SECURIT IT

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

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EXHIBIT INDEX

Exhibit No.	Description
99.1	Hudson Ltd. Interim Report (unaudited) for the nine months ended 30 September 2018

INTERIM REPORT
SEPTEMBER 2018

HUDSON GROUP

INTERIM REPORT
SEPTEMBER 2018

CONTENT

Our business is impacted by fluctuations in economic activity primarily in the continental United States and Canada and, to a lesser extent, economic activity outside these areas. Our turnover is generated by travel-related retail, food and beverage sales and income from advertising activities. Apart from the cost of sales, our operating expense structure consists of selling expenses (including our concession fees and rents), personnel expenses, general expenses and other expenses associated with our retail operations.

RESULTS OF OPERATIONS

Comparison of the quarter ended September 30, 2018 and 2017

The following table summarizes changes in financial performance for the quarter ended September 30, 2018, compared to the quarter ended September 30, 2017:

IN MILLIONS OF USD	FOR THE QUARTER ENDED SEPTEMBER 30 2018	2017	PERCENTAGE CHANGE in %
Turnover	526.6	496.6	6.0
Cost of sales	(191.1)	(188.1)	1.6
Gross profit	335.5	308.5	8.8
Selling expenses	(121.7)	(113.5)	7.2
Personnel expenses	(105.4)	(95.7)	10.1
General expenses	(32.3)	(39.5)	(18.2)
Share of result of associates	0.1	(0.1)	200.0
Depreciation, amortization and impairment	(30.2)	(26.0)	16.2
Other operational result	(1.6)	7.2	(122.2)
Operating profit (EBIT)	44.4	40.9	8.6
Interest expenses	(7.7)	(8.2)	(6.1)
Interest income	0.6	0.4	50.0
Foreign exchange gain / (loss)	0.2	0.4	(50.0)
Earnings before taxes (EBT)	37.5	33.5	11.9
Income tax	(0.7)	(11.0)	(93.6)
Net earnings	36.8	22.5	63.6
ATTRIBUTABLE TO*			
Equity holders of the parent	26.6	13.5	97.0
Non-controlling interests	10.2	9.0	13.3

* Net earnings attributable to equity holders includes charges in relation with business combinations, such as amortization or impairment of intangible assets, interests or deferred taxes not affecting the non-controlling interests. Additionally the net earnings attributable to non-controlling interests do not include their respective income tax charges.

Turnover

Turnover increased by 6.0% to $526.6 million for the quarter ended September 30, 2018 compared to $496.6 million for the same period last year. Net sales represented 98.1% of turnover for the 2018 period, with advertising income representing the remainder. Net sales increased by $31.2 million, or 6.4%, to $516.8 million.

Organic net sales growth was 6.5% for the quarter ended September 30, 2018 and contributed $31.6 million of the increase in net sales. Like-for-like net sales growth was 3.3% and contributed $15.4 million of the increase in net sales. On a constant currency basis, like-for-like growth was 4.2%. The like-for-like growth was the result of an increase in the overall number of transactions. Net new stores and expansions growth contributed $16.2 million of the increase in net sales, primarily as a result of opening new stores. This growth was partially offset by a decrease of $0.4 million in net sales of acquired wind-down stores.

Interest expenses

Interest expenses decreased to $7.7 million for the quarter ended September 30, 2018, compared to $8.2 million for the prior year period.

Income tax benefit / expense

Income tax benefit for the quarter ended September 30, 2018, amounted to $0.7 million compared to tax expense of $11.0 million for the same period last year. The main components of this change were (i) a reduction of the U.S. federal tax rate from 35% to 21% and (ii) the $9.0 million release of valuation allowance against net operating losses, partially offset by (iii) an increase in pretax income (on the portion attributable to equity holders of the parent) of $2.8 million and (iv) additional tax related to U.S. base erosion and anti-abuse tax (“BEAT”).

Comparison of the nine months ended September 30, 2018 and 2017

The following table summarizes changes in financial performance for the nine months ended September 30, 2018, compared to the nine months ended September 30, 2017:

IN MILLIONS OF USD	FOR THE NINE MONTHS ENDED SEPTEMBER 30 2018	2017	PERCENTAGE CHANGE in %
Turnover	1,452.8	1,352.1	7.4
Cost of sales	(530.0)	(511.4)	3.6
Gross profit	922.8	[illegible]	þ א 9.8
Selling expenses	(336.7)	(315.4)	6.8
Personnel expenses	(303.8		

Gross profit

Gross profit reached $922.8 million for the nine months ended September 30, 2018, from $840.7 million for the prior year period. Our gross profit margin increased to 63.5% in 2018, compared to 62.2% for the prior year period, primarily due to improved vendor terms, including a change in the form of vendor allowances, and sales mix shift to higher margin categories.

Interest expenses

Interest expenses increased to $23.3 million for the nine months ended September 30, 2018, compared to $22.7 million for the prior year period.

