, Net profit was Euro 28.0 million, lower by Euro 14.5 million compared to Euro 42.5 million recorded in the same period of 2013, mainly driven by lower Ebit and higher Net Financial Expenses. Net profit attributable to controlling interest and to minorities was Euro 25.3 million and Euro 2.7 million, respectively, while the 1st Half of 2013 saw Euro 41.4 million and Euro 1.1 million, respectively.

² AENA, January-June 2014

Consolidated balance sheet data at 30 June 2014

Net Invested Capital

The Net invested capital was Euro 1,428.7 million, Euro 17.2 million lower than the amount shown as at December 31, 2013, mainly due to the change in working capital offset by the increase in Property, plant and equipment.

Net Financial position

In the first six months of 2014 the net financial position has improved up to Euro 977.4 million from Euro 1,026.7 million at the end of 2013, thanks to a strong cash generation.

Consolidated income data for 2nd quarter 2014

Revenues

Group revenues at Euro 608.5 million for the second quarter 2014, up +15.9% at current exchange rates (+8.9% at constant exchange rates and excluding the contribution of US Retail) against the same quarter of 2013. Adverse Easter timing from Quarter 1 feeds into a stronger Quarter 2 sales output.

Ebitda

Ebitda in the second quarter 2014 amounted to Euro 71.0 million, showing an increase of Euro 1.2 million, +1.7% versus the same period of 2013. Excluding the US Retail Division, Ebitda would have remained flat compared to the second quarter of 2013. The Ebitda Margin of 11.7% decreased by -1.6pp from 13.3% in the second quarter 2013, mainly due to higher rents and operating costs along with the dilutive contribution of the US Retail business, since the products sold in the United States typically have a lower marginality.

Net Profit

In the second quarter of 2014 the profit reached Euro 25.6 million compared to Euro 30.4 million in the same period of 2013. The profit attributable to owners of the parent amounted to Euro 24.0 million compared to Euro 29.8 million in the second quarter of 2013.

– Ends –

The results for 1H 2014 will be illustrated by the Group's top management in a meeting with the financial community starting at 17:00 CEST today. The presentation will also be available in the homepage and in the Investor relations section of www.worlddutyfreegroup.com from 16.30 CEST onwards. The event can also be followed via website [here](#) and using the following phone numbers:

Direct Dial-in Numbers for participants:

UK Toll Number:	+44 (0) 2031474607
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

A playback option of the conference will be available in the company's Investors website after the call.

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.

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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

Financial Highlights

<i>in millions of Euro</i>	1st Half 2014	1st Half 2013	change	change at constant exchange rates
Revenue	1.046,9	922,9	13,4%	13,8%
EBITDA	106,3	109,8	(3,2%)	(3,4%)
<i>EBITDA margin</i>	<i>10,2%</i>	<i>11,9%</i>		
Cash EBITDA	120,8	113,7	6,2%	6,1%
EBIT	58,7	65,6	(10,5%)	(11,0%)
<i>EBIT margin</i>	<i>5,6%</i>	<i>7,1%</i>		
Net Profit	28,0	42,5	(34,1%)	(34,1%)
<i>% of revenue</i>	<i>2,7%</i>	<i>4,6%</i>		
Free Operating Cash Flow	75,7	(137,1)	n.a.	
CAPEX	35,4	9,7	263,9%	
<i>% revenue</i>	<i>3,4%</i>	<i>1,1%</i>		
Basic earnings per share (in cents Euro)	9,95	16,28		
Diluted earnings per share (in cents Euro)	9,95	16,28		

<i>in millions of Euro</i>	June 30, 2014	December 31, 2013	change
Net invested capital	1,428.7	1,445.9	(1.2%)
Net financial position	977.4	1,026.7	(4.8%)

Condensed consolidated Income Statement - 1st Half 2014

(m€)	1st HALF				Change	
	2014	% on Revenue	2013	% on Revenue	2014	constant exchange rates
Revenue	1,046.9	100.0%	922.9	100.0%	13.4%	13.8%
Other Operating Income	13.8	1.3%	11.9	1.3%	16.0%	19.3%
TOTAL REVENUE AND OTHER OPERATING INCOME	1,060.7	101.3%	934.8	101.3%	13.5%	13.8%
Cost of goods sold	(421.9)	40.3%	(374.6)	40.6%	12.6%	13.1%
Personnel expense	(125.8)	12.0%	(99.7)	10.8%	26.2%	26.2%
Rents&Royalties	(334.7)	32.0%	(292.0)	31.6%	14.6%	14.9%
Other operating cost	(72.0)	6.9%	(58.7)	6.4%	22.7%	24.7%
EBITDA	106.3	10.2%	109.8	11.9%	(3.2%)	(3.4%)
Depreciation, amortisation and impairment losses	(47.6)	4.5%	(44.2)	4.8%	7.7%	7.9%
EBIT	58.7	5.6%	65.6	7.1%	(10.5%)	(11.0%)
Net Financial expense	(20.6)	2.0%	(13.6)	1.5%	51.5%	50.0%
Revaluation of financial assets	0.1	0.0%	(0.2)	0.0%	(150.0%)	(150.0%)
Pre tax profit	38.2	3.6%	51.8	5.6%	(26.3%)	(26.4%)
Income tax	(10.2)	1.0%	(9.3)	1.0%	9.7%	8.6%
Net profit attributable to:	28.0	2.7%	42.5	4.6%	(34.1%)	(34.1%)
- controlling interest	25.3	2.4%	41.4	4.5%	(38.9%)	(38.9%)
- non-controlling interest	2.7	0.3%	1.1	0.1%	145.5%	145.5%

