World Duty Free reports sales growth acceleration in Q3 and improvement in Net Financial Position

- ***Eugenio Andrades, designated CEO of World Duty Free S.p.A.***
- ***The new industrial plan 2015-2017, to be presented at the end of January 2015***
- ***Refinancing of the existing credit facilities maturing November 2019, approved***
- ***WDFG wins the award "Airport Retailer of the Year – Multiple Locations"***
- ***London Heathrow airport contract extended; new business at Los Angeles airport and Helsinki***

Q3 Results Highlights

- Revenue: EUR 726.3m vs. EUR 608.6m in Q3 2013 (+19.3%; +16.2% at constant FX rates). Excluding the contribution of US Retail[1]: EUR 689.7m vs. EUR 608.6m in Q3 2013 (+13.3%; +10.2% at constant FX rates)
- EBITDA[2]: EUR 85.0m vs. EUR 84.2m in Q3 2013 (+1.0%; -3.0% at constant FX rates). Without one-off expenses[3], EUR 89.0m (+5.7%; +1.8% at constant FX rates). US Retail contributed EUR 1.7m
- Cash EBITDA excluding one-off expenses: EUR 96.3m vs. 92.0m in Q3 2013. (+4.6%; +1.6% at constant FX rates)
- Divesture of non-core assets: completion of the sale of Palacios y Museos and Creuers del Port de Barcelona. Total proceeds of the sale: EUR 23.4m

9 Months 2014 Results Highlights

- Revenue: EUR 1,773.2m vs. EUR 1,531.4m in 2013 (+15.8%; +14.7% at constant FX rates). Excluding US Retail: EUR 1,671.6m vs. EUR 1,531.4m in 2013 (+9.2%; +7.9% at constant FX rates)
- EBITDA: EUR 191.7m vs. EUR 194.0m in 2013 (-1.2%; -2.9% at constant FX rates). Without one-off expenses, EUR 195.7 (+0.9%; -0.8% at constant FX rates). US Retail contribution: EUR 3.1m
- Cash EBITDA excluding one-off expenses: EUR 217.7m vs. 203.1m in 2013 (+7.2%; +5.5% at constant FX rates)
- Net profit: EUR 72.9m vs. EUR 91.0m in 2013 (-19.9%; -21.6% at constant FX rates), decreases due to higher depreciation and amortization, financial expenses and taxes for the year.
- Net financial position: EUR 887.9m, improves by EUR 138.8m compared to the end of 2013

***Milan, Italy, 14 November 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 September 2014 and has designated Eugenio Andrades as new Chief Executive Officer of the Group.

Corporate events during Q3 2014

New Industrial plan 2015-2017

Over the past few months, the Group has conducted, with the support of the consultants Boston Consulting Group and Bain & Company, a process of analysis and strategic review of the Group with the aim of developing the new business plan 2015-2017 for the Group. The plan pursues further impetus to the creation of value, to be achieved through a process of both organic growth as well as improvement and acceleration of internal processes of integration and efficiency in their operations.

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

[2] Please see complete definition of EBITDA and Cash EBITDA as per the Group´s covenants in the definitions section at the end of the document

[3] CEO compensation for termination and reorganization consultancy services, recorded as personnel and operating cost, respectively

The development of the strategic plan will be supported by the on-going due diligence (business, legal, tax and financial) that is being carried out by a leading audit firm - KPMG – with the objective of providing the Group with a complete and comprehensive information base for the assumptions of the business plan.

The main areas of focus of the new plan will include:

i. Integration of the European platforms, in order to optimize processes and release synergies. In particular, it will provide for the integration and simplification of corporate organizations and central functions in Spain and United Kingdom, renovation and integration of IT platforms (retail, finance and supply chain) and the redesign of logistics systems. London is expected to be the center of the Group´s operation in the future due to the fact that the United Kingdom weighs ca. 44% and 60% of the Group´s total revenue and EBITDA as of 30 September 2014; that the UK has shown excellent operating performance and, that the weighted average maturity of the contract portfolio of over 11 years.

ii. Identification and assessment of specific actions aimed towards improving the profitability of the Spanish operation, with the introduction of best practices – some of which already existing within the Group, aimed to improve business performance and optimization of business processes and costs. More specifically, actions on the commercial front related to refocusing the offer, improvement of the attractiveness of the points of sale, revision of some product categories and of commercial spaces and the introduction of incentive schemes to sales force; the optimization of processes and costs will derive from the improvement of opening hours or by streamlining the logistics platform.

iii. Increase of profitability and business expansion of the US business through the identification of selected opportunities for growth and revitalization of US assets by leveraging on the Group´s retail expertise, particularly pursuing the expansion of the perimeter of the Duty Free and Duty Paid activities by identifying new opportunities in the segment, revisiting the current formats, as well as through a review process of the regional organization (structure, roles, processes and systems) to support the development of the US activities.

The Business Plan 2015-2017 will be reviewed by the Board of Directors of the Company presented to the financial community and institutional investors by the end of January 2015.

Eugenio Andrades, designated new CEO

The process of elaboration of the strategic lines of the new industrial plan resulted in discrepancies between the Group and its CEO (Jose Maria Palencia), who resigned from his position, as previously disclosed. At that time, the Group, with the support of a recruiting consultant, initiated the search of a new CEO in a structured process that has reviewed profile of international executives from different nationalities and professional backgrounds, skills and diverse experiences, including both WDFG internal and external candidates.

Upon completion of the selection process, today Mr Palencia was left its position at the Board of Directors of WDF S.p,A. and the Board has designated Eugenio Andrades as new Chief Executive Officer of WDF S.p.A. Mr. Andrades joined the Group in 1996 where he has taken different roles with growing responsibility, including the position of Chief Commercial Officer. (A complete profile of the new CEO is available on the company´s website, Corporate Governance section).

Debt Refinancing

The Board of Directors has approved today an agreement to reconfigure its existing bank financing with the panel of banks that on 30th May 2013 signed the existing credit facilities of the Group, totaling Euro 1,250 million. Under the new deal, the Group extends maturity of the facilities until November 2019 and improves the economic conditions, benefiting from the current market conditions. The new multicurrency (Euro/Sterling/Dollar) credit facility will be structured under a Euro 525m term-loan and a Euro 725m revolving credit facility.

