DUFRY

WorldClass.WorldWide.

ANNUAL REPORT 2015

STARTING A NEW ERA

ANNUAL REPORT 2015 CONTENT

1 MANAGEMENT REPORT

2 SUSTAINABILITY REPORT

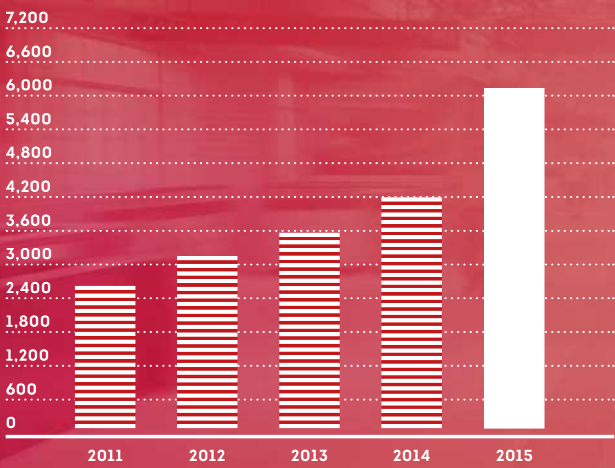
3 FINANCIAL REPORT

4 GOVERNANCE REPORT

DUFRY
AT A GLANCE

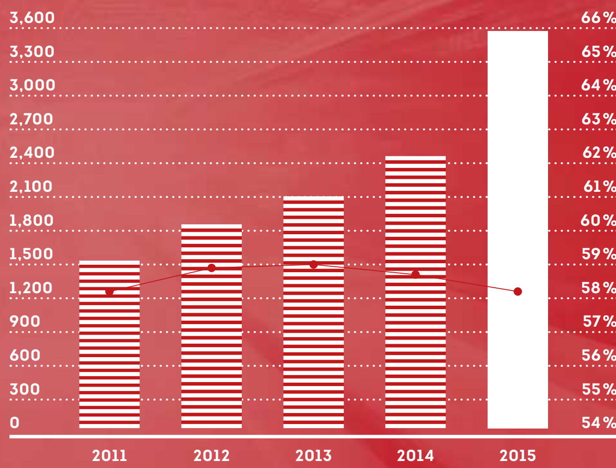
TURNOVER

IN MILLIONS OF CHF



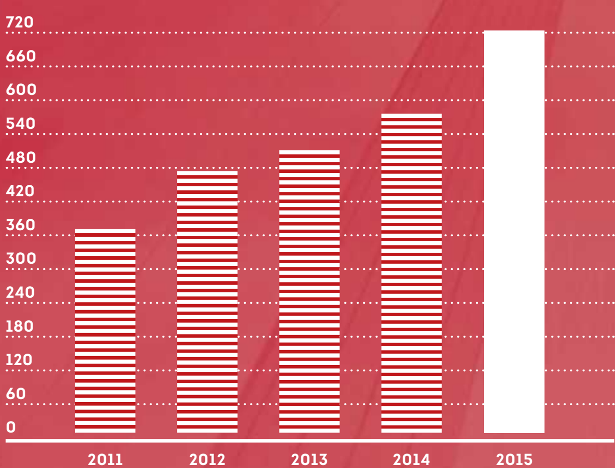
GROSS PROFIT

IN MILLIONS OF CHF MARGIN



EBITDA[1]

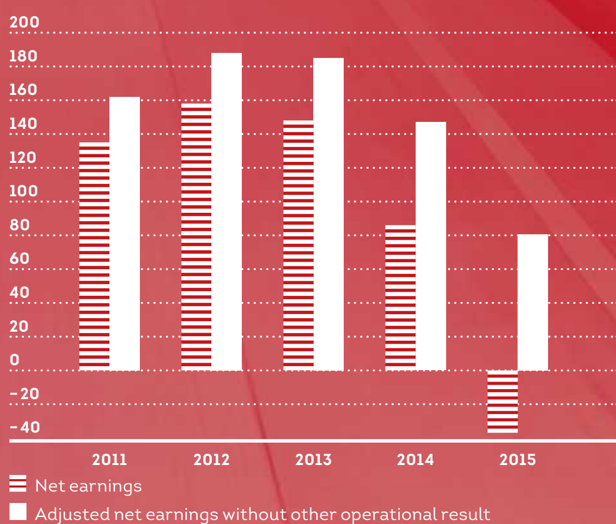
IN MILLIONS OF CHF



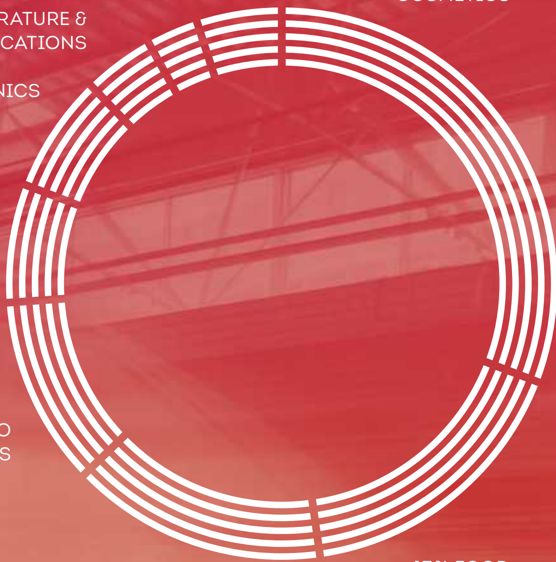
[1] EBITDA before other operational result

NET EARNINGS

IN MILLIONS OF CHF

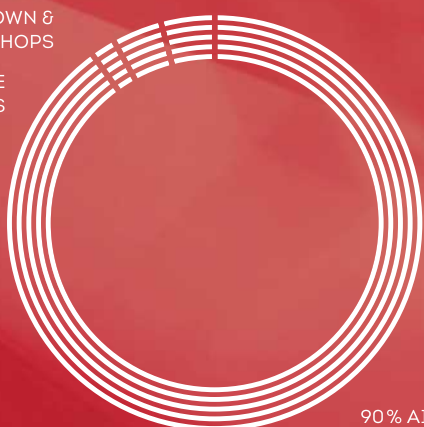


NET SALES BY PRODUCT CATEGORY 2015



NET SALES BY REGION 2015

NET SALES BY CHANNEL 2015



NET SALES BY MARKET SECTOR 2015

HIGHLIGHTS 2015

SOLID GROWTH IN NORTH AMERICA

North America is one of Dufry's best performing divisions, posting solid growth in the past several years.

EXPANSION OF DUTY-PAID IN BRAZIL

Despite the current challenges, Brazil continues to offer substantial potential. Dufry has opened 26 shops in the country in 2015, of which 24 being duty-paid

ACQUISITION OF WORLD DUTY FREE

With the acquisition of WDF, Dufry entered important markets, such as the UK, Spain and several locations in South America, Middle East and Asia

INTEGRATION OF NUANCE COMPLETED

Dufry has successfully concluded the integration of Nuance. The expected CHF 70 million synergies from the acquisition will be delivered in 2016

PRESENTING YOU THE NEW DUFRY

The acquisitions of Nuance and World Duty Free were transformational for Dufry in many aspects and marked the perfect moment for a fresh new logo and corporate identity

PLATFORM FOR GROWTH IN ASIA

Now present in 17 locations across 8 countries, Dufry has built a strong platform to grow its presence in Asia

CUTTING EDGE REFURBISHMENTS IN EUROPE

Dufry's refurbishment plan continues full speed with the major modernization of our operations in Milan Malpensa, Athens and London Heathrow, bringing the best of travel retail to these locations

13 ENVIRON-MENTAL AWARDS FOR NUANCE IN HONG KONG

As part of the Environmental Recognition Scheme of Hong Kong's HKIA airport, Dufry's Hong Kong operations have been recognized with 13 awards

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

DEAR SHARE-HOLDERS

In my Chairman's letter for last year's annual report, I wrote to you we were extremely happy to have reached a new milestone in the development of the company through the acquisition of Nuance. Today, I am even more proud to introduce you with another very successful year for Dufry and with the transformational acquisition of World Duty Free (WDF), which fosters even further our position as undisputed leader of the industry and reshapes the landscape of travel retail going forward.

The transaction announced on March 30, 2015, valued at EUR 3.6 billion enterprise value, was closed in two major steps; first with the acquisition of the 50.1% majority stake from Edizione S.p.A. on August 7, 2015, and second with the delisting of World Duty Free as per November 13, 2015, following the mandatory tender offer for the minority shareholders. We have started to consolidate WDF as per August 2015 and we expect to generate synergies of EUR 100 million.

The acquisition was funded with a mix of equity and debt financing. First we raised CHF 2.2 billion in a rights issue executed by the end of June, and complemented financing by issuing a EUR 700 million Senior Notes, carrying a coupon of 4.5%, as well as with a new term loan of EUR 800 million. I thank all our shareholders, bondholders and the banks that supported our company to finance this strategically very important growth step.

The new and enlarged Dufry is present in over 370 locations in 63 countries and operates over 2,200 shops on all 5 continents, representing a total market share of 24% in airport travel retail. Going forward Dufry will benefit from an even stronger geographic diversification featuring a well balanced portfolio of emerging and mature market operations.

Following this considerable growth step we revised the organizational structure of the company, to adapt our business operating model to the new requirements and to reinforce our management capacity at the executive level – all changes having become effective as of January 1, 2016. Last but not least, given the transformational character of the last two acquisitions we have also refreshed our corporate identity. The new logo combines our Swiss heritage with the travel retail industry and our slogan WorldClass.WorldWide. underlines our commitment to provide customers and business partners with a unique service around the globe. Most important, the new logo is a common symbol for all our employees and provides the joint starting point to launch a new era: The New Dufry.

Well balanced and diversified concession portfolio.

In 2015, we have successfully completed the integration of Nuance and started to deliver the synergies for an amount of CHF 34 million. Once World Duty Free is fully integrated, the new Dufry will continue with its strategy of focusing on profitable growth and expanding its diversified geographic footprint. Furthermore, our strong and resilient cash generation capability will allow us to deleverage the company while also providing us with the strategic flexibility to finance further non-organic growth or to consider returning cash to shareholders. In 2016 and 2017, the focus will be to reduce our leverage ratio to below 3x Net Debt / EBITDA.

The business year 2015 has also been characterized by a high volatility of the financial markets, which has impacted our operations exposed to Brazilian and Russian travelers. Thanks to our proven long-term strategy to purchase and sell our products in hard currencies and to actively foster natural hedging by matching the currencies of revenues and cash flows, FX fluctuations result mainly in a translation impact on our financials reported in Swiss Francs, allowing us once more to successfully navigate through these adverse waters. With the well balanced and enlarged geographic diversification and the smaller exposure to emerging markets the impact on our business we have seen in 2015 will be considerably reduced going forward.

From a financial market perspective, Dufry's market capitalization grew by 21% to CHF 6.5 billion on December 31, 2015. This places Dufry among the 30 largest Swiss

410,000 m²

Dufry operates close to 410,000 m² of retail space.

publicly listed companies. Despite the ongoing high market volatility, trading volumes in the year under review grew and reached a daily average of CHF 25.1 million exceeding the already high levels of 2014. The higher market capitalization has attracted new investors and we continue to see growing interest of investor groups putting the Dufry share on their radar.

As a consequence of the World Duty Free acquisition and the related capital increase, Dufry's shareholder structure has seen important changes with GIC, Qatar Investment Authority and Temasek joining our shareholder base. The participation of the syndicate led by the long-term shareholder Travel Retail Investments amounted to 22.4% as per December 31, 2015. Consequently, at year-end 2015, the free float of our shares was 77.6%, thus providing a very good trading liquidity.

Dufry continued to foster its social responsibility engagement focusing on helping disadvantaged children around the world with a variety of charity initiatives to support weak members of society. Dufry has been funding projects of SOS Children's Villages for over 6 years now, underlining the long-term character of our commitment. In 2015, Dufry has endorsed projects in many parts of the world as in Cambodia, Mexico and Ivory Coast. Furthermore, we have continued to support projects in many other countries such as in Haiti, Greece, Serbia, Argentina, the US, the UK and Brazil, to name a few.

Even if the 2016 start of the year has shown an ongoing emerging market currency volatility which might still continue throughout the year, we believe, that it will have a reduced magnitude as compared to last year. Our organization is ready to perform well, backed by our solid strategy and positive fundamentals of the industry, which expect again strong growth in passenger numbers. Our focus will be on the integration of World Duty Free and the implementation of the new business operating model.

In this very special year full of achievements, it is imperative to me to thank all Dufry employees – including the new colleagues of World Duty Free – for their extraordinary dedication and the high degree of motivation shown when executing the different projects and driving our existing business. I also thank our suppliers, landlords and business partners for their ongoing support and the longstanding relationships. Finally, I extend my thanks again to our shareholders and bondholders, who continue to share and strongly support our vision of building a company that is WorldClass.WorldWide.

Sincerely,

Juan Carlos Torres Carretero


Cognac
Beer
Please pay here
Finnish Food

STATEMENT OF THE CHIEF EXECUTIVE OFFICER

DEAR ALL

2015 was a transformational year for Dufry, mostly characterized by the full integration of Nuance and the acquisition of World Duty Free. While these acquisitions allowed us to reach new levels in growing our company, they also generated the need for important structural and organizational changes, which lead us to adapt our organization, to review our business operating and financial model and to create a new corporate identity.

From a business perspective, our financial performance continued strong: turnover increased to CHF 6,139.3 million, resulting in a growth of 46.3% over 2014; EBITDA reached CHF 723.8 million and free cash flow generation, before acquisition-related cash flows, amounted to CHF 338.4 million. Furthermore, our initiatives launched to drive organic growth have shown good results in an economic environment, in which the vast majority of our operations performed well.

Dufry has become the clear market leader with 24% of market share in airport travel retail

Our acquisition of World Duty Free (WDF) – one of the world's leading travel retailers, operating in 20 countries with a turnover of EUR 2,440 million and an EBITDA of EUR 261 million in FY 2014 – marked a new milestone for Dufry and the travel retail industry. First, this acquisition will generate a significant amount of synergies and has grown Dufry's market share in airport retail to 24%, which is three times bigger than the next competitor. Second, it has allowed us to considerably enhance our presence in key strategic markets and to further refine our geographic diversification with a good balance of emerging market exposure and important operations in developed markets.

Going forward, we will create value by integrating WDF, which we expect to generate total synergies of approximately EUR 100 million. By more than doubling its turnover since 2013 and by currently operating over 370 locations in 63 countries on all five continents, Dufry has become an ever more important partner for global brands through the unique global retail network we can offer. This will allow us to realize gross profit increases through improved purchasing power, and even more so with our brands plan and joint growth and marketing initiatives with suppliers.