Reclassified consolidated statement of financial position as of 30th June 2014

<i>in millions of Euro</i>	June 30, 2014	December 31, 2013	change
Intangible assets	1,168.7	1,167.7	1.0
Property, plant and equipment	157.6	137.7	19.9
Financial assets	32.9	41.0	(8.1)
A) Non-current assets	1,359.2	1,346.4	12.8
Inventories	184.8	156.6	28.2
Trade receivables	41.1	36.5	4.6
Other receivables	58.3	54.6	3.7
Trade payables	(295.5)	(235.5)	(60.0)
Other payables	(125.1)	(119.2)	(5.9)
B) Working capital	(136.4)	(107.0)	(29.4)
C) Invested capital, less current liabilities (A+B)	1,222.8	1,239.4	(16.6)
D) Other non-current non-financial assets and liabilities	197.0	206.5	(9.5)
E) Assets held for sale	8.9	-	8.9
F) Net invested capital (C+D+E)	1,428.7	1,445.9	(17.2)
Equity attributable to owners of the parent	443.2	411.0	32.2
Equity attributable to non-controlling interests	8.1	8.2	(0.1)
G) Equity	451.3	419.2	32.1
Non-current financial liabilities	1,000.9	984.3	16.6
Non-current financial assets	-	-	-
H) Non-current financial indebtedness	1,000.9	984.3	16.6
Current financial liabilities	46.4	78.2	(31.8)
Cash and cash equivalent and other current financial assets	(69.9)	(35.8)	(34.1)
I) Current net financial indebtedness	(23.5)	42.4	(65.9)
Net financial position (H+I)	977.4	1,026.7	(49.3)

Consolidated cash flow statement - 1st Half 2014

(m€)	First Half 2014	First Half 2013
Opening cash and cash equivalents	22,8	18,7
Pre-tax profit and net financial expense for the period	58,8	65,4
Amortization, depreciation and impairment losses on non-current assets, net of reversals	47,6	44,2
Adjustments and (gains)/losses on disposal of financial assets	(0,1)	0,2
(Gains)/losses on disposal of non-current assets	(0,2)	0,5
Change in working capital	18,3	44,4
Net change in non-current non-financial assets and liabilities	19,8	(260,2)
CASH FLOW FROM OPERATING ACTIVITIES	144,2	(105,5)
Net taxes paid	(15,2)	(15,9)
Net interest paid	(22,8)	(8,3)
NET CASH FLOW FROM OPERATING ACTIVITIES	106,2	(129,7)
Acquisition of property, plant and equipment and intangible assets	(30,9)	(7,7)
Proceeds from sale of non-current assets	0,5	0,3
Net change in non-current financial assets	(0,3)	(27,4)
NET CASH FLOW USED IN INVESTING ACTIVITIES	(30,7)	(34,8)
Opening of new non-current loans	40,5	961,1
Repayments of non-current loans	(63,0)	(551,4)
Repayments of current loans, net of new loans	(10,0)	(6,1)
Dividends paid	(2,6)	(220,1)
Other cash flows (1)	(12,8)	(7,3)
NET CASH FLOW USED IN FINANCING ACTIVITIES	(47,9)	176,2
Cash flow for the period	27,6	11,7
Effect of exchange rate fluctuation on net cash and cash equivalents	(0,3)	0,1
Closing cash and cash equivalents	50,1	30,5

(1) Includes movement of the period in credit cards in transit and remaining payments made in connection with the issuance and the listing of the shares.

Condensed consolidated Income Statement - 2nd Quarter 2014

(m€)	2nd Quarter				Change	
	2014	% on Revenue	2013	% on Revenue	2014 constant exchange rates	2013
Revenue	608.5	100.0%	525.2	100.0%	15.9%	15.8%
Other Operating Income	7.6	1.2%	6.3	1.2%	20.6%	25.4%
TOTAL REVENUE AND OTHER OPERATING INCOME	616.1	101.2%	531.5	101.2%	15.9%	15.9%
Cost of goods sold	(244.8)	40.2%	(212.5)	40.5%	15.2%	15.3%
Personnel expense	(66.5)	10.9%	(49.8)	9.5%	33.5%	33.5%
Rents&Royalties	(194.6)	32.0%	(168.9)	32.2%	15.2%	15.0%
Other operating cost	(39.2)	6.4%	(30.5)	5.8%	28.5%	29.5%
EBITDA	71.0	11.7%	69.8	13.3%	1.7%	1.1%
Depreciation, amortisation and impairment losses	(24.9)	4.1%	(21.7)	4.1%	14.7%	14.7%
EBIT	46.1	7.6%	48.1	9.2%	(4.2%)	(5.0%)
Net Financial expense	(9.9)	1.6%	(9.2)	1.8%	7.6%	5.4%
Revaluation of financial assets	0.1	0.0%	-	0.0%	n.a.	n.a.
Pre tax profit	36.3	6.0%	38.9	7.4%	(6.7%)	(7.2%)
Income tax	(10.7)	1.8%	(8.5)	1.6%	25.9%	24.7%
Net profit attributable to:	25.6	4.2%	30.4	5.8%	(15.8%)	(16.1%)
- controlling interest	24.0	3.9%	29.8	5.7%	195.6%	(19.8%)
- non-controlling interest	1.6	0.3%	0.6	0.1%	166.7%	166.7%