Consolidated results as of 30th September 2014

The Group´s consolidated revenues amounted Euro 1,773.2m in the first nine months of 2014, maintaining the positive trend initiated at the beginning of the year and showing a robust performance both over the third quarter and nine months periods. Despite the appreciation of the sterling and impact over spend, UK revenues keep momentum and delivered solid performance both at current and constant FX rates (+7.5% and +2.4% respectively). Spanish airports also reported strong growth of traffic (+4.6%) and revenue (+12.1%) with the exceptions of Madrid (-6.5%) and Barcelona (+3.2%), which grew but less that it was expected. Without Madrid, growth would have been +18.2%. Despite a slight increase in traffic, Madrid and Barcelona have been negatively impacted by the reduction of the product available as well as by a lower spend per head related to the passenger mix. The last quarter still shows a positive trend in revenues, with an increase in revenues in Spain as a whole (+15.8%), as well as in Madrid (+3.0%) and in Barcelona (+3.4%).

EBITDA, of Euro 191.7m in the first nine months, was lower than same period in 2013 (Euro 194.0m), mainly due to one-off costs of the third quarter and the impact of higher rents paid in the new contracts of Rest of Europe (Spain and Germany) and the higher costs from the Holding and from the listing of the company (not present in 2013). Without the one-off costs, EBITDA grew compared to the same period of 2013 by -0.9%.

The EBITDA margin dilution is due, in addition to the beyond mentioned factors, to the lower structural marginality of the US Retail business consolidated since the end of 2013.

Cash EBITDA, of Euro 213.7m (Euro 217,7m excluding one-off costs) grows by +5.2% compared to the nine months period of 2013.

Net income for the nine months was Euro 72.9m, compared to Euro 91.0 m in the same period of 2013, mainly due to higher depreciation (resulting from the higher level of investments following the recent contract renewals), financial costs (related to indebtedness after the demerger), and taxes for the year.

The Group continued its strong cash generation that has permitted the company to keep reducing debt levels and to improve its financial position. On 30th September the Group completed the divestitures of non-core assets with the sale *Palacios y Museos* and *Creuers del Port de Barcelona*. Total proceeds of the sale – EUR 23.4 million – were used to pay down debt. The Group´s Net Financial Position has improved by Euro 138.8 million in the first nine months of the year.

Events after 30 September 2014

Anticipated extension of London Heathrow airport concession

On 2nd October 2014, the Board of Directors of WDF S.p.A. agreed a 6 years and 6 months extension of its concession agreements to operate at London Heathrow. The extension applies to stores currently operated by World Duty Free Group in all Heathrow terminals, taking expiration of the contract from 2020 to 2026.

World Duty Free Group – operator of London Heathrow´s travel retail stores since 1997 – currently runs 38 stores at the airport, including 25 core category and 13 specialty retail sites, totaling over 13,000 square meters. London Heathrow is the busiest European hub with over 72 million passengers in 2013. World Duty Free Group recorded sales of EUR 455.6m in Heathrow Airport in 2013 – 46.7% of the Group´s total revenue in the UK and nearly 22% of the total global sales of World Duty Free Group for that year.

The early renewal entails higher concession fees estimated at about Euro 7.5m in 2014. That amount will be charged in full in Q4 as the contract was signed on 2nd October 2014.

New Contracts

On October 1st, World Duty Free Group completed the acquisition of ***Finnair´s Travel Retail*** operations in the **Helsinki** airport. The acquisition comprised two stores in the Helsinki airport and, following the acquisition, World Duty Free Group is the only Duty Free operator in the Helsinki airport.

In the **Kuwait International** Airport tender, where Word Duty Free Group, together with its local partner

That Es-Salasil is the incumbent operator since year 2006, the Group made the best offer for obtaining the concession. The concession is for 5 years, with the option for an additional. Contract signature is still pending and is expected to take place in the coming months.

World Duty Free Group has won the tender to operate Package A of **Los Angeles** International Airport (LAX) Terminal 6. With a total selling area of 240 square meters, World Duty Free Group will feature three stores (devoted to the convenience category and three stores dedicated to beauty and specialty retail

"Airport retailer" of the year

Beyond the financial performance of the Group, World Duty Free Group was selected as *"Airport Retailer of the Year – Multiple Locations"* at TFWA's annual conference and exhibition in Cannes. This award, which is the most prestigious recognition of the travel retail sector, follows WDFG's success last year as 'Airport Retailer of the Year'.

Since 30 September 2014, no other events have occurred that if known in advance would have entailed an adjustment to the figures reported or required additional disclosures.

Outlook 2014

The first forty-five weeks of 2014 (ending 9th November) delivered a growth rate in airport sales of 17.7% (+15.3% 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 +10.4% (+8.2% at constant exchange rates) with all the regions recording positive growth rates.

The underlying guidance offered by the Group at 1st of August remains substantially unchanged, except for a number of extraordinary costs related to the on-going reorganization as well as to higher costs related to the London Heathrow airport contract extension.

The net profit may be affected by the effects of any provisions related to the eventual restructuring of the Group foreseen in the new industrial plan.

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Q3 2014 - GROUP PERFORMANCE

Highlights

in millions of Euro	Q3 2014	Q3 2013	change	change at constant exchange rates
Revenue	**726.3**	**608.6**	**19.3%**	**16.2%**
EBITDA	**85.0**	**84.2**	**1.0%**	**(3.0%)**
EBITDA margin	*11.7%*	*13.8%*		
Cash EBITDA	**92.3**	**92.0**	**0.2%**	**(2.7%)**
EBIT	**60.2**	**62.5**	**(3.7%)**	**(8.0%)**
EBIT margin	*8.3%*	*10.3%*		
Net Profit	**44.9**	**48.5**	**(7.4%)**	**(11.5%)**
% of revenue	*6.2%*	*8.0%*		
Free Operating Cash Flow	**101.2**	**(68.6)**	**n.a.**	
CAPEX	**17.8**	**15.0**	**18.0%**	
% revenue	2.4%	2.5%		

in millions of Euro	September 30, 2014	December 31, 2013	change
Net invested capital	**1,410.9**	**1,445.9**	**(2.4%)**
Net financial position	**887.9**	**1,026.7**	**(13.5%)**