Moreover, a tremendous value is generated by combining all employees' skills and know-how of Nuance, WDF and Dufry – three of the best travel retail companies. The new Dufry team will undoubtedly emerge as the best group of travel retail professionals ever.

On the cost side, efficiencies will be generated by integrating global functions of the enlarged company and by streamlining regional and global headquarters. Once the WDF integration is completed and the new operating business model is fully operational, Dufry should have the cost leadership in travel retail and thus gain additional strategic flexibility to further develop the company.

Integration of Nuance completed

The Nuance acquisition, which we completed in September 2014, has helped us to strengthen our presence in Europe with locations in Switzerland, Sweden, and Turkey, as well as in North America, and Asia. Thanks to this transaction, and including the new World Duty Free operations, we are now present in 17 locations in Asia, which makes us the most international player in this important growth area.

In the year under review, we have completed on time the integration of Nuance combining all Group, divisional and operational functions and aligning business models by using best practices from both companies to adapt the related processes. A first contribution of

2,200

Dufry is a real global player operating over 2,200 shops throughout all continents.

Nuance synergies to the consolidated EBITDA in the magnitude of CHF 34 million is already reflected the 2015 full year results. The remaining CHF 36 million of synergies, adding up to the CHF 70 million we had announced, will be fully reflected in our results in 2016.

New Group Structure, Business Operating and Financial Model and Corporate Identity
The acquisitions of Nuance and World Duty Free marked the start of a new development phase for Dufry. To adapt the organization to its increased size, geographic spread and broader complexity as well as preparing it for future growth, we first implemented a new business operating model. By redefining the regional Divisions, the introduction of global functions and the elimination of a management level we will be able to simplify processes, increasing efficiency and speed. The new organization is also reflected in the Group Executive Committee – which includes executives from Nuance, World Duty Free and Dufry. Moreover, we have started to enhance our Finance organization to align with the requirements of the enlarged Group. We have already introduced centralized finance functions to manage and coordinate the respective activities on a group-wide basis, and we plan to expand the concept of Financial Shared Services Center to create efficiencies through scale and to bundle expertise.

The full integration has considerable implications internally and externally. Three established corporate cultures and well-recognized duty-free brands need to be integrated and aligned. Dufry's new corporate logo and branding strategy provide both a common starting point with respect to corporate culture and a new identity for all Group employees. Moreover, it is a consistent branding approach for the markets, allowing to maintain the powerful commercial brands and to benefit from their recognition and positive image established with landlords and customers to drive further growth. The existing portfolio of brands which are successfully established in specific regions, such as Hellenic Duty Free in Greece, or which represent specific commercial concepts, such as Hudson for travel convenience stores, will be continued to be used as local retail brands. The same applies for the three main brands of our duty-free business Dufry, Nuance and World Duty Free.

In 2015 we started a new era for Dufry and the travel retail industry.

Operating performance driven by expansion and efficiencies
Organic growth is a key pillar of our strategy and we continued to work hard to drive growth in our business. Excluding sales to Brazilian and Russian travelers operating and business performance overall saw a positive development in the vast majority of our geographies and resulted in an organic growth for the year of 4.0%. As to sales to Brazilians and Russians – which on a pro forma basis account for about 10% of our sales in the combined group – the massive devaluation of their local currencies had a significant impact on their purchase power in US Dollar and Euro and consequently impacted our sales growth in selected locations. We therefore went through an important efficiency plan in our Russian and Brazilian operations, which was completed in the third quarter of 2015. Our local teams did a remarkable effort to re-size the structure of these operations resulting in savings of CHF 20 million, which will be fully reflected in the 2016 financials.

Within our expansion activities we opened a total of 189 new shops representing 18,700 m² of new retail space. In this context, we want to highlight the 7 brand and specialized shops in Switzerland; the major extensions and refurbishments in Italy and Greece and the six shops opened in Puerto Rico. Brazil saw the successful expansion of our convenience concept Hudson, which accounts for 12 shops of the total 26 stores opened in the country. Worth mentioning are also the 76 shops opened in the United States, which include 12 brand boutiques and 17 specialized shops, proving that the US market has strong potential beyond our successful Hudson concept.

To further accelerate organic growth, Dufry has also launched a wide range of initiatives, which have shown strong results and which will be continued in 2016. The most important ones are the refurbishment plan and the brands plan, which have both proven their capacity to generate additional sales. Furthermore, we piloted a variety of customer oriented activities, such as the loyalty program Dufry Red or the VIP voucher, which will be further expanded in 2016.

Additionally, we have also completed the setup of our world-wide logistics and procurement platform by putting into service our distribution center in Hong Kong, which will be serving the Asia-Pacific operations. Together with the two other distribution centers in Latin America and Europe they are a key instrument to further improve our supply chain, to better manage inventory levels and product availability at the stores and to reduce lead times. The procurement and supply chain has thus become a true global function, which will allow us to leverage our size by working closer with our suppliers and generating efficiencies.

Looking forward to a promising future
In 2016 we have great challenges to tackle. The clear priority will be the integration of WDF. We want to seize the opportunity to build the strongest team of travel retail experts and at the same time implement the new business operating model identifying efficiencies and creating value through synergies. Since the fourth quarter of 2015 we have developed a specific action plan for the integration and we have now started its execution, which our teams expect to be completed by mid 2017.

From a market perspective, 2016 started again with very volatile financial markets, thus reducing visibility. Nevertheless, for this year, the drivers of additional growth will first be the positive global trends for travel retail, which will continue to provide growing passenger numbers expected to increase by 6%. Secondly, we will leverage and focus on capitalizing on our strong project pipeline and on the opportunities for new concessions the market continues to provide – we have already signed projects securing additional 19,000 m², of new retail space to be opened in 2016. Last but not least, we will benefit from our highly diversified geographic footprint and the large locations network, which considerably reduces the company's exposure to external impacts, which are typically related to single countries or regions.

Thank you
2015 was a truly remarkable and extraordinary year for Dufry. I would, above all, like to thank all the colleagues and teams around the world for their huge efforts and their commitment to the company. In 2015, we have successfully executed important projects and mastered some highly demanding challenges. We will remember this year as the yet most remarkable milestone in our development.

I also thank our suppliers, landlords and business partners for their continuous support in an intense year. We are absolutely confident that we have set the base for a mutually beneficial development and growth going forward. Finally, in the name of the senior management, I would like to thank the members of our board of directors and our shareholders for their support, trust and contribution to make our company WorldClass.Worldwide.

Best regards,

Julián Díaz González

OUR ORGANIZATIONAL STRUCTURE – GROUP EXECUTIVE COMMITTEE

AS OF JANUARY 1, 2016

Chief Executive Officer
Julián Díaz González

Global Chief Operating Officer
José Antonio Gea

Chief Financial Officer
Andreas Schneiter

Global Chief Corporate Officer
Luis Marin

Global Resources Director
Jordi Martin-Consuegra

General Counsel
Pascal C. Duclos

SOUTHERN EUROPE AND AFRICA
Divisional Chief Executive Officer
Pedro Castro

UK, CENTRAL AND EASTERN EUROPE
Divisional Chief Executive Officer
Eugenio Andrades

ASIA, MIDDLE EAST AND AUSTRALIA
Divisional Chief Executive Officer
Andrea Belardini

LATIN AMERICA
Divisional Chief Executive Officer
René Riedi

NORTH AMERICA
Divisional Chief Executive Officer
Joseph DiDomizio

BRAZIL AND BOLIVIA
General Manager
Gustavo Fagundes


CHANEL
LA MER
ESTĒE LAUDER
LA MER

BOARD OF DIRECTORS MEMBERS

1

2

1 Juan Carlos Torres Carretero
2 Andrés Holzer Neumann
3 Jorge Born
4 Xavier Bouton

3

4

5

6

5 James S. Cohen
6 Julián Díaz González
7 José Lucas Ferreira de Melo
8 George Koutsolioutsos
9 Joaquín Moya-Angeler Cabrera

7

8

9

GROUP EXECUTIVE COMMITTEE MEMBERS

1


2



3

1 Julián Díaz González
2 Andreas Schneiter
3 José Antonio Gea
4 Luis Marin
5 Pascal C. Duclos

4



5

6

7

6 Jordi Martin-Consuegra
7 Pedro Castro
8 Eugenio Andrades
9 Andrea Belardini
10 René Riedi
11 Joseph DiDomizio
12 Gustavo Magalhães Fagundes

8

9

10

11

12

DUFRY'S INVESTMENT CASE

24%

24% market share in airport retail

MARKET LEADER IN THE TRAVEL RETAIL INDUSTRY

Dufry's market share is three times the size of its next competitor and reaches 24% in airport retail

OFFERING AIRPORT AUTHORITIES UNIQUE ACCESS TO GLOBAL BRANDS

Dufry provides airports access to an extensive portfolio of global brands, while these benefit at the same time from a balanced shop network in mature and emerging markets

370

Over 370 locations operated by Dufry world-wide

UNIQUE GLOBAL FOOTPRINT

Average growth of 3% for like-for-like and 2% for new concessions p.a. since 2006

Most active player in the consolidation of the industry with track-record of 16% yearly average growth through acquisitions in the last 10 years

8 YEARS

8 years of remaining average concession life-time of highly diversified portfolio

LONG-TERM CONCESSION PORTFOLIO

- High quality concession portfolio
- Biggest concession represents about 6 % of turnover
- Top 10 concessions represent less than 25 % of turnover

4%

4 % p.a. average global passenger growth expected for the next 5 years

FAST GROWING INDUSTRY

- Average growth of 4 % p.a. in coming years will by key driver for Dufry's organic growth
- Affluent customer base, with above average spending power

STRONG FREE CASH FLOW GENERATION

- Strong capability of free cash flow conversion from EBITDA

SUBSTANTIAL SYNERGIES TO BE DELIVERED IN 2016 – 2018

- The acquisitions of Nuance and WDF are expected to generate synergies of CHF 175 M at the EBITDA level fully reached in 2018
- Both transactions expected to be Cash EPS accretive in second year after the acquisition

OUR STRATEGY PROFITABLE GROWTH AND GLOBAL FOOTPRINT

Dufry's strategy is to grow profitably by operating its own shops in travel retail globally with a portfolio diversified by geographies, sectors and channels. Our operations cover both the duty-free and the duty-paid environments, benefiting from the large number of passengers travelling internationally and domestically.

Through a combination of organic growth and acquisitions, Dufry has become the undisputed leader in airport retail having a market share of 24 % globally.

Undisputed market leader with more than 2,200 shops in over 370 locations across 63 countries.

Retail excellence for customers, landlords and suppliers

Travel retail is a fast moving and growing industry driven by ever changing customer expectations, which we address with a broad range of retail concepts and continuously develop and refine (see detailed descriptions of the concepts on pages 28 through 37).

We aim to offer retail solutions for landlords in every travel location be it airports, seaports, railway stations or border shops, in both duty-free and duty-paid environments.

Ultimately, the goal is always the same: we want to offer a memorable retail experience for our customers by combining the sense of place of any location with the international appeal that any travel locations has. Hence, we ensure that our shop designs reflect local cultural characteristics and have an individual appearance.

In order to offer customers the right products, create the right retail concepts and provide an excellent service, it is crucial to understand the customer and their buying habits. To best serve our customers, Dufry has always set high priority on using business intelligence, analyzing customer profiles in all its activities. This information is the basis to refine concepts, adapt assortments and to structure passenger flows with a view to achieve two goals at the same time: providing customer satisfaction and make the available retail space more efficient to maximize sales.

On top of Dufry's well-known retail capabilities, the acquisitions of Nuance and World Duty Free contribute further to enhance our skills by combining the expertise and know-how of three major players in the industry. This excellence in retail will be an important asset creating added value for Dufry.

These skills and know-how are also beneficial for our landlords and our suppliers alike. Landlords benefit from the access to a unique portfolio of renowned global brands and Dufry's capability to design location specific retail areas offering great shopping experience to travelers and maximizing revenues for landlords through a variety of retail concepts.

Global brands are first of all offered a seamless world-wide window-display to showcase their products in 63 countries, representing a well-balanced mix of over 370 locations in attractive emerging and mature markets.

Secondly, Dufry's brand plan opens new opportunities on how to increase sales performance, based on brand-specific analyses of improvement potentials and customer buying habits, which are jointly developed with our retail experts.

Geographic diversification to maximize opportunities and mitigate risks
Geographic diversification is one of the most important aspects of our strategy as it is the best way to benefit from the global opportunities provided by the ever growing number of travelers worldwide, a key driver for growth of the travel retail industry.

> Geographic diversification is a key pillar of our strategy.

Dufry's global footprint with operations on all continents allows us to better and quickly evaluate new projects wherever they arise, as we already have local teams almost everywhere. Having an own team on the ground gives us a clear understanding of the local market characteristics and to closely collaborate with landlords and other local business partners to best develop new opportunities.

Furthermore, Dufry is also the only true global travel retailer, with a clear organization that links global headquarter and central functions with divisions and the countries where we operate. This setup grants us a substantial efficiency potential, as we can combine the benefits of global central functions and global standardized process creating economies of scale, while still keeping the proximity to the customer and landlords at local level.

Moreover, being geographically diversified considerably mitigates risks generated by external impacts in single markets or regions. This risk mitigation effect is best illustrated by the share any individual operation has on the total Group. With the largest concession accounting for about 6% of our business, and with the ten biggest ones representing less than 25% of proforma sales, Dufry has no significant exposure to single operations.

The defensive nature of our business is further enhanced through the highly variable cost structure, resulting in a solid and resilient business profile.

Priority on organic growth and focus on returns
In the ten years from 2006 to 2015 Dufry has grown with an average annual top line growth of 21%, to which organic growth contributed 5%, while acquisitions added 16%. While our basic strategy of profitable growth continues, organic growth will play a more important role going forward. Supported by the increase of passenger numbers – the most important driver of our business –, we will focus on increasing sales on a like-for-like basis through the implementation of attractive shop concepts and new retail techniques. We also expect to grow through additional retail space, be it by expanding in existing locations or by winning new concessions in further airports or new businesses.

Dufry currently generates 63% of its revenues in duty-free and 37% in duty-paid operations and both sectors continue to offer growth opportunities. Dufry traditionally features a strong project pipeline, which has allowed us to increase retail space in different channels of both sectors. While the duty-free business at airports is expected to continue to be the largest and fastest growing part of our business, we do see additional potential by further developing airport duty-paid business or also in duty-free border shops, downtown duty-free as well as the cruise ship business in selected markets.

The duty-paid sector has a considerable development potential as well, since the expected growth of domestic passengers is similar to the one for international travelers. Furthermore, this sector is still unexplored and even more fragmented than duty-free, thus offering attractive new expansion opportunities.

> Organic growth with increasing importance going forward.