Income tax benefit / expense

Income tax expense for the nine months ended September 30, 2018, amounted to $4.1 million compared to $8.0 million in tax expense for the same period last year. The main components of this change were (i) a reduction of the U.S. federal tax rate from 35% to 21% and (ii) the $10.3 million release of valuation allowance against net operating losses, partially offset by (iii) an increase in pretax income (but only the portion attributable to equity holders of the parent) of $30.3 million, and (iv) additional tax related to U.S. BEAT.

LIQUIDITY AND CAPITAL RESOURCES

Our primary funding sources historically have included cash from operations, and financial debt arrangements with Dufry. The balance outstanding on our long-term debt obligations with Dufry at September 30, 2018, and December 31, 2017, was $519.0 million and $520.4 million, respectively.

We believe existing cash balances, operating cash flows and our long-term financing arrangements with Dufry will provide us with adequate funds to support our current operating plan, make8, aaks N tax v)

On October 31, 2018, Hudson Ltd. granted awards in the form of RSUs and Performance Share Units (“PSUs”, and together with the RSUs, the “LTIP Units”) pursuant to the newly created Hudson Ltd. Long-Term Incentive Plan (“LTI Plan”) to selected members of senior management. The LTIP Units are composed of 25% RSUs and 75% PSUs. All LTIP Units have a service-vesting requirement through May 1, 2021, subject to certain acceleration provisions for selected participants. The 9rvi Ďn®osubject tn performance-vesting requirement s e ᴴed on the comp anPs ahsevement of nw, 9ITs and ᴴ9da

CASH FLOWS

The following table summarizes the cash flows for each of the periods below:

	FOR THE NINE MONTHS ENDED SEPTEMBER 30		CHANGEf C3
IN MILLIONS OF USD	2018	2017	
Net cash flows from operating activ ıφΣ :t ' Ď'			

HUDSON GROUP

INTERIM CONSOLIDATED
FINANCIAL STATEMENTS
SEPTEMBER 30, 2018

HUDSON GROUP

INTERIM CONSOLIDATED STATEMENT OF COMPRNO

HUDSON GROUP

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at September 30, 2018

IN MILLIONS OF USD	UNAUDITED 30.09.2018	31.12.2017
ASSETS		
Property, plant and equipment	248.1	264.9
Intangible assets	645.4	685.8
Investments in associates	5.7	3.1
Deferred tax assets	90.8	90.3
Other non-current assets	28.3	24.9
Non-current assets	1,018.3	1,069.0
Inventories	182.8	186.0
Trade receivables	1.2	4.6
Other accounts receivable	47.8	59.4
Income tax receivables	0.9	1.4
Cash and cash equivalents	269.7	137.4
Current assets	502.4	388.8
Total assets	1,520.7	1,457.8
LIABILITIES AND SHAREHOLDERS’ EQUITY		
Equity attributable to equity holders of the parent	573.4	493.7
Non-controlling interests	85.7	78.7
Total equity	659.1	572.4
Financial debt	519.0	520.4
Deferred tax liabilities	53.4	50.1
Post-employment benefit obligations		

HUDSON GROUP

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

for the three month:eC7 8

After the IPO the Dufry Group retained control of Hudson Ltd. as the shares offered through the IPO represent less than 50% of the total in terms of shares or voting rights.

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, 2018 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 Hudson's annual financial statements 2017.

The interim consolidated financial statements were authorized for issue on October 29, 2018 by the board of directors of Hudson Ltd.

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 the Hudson's annual financial statements for the year ended December 31, 2017, except for the following new or revised Standards and Interpretations adopted in these financial statements (effective January 1, 2018). The impact is disclosed in note 10.

IFRS 9
Financial Instruments (effective January 1, 2018)
IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

Phase 1: Classification and measurement – determines how financial assets and financial liabilities are accounted for and measured on an ongoing basis.

At January 1, 2018, Hudson had no financial assets classified as available for sale, held-to-maturity or at fair value through OCI (FVOCI). The financial assets and liabilities currently classified as fair value through profit or loss (FVTPL) will continue to meet the criteria for this category as these do not include any non-derivative components. Hence there will be no change to the accounting classification for Hudson's assets and liabilities.

Phase 2: Impairment – a new single expected loss impairment model is introduced that will require more timely recognition of expected credit losses.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortized cost, debt instruments measured at FVOCI, contract assets under IFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments, no significant change in the allowances has been identified, as the company measured the credit risk already in the past based on expected future losses.

Phase 3: Hedge accounting – the new model aligns the accounting treatment with risk management activities. Users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

Based on IFRS 9, more hedge relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach. Hudson has confirmed that its current hedge relationships qualify as continuing hedges upon the adoption of IFRS 9. In addition, Hudson started to designate the intrinsic value of foreign currency option contracts as hedging instruments going forward, which until December 31, 2017 have been accounted as derivatives at FVTPL. Changes in the fair value of foreign exchange forward contracts attributable to forward points, and in the time value of the option contracts, will in this case be deferred in new costs of hedging reserve OCI. Thereafter, the deferred amounts will be recycled against the related hedged transaction when it occurs.