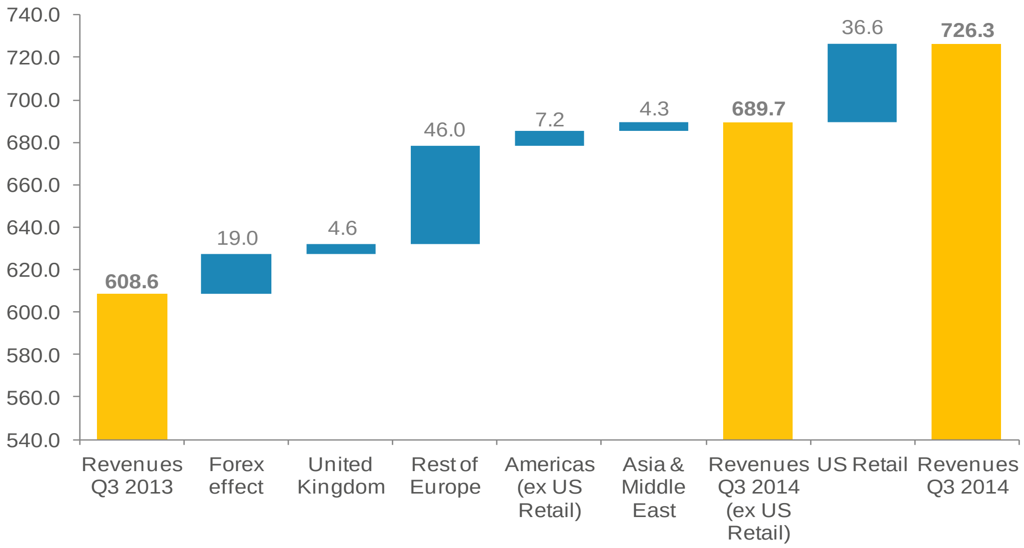
Condensed Consolidated Income Statement

(m€)	3rd Quarter 2014	% on Revenue	2013	% on Revenue	Change 2014	constant exchange rates
Revenue	726,3	100,0%	608,6	100,0%	19,3%	16,2%
Other Operating Income	7,9	1,1%	7,2	1,2%	9,7%	6,9%
TOTAL REVENUE AND OTHER OPERATING INCOME	**734,2**	**101,1%**	**615,8**	**101,2%**	**19,2%**	**16,1%**
Cost of goods sold	(300,9)	41,4%	(250,2)	41,1%	20,3%	17,4%
Personnel expense	(76,9)	10,6%	(53,9)	8,9%	42,7%	39,3%
Rents&Royalties	(233,0)	32,1%	(196,2)	32,2%	18,8%	15,5%
Other operating cost	(38,4)	5,3%	(31,3)	5,1%	22,7%	20,8%
EBITDA	**85,0**	**11,7%**	**84,2**	**13,8%**	**1,0%**	**(3,0%)**
Provisions for risk and charges	0,4	0,1%	0,1	0,0%	300,0%	300,0%
Depreciation, amortisation and impairment losses	(25,2)	3,5%	(21,8)	3,6%	15,6%	12,8%
EBIT	**60,2**	**8,3%**	**62,5**	**10,3%**	**(3,7%)**	**(8,0%)**
Net Financial expense	(9,4)	1,3%	(10,1)	1,7%	(6,9%)	(8,9%)
Revaluation of financial assets	10,7	1,5%	2,4	0,4%	345,8%	345,8%
Pre tax profit	**61,5**	**8,5%**	**54,8**	**9,0%**	**12,2%**	**7,7%**
Income tax	(16,6)	2,3%	(6,3)	1,0%	163,5%	155,6%
Net profit attributable to:	**44,9**	**6,2%**	**48,5**	**8,0%**	**(7,4%)**	**(11,5%)**
- controlling interest	43,6	6,0%	47,9	7,9%	(9,0%)	(13,4%)
- non-controlling interest	1,3	0,2%	0,6	0,1%	116,7%	133,3%

Revenue

The Group recorded consolidated revenue of Euro 726.3 million in Q3 2014, +19.3% compared to the previous year´s figures of Euro 608.6 million. At constant exchange rates, revenue increased by +16.2%, 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 Q3 2014 total revenues of Euro 36.6 million. Excluding the US Retail business, sales grew by +13.3% (+10.2% at constant exchange rates), with every new quarter in 2014 delivering higher inter-annual growth rates than the immediate prior quarter.

Change in Revenues (in Euro million)



Revenues in the **United Kingdom** airports reached Euro 315.2 million, up +1.6% at constant exchange rates (+8.8% at current exchange rates) compared to the Q3 2013, driven by traffic (up +4.6% across listed airports) alongside higher spend in Euros per passenger. Spends in sterling though are adverse, being -2.0% on these listed airports. The stronger sterling means prices are being seen as poor value. Heathrow Airport recorded sales of Euro 125.2 million (down -3.3% at constant exchange rates) despite a traffic increase of 0.7%, since passenger spend reductions were seen for destinations where local currencies have weakened. USA passenger spend performance is now improving in Q3 though, in line with a stronger US dollar currency. Outside Heathrow, the positive sales performance continued into the third Quarter, with sales of Euro 190.0 million being +5.1% higher than 2013 in constant exchange rates. Stansted's positive results gained further in Q3, being +29.0% higher. Increased volumes of +12.5% are supported by +14.6% spend gain from the walkthrough development completion alongside 'One Bag' abolition[4]. Gatwick sales (+4.6%) and Manchester (+7.1%) at constant exchange have both been fully volume driven with lower spends on these new tourist volume.

Sales in the **Rest of Europe** were Euro 253.3 million, up Euro 46.0 million compared to the same period of 2013. Airport sales of Euro 234.5 million were Euro 38.3 million or +19.5% higher. The new Helsinki business contributed Euro 8.8 million, with Düsseldorf uplifting Euro 1.6 million as developments complete.

Spain airports improve by Euro +28.3 million, +15.8% versus the third Quarter of 2013, supported by a +5.1% year-on-year growth on traffic. Madrid sales are now +3.0% in Quarter 3 versus 2013, against a -7.0% sales reduction versus 2013 seen in Quarter 2. This is driven from increased promotional activities pushing average spends, alongside new Luxury shops and refurbishment gains. Canaries are the strongest region, with Euro 30.6 million sales, being +88.0% higher. The new main Tenerife Sur store generates Euro 8.3 million sales increase, with strong sales gains across all other stores. Palma de Mallorca, Malaga, Alicante and Ibiza all carry on a double-digit growth, while Barcelona sales are +3.4%, with negative spends on lower Russian sales.