One of our main initiatives is the international roll-out of our successful retail concepts, Hudson and Dufry Shopping, which today are implemented in specific regions and which have the potential to be deployed on a world-wide scale. Hudson is a well-established convenience store concept that has been very successful in North America in the past 25 years and which we have deployed into 15 countries so far since 2009. Dufry Shopping is a duty-paid concept that offers a high quality assortment of international brands in an exclusive setting, similar to a duty-free travel retail store, but in a duty-paid environment targeted to domestic passengers. We pioneered Dufry Shopping in Brazil where we have achieved strong results and based on this positive experience, we are convinced that it can also be successful in other markets globally.

With respect to acquisitions, Dufry has been the industry's most active consolidator. As a result, Dufry Group has become the largest travel retailer, not least because of the Nuance and WDF acquisitions done in the last two years. For these two acquisitions the goal is the same as to previous transactions done in the past: create value for shareholders by improving the business and creating synergies.

As the travel retail market is still fairly fragmented, acquisitions will remain a growth component of Dufry's strategy, albeit the contribution will be more moderate going forward as potential targets are likely to be small or mid-sized businesses. We will continue to assess potential targets with a focus on Asia and Middle East or bolt-on acquisitions that complement our presence in existing markets.

For any of its growth opportunities, be it organic or acquisitions, Dufry applies a disciplined financial approach. We carefully analyze every project or significant investment with detailed projections and with a view on investment returns. This implies that not only the original investment needs to be carefully assessed but also the cost structure and profitability of the business once operational. This culture of focusing on returns and cost control has allowed us to grow our business and to capture opportunities in many different markets.

High free cash flow generation.

The combination of Dufry's solid profitability and the low capital intensity results in our proven and strong capability of generating free cash flows. With the current size of the Group and post the full integration of both acquisitions, we expect to be the most efficient travel retailer and our cash generation capability will be second to none in the industry. As a consequence, we expect to deleverage quickly, which will give us strategic flexibility in the future, to drive further growth and to return value to shareholders, who have been greatly supporting the company in the past years.

Our strategy is supported by strong and resilient industry fundamentals

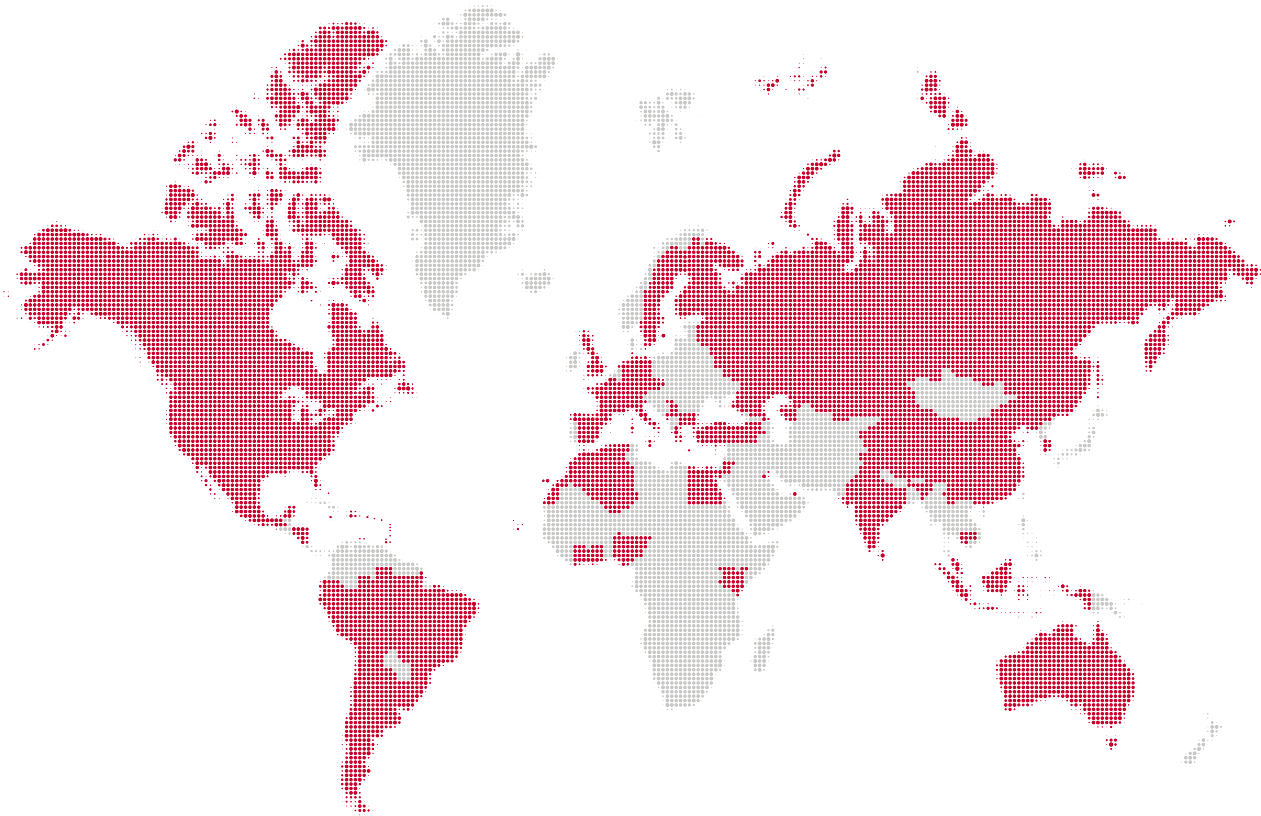
The travel retail industry has seen strong growth and has more than doubled its size in the past decade. The fundamental driver of this performance is the growth in passenger numbers, which has been showing a steady increase year after year. Industry specialists expect this trend to continue, thus providing a resilient driver of growth for travel retail going forward.

As airports need to further develop their offering and optimize their revenue mix in order to attract airlines and passengers, the development of their commercial offering plays a crucial role. Dufry plays an important part in this trend as we hold the tools to maximize commercial space revenues of our landlords, be it airport operators or other facility owners.

On the supplier side, structural growth of travel retail is a very attractive feature for global brands, which attribute to travel retail an above average growth potential. Besides the pure commercial aspect of generating additional sales, the opportunity to present their brand products in a unique window display across the globe generates additional value to them. Thus, positioning themselves in the travel retail market is a priority for many brands, and they have extended their activities by providing special travel retail editions, and to use travel retail to present novelties, both of which add in turn to the attractiveness of the channel.

Overall, the travel retail industry will continue to see a dynamic development, which will be supported by sustained growth of passengers, and developing innovative commercial concepts with landlords and brands alike. Dufry's ambition is twofold – capture the market growth and also reflect the industry leader position by excellence in execution and driving change in the way the travel retail industry operates.

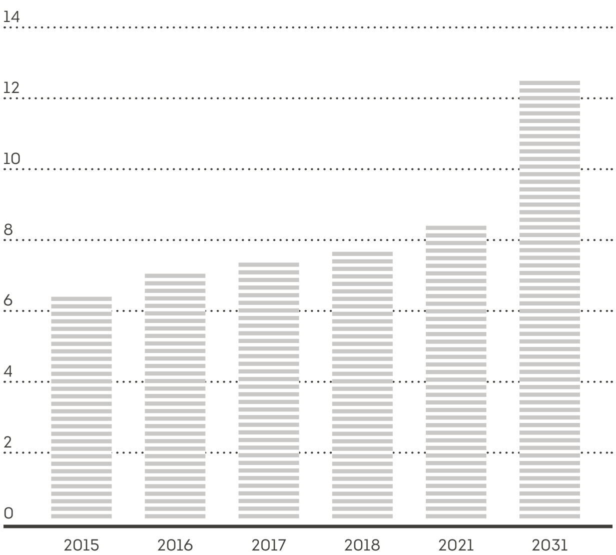
GLOBAL PRESENCE



A full list of locations is available
on pages 62 and 63

LONG-TERM PASSENGER FORECAST

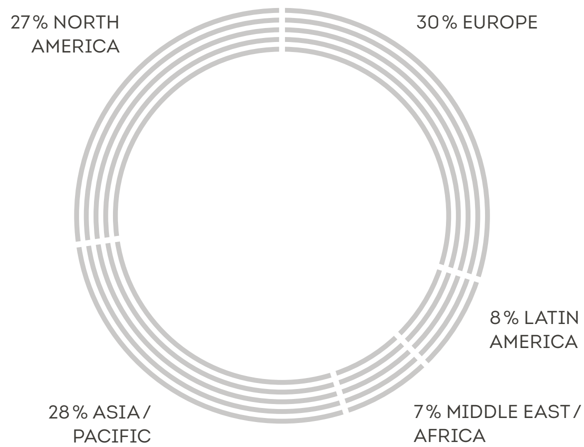
IN BILLIONS OF PASSENGERS



Source: ACI-DKMA

GLOBAL PASSENGERS 2015

BY REGION



Source: ACI

GENERAL TRAVEL RETAIL SHOPS

Dufry's general travel retail shops carry a large selection of different items and cover a range of product categories, such as perfumes & cosmetics, food & confectionary, wine & spirits, watches & jewelry, fashion & leather, tobacco goods, souvenirs, electronics and other accessories.

General Travel retail shops are typically located in central areas with high passenger flow, mostly in airports, but also in seaports and other locations. Both departure and arrival areas are fitted with this shop concept. As of December 31, 2015, Dufry operated 710 shops under the General Travel Retail Concept. In the duty-free segment, these shops can be recognized by several brand names such as Dufry, Nuance, World Duty Free, Hellenic Duty Free, Reg Staer and others.

2015 was an important year for the expansion and improvement of our general travel retail concept. We have made important renovations in two of our most important operations: Milan Malpensa Airport, in Italy, and Athens Airport, in Greece. Our operations at Milan Malpensa, one of the first to receive our well known walk-through concept back in 2008, received a major uplift. The renovation brought to the location the most up-to-date trends in shop design, creating an evolving experience for passengers passing through the airport.

In Athens, our retail space reached a whole new level with the implementation of the walk-through concept in the extra-Schengen departures area of the airport. Passengers are now immersed in a world of global luxury brands on the way to the departing gates. In both cases the renovations resulted in a significant increase in the spend per passenger, proving once more the value creation of this initiatives.


UTY FREE STORE
ಡ್ಯೂಟಿ ಫ್ರೀ ಸ್ಟೋರ್
NUANCE | SHOPPERS STOP
PERFUME & COSMETICS
MONT BLANC
DOLCE & GABBANA
GUCCI
BVLGARI
Season's Greetings
ISSEY MIYAKE
ISSEY MIYAKE
NUIT D'ISSEY
BOSS
HUGO BOSS
MAN OF TODAY
BOSS
DUTY FREE STORE
KEMPEGOWDA INTERNATIONAL AIRPORT
NUANCE


DUFRY SHOP
CLARINS
Calvin Klein
Dior
PERFUMES
Ferrari
FLOWERBYKENZO
Poderes de uma Flor
Novidades
sture Surge
Cream SPF 30
atalho para
pele saudável
diante
CLINIQUE
decolar.com
O MELHOR PREÇO PARA SUA VIAGEM

DUFRY SHOPPING

We believe that domestic passengers deserve the same great product offering available nowadays mainly to international passengers. In fact, domestic passengers account for the majority of global passengers, particularly in large countries such as China, the United States and Brazil, where it can reach 90% of the passenger flow.

With this thought in mind, Dufry created a new retail concept: a general travel retail shop for domestic passengers, which offers a product range similar to a duty-free shop. Domestic passengers are presented with the same retail excellence they normally find in international terminals, with a great variety of products from the most prestigious brands combined with the best customer services.

The concept, operated under the identity Dufry Shopping, was first introduced in Brazil, in a pilot at Brasilia airport. Results from this 1,600 m² shop were very encouraging and we are ready to roll out the concept in other locations in Brazil and internationally. In fact, Dufry has recently been granted a new concession to operate a 1,300 m² Dufry Shopping at Rio de Janeiro International Airport, a project that is expected to be concluded ahead of the Olympic Games, starting in August. We also plan for 2016 the opening of another 1,000 m² Dufry Shopping at Viracopos Airport in São Paulo.

BRAND BOUTIQUES

Brand boutiques enhance the traveler's retail experience and allow to create a comprehensive and exciting shopping mall environment. Dufry is a partner of choice for global brands to showcase their products in a singular retail space, mirroring the image of the high street shops of the respective brand. As of December 31, 2015, Dufry operated 220 Brand Boutiques. The brands Dufry represents include the world's most prestigious luxury names like Burberry, Bally, Bvlgary, Carolina Herrera, Chopard, Coach, Desigual, Dunhill, Emporio Armani, Ermenegildo Zegna, Etro, GAP, Hermès, Hugo Boss, Kiehl's, Lacoste, L'Occitane, MAC, Marc O'Polo, MCM, Michael Kors, Montblanc, Pandora, Paul & Shark, Pinko, Polo Ralph Lauren, Salvatore Ferragamo, Shang Hai Tang, Shang Xia, Superdry, Swarovski, Thomas Pink, Tommy Hilfiger, Tumi, Versace or Victoria's Secret.

Depending on the specific location and traveler profile, we design these shops as stand-alone boutiques or integrate them as a shop-in-shop concept within our own general travel retail stores. Brand boutiques can be found in both duty-free or duty-paid areas.

In 2015, we opened 35 brand boutiques in all regions, representing over 3,245 m² of commercial space. About half of the openings were located in the United States, a market that continues to offer attractive opportunities in the segment. Other highlights are the opening of several GAP & Superdry shops at Spanish airports and the opening of three new shops at Zurich Airport.


BALLY


Hudson
SONY
marketplace
marketplace
Hoodies
$39.99
2 $25
$24.99
VANCOUVER
CANADA
IT'S FUN to be Canadian.

CONVENIENCE STORES

Operated under the name "Hudson", these shops offer a wide assortment of products ranging from soft drinks, confectionary, travel accessories, electronics, personal items or souvenirs to publications such as newspapers, magazines and books. As "The Traveler's Best Friend", our ultimate goal is to provide passengers with the best range or convenience items.

Hudson is a very flexible concept for Dufry, that is successful at airports in both international and domestic areas, as well as in other channels such as railway stations and other transit locations.

Constantly adapting to customers needs, an important enhancement to the concept was brought to life in 2013. Our goal was to create a more open, friendly and welcoming environment for travelers. We have accomplished this mission through whimsical, color-coded signage to attract customers' attention to our four distinct selling areas: Media, Marketplace, Essentials and Destination. Greatly enhanced sales of healthy snacks, grab-and-go foods, authentic souvenirs and a wide range of electronics gear and accessories have resulted in rave reviews from customers and our landlords, along with improved revenue for the airport wherever the new concept has been opened.