Hudson has not utilized hedges in relation to changes in the fair value of foreign exchange forward contracts attributable to forward points at December 31, 2017.

In 2018, Hudson's disclosures about financial instruments will expand, commenting about changes in nature and extent to comply with the new standard.

Hudson did not identify any cases where the new classifications and measurements of financial assets and financial liabilities as introduced by IFRS 9 had any material impact on the current financial statements. The current valuation and presentation of hedges are aligned with the requirements of IFRS 9. Furthermore the allowances for trade receivables are not expected to increase due to the adoption of IFRS 9 as pœatio ᵔ Ď Þ

IFRS 2 “Share-based Payment” amendment

The amendments to IFRS 2 “Share-based Payment” will unify the practices regarding:

- the effects of vesting conditions on the measurement of cash-settled transactions,
- the classification of transactions with net settlement features for withholding tax obligations, and
- the accounting where a modification to the terms and conditions of a transaction changes its classification from cash-settled to equity-settled.

IFRIC Interpretation 22 – Foreign Currency Transactions and Advance Considerations

Clarification of the date to be used for the exchange rate on initial recognition of a related asset, expense or income where consideration is paid or received in advance for foreign currency denominated contracts. For each payment the date to be used is the same as the date for the initial recognition of the related non-monetary asset or liability.

Annual Improvements - IAS 28 – Investments in Associates and Joint Ventures

Clarification that the election to measure at fair value through profit or loss is available on an investment-by-investment basis

7. INITIAL PUBLIC OFFERING (IPO)

On January 31, 2018, the secondary IPO took place in which our main shareholder, Dufry International AG, offered 39,417,765 Class A common shares of Hudson Ltd., or approximately 42.6 % of the total outstanding Class A and Class B common shares, at a public offering price of $19.00 per share, adding up to total consideration received by Dufry International AG of $714.4 million after underwriting discounts and commissions, but before other expenses.

8. EQUITY

IN MILLIONS OF USD	UNAUDITED 30.09.2018	31.12.2017
Share capital	0.1	0.1

IN MILLIONS OF USD	NUMBER OF SHARES*	SHARE CAPITAL
Class A common shares	39,417,765	–
Class B common shares	53,093,315	0.1
Balance at September 30, 2018	92,511,080	0.1

* Class A and B common shares are equally eligible for dividend payments

On January 31, 2018 Hudson Ltd. issued 92,511,080 common shares with a par value of $0.001 per share.

9. SHARE-BASED PAYMENTS

On June 28, 2018, Hudson Ltd. granted restricted share unit (“RSU”) awards to selected members of management under the Restricted Share Unit Plan Award of 2018 (the “RSU Plan”). The RSU Plan consists of a one-time grant totalling 526,313 RSUs. One RSU gives the holder the right to receive free of charge one Hudson Ltd. Class A common share. At grant date, the fair value of one RSU award represented the market value for one Hudson Ltd. share at that date, i. e. $17.39. The RSUs were vested on the grant date and will be settled 50% in first quarter 2019 and 50% in first quarter 2020. Hudson expects to settle such awards by purchasing Class A common shares in the market or by issuing new shares. Hudson recognized the expenses related to this award of $9.2 million through shareholders' equity as these incentives were provided in connection with the successd s n

10.3 IMPAIRMENT OF FINANCIAL ASSETS

Hudson has only one type of financial assets subject to IFRS 9's new expected credit loss model: trade receivables.

Trade receivables

The trade receivables are a not significant part of Hudson's assets. The outstanding trade receivables at September 30, 2018 amounted to $1.2 (December 31, 2017: $4.6) million. The trade receivables recoverability is reviewed periodically on an individual basis. Hudson Group provided already in the past the allowances based on the future expected losses as it comprises only few customers.

11. LITIGATION

Two subsidiaries of Hudson Ltd. are named defendants in a putative class action litigation alleging violations of certain labor laws. This matter is in discovery and the Superior Court of the State of California for the County of Los Angeles has not yet determined whether to certify the matter as a class action. A hearing on class certification is expected to occur in the first quarter of 2019. A litigation reserve of $1.0 million was accrued in the second quarter of 2018. The Company is unable at this time to estimate the amount of the possible loss or range of loss, if any, in excess of its already accrued costs, that it may incur as a result of this matter given, among other reasons, that the Company is vigorously defending the matter.

12. FOREIGN EXCHANGE RATES APPLIED FOR VALUATION AND TRANSLATION

	AVERAGE RATE	CLOSING RATES	
IN USD	9M 2018	30.09.2018	
1 CAD	0.7771	0.7750	
IN USD	9M 2017	30.09.2017	31.12.2017
1 CAD	0.7579	0.8021	0.7951