In **Americas** revenues amounted to Euro 113.3 million, +61.6% at constant exchange rates compared to the same period of 2013. This performance is affected by the change in the perimeter, with the US Retail acquisition accounting for Euro 36.6 million sales (excluding this contribution, the growth at constant exchange rate would have been +10.1%). Canada grew +19.8% at constant exchange benefitting from new developments and brands. Jamaica grew +212% through competitor exit and store development. However Mexico was adverse -5.3% with development disruption[5] and lower spending passengers in Los Cabos.

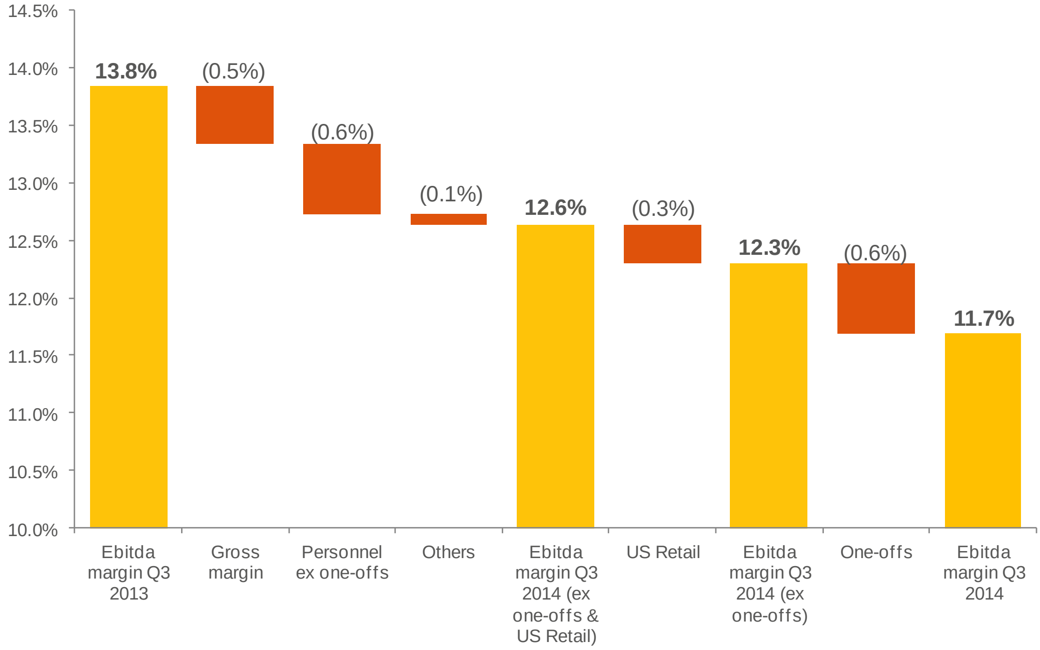
In **Asia and Middle East**, revenues amounted to Euro 44.5 million up +10.6% at constant exchange rates. The Jordan walkthrough store drives a +13.4% growth. Kuwait sales gained +10.1%, but this has been supported by sales phasing gains for Religious holiday sales, seen in Quarter 4 2013.

[4] Passengers are now entitled to carry more than one bag item when boarding the airplane
[5] While refurbishment works are taking place, the affected shops are not at full speed

Ebitda

Ebitda amounted to Euro 85.0 million, +1.0% from Euro 84.2 million in the Q3 2013 (-3.0% at constant exchange rates). Reported Ebitda margin was 11.7% on revenue compared to 13.8% in the same period of 2013.

Change in Ebitda margin



Third Quarter 2014 was negatively affected by non-recurring expenses relating the provision recorded in connection with the compensation agreed in the framework of the CEO resignation (i.e. Euro 2.5 million) along with extraordinary consultancy services rendered (i.e. Euro 1.5 million) regarding the reorganization process carried out by the Group. Excluding these one-off expenses, Ebitda margin would have been 12.3% on sales.

The additional decrease in the Ebitda margin was mainly driven by (compared to sales) lower gross margins (mainly due to a sales mix with lower marginality) and higher personnel cost along with the dilutive contribution of the US Retail business, since the products sold in the United States have a lower marginality.

Personnel expenses (ex one-offs) compared to sales raised since incremental costs were incurred at headquarters on listing costs and supporting the new operations. Alongside this, the opening of Heathrow´s Terminal 2 led to more shops being kept open at a constant sales level.

Cash Ebitda was Euro 92.3 million, +0.2% compared to Euro 92.0 million in the Q3 2013 (-2.7% at constant exchange rates). Excluding the one-off expenses mentioned above, Cash Ebitda would have reached Euro 96.3 million, +4.6% versus the same period of last year (+1.6% at constant exchange rates).

Depreciation, amortization and impairment losses

In the third quarter of 2014 depreciation, amortization and impairment losses amounted to Euro 25.2 million, with an increase of Euro 3.4 million compared to Euro 21.8 million recorded in the same period of 2013 (12.8% at current exchange rates).

Net financial expense

In the third quarter of 2014 net financial expense increased to Euro 9.4 million, compared to Euro 10.1 million of the same period of 2013, primarily thanks to the decrease in Net Debt.

Revaluation of financial assets

In the third quarter of 2014 this caption was Euro 10.7 million, compared to Euro 2.4 million of the same period of 2013 and it includes the net capital gain derived from the sale of the Group´s financial investment on Creuers del Port de Barcelona and its subsidiary Palacios y Museos.

Income Tax

Income Tax in the third quarter of 2014 was Euro 16.6 million compared to Euro 6.3 million in the same period of 2013. The average tax rate increased to 27.0% in the third quarter of 2014 from 11.5% in the same period of 2013, mainly due to the revaluation of deferred tax liabilities that took place in 2013 in UK in connection with the lowering of tax rates that were to be applied in subsequent fiscal years.

Net Profit

In the third quarter of 2014 the net profit reached Euro 44.9 million compared to Euro 48.5 million in the same period of 2013. The profit attributable to the owners of the parent amounted to Euro 43.6 million compared to Euro 47.9 million in the third quarter of 2013.