North America, from where the concept originates, is home of most of our convenience stores. With 545 stores, Dufry is the leader in the segment in the region.

It is our goal to develop this great concept internationally. The number of shops outside North America continued to grow in 2015, with the opening of 17 shops in Brazil, Italy and Russia, with 1,000 m^2 of retail space. As at year-end 2015, Hudson shops can be found in 15 countries.

SPECIALIZED SHOPS / THEME STORES

Specialized stores and theme stores is a shop concept that offer products from a variety of different brands belonging to one specific product category. We use this concept often for products such as watches & jewelry, sunglasses, spirits, food or destination merchandise and in locations where we see a strong potential for a shop to carry a broad product range relating to only one specific theme. As of December 31, 2015, Dufry operated 644 shops under the Specialized Shops / Theme Stores concept.

Examples of the shop concepts names include "Colombian Emeralds International", a dedicated watches & jewelry format used in the Caribbean market; "Dufry Do Brasil" for local Brazilian goods; "Kids Works" with its wide selection of toys, dolls, games, books and apparel for children; or "Tech on the Go" focusing on the needs of the tech-oriented traveler offering electronics and accessories. Further examples are "Sun Catcher" for sunglasses; "World of Whiskies" for a selection of finest single malt or blend whiskies; "Master of Time" for luxury watches and jewelries; "Sound & Visions" for multi-brand electronics; "Temptation & time-box" for fashion watches and accessories as well as "Travel Store" for luggage and travel aid products and finally "Atelier", a women leather accessories store.

These shops can be located in airports, seaports, on-board cruise liners, as well as in hotels or downtown locations.


WHISKIES
Exclusive offers for travellers
Exclusive offers for travellers
LAPHROAIG
Islay
2 for £70
HIGHLAND PARK
THE GLENLIVET
The DUTHAC
JURA

BUSINESS OPERATING MODEL GLOBAL APPROACH, LOCAL EXECUTION

As part of the new organization, Dufry has also reviewed its operational and management structure and defined a new business operating model based on three layers: Headquarters, Division and Country. The previous organizational level of the business unit has been eliminated with the teams being reallocated to Division or Country activities. The new organization allows Dufry to respond faster across all levels, given the lighter structure. We aim to increase the coordination efficiency of the global, divisional and country teams. Furthermore, with standardized processes, Dufry is able to create synergies throughout the whole organization and achieve consistent and even stronger commercial and financial execution.

In order to extract the most from our size, we have created Global Functions in departments such as Procurement, Logistics, IT and Treasury. These teams are responsible for generating economies of scale on functions that can be executed globally. On top of generating efficiencies, our global teams are also responsible for designing policies and procedures for activities that are executed locally, ensuring the sharing of best practices across our organization.

In our new structure the Divisions hold the link between Headquarters and Countries. They are also a major source of efficiencies, as they will execute tasks that are not covered by the global teams but have potential for synergies.

Countries or locations are in turn the most important of the layers, as they hold the knowledge of the market and relationship with landlords and customers. Our local teams concentrate on activities inherent to the single businesses, while responsible for implementing the processes and procedures previously defined.

BUSINESS OPERATING MODEL BASED ON THREE LAYERS

AS OF JANUARY 1, 2016

GLOBAL FUNCTIONS

- Global Procurement
- Global Supply Chain
- Global Customer Service
- Global IT
- Global Marketing
- Global Treasury

GROUP HEADQUARTERS

- Strong HQ to own and develop one unique commercial model with common processes and IT applications
- HQ to provide selected global services to divisions and / or countries

DIVISIONS

- Divisions to manage and supervise country execution
- Committees to create full alignment and participation of Divisions on commercial and financial activities

COUNTRIES

- Execute operations at local level
- Secure actions to be aligned with the Business Operating Model

BENEFITS AND ADDED VALUE

- Unique commercial model
- High standardization
- Functional scale effects
- Full long-term synergies across divisions
- Local execution
- Closer to customers

NEW BRANDING
UNIQUE IDENTITY, COMMON VALUES

The two transformational acquisitions of Nuance and World Duty Free have considerably changed the footprint of Dufry Group in the market and at internal level with the number of employees now reaching close to 29,000 colleagues. In order to clearly position the "New Dufry" in the market and to create a common new starting point for all employees of the Group, we have developed a new corporate identity and defined common corporate values.

The new Dufry logo incorporates our heritage and the travel retail business

The new Dufry Logo has been created by combining the cross of the Swiss national flag with the "D F" of Dufry and Duty-Free. At a first sight, the newly created icon does not immediately transmit the link to the travel retail business, but when rotated by 90° the "shopping basket" becomes evident.

The new logo will be implemented step-by-step at shop level and in the different marketing and communication channels of our Group.

WorldClass.WorldWide. – an impactful claim for the industry leader

Our claim or slogan Worldclass.WorldWide. is short and impactful and refers to the two pillars of Dufry, which make us unique in the industry. It transmits a charismatic reason of pride to be part of the one company leading the industry, but also engages all employees in delivering world-class performance across all the companies' activities.

Combining the cross of the Swiss national flag …

… with the letters "D F" of Dufry and Duty-Free …

… we obtain an integrated icon. When we rotate it by 90°, we obtain our new company symbol.

Its shape is that of a shopping basket – which relates directly to our business.

WorldClass.WorldWide.

Established commercial brands under the umbrella of a strong new Dufry corporate identity
In order to establish a common corporate identity for all Dufry operations, while at the same time maintaining the powerful commercial brands at local level and benefiting from their recognition and positive image established with landlords and customers, we have decided to create a new strong and fresh Dufry corporate brand – reflected in the new logo – and to maintain the well-established commercial brands in the stores.

Keeping the brands we love
The existing logos of our subsidiaries which are successfully established in specific regions, such as for example Hellenic Duty Free in Greece or which represent specific commercial concepts, such as Hudson for our travel convenience stores, will be continued.

The three main brands of our traditional duty-free business, Dufry, Nuance and World Duty Free will also be continued and used according to their recognition at country or regional level. Going forward, we will therefore assess with a case-by-case approach, which is the most suitable brand to be used for a specific project and implement it accordingly. This will allow us to benefit from positive local market perceptions of the existing commercial brands and to successfully drive global expansion while supporting each individual local market.

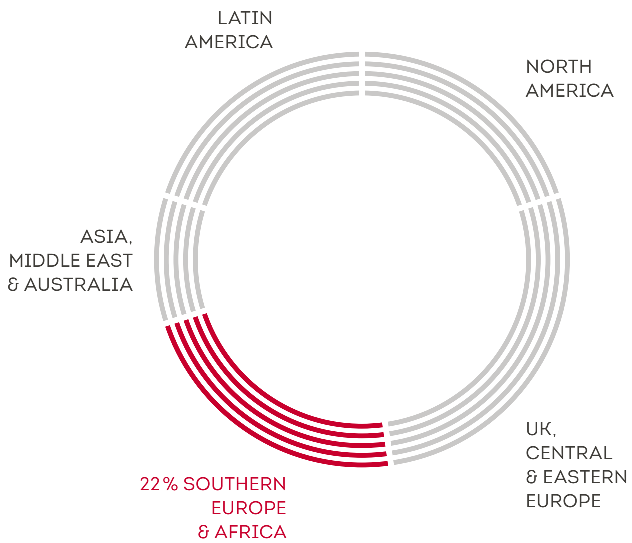
Corporate Masterbrand
- Core corporate brand defining corporate identity and corporate values
- Owner of business operating model

WorldClass.WorldWide.

Retail Concepts
- Retail brands to be used on a project by project basis depending on their local / regional reputation
- Maintain flexibility of offering customers a variety of concepts

SOUTHERN EUROPE AND AFRICA

PORTION OF PRO-FORMA TURNOVER 2015



KEY REPORTED DATA 2015

Number of shops	419
Sales area in m²	103,763
Employees in FTE	5,527

Market leader in the world's most important tourist destination

Dufry has traditionally been a key player in the world's most important touristic region – the Mediterranean – with its operations in Greece, Italy and France, as well as several locations in North of Africa. With the newly integrated operations in Spain, including important airports such as Madrid, Barcelona and the Canary Islands, as well as the Antalya airport serving the Turkish tourist destinations, Dufry has considerably consolidated its presence in this key region. The new division with its headquarter in Madrid also includes all African operations in Cape Verde, Egypt, Algeria, Ghana, Ivory Coast, Kenya, Morocco and Nigeria. In total, the division comprises over 120 locations in 14 countries in Southern Europe and Africa.

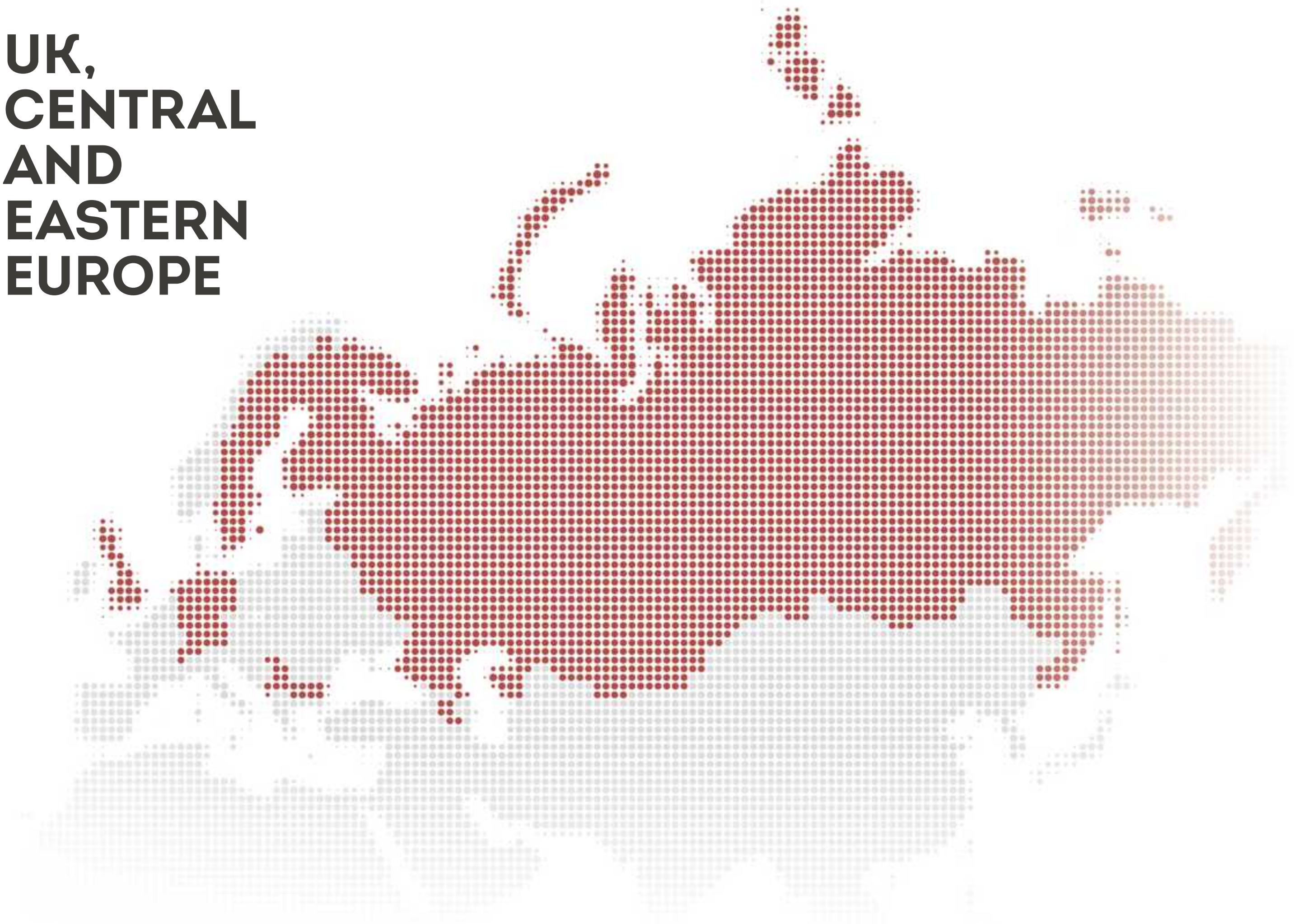
In 2015, the division saw major refurbishments in two important operations: Athens, Greece and Milan, Italy. At Athens Airport, the transformation was remarkable, as we converted all our commercial space into a large walk-through duty-free shop, showcasing well-known brands with special attention to typical Greek local products. In Italy, Milan Malpensa Airport also experienced a revamp of its operations. Home of one of our first walk-though shops, our operations received a uplift, showcasing new trends in terms of shop design in a rich combination of multiple shop concepts in a single area.

1 **ATHENS | ATHENS INTERNATIONAL AIRPORT**
Located in the extra-Schengen departure area of the airport, Dufry offers the delights of Greek food in this newly designed shop.

2 **MILAN | MILAN MALPENSA INTERNATIONAL AIRPORT**
Several brand boutiques and specialized shops complement our rich and well developed retail space at this key Italian airport.

3 **MILAN | MILAN MALPENSA INTERNATIONAL AIRPORT**
One of the first walk-through concepts ever implemented in travel retail, the retail space at the airport saw a major renovation in one of the most important projects implemented in 2015.

UK, CENTRAL AND EASTERN EUROPE



ASTANA
BASEL-MULHOUSE EDINBURGH
DUSSELDORF BIRMINGHAM CARDIFF
STANSTED JÖNKÖPING GENEVA YEREVAN
LONDON BURGAS SUNDSVALL
MANCHESTER
NORRKÖPING
BELGRADE MOSCOW
SKELLEFTEÅ SHERWOOD FOREST HAMBURG
STOCKHOLM UMEÅ
VISBY ÖSTERSUND
ST PETERSBURG ZURICH
KALMAR
HELSINKI WHINFELL FOREST
WOBURN FOREST GLASGOW
SAINT PETER
VARNA

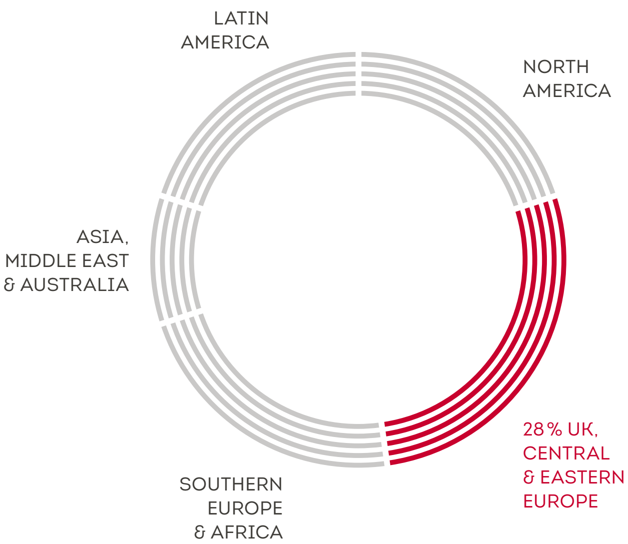
Building a strong position in key European markets

Through the acquisitions of Nuance and World Duty Free, Dufry has considerably expanded its footprint in several key markets of Central and Eastern Europe. The new operations such as in the United Kingdom, Switzerland, Sweden, Finland and Germany as well as Russia, Kazakhstan, Armenia, Serbia and Bulgaria perfectly extend Dufry's footprint in Central and Eastern European countries and create a strong operational entity with a well-balanced portfolio operating in 60 locations in 11 countries.