9 MONTHS 2014 - GROUP PERFORMANCE

Condensed Consolidated Income Statement

	9 Months				Change	
(m€)	2014	% on Revenue	2013	% on Revenue	2014	constant exchange rates
Revenue	1,773.2	100.0%	1,531.4	100.0%	15.8%	14.7%
Other Operating Income	21.8	1.2%	18.8	1.2%	16.0%	17.0%
TOTAL REVENUE AND OTHER OPERATING INCOME	**1,795.0**	**101.2%**	**1,550.2**	**101.2%**	**15.8%**	**14.8%**
Cost of goods sold	(722.7)	40.8%	(624.8)	40.8%	15.7%	14.8%
Personnel expense	(202.5)	11.4%	(154.2)	10.1%	31.3%	30.2%
Rents&Royalties	(567.5)	32.0%	(488.2)	31.9%	16.2%	15.1%
Other operating cost	(110.6)	6.2%	(89.0)	5.8%	24.3%	24.2%
EBITDA	**191.7**	**10.8%**	**194.0**	**12.7%**	**(1.2%)**	**(2.9%)**
Provisions for risk and charges	-	0.0%	0.1	0.0%	(100.0%)	(100.0%)
Depreciation, amortisation and impairment losses	(72.8)	4.1%	(66.0)	4.3%	10.3%	9.4%
EBIT	**118.9**	**6.7%**	**128.1**	**8.4%**	**(7.2%)**	**(9.3%)**
Net Financial expense	(30.0)	1.7%	(23.7)	1.5%	26.6%	24.5%
Revaluation of financial assets	10.8	0.6%	2.2	0.1%	390.9%	390.9%
Pre tax profit	**99.7**	**5.6%**	**106.6**	**7.0%**	**(6.5%)**	**(8.5%)**
Income tax	(26.8)	1.5%	(15.6)	1.0%	71.8%	67.9%
Net profit attributable to:	**72.9**	**4.1%**	**91.0**	**5.9%**	**(19.9%)**	**(21.6%)**
- controlling interest	68.9	3.9%	89.3	5.8%	(22.8%)	(24.7%)
- non-controlling interest	4.0	0.2%	1.7	0.1%	135.3%	141.2%

Revenue

The Group has reached revenue of Euro 1.773,2 million during the first nine months of 2014, +15,8% compared to previous year´s figures of Euro 1.531,4 million (+14.7% at constant exchange rates). The US Retail business had an impact on total revenue of Euro 101.6 million for the first nine months of 2014. Excluding US Retail, airports sales grew by +7.9% at constant exchange rates.

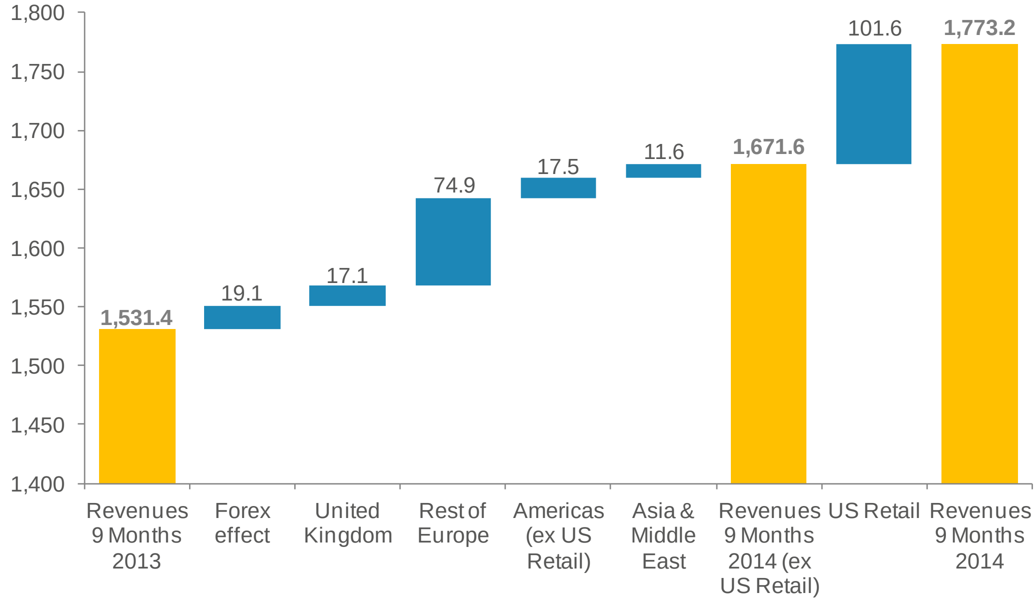
Airport channel revenues amounts to 1.733,7 million (97.8% of the total revenues) in the first nine months of 2014. The Group also has been supplying services as commercial and operation services in certain cultural institutions[6] basically in Spain and logistic and wholesale commercial services for different categories of customers, amounting to Euro 39.5 million (2.2% of WDFG´s total revenues).

Sales by category mix movements versus the first nine months of 2013 were impacted by the inclusion of the US Retail business with a different category profile. Excluding the US Retail Business, Tobacco has grown 4.6ppts above the average on the back of strong sales in the Canaries, Food has grown 1.4ppts

[6] Through its subsidiary Palacios y Museos, sold on 30 September 2014

above the average on the back of promotions and improved space, Souvenirs continues to struggle following the exits in Spain.

Change in Revenue (in Euro million)



In the **United Kingdom** revenues reached Euro 776.3 million, compared with Euro 722.4 million in 2013, representing an increase of +7.5% year-on-year; however, at constant exchange rates the growth was +2.4%.

Heathrow Airport recorded sales of Euro 340.7 million, down -2.1% at constant exchange rates. This compares to a traffic increase of +1.5%, with these volume gains focused on Domestic then Non-EU countries ahead of Euro zone traffic. Spends at constant exchange are adverse –3.6%; Non-EU spend decline continues to be focused on countries where local currency has weakened versus a very strong sterling (e.g. Russia, Japan, Norway, South Africa). Increased Chinese volumes bring down their average spends, but these spends continue significantly above the norm. Euro zone traffic is similarly impacted with strong sterling damaging the value perception.

Outside Heathrow the remaining UK sales were Euro 435.6 million, growing strongly by +6.2% at constant exchange rates. This growth was achieved jointly between passenger volume increases and spends gains, with the stronger sterling not impacting on these airports to the same level. Gatwick at Euro 144.8 million sales grew by +4.7% on constant exchange. Passenger volumes improved by +7.6%, however a spend decline of -2.7% was driven by Non-EU spends focused on Gatwick South. Adverse passenger flows and lower Norwegian spends continue. Manchester at Euro 77.3 million sales improved 6.0% at constant exchange, driven fully by +5.6% in traffic. Stansted with Euro 47.1 million sales achieved a constant exchange rate growth of +21.2%. The airport attracted greater passenger volumes of +9.5% whilst also increasing spends +10.7% through One Bag abolition in the 1st Half, combined with a new walkthrough development opening in Quarter 3.

Rest of Europe sales were Euro 556.0 million, +15.6% versus 2013. Of this, Euro 38.2 million sales were from Wholesale and Palaces & Museums[7] businesses, being +19.4% versus 2013.

Rest of Europe Airport sales were Euro 517.8 million, up +15.3% compared to Euro 449.1 million in 2013. This Euro 68.7 million sales increase includes Euro 16.8 million sales or +3.7pp from the new Helsinki business. Excluding Helsinki´s contribution, sales increased by Euro 51.9 million, an increase of +11.5% referred to the operations in Spain, Germany and Italy.

[7] Palacios y Museos recorded Euro 8.0 million sales in the first 9 months of 2014

Spain airport sales at Euro 455.4 million improved by Euro 49.3 million, +12.1%. Passengers volumes gained +4.6%, with spend per passenger contributing +7.1%. The negative sales impact on the tendered Luxury business exit in 2013 is now partially offset by sales on similar new stores gained in Quarter 3 2014 (Spain airport sales excluding this Luxury effect showed sales growth of +13.4%, +1.3pp higher). Disruption from refurbishment works[8] in Spanish Airports lessens.

The Spain airport revenue increase was despite Madrid sales dropping Euro -6.5 million or -6.5%, affected by the lost non-core categories and poor spends on domestic traffic. After traffic gains of +4.2% Madrid spends were -10.2%.

Spanish airport sales excluding Madrid were Euro 362.1 millions, being Euro +55.8 million or +18.2% higher. This included a +4.8% gain on passenger volumes. Canary Islands led this growth, being higher by Euro 29.6 million or +61.1%. Canary passenger growth of +8.9% was achieved with a +47.8% growth on spend and development gains; as the new Tenerife Sur main store improved sales by Euro 16.0 million. Spain mainland sales (excluding Madrid) improved by Euro +26.2 million or +10.2% supported by passenger growth of +4.6%, alongside refurbishments improving spends by +5.4%. Palma de Mallorca spends improved +12.0% with Malaga spends +8.4% higher.

Other airports outside Spain delivered Euro 62.4 million sales, being Euro 19.4 million sales higher. Euro 16.8 million of this was from the addition of Helsinki. Düsseldorf has seen a Euro 3.9 million sales increase, with development disruption ceasing at the start of Quarter 3.

America's revenues amounted to Euro 314.0 million, up +58.4% on constant exchange rates. The acquisition of the US Retail business in September 2013 contributed sales of Euro 101.6 million. Americas sales growth at constant exchange excluding US Retail came to +8.4%.

North America airports drove this growth, with Vancouver being +21.8% on constant exchange rates. High spending Chinese, and greater American spend opportunities work alongside a complete store development that gives improved Luxury and Beauty.

LATAM airport sales improved +3.0% on constant exchange rates. Jamaica improved by +116% as a local competitor closed and business moved to WDFG, improving liquor sales. Peru is now +8.2% on constant exchange supported by a stronger trending Quarter 3 through promotions. Chile sales are -4.8% on constant exchange, and are only now seeing sales improvements in Quarter 3, versus a 1st Half sales below 2013 levels. Chile developments are progressing with disruption now being reduced, however sales are still impacted by continued local currency weakness and new taxes impact on high spending nationalities such as Argentineans.

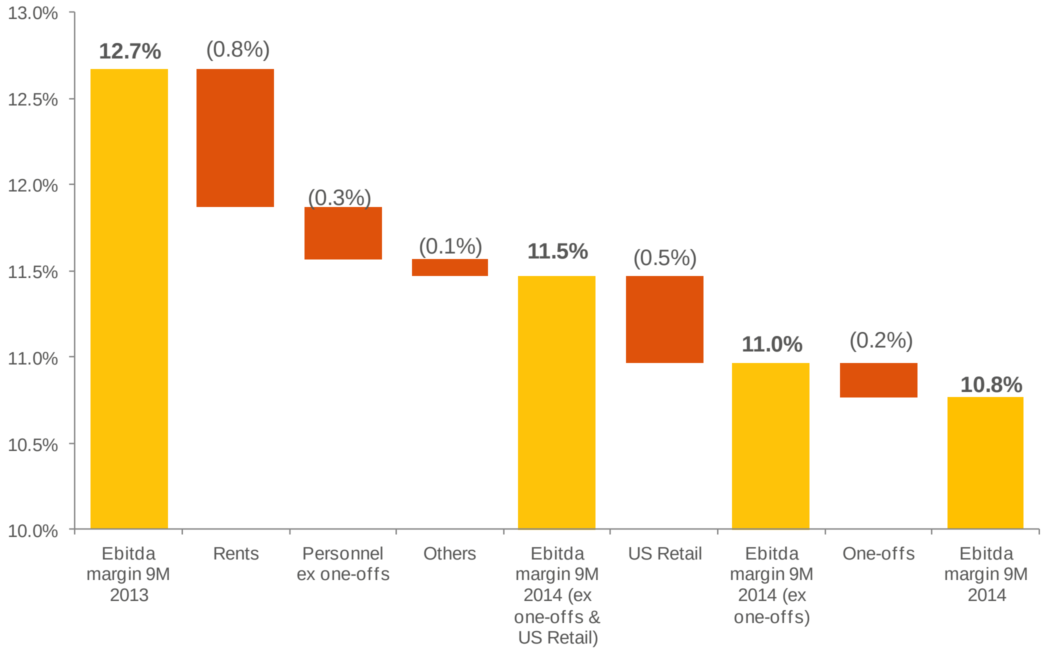
Asia and Middle East revenues amounted to Euro 126.9 million, up +9.8% on constant exchange. This growth has been driven by Jordan, with sales of Euro 61.4 million being +17.6% on constant exchange. This gain has been equally achieved between improved passenger volumes and higher spends driven by the new walkthrough development completed, and now annualized. Outside of this, Kuwait sales are +5.0% on constant exchanges with passenger volume gains, with Sri Lanka sales being marginally down, as it competes directly with another travel retailer at the airport.