This division is headquartered in London and benefits from a broad variety of customer nationalities from mature and emerging markets with both tourist and business travelers.

In 2015, the division saw a major comercial development, including shop openings and most important the revamp of World Duty Free's operations in Heathow, as well as 7 new shops opened at Zurich Airport. Other locations such as Serbia, Russia and Sweden also contemplated shop openings.

PORTION OF PRO-FORMA TURNOVER 2015



KEY REPORTED DATA 2015

Number of shops	294
Sales area in m^2	81,548
Employees in FTE	5,551

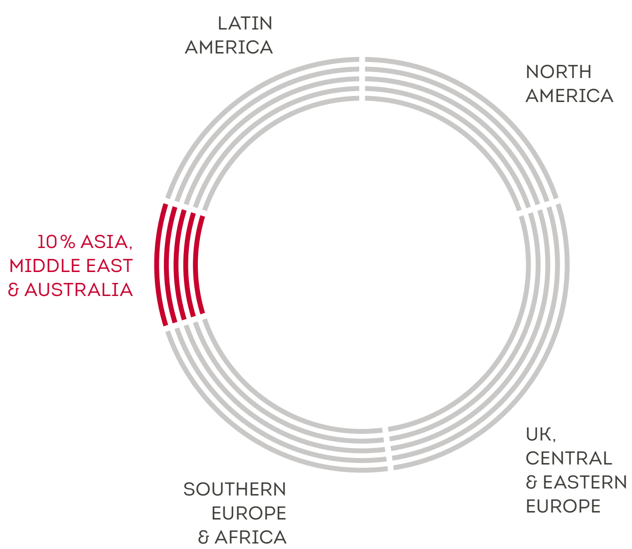
1 LONDON | LONDON HEATHROW AIRPORT
Our operations in the departure area of Terminal 5 offer travelers a first-class shopping experience with a walk-through general travel retail shop and brand boutiques.

2 **EDINBURGH | EDINBURGH AIRPORT**
Fascinating shop-in-shop concept in the departure area of the airport, providing global brands with a unique window display opportunity.

3 **EDINBURGH | EDINBURGH AIRPORT**
The dedicated whisky bar in the center of the Wine & Spirits category helps drive penetration attracting travelers inside the shop.

ASIA, MIDDLE EAST AND AUSTRALIA

PORTION OF PRO-FORMA TURNOVER 2015



KEY REPORTED DATA 2015

Number of shops	130
Sales area in m²	28,053
Employees in FTE	2,474

High priority region for growth with multi-channel potential

Already today, Dufry is the most international player in the region with operations in 11 countries and 130 shops. The strong presence of Nuance in Asia and World Duty Free's operations in the Middle East, together with Dufry's existing business provide the perfect platform to accelerate our expansion in this fast growing region.

International forecasts on passenger growth expect Asia to have the highest growth rates worldwide for both international and domestic passengers. Dufry's portfolio of duty-paid and duty-free retail concepts is perfectly tailored to offer any retail needs of landlords. The Asian markets also feature the probably most diverse range of channels, where duty-free or duty-paid shops can be operated. Be it traditional airport locations, downtown duty-free shops, the growing cruise ship business or border shops, they all offer substantial growth opportunities.

Finally, Dufry's footprint has now reached the necessary critical mass to set up a regional distribution center. The new logistics setup will drive efficiency in the supply chain, improve lead times and reduce out-of-stock situations for the whole division. The new Dufry logistics center has become operational in early 2016 in Hong Kong, where the division is headquartered.

India, Hong Kong, Cambodia and Indonesia, to name a few countries, saw increases of the sales area either by shop openings or expansion of existing operations.

KUWAIT
BUSAN BANGALORE
HONG KONG
CANBERRA BEIJING
SINGAPORE HAMBANTOTA PHNOM PENH CHENGDU
MELBOURNE
MARKA MUMBAI SIEM REAP AMMAN
COLOMBO SHANGHAI
SHARJAH BALI AQABA
MACAU

1 BANGALORE | BANGALORE AIRPORT
Specialized shop offering travelers a wide range of electronics and accessories, located at the departure area of the airport.

2 MACAU | THE ATRIUM
After a recent renovation, this downtown duty-free shop became a flagship operation for the further development of the concept in Asia.

3 **HONG KONG | HONG KONG INTERNATIONAL AIRPORT**
Several specialized and brand boutiques capturing the 68 million passengers that pass through the airport.

LATIN AMERICA

MEXICO
CURITIBA CITY CANCUN
GRENADA CURAÇAO
MONTERREY BUENOS
CAMPINAS
PUERTO VALLARTA GRAND TURK BELÉM
LA PAZ AIRES
FORTALEZA FLORIANOPOLIS
GUASAULE JAMAICA
GUADALAJARA LA ROMANA
COZUMEL CORDOBA
LIMA MAZATLAN LAREDO ST LUCIA
RECIFE ANTIGUA
SÃO PAULO MENDOZA
MANAGUA PORTO ALEGRE BAHAMAS
SANTIAGO DE GUAYAQUIL PONCE
REYNOSA BRASILIA
BELO HORIZONTE SAN JUAN PUERTO PLATA
SAMANA PROGRESO
RIO DE SALVADOR
BARBADOS
PUNTA DEL ESTE MONTEVIDEO
JANEIRO
NATAL
SANTO DOMINGO SANTIAGO
ACAPULCO DE CHILE
SANTIAGO ST MAARTEN
ORANJESTAD
SALVADOR

A long-lasting stronghold of Dufry's global presence

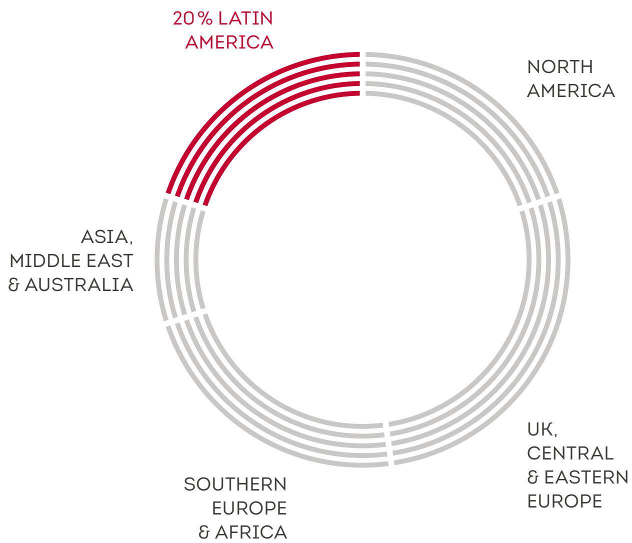
The new Latin America division unifies all Central and Southern American as well as Caribbean operations of Dufry. By combining the existing Dufry operations and adding businesses in Chile and Peru from World Duty Free, the new reporting entity will further consolidate its traditionally strong position in this region.

The division, which is headquartered in Miami, USA, features some of the most dynamic markets for travel retail globally. Altough being the division where Dufry has the largest market share, there are still several opportunities for expansion, including alternative channels to airports.

In 2015, we expanded further our presence in Brazil, taking advantage of the challenging economic environment and opened a total of 2,000 m² across 26 shops ranging from all retail concepts. Other locations in Latin America also expanded their operations, for example in Puerto Rico, Dominican Republic, Mexico and Argentina, among others.

Furthermore, the convenience shop concept Hudson has been successfully introduced in Brazil with the opening of 12 shops. This allows Dufry to even better capture domestic passengers and to leverage the existing infrastructure.

PORTION OF PRO-FORMA TURNOVER 2015



KEY REPORTED DATA 2015

Number of shops	391
Sales area in m²	102,868
Employees in FTE	6,833

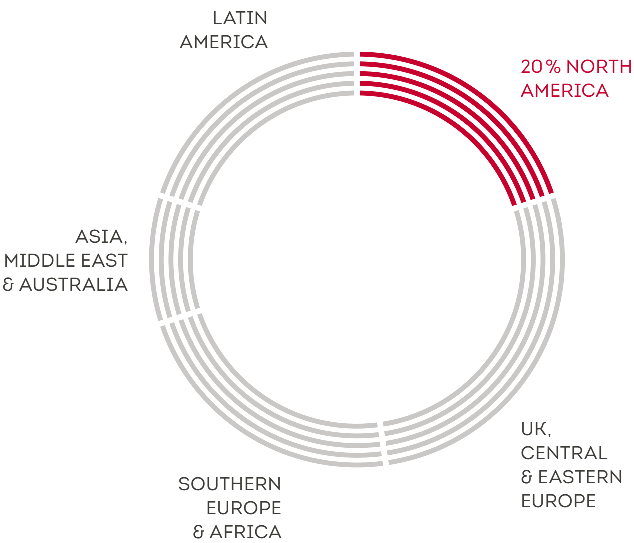
1 SÃO PAULO | GUARULHOS INTERNATIONAL AIRPORT
The airport not only showcases the biggest duty-free shop in the world in a beautiful walk-through environment, but also brings together the most renowned brands in brand boutiques and specialized shops.

2 **BRASILIA | BRASILIA INTERNATIONAL AIRPORT**
Our sales teams are always ready to help travelers who pass by the first Dufry Shopping concept, located in the domestic area of the airport.

3 **SAN JOSÉ DEL CABO | LOS CABOS INTERNATIONAL AIRPORT**
Tourists visiting this well-known Mexican destination are offered a vast array of duty-free products and local products in this departure shop.

NORTH AMERICA

PORTION OF PRO-FORMA TURNOVER 2015



KEY REPORTED DATA 2015

Number of shops	974
Sales area in m²	92,709
Employees in FTE	8,124

High opportunity potential in a resilient market

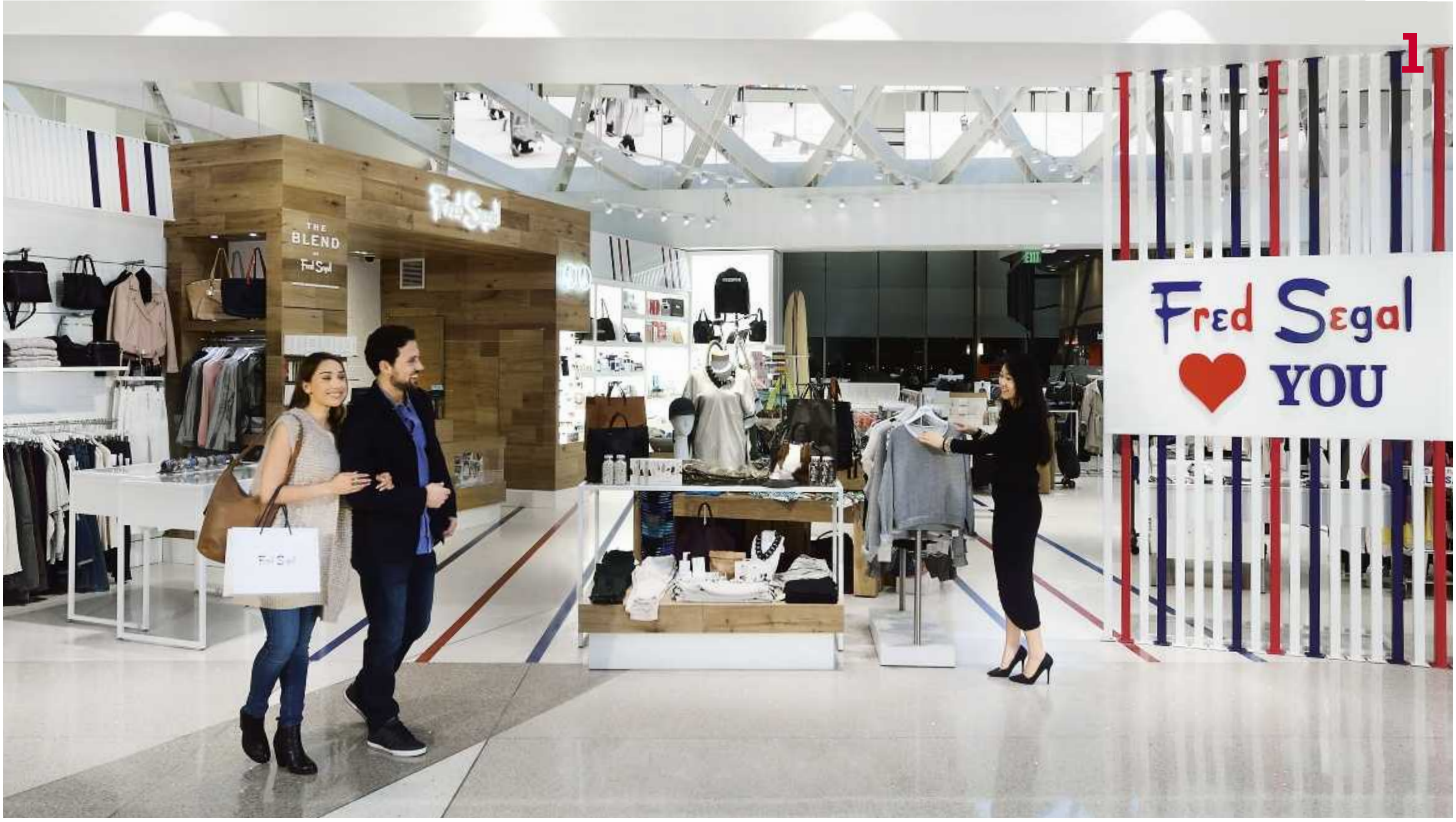
In the past years, the North American travel retail market has shown a stable growth performance and Dufry still has substantial potential to further develop the division through a variety of channels.

The North American division, with headquarters in East Rutherford, New Jersey, is the original market of one of our most successful concepts, Hudson. We currently operate 545 convenience shops in 75 locations in the United States and Canada. Altough being a developed market, the region offers tremendous potential for further expansion, not only for Hudson, but also for other concepts. We aim to build on our strong existing market position and vast network of convenience shops and seize further opportunities in duty-free and other concepts in duty-paid, such as brand boutiques and specialized shops.