Ebitda

Ebitda amounted to Euro 191.7 million, down -1.2% from Euro 194.0 million in the same period of 2013. But excluding one-offs impact, Ebitda raise to Euro 195.7 that is higher by +0.9% year on year. Ebitda margin was 10.8% (11.0% one-offs excluded) on revenue compared to 12.7% in the first nine months of last year.

[8] While the refurbishment Works derived from the new contract in Spain are taking place, the affected shops are not at full speed

Change in Ebitda margin



The decrease in the Ebitda margin continue is impacted by the higher rents in new contracts, higher headquarter costs related to the listing and to the lower structural marginality of the US Retail Division business.

Cash Ebitda was Euro 213.7 million (Euro 217.7 million excluding one-offs impact), +5.2% compared to Euro 203.1 million in the first nine months of 2013 (+7.2% excluding one-offs).

Depreciation, amortization and impairment losses

In the first nine months of 2014 depreciation, amortization and impairment losses amounted to Euro 72.8 million, with an increase of Euro 6.8 million compared to Euro 66.0 million recorded in the same period of 2013 (10.3% at current exchange rates), mainly due to the contribution of the US Retail during the first 9 months of 2014 as well as the additional investments made recently.

Net financial expense

In the first nine months of 2014 net financial expense increased to Euro 30.0 million, compared to Euro 23.7 million of the same period of 2013. The increase is due to a higher average debt during the first months of 2014 compared to 2013.

Revaluation of financial assets

In the first 9 months of 2014 there are net capital gains of Euro 10.8 million, compared to Euro 2.2 million of the same period of 2013, including gains derived from the sale of the Group´s financial investment on Creuers del Port de Barcelona and its subsidiary Palacios y Museos.

Income Tax

In the first nine months of 2014, Income Tax was Euro 26.8 million compared to Euro 15.6 million in the same period of 2013. The average tax rate increased to 26.9% in this period from 14.6% in the first nine months of 2013 due to the short term different tax impact of the net investment hedge in both periods and for the positive effect of the recovery of deferred taxes of 2013 in the UK related to lowering tax rates.

Net Profit

In the first nine months of 2014 the net profit reached Euro 72.9 million (Euro 76.9 million excluding one-offs effect) compared to Euro 91.0 million in the same period of 2013. The profit attributable to the owners of the parent amounted to Euro 68.9 million (Euro 72.9 million excluding one-offs effect) compared to Euro 89.3 million in the first nine months of 2013.

Financial Position

Reclassified consolidated balance sheet

in millions of Euro	September 30, 2014	December 31, 2013	change
Intangible assets	1,187.6	1,167.7	19.9
Property, plant and equipment	166.2	137.7	28.5
Financial assets	33.2	41.0	(7.8)
A) Non-current assets	**1,387.0**	**1,346.4**	**40.6**
Inventories	185.5	156.6	28.9
Trade receivables	52.4	36.5	15.9
Other receivables	57.0	54.6	2.4
Trade payables	(318.8)	(235.5)	(83.3)
Other payables	(140.0)	(119.2)	(20.8)
B) Working capital	**(163.9)**	**(107.0)**	**(56.9)**
C) Invested capital, less current liabilities (A+B)	**1,223.1**	**1,239.4**	**(16.3)**
D) Other non-current non-financial assets and liabilities	**187.8**	**206.5**	**(18.7)**
E) Assets held for sale	**-**	**-**	**-**
F) Net invested capital (C+D+E)	**1,410.9**	**1,445.9**	**(35.0)**
Equity attributable to owners of the parent	514.7	411.0	103.7
Equity attributable to non-controlling interests	8.3	8.2	0.1
G) Equity	**523.0**	**419.2**	**103.8**
Non-current financial liabilities	923.7	984.3	(60.6)
Non-current financial assets	-	-	-
H) Non-current financial indebteness	**923.7**	**984.3**	**(60.6)**
Current financial liabilities	47.7	78.2	(30.5)
Cash and cash equivalent and other current financial assets	(83.5)	(35.8)	(47.7)
I) Current net financial indebteness	**(35.8)**	**42.4**	**(78.2)**
Net financial position (H+I)	**887.9**	**1,026.7**	**(138.8)**

The net invested capital was Euro 1,410.9 million, Euro 35.0 million lower than the amount shown as at December 31, 2013, mainly due to the change in working capital offset by the increase in non-current assets.

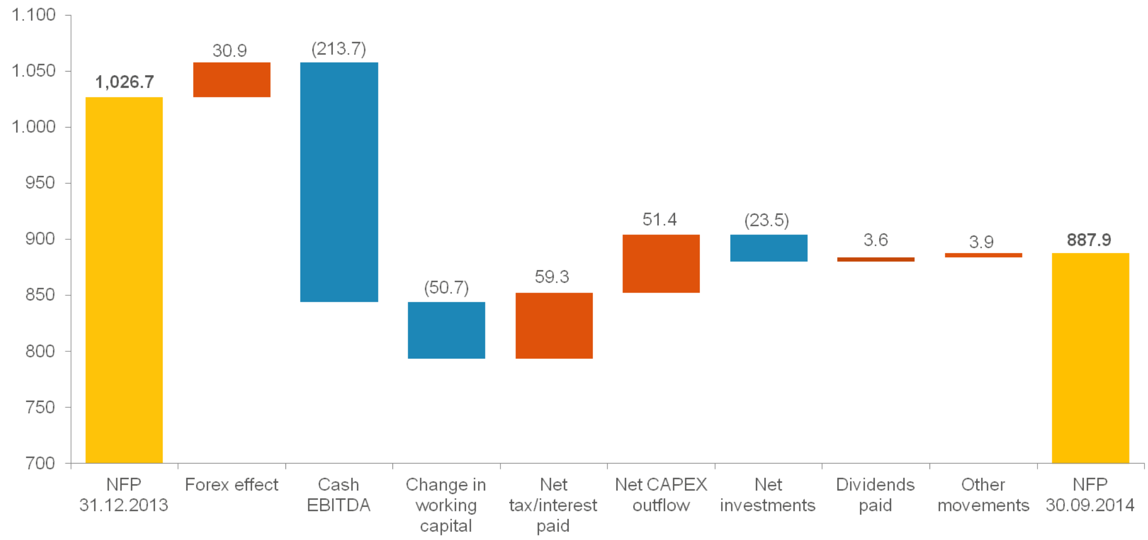
The increase in property, plant and equipment is connected with the investments made that are described in the section of this report relating to capital expenditure.

The remaining change in the caption of non-current assets is mainly due to the sale of the investment in the associate Creuers del Port de Barcelona, S.A. to a third party (this investment was previously reclassified in the first half of 2014 as 'Assets held for sale') and because of the strong impact of the revaluation of Sterling in the intangible assets.

The change in working capital, always affected by the seasonality patterns, follows the usual trend in same previous periods. Moreover, as reported in previous dates, the increase in trade payables includes payments of Euro 14.2 made during this period (Euro 12.3 million in the first half of 2014 and Euro 1.9 million in the third quarter) to HMS Host as a net working capital adjustment[9].

[9] Please see 2014 Half-year report for further details

Change in net financial position (in Euro million)



In the first nine months of 2014 the net financial position has decreased to Euro 887.9 million from Euro 1,026.7 million at the end of 2013, basically thanks to the strong cash generation described in the following section.

Net Cash Generation

Million EUR	9 Months 2014	9 Months 2013	Change
EBITDA	**191.7**	**194.0**	**(2.3)**
Change in working capital and net change in non-current non-financial assets and liabilities	50.7	13.2	37.5
AENA advance payment (net)	22.0	(269.8)	291.8
Other non-cash items	(0.3)	0.5	(0.8)
CASH FLOW FROM OPERATIONS	**264.1**	**(62.1)**	**326.2**
Tax (paid) / refund	(26.0)	(30.8)	4.8
Net interest paid	(33.3)	(19.3)	(14.0)
NET CASH FLOW FROM OPERATIONS	**204.8**	**(112.2)**	**317.0**
Net CAPEX outflow	(51.4)	(19.4)	(32.0)
Net investments (paid) / proceeds	23.5	(74.1)	97.6
FREE OPERATING CASH FLOW	**176.9**	**(205.7)**	**382.6**
Excluding Net Investments and AENA advance payment*	**153.4**	**147.3**	**6.1**

** AENA advance payment refers to the gross amount of Euro 278.9m paid in February 2013.*

Free Operating Cash Flow was Euro 176.9 million in the first nine months of 2014, despite being affected by the higher than prior´s year payments on Net Interest (mainly due to the increase on the debt level) and Net Capex outflow (following the higher level of investment required primarily in the new contracts in Spain and the Rest of Europe). The positive trend seen during the second quarter of 2014 improved even more in this third quarter delivering Free Operating Cash Flow of Euro 101.2 million.

Free Operating Cash Flow in the first nine months of 2014 was positively affected by the proceeds from Net investments[10], while in the same period of 2013 the advance payment made to AENA along with the Net investments[11] paid came up to a extraordinary negative Free Operating Cash Flow. Excluding these

[10] From the sale of the investment in Creuers del Port de Barcelona and Palacios y Museos
[11] Relating the acquisition of the US Retail business from HMS Host

effects, cash generation would have been Euro 6.1 million (or +4.1%) higher in the first nine months of 2014 than in the same period of previous year.

Capital expenditure

Net capital expenditure in the first nine months of 2014 was Euro 53.2 million, up from Euro 24.8 million in the same period of 2013 and rose from 1.6% to 3.0% on sales. It mostly concerned the new and extended concessions in European airports totaling about Euro 43.0 million.

In the third quarter of 2014, net capital expenditure was Euro 17.8 million (2.4% on sales), closing the gap with the Euro 15.0 million (2.5% on sales) recorded in the same period of 2013. It also mostly concerned the new and extended concessions in European airports totaling Euro 12.9 million.

– Ends –

The results for 9 months of 2014 will be illustrated by the Group's top management in a meeting with the financial community starting at 18:00 CET today. The presentation will also be available in the homepage and in the Investor relations section of www.worlddutyfreegroup.com from 17.30 CET 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.

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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.

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DEFINITIONS

GROSS MARGIN	Revenue less Cost of Goods sold
EBIT	Earnings before Net Financial Income (Expense) and Income Taxes
EBITDA	EBIT plus accruals for provision for risk and charges, depreciation, amortization and impairment losses
WORKING CAPITAL	Inventories plus Trade Receivables and Other Current Receivables lees Trade Payable and Other Current Payables
NET CASH FLOW from OPERATIONS	EBITDA plus Change in Working Capital plus change in Non-Current Asset and liabilities and other non cash items less Net Interests and Taxes paid
CAPEX	Capital Expenditure excluding Investments in Financial Fixed Assets and Equity Investments
FREE OPERATING CASH FLOW (FOCF)	Net Cash Flow from Operations less Capex paid, plus/minus Net investment paid/proceeds
CASH EBITDA	EBITDA plus the recovery of annual concession fees paid in advance to AENA
CASH RENTS	Rents minus the recovery of annual concession fees paid in advance to AENA
NET PROFIT	Profit after Tax and before Non-Controlling Interests
NET FINANCIAL	Current and Non Current Financial Liabilities minus Cash & Cash Equivalents

POSITION (NFP)	and Other Financial Assets
NET INVESTED CAPITAL	Non-Current Assets plus Working Capital plus Other non-current non-financial assets and liabilities plus Assets held for sale
EARNINGS PER SHARE	Profit for the year attributable to owners of the parent divided by the average number of outstanding shares
CONSTANT EXCHANGE RATES CHANGE	The variation that would have been reported had the comparative figures of consolidated companies with functional currencies other than Euro been converted at the same exchange rates
COMPARABLE GROWTH	Revenue generated only by those stores which have been up and running for periods reported with the same offer

The indicators presented are not identified as accounting measures under IFRS and should not be considered as alternative measures to those provided by the financial statements to evaluate the economic performance of the Group.Since these financial measures are not determined and regulated by the relevant accounting standards for the preparation of consolidated financial statements, the methods applied for its determination might not be consistent with that adopted by other Groups and therefore these data might not be comparable with those eventually presented by such groups.

Some figures may have been rounded to the nearest million. Changes and ratios have been calculated using figures in thousands and not the figures rounded to the nearest million as shown.

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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 **19 countries** through **102 locations** with over **490 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 multiple locations for the second consecutive year in the 2013 Frontier Awards. For more information, please visit www.worlddutyfreegroup.com