In 2015, the Minneapolis St. Paul's airport was added to the portfolio with a mix of convenience stores as well as duty-free and duty-paid retail spaces. Furthermore important stores were opened in Virginia, Las Vegas and Los Angeles, among several other locations all across North America. This division continues to be the most dynamic in terms of expansion adding a total of 6,100 m^2 of gross retail space in 76 shops in 2015.

DENVER ATLANTIC CITY
WASHINGTON FORT LAUDERDALE
CHICAGO BIRMINGHAM
DALLAS
HALIFAX BURLINGTON
FRESNO GREENVILLE-SPARTANBURG GULFPORT
LAS VEGAS LOS ANGELES
HOUSTON JACKSON
HARRISBURG MOBILE OKALOOSA
MYRTLE MIAMI NASHVILLE NEWARK OMAHA
NEWPORT NORFOLK NEW ORLEANS MANCHESTER
BOSTON NEW YORK SAN DIEGO
ORLANDO
PHOENIX PHILADELPHIA PITTSBURG RALEIGH EDMONTON
RICHMOND ROANOKE ROCHESTER ST LOUIS SANTA ANA
SEATTLE SAN JOSÉ SAN FRANCISCO
ALBUQUERQUE
CLEVELAND TORONTO
VANCOUVER ANCHORAGE
BALTIMORE
CHARLESTON
CALGARY

1 **LOS ANGELES | LOS ANGELES INTERNATIONAL AIRPORT**
Dufry's well-designed brand boutiques and innovative specialized shops at the airport are trend-setting examples of the recent developments seen at American airports.



2 **VANCOUVER | VANCOUVER INTERNATIONAL AIRPORT**
The travelers' best friend marks its presence at the airport with its fresh Hudson concept, providing travelers with the best mix of convenience products in the industry.

OVER 370 LOCATIONS WORLDWIDE

SOUTHERN EUROPE AND AFRICA

Algeria
Algiers

Cape Verde
Sal
Santiago

Cote d'Ivoire
Abidjan

Czech Republic
Prague

Egypt
Borg El Arab

France
Calais
Fort-de-France
Nice
Pointe-à-Pitre
Toulouse

Ghana
Accra

Greece
Aktio
Alexandroupoli
Anchialos
Araxos
Athens
Blue Galaxy
Blue Horizon
Blue Star I, II
Blue Star Delos
Blue Star Diagoras
Blue Star Naxos
Blue Star Paros
Chania
Corfu
Doirani
Elyros
Evzonoi
Forza
Hellenic Spirit
Heraklion
Igoumenitsa
Kafalonia
Kakavia
Kalamata
Karpathos
Kastanies
Kastelorizo
Katakolo
Kavala
Kipoi
Kos
Kriti I Ship
Krystallopigi
Kydon Ship
Limnos
Mertziani
Mykonos
Mytilini
Niki
Olympic Champion
Ormenio
Patmos
Patras
Piraeus
Promachonas
Rhodes
Sagiada
Samos
Santorini
Superfast I, II, XI, XII
Symi
Thessaloniki
Zante

Italy
Bergamo
Genoa
Milan Central
Milan Linate
Milan Malpensa
Naples
Roma Fiumicino
Turin
Verona

Kenya
Nairobi

Malta
Malta

Morocco
Agadir
Casablanca
Dakhla
Essaouira
Fez
Marrakech
Nador
Oujda
Rabat
Tanger

Nigeria
Lagos

Spain
Alicante
Almeria
Asturias
Barcelona
Bilbao
Fuerteventura
Gerona
Granada
Ibiza
Jerez
La Coruna
La Palma (SPC)
Lanzarote
Las Palmas de Gran Canaria (LPA)
Madrid
Mahon
Malaga
Murcia
Palma de Mallorca (PMI)
Reus
Santander
Santiago de Compostela
Sevilla
Tenerife Norte
Tenerife Sur
Valencia

Turkey
Antalya
Kayseri
Kutahya

UK, CENTRAL AND EASTERN EUROPE

Armenia
Yerevan

Bulgaria
Burgas
Varna

Finland
Helsinki

Germany
Dusseldorf
Hamburg

Jersey
Saint Peter

Kazakhstan
Astana

Russia
Moscow Domodedovo
Moscow Sheremetyevo
St Petersburg Pulkovo

Serbia
Belgrade

Sweden
Jönköping
Kalmar
Karlstad
Landvetter
Luleå
Norrköping
Östersund
Skellefteå
Stockholm Arlanda
Stockholm Bromma
Sturup
Sundsvall
Umeå
Visby

Switzerland
Basel-Mulhouse
Geneva
Samnaun
Zurich

United Kingdom
Aberdeen
Belfast
Birmingham
Bournemouth
Bristol
Cardiff
Doncaster
East Midlands
Edinburgh
Elvedon Forest Center Parks
Exeter
Folkestone
Glasgow Airport
Glasgow Prestwick
Kirmington
Leeds
Liverpool
London Gatwick
London Heathrow
London Luton
Longleat Forest Center Parks
Manchester
Newcastle
Sherwood Forest Center Parks
Southampton
Stansted
Whinfell Forest Center Parks
Windsor
Woburn Forest Center Parks

ASIA, MIDDLE EAST AND AUSTRALIA

Australia
Canberra
Melbourne

Cambodia
Phnom Penh
Siem Reap

China
Beijing
Chengdu
Hong Kong
Macau
Shanghai

India
Bangalore
Mumbai

Indonesia
Bali

Jordan
Amman
Aqaba
Marka

Kuwait
Kuwait City

Singapore
Changi

South Korea
Busan

Sri Lanka
Colombo
Hambantota

United Arab Emirates
Sharjah

LATIN AMERICA

Antigua
Antigua

Argentina
Bariloche
Buenos Aires
Buenos Aires Ezeiza
Cordoba
Mendoza

Aruba
Oranjestad

Bahamas
Bahamas
Freeport

Barbados
Barbados

Bolivia
La Paz
Santa Cruz

Brazil
Belém
Belo Horizonte
Brasilia
Campinas
Curitiba
Florianopolis
Fortaleza
Goiania
Natal
Porto Alegre
Recife
Rio de Janeiro
Rio de Janeiro Galeão
Rio de Janeiro
Santos Dumont
Salvador
São Paulo Congonhas
São Paulo Guarulhos
Vitoria

Chile
Santiago de Chile

Curaçao
Willemstad

Dominican Republic
La Romana
Puerto Plata
Samana
Santiago
Santo Domingo

Ecuador
Santiago de Guayaquil

Grenada
Grenada

Honduras
Roatan

Jamaica
Jamaica
Montego Bay

Mexico
Acapulco
Cancun
Cozumel
Guadalajara
Guanajuato
Ixtapa
Laredo
Los Cabos
Mazatlan
Mexico City
Monterrey
Progreso
Puerto Vallarta
Reynosa
San José del Cabo

Netherlands
Bonaire

Nicaragua
El Espino
Guasaule
Managua
Peñas Blancas

Peru
Lima

Puerto Rico
Ponce
San Juan

St Kitts & Nevis
St Kitts

St Lucia
St Lucia

St Maarten
St Maarten

Trinidad & Tobago
Port of Spain

Turks & Caicos Islands
Grand Turk
Turks & Caicos Islands

Uruguay
Montevideo
Punta del Este

Cruise Ships
Dawn
Escape
Gem
Jade
Jewel
Pearl
Sky
Spirit
Star
Sun

NORTH AMERICA

Canada
Calgary
Edmonton
Halifax
Toronto
Vancouver

USA
Albuquerque
Anchorage
Atlanta
Atlantic City
Baltimore-Washington
Birmingham
Boston
Burbank
Burlington
Charleston
Chicago
Chicago Midway
Chicago O'Hare
Cincinnati
Cleveland
Corpus Christi
Dallas Fort Worth
Dallas Love Field
Denver
Detroit
Fort Lauderdale
Hollywood
Fresno
Grand Rapids
Greater Rochester
Greenville-Spartanburg
Gulfport-Biloxi
Harrisburg
Houston
Houston George Bush
Houston William
P. Hobby
Jackson
Santa Ana
Las Vegas
Little Rock
Los Angeles
Lubbock
Manchester Boston
Miami
Minneapolis
Mobile Bates Field
Myrtle Beach
Nashville
New Orleans
New York City
New York JFK
New York LaGuardia
Newark
Newark Liberty
Newport News
Williamsburg
Norfolk
Oakland
Okaloosa
Omaha
Ontario
Orlando
Orlando Sanford
Philadelphia
Phoenix
Pittsburgh
Portland
Raleigh
Richmond
Roanoke
Salt Lake City
San Antonio
San Diego
San Francisco
San José
Seattle
St Louis
Stewart Newburgh
Tampa
Washington DC
Washington Dulles

CHANNELS

- Airports
- Border, Downtown & Hotel Shops
- Railway Stations & Other
- Cruise Liners & Ferries
- Seaports

CUSTOMERS DELIGHTED BY A THRILLING SHOPPING EXPERIENCE

Dufry – Part of your travel experience
Traveling is one of the most enjoyable experiences and we are thrilled to be part of your adventure! Our primary goal is to provide travelers with the best shopping experience during their journey. With a presence in over 370 locations in 63 countries all around the world, Dufry will most likely be part of your next trip!

Dufry is the world's biggest retailer specialized in travel locations. This gives us a unique understanding of travelers' needs. From a simple bottle of water to a sophisticated fashion accessory, Dufry is there with the best shops, the most prestigious brands and most importantly, the best customer service to make traveling a pleasant and memorable experience.

True global customer service
Customer service is a key priority for Dufry and our efforts to better attend our clients go beyond our shops. At our website, dufry.com, the travel experience starts even before a trip, with travel tips for over 50 destinations, including tourist attractions, accommodation and shopping locations.

We also offer the convenience of a pre-order system through our website. It allows customers to select their favorite products and collect them directly at our shops once they travel. Our pre-order service is currently available in Argentina, Brazil, Greece, India, Russia as well as in Uruguay, Sweden and Switzerland.

Full customer satisfaction is of upmost importance to us. For this reason we operate a unique and truly global 30 days replacement or refund guarantee. When shopping at Dufry, customers are assured they will have full support, whenever and wherever they made their purchase. Our representatives can be reached online, by email or by phone, in several languages.

Dufry Red
At Dufry shops travelers experience the best customer service in travel retail, but this doesn't stop us from doing more. Dufry Red is the Group's first approach to a loyalty program, which had its first pilot launched in Brazil in 2014. After its successful start, the program has also been rolled out in Switzerland and is expected to be launched in Spain and Sweden in the first half of 2016. The program offers exclusive advantages for its participants such as discounts and exclusive gifts.

Awards that confirm our retail excellence
In 2015 as in previous years, Dufry was recognized as a leading travel retailer, providing cutting edge retail concepts. Several operations saw their efforts recognized, such as in Canada, where we received the "Best Canadian Airport Duty Free Company" award from the Frontier Duty Free Association. In the Caribbean, Colombian Emeralds won the prize "JIS Retailer of the Year Award", for its Galleria Lounge located in the Miami Beach Convention Center. Among many others, Hudson has also received the "OYA Top Award in Customer Service Excellence", by the Customer Service Experts (CSE) together with Miami Airport.

World Dufry Free, which joined the Group in 2015, is also recognized as a top travel retailer. Among the awards received in 2015, is the "Best Marketing of Sunglasses", for the activities developed in several Spanish Airports in summer and the first ever "Habanos Specialist" accreditation granted by Habanos S.A. for the high quality features of the stores, as well as the world-class service, extensive product knowledge and specialist advice that customers receive from World Duty Free's expert staff.

MORE THAN 50,000

items are available in our portfolio that our customers can choose from

NET SALES BY PRODUCT CATEGORY 2015

30 DAYS

replacement or refund guarantee offered by Dufry is unique in the travel retail industry

SUPPLIERS TRUST DUFRY

Dufry offers suppliers the largest network of travel retail locations with over 370 locations and the opportunity to benefit from the growing customer potential generated by the constantly increasing passenger numbers on a world-wide scale. In 2015, close to one billion passengers passed in front of our shops, making Dufry the perfect window display for global brands.

Partnering with suppliers to increase sales
Travel retail is one of the most important channels for global brands. It is one of the retail formats which provides the fastest growth profile, given the nature of increasing passenger numbers, and it is also the channel that concentrates the most affluent consumer groups of society – the ones who can afford to travel.

Dufry as the largest company in the industry plays an important part in this process, not only due to our 24% market share in airport retail, but most importantly due to our global reach of operations, spanning more than 370 locations in 63 countries. This presence creates a unique window display available for global brands to market, promote and sell their products. For suppliers, Dufry is the one-stop shop in travel retail, as they benefit from our scale to access this fast growing industry and market.

New performance levels with individual Brand Plans
The Brand Plan is an innovative way of engaging with suppliers, offering a complete new dimension of initiatives for achieving common goals. The plan comprises a deep analysis of medium-term initiatives for the development of certain brands in our business. Once set, the strategy will be implemented by Dufry with a close evaluation of the results achieved. The plan creates a win-win situation whereby suppliers can implement their strategy inside our shop on a longer horizon and Dufry is compensated by achieving the targets defined in the plan. Currently Dufry has developed brand plans with its most important global brands.

Suppliers benefit from Dufry's centralized purchasing and logistics
The world-wide footprint and the centralization of global functions generating efficiencies are two core elements of Dufry's business model. Our suppliers also benefit from the centralization of certain functions, especially procurement and logistics, which brings more operational efficiencies from the entire supply chain, by offering higher service levels for suppliers and customers alike.

Dufry's Brand Plan generates value for brand partners and Dufry.

The centralization of our procurement functions allows our Global Category Managers to coordinate the major activities centrally, thus facilitating the interactions with suppliers. The definition of the Brand Plan as well as other contractual parameters are largely coordinated centrally. This also includes the ordering process itself, where Dufry transmits one consolidated order to suppliers, after having internally aggregated the orders of the individual locations. An approach that considerably simplifies the order process and reduces costs overall.

A similar concept, which generates additional efficiencies for both partners, is applied to logistics. In order to support our activities in 63 countries and still benefit from being a single group, Dufry has set up three distribution centers: One in Uruguay attending the Americas, one in Switzerland serving Europe (excluding Spain and the UK), North of Africa and the Middle East, as well as one in Hong Kong supplying Asia and the Pacific region. Suppliers can thus efficiently ship larger units to single Dufry distribution centers, while Dufry can better manage individual shop supply, ensuring improved product availability for customers and thus ultimately improving sales.

BRAND UNIVERSE

1,000

Dufry works with over 1,000 of the most renowned global and local brands.

AIRPORT AUTHORITIES & LANDLORDS
CAPITALIZING ON STRONG REVENUE GENERATION

With the acquisition of Nuance and World Duty Free, Dufry has become by far the world's largest airport retailer with a market share of 24% in airport travel retail, thus combining the retail know-how and experience of three major industry players and putting them at the service of airport authorities and landlords across the globe. Dufry's portfolio of over 2,200 shops in 63 countries includes airports, seaports, railway stations, downtown areas, border crossings, cruise liners, hotels and other locations.

Strong partnerships and common goals with facility owners
Dufry has traditionally been partnering with landlords of larger and smaller airports in emerging and developed markets, providing the same level of expertise on how to best develop retail space in order to maximize revenues, independently from the size of a given project. We always try to develop a partnership approach with common goals with the landlord, which has proven to be a successful working relationship for the airport operator and for Dufry alike. Examples of such successful cooperation are the developments realized over time at the airports of Milan, Athens, Phnom Penh, Siem Reap, São Paulo, Brasilia, London Heathrow and many others, where the design of passenger flows, retail space extensions and shop refurbishments have considerably increased sales growth.

Offering landlords the largest industry experience
Dufry shares a common goal with the facility owners, which is to maximize returns on the available space and to create an innovative and attractive shopping experience for the traveler. Since for any traveler shopping is about fun, pleasure, convenience and feeling comfortable within the shops, we constantly research customer behavior and provide landlords with our global experience in order to create customized retail environments that fit travelers' expectations in any given location. Following this approach, we create win-win partnerships as landlords benefit by maximizing their commercial revenues and by increasing the overall attractiveness of their facilities. At the same time we foster our reputation as an innovative and reliable designer and operator of retail space, which we have built over many years.

Customized shop concepts with local touch
Every airport deserves a unique retail environment that combines local traditions and cultural aspects, while acting as window display for global products. With its world-wide footprint, Dufry knows how to perfectly match customized shop design with efficient retail concepts to best serve travelers' needs and to generate value for landlords. For this purpose, Dufry features an extensive portfolio of shop concepts for duty-free and duty-paid environments, which allow tailoring available retail space to the individual needs of any given airport – be it a smaller airport or major hubs.

Broad concession portfolio covering around 410,000 m².

First-class and broadly diversified concession portfolio
Over the years, Dufry has consistently built a high quality and diversified concession portfolio. In 2015, the group added over 133,000 m² of net retail space to the existing portfolio through the acquisition of World Duty Free. Further 18,700 m² were opened through new concessions such as in several locations in the United States, Brazil and Europe and through

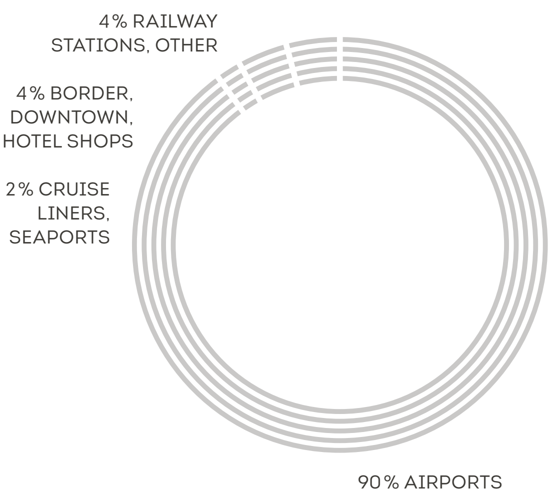
important expansions such as at Milan Malpensa and Athens airports. At December 31, 2015, the entire concession portfolio of the group included retail space of around 410,000 m^2.

A major effect of the World Duty Free acquisition and our own new concessions was the additional diversification of the overall concession portfolio during 2015. From a risk management perspective, the exposure to any single concession has been reduced significantly, with the largest concession representing about 6% of pro-forma turnover in 2015, and the biggest 10 concessions representing less than 25%.

Our concession portfolio also includes a large number of long-term contracts with durations of ten or more years. For example, our operations at Milan airports in Italy have concession contracts until 2041 and our operations in Greece are based on a duty-free license until 2048. Other long-term contracts include airports in the United Kingdom, Sharjah, Puerto Rico, Dominican Republic, Brazil and Argentina, to name a few. The overall average consolidated contract duration is 8 years. Approximately 20% of the portfolio have a remaining life-time of two years; close to a third have a duration of three to five years, while another 20% have a life-time of between six and nine years, and the remaining third of the concessions has a duration of ten years or more.

On average, Dufry renews every year existing contracts that generate between 8% to 10% of our sales, and we add new contracts every year. In 2015, 2.4% of sales growth were related to new concessions.

NET SALES BY CHANNEL 2015



Getting attractive new concessions

There are different ways to enhance the concession portfolio: They can be won in a tender process or negotiated directly with airport authorities, be structured as joint ventures with the airport operator or be bought through acquisitions. Dufry has a clear policy whenever looking at expanding the concession portfolio: We will analyze the opportunity, with concession fee levels and duration of the contract being key factors. We will also factor in the investments required for the project and assess the development potential of the location from retail as well as travel perspectives. Through a strict evaluation of these criteria and our discipline to focus on returns, we ensure that our concession portfolio remains of the highest quality and that each concession offers attractive returns for our Group.

INVESTORS PARTICIPATING IN A GROWING INDUSTRY

Dufry's long-term strategy of profitable growth and its clear focus on returns and cash generation are designed to create sustainable value for shareholders and bondholders.

Reaching new levels with a market capitalization of CHF 6.5 billion

Over the past year Dufry has seen an increasing importance of the company in the market. With a market capitalization of CHF 6.5 million, Dufry has entered the radar of new investors. This is evidenced by our inclusion in the Swiss Leader Index (SLI) at the Swiss stock exchange as of March 21, 2016. Dufry is now among the 30 biggest publicly listed companies in Switzerland.

Our size isn't the only factor that attracted new investors to the equity story. The strong fundamentals of the travel retail industry are also a strong argument for investing in Dufry. Combined with our track record and the increasingly lower risk profile, due to our constant geographical diversification, this altogether creates attractive factors to the Dufry case.

The acquisitions of Nuance and World Duty Free

Dufry financed the Nuance acquisition through a mix of debt and equity. On the debt side, Dufry launched senior notes in the amount of EUR 500 million, which expire in 2022 with a coupon of 4.5%. On the equity side the transaction was financed by an equity increase of CHF 810 million, complemented by the launch of Mandatory Convertible Notes of CHF 275 million in aggregate, which have been converted into shares in late 2015.

A similar format was implemented on the World Duty Free acquisition. Dufry financed the acquisition partially through debt, with the structuring of a new bank facility of EUR 800 million expiring in 2019 and a bond issuance of EUR 700 million, expiring in 2023 with a coupon of 4.5%. Dufry has also performed a capital increase of CHF 2.2 billion, which was partially supported by the investors GIC (the Sovereign Wealth Fund for the Government of Singapore), Qatar Investment Authority and Temasek Holdings (Private) Limited, each concluding the process with holdings of 4.1% of Dufry's shares.

Market capitalization of CHF 6.5 billion.

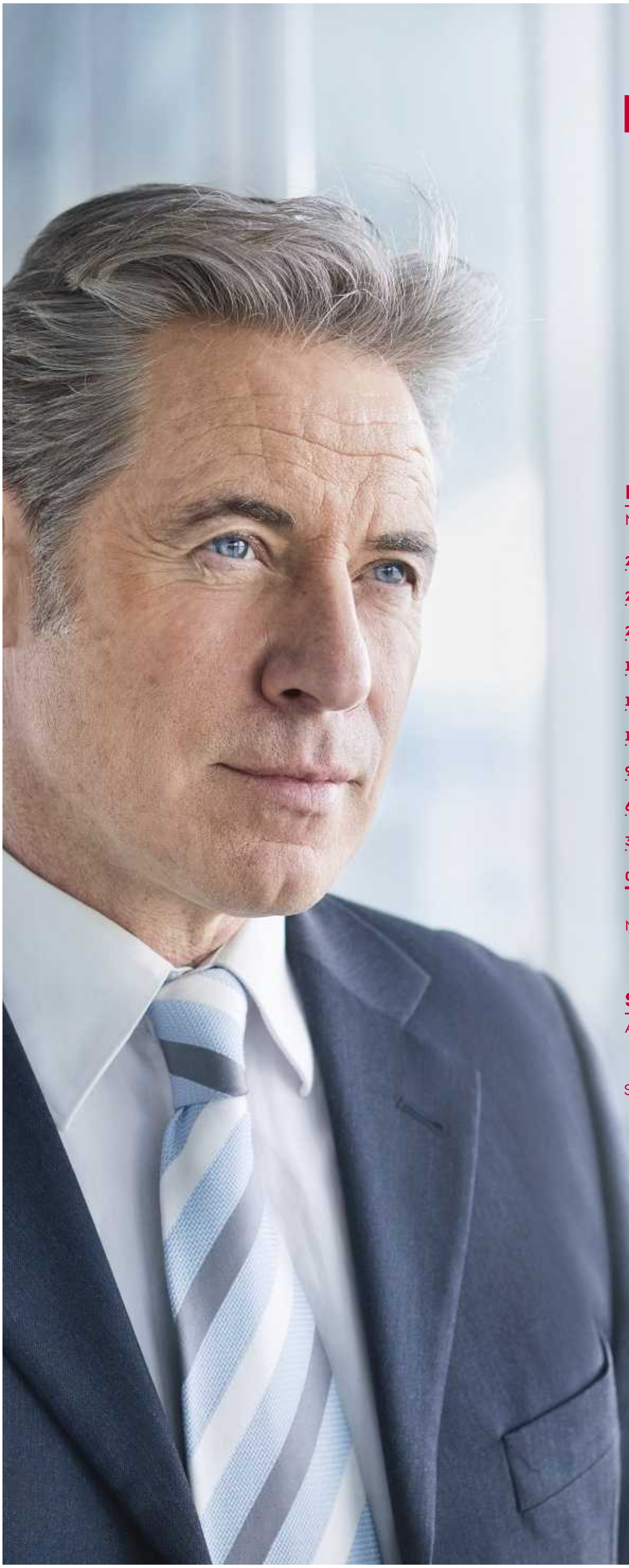
Diversified shareholder base

In addition to the continuous commitment of our long-term anchor shareholders' group which holds 22.4% of our share capital at year-end 2015, Dufry has been able to secure strong support for its strategy from investors worldwide.

At year-end 2015, the free float of our shares stood at 77.6%, translating into nominal free float of over CHF 5.0 billion (CHF 3.8 billion at year-end 2014). The largest amounts of shares are currently held by the following nationalities: UK, US, Switzerland, Singapore, Qatar and Brazil.

Important investors added to the shareholder base.

Dufry's share price started the year 2015 at CHF 149.20 and fluctuated between a high of CHF 151.30 and a low of CHF 111.00. After the share price low at the end of September 2015, the shares recovered to close at

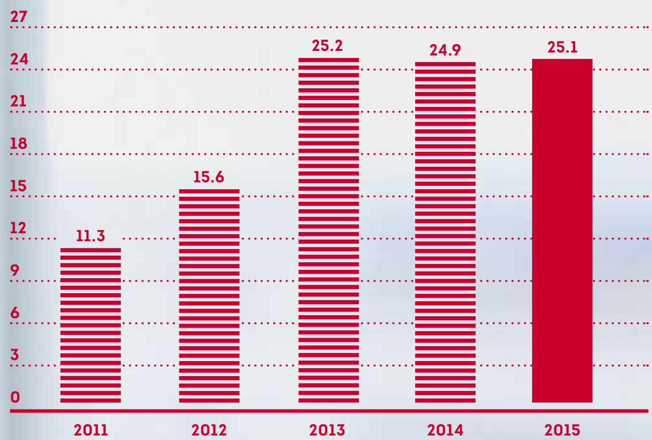


78%

free float of our shares at year-end 2015

DAILY AVERAGE VOLUME

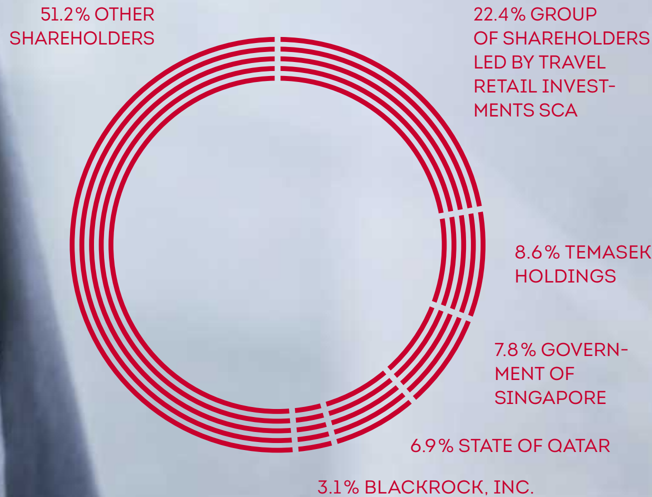
MILLIONS OF CHF



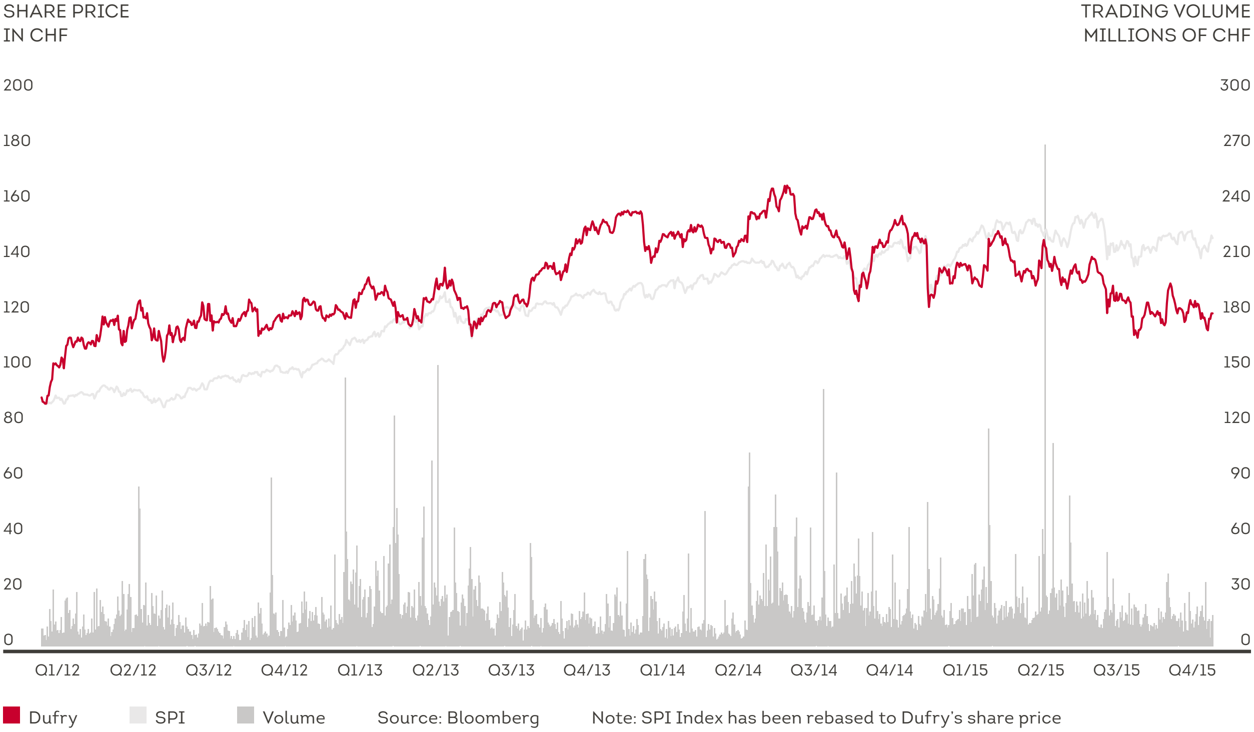
Note: Since April 2011 including trading volumes of Dufry AG BDR

SHAREHOLDER STRUCTURE

AT DECEMBER 31, 2015



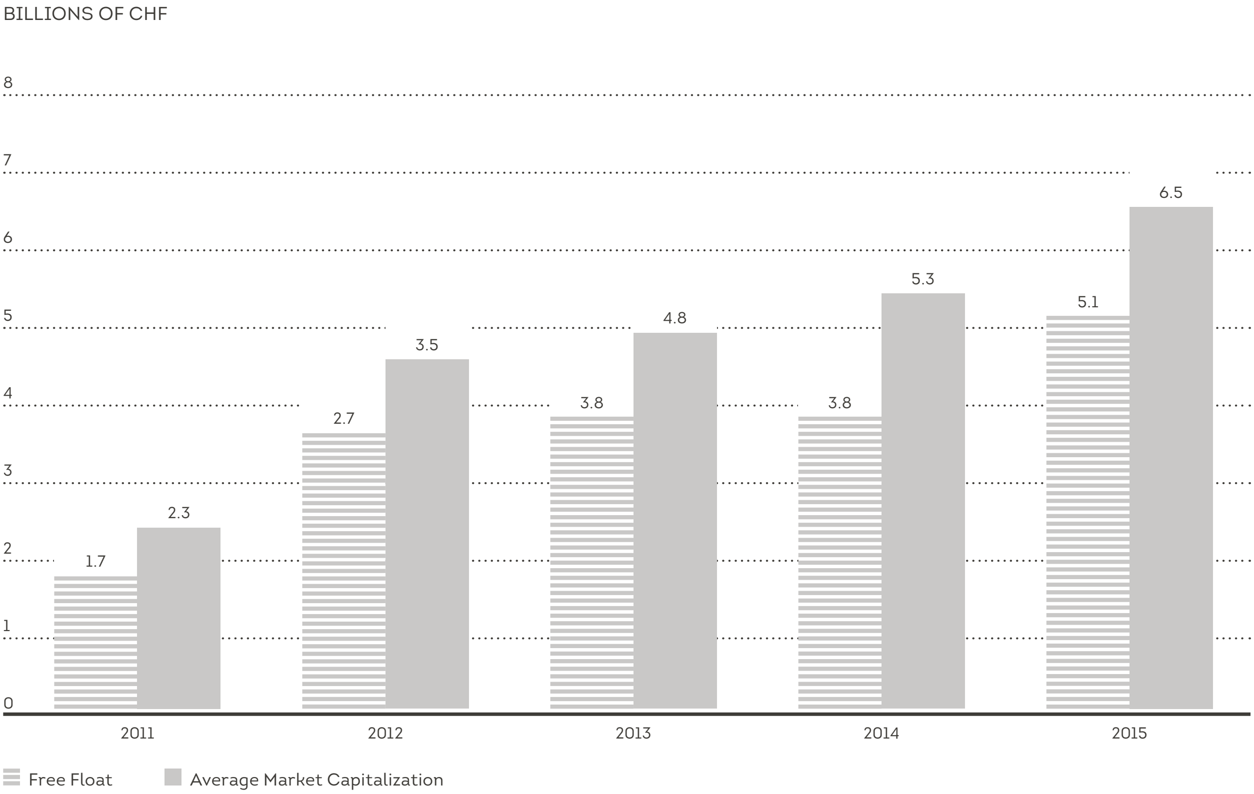
DUFRY AG SHARE PRICE AND TRADING VOLUME



Source: Bloomberg

Note: SPI Index has been rebased to Dufry's share price

MARKET CAPITALIZATION AND FREE FLOAT



CHF 120.00 by year-end 2015. Our market capitalization reached CHF 6.5 billion at the end of 2015, compared with CHF 5.3 billion at the end of 2014.

Strong fundamentals – solidity for bond holders

Dufry has a well-established presence in the senior notes market. Since the first launch in 2012, this has been an important source of financing for the company. Dufry's strong cash flow generation and solid balance sheet are characteristics welcomed by the fixed income market.

With bank credit facilities for a total amount of CHF 2,430 million maturing in 2019 (denominated in USD, CHF and EUR); the existing USD 500 million 5.5% Senior Notes maturing in October 2020; the EUR 500 million 4.5% Senior Notes maturing in July 2022 and the EUR 700 million 4.5% Senior Notes maturing in August 2023, Dufry has a well-balanced financing structure with a net debt / adjusted EBITDA ratio of 3.92 times as at December 31, 2015. All maturity dates of the financial debt are spread across a time horizon between 2019 and 2023.

Dufry's Senior Notes are currently rated by Standard & Poors (BB), Fitch (BB-) and Moody's (Ba3).

Committed to a fair and comprehensive market communication

As the world's leading travel retailer, we aim to present our investment story and market opportunities by providing transparent and consistent up-to-date information to all our stakeholders. We pursue a constant, open dialogue with investors, analysts and the media through direct phone and email exchanges, regular roadshows and one-to-one meetings.

We communicate our financial performance quarterly, which senior management discusses with the financial and media communities through press and analysts conferences, conference calls and webcasts. All price-sensitive information, whenever it occurs during the year, is published through ad hoc press releases available to everyone. As part of our 2015 Investor Relations activities, senior management and the investor relations team devoted 41 days to meet investors directly through roadshows in Europe, North and South America, during which we held over 800 one-to-one or group meetings with investors, and we further presented at several large broker conferences in Switzerland, France, United States, United Kingdom and Brazil.

For contact details of our Investor Relations team, located in Switzerland and Brazil, please see page 247 of this Annual Report.

SUSTAINABILITY REPORT STRONG COMMITMENT TO STAKEHOLDERS

Dufry considers sustainability as one of the cornerstones of corporate culture to increase its long-term value and minimize risks for the company's future development.

With the acquisitions of Nuance in 2014 and World Duty Free in 2015, Dufry has started a new era in its history that today involves close to 29,000 employees and more than 370 locations worldwide. The first priority of the Group in the next 18 months will be on the complete integration of World Duty Free and the implementation of the new business operating model. Dufry is strongly committed to sustainability and plans to expand its sustainability reporting step-by-step in the coming years with more detailed analysis of the impact it has on society and the environment.

Dufry companies operate in all countries according to local legislation and regulations. We have incorporated across the Group an "Integrity in Business Transaction Policy" that sets guidelines in the fair dealings with business partners and particularly prohibits any kind of passive or active bribery or corruption. The policy is applicable to all employees, including the Group Executive Committee and the Board of Directors. In case of any question regarding the Policy or suspicion of a violation of the Policy, any Dufry employee can connect with a centralized contact point through a dedicated Dufry email address or follow the hierarchical reporting line. Any wrongdoing concerns can also be reported directly to the CEO. The identity of an employee reporting such concerns or possible violations against the Policy will be kept confidential, unless the disclosure of the identity is required by law. Insider information and security trading policies are also in place and signed by all employees concerned.

STAKEHOLDER VALUE ALLOCATION BY DUFRY IN 2015

The stakeholder value allocation of Dufry corresponds to corporate output less third-party inputs. The calculation is based on Dufry's EBIT plus personnel costs. It does not comprise of values allocated to business stakeholders, such as suppliers and landlords.

The value allocated reached CHF 988.9 million in 2015 (CHF 876.2 million in 2014). Of this amount, CHF 856.2 million was accrued to our employees in form of remuneration and social security payments. CHF 200.7 million were for interest payments to our bondholders and financing banks. Current income taxes to public authorities and communities in which the group companies are located were CHF 69.9 million, net of deferred income taxes, a tax income of CHF 10.1 million was reflected in the income statement.

Dufry employees are the most important stakeholder value contributors.

ENVIRONMENT

Dufry operates over 2,200 retail stores worldwide, where it sells products sourced from over 1,000 suppliers. Following the acquisitions of Nuance and World Duty Free, the company has restructured its operations into five well-balanced, geographical Divisions as of January 1, 2016. For information on the new Divisions please refer to pages 42 to 63. All the stores operated can be categorized into one of five major retail concepts, which are explained on pages 28 to 37.

As a pure retailer, the company does not have any production sites. The main logistics operations (Global Distribution Centers) are centralized in three platforms: Basel / Switzerland, Montevideo / Uruguay and Hong Kong / China. The latter has been set up and become operational in late 2015 and will be ramped up during 2016. These main distribution centers receive the long-haul and major shipments and secure the further dispatch of the goods into the local entities at country and single shop level. High efficiency in our logistics chain enables us to keep the environmental impact of transporting the goods at a minimum level.

Energy consumption

Our travel retail shops are mostly operated in premises and buildings such as airports or seaports and downtown resorts, which are owned by third party landlords. Thus, a large portion of the utilities consumption, such as energy or water in the shops cannot be directly influenced by Dufry as these factors are predetermined by the landlords and the building construction. The highest influence in energy efficiency can be taken when Dufry is designing or refurbishing stores. The main focus thereby is on substituting traditional lighting for more energy-efficient lighting systems (e.g. LED) on ceiling and furniture displays, and on using A-rated electronic devices (e.g. air conditioning, refrigerators) in our stores. The same concept of using latest energy-efficient technologies also applies for our Basel head office and the local operations centers.

One example of our environmental management have been the 13 awards that Nuance received in June 2015 amongst a total of 23 winning retail stores at the Hong Kong International Airport Environmental Management Recognition Scheme 2014 / 2015. The HKIA recognized environmental performance and commitment based on six aspects: waste management, energy efficiency, waste water management, air pollution control, noise pollution control and overall environmental management.

Dufry's environmental managememt schemes recognized by Hong Kong International Airport.

CO_2 emission

Reducing CO_2 emissions is one of Dufry's concerns. Whenever possible, transports of goods are done by shipping containers on sea-ships, thereby choosing the most CO_2-efficient way of transportation. Through reconfiguration of goods in our Global Distribution Centers and regional logistics stations, we minimize intercompany transportation of the goods to a minimum. The distribution to the individual shop locations is usually done by road whereby Dufry outsources the transportation to specialized national or international logistics partners, who partly have their own worldwide environmental strategies in place.

Further actions to reduce the CO_2 emissions are in the area of business travel by advising employees to consider alternatives to traveling such as the use of virtual meeting systems (video conferencing, conference calls, computer live-meetings) or reducing travel frequencies by optimizing each trip. In addition, Dufry employees are also encouraged to use public transport systems not only for business trips but also for their daily journeys to and from work. In specific locations, the company grants contributions to employees using public transport for commuting.

Employees are advised to minimize business travel and encouraged to use public transport to and from work.

Waste and recycling

Avoiding any waste in the first place or recycling it if it occurs is an effective way to save valuable resources. The Distribution Center in Switzerland is outsourced and run by a specialized logistics company and packaging material which mainly consists of cardboard, paper, plastic film, wood as well as electronic and plastic consumables such as neon lamps and PET are sorted out in different containers and sent for recycling. The recycling process is then further outsourced to specialized service providers. If these providers have a climate program in place, Dufry's Swiss logistics provider supports their program by paying a surcharge on the transports, which is devolved to "myclimate" (www.myclimate.org).

Guarulhos Airport and all UK shops granted ISO 14001 certification.

In the shops, the waste produced by our operations is mostly packing material handled through the landlord's waste disposal system and recycled accordingly where possible.

The reduction in the consumption of shopping bags is another area where Dufry is seeking sustainable solutions by replacing traditional plastic bags with reusable bags and / or advising its retail staff to ask customers if they need a bag.

All shops in the UK as well as the operations in Guarulhos Airport, São Paulo, are ISO 14001 certified (environment certification).

EMPLOYEES

Dufry's employees are the heart and pulse of our operations. Throughout the business, it is our teams, who with their friendliness, team spirit and commitment on first-class service to our customers and close collaboration with our business partners, make Dufry the successful company it has become over the years.

WorldClass.WorldWide. – The new Dufry slogan is lived by our employees every day and we thank them for their outstanding commitment. As a Group we strive to offer our employees attractive working environments, interesting tasks, fair and competitive wages, and a general working atmosphere that is characterized by mutual respect and appreciation for each individual. We also systematically invest in our people's development by supporting a broad range of in-house as well as external training and development opportunities.

Constructive dialogue between the individual employee and her / his manager on goals, priorities and development is an important part of our human resources policy. Each employee receives an annual performance review aimed at evaluating the performance and identifying further personal development potentials for next career steps.

Growing to almost 29,000 employees worldwide
Following the acquisition of World Duty Free in 2015, our total workforce grew by 44.7% to reach 28,853 people (FTE) as at December 31, 2015 compared to 19,946 at the year-end 2014. Organically, the number of employees declined by 0.8%, the World Duty Free acquisition added 45.5%.

At the end of 2015, our total workforce comprises colleagues from more than 70 nationalities across all functions. We continue to believe that this broad cultural diversity represents a unique competitive advantage and that it is a key element in the successful development of the Group and the implementation of our long-term growth strategy. But aside from strategic issues, the diversity factor also creates a truly international working environment within the entire Group, which gives interesting career perspectives to many of our employees.

Over 70 nationalities create a unique cultural diversity.

The staff in our local shops of each country are to a high extent local people. Dufry's know-how on operating local businesses in 63 countries around the world make us a strong job creator in a large number of cities, many of them being located in emerging markets.

New HR information system launched
In December 2015, Dufry launched a new, standardized Human Resources information system "Dufry Connect" which will support the HR and line managers to place additional focus on people management activities, enabling greater automation and solid interface to manage people, development and careers at Dufry. For example, the yearly performance management reviews will be administrated online, which leaves more time to the managers and the employees to focus on feedback and development plans and increase visibility of outcomes, challenges and progress. Another key improvement will be related to the learning management platform: The new learning platform will store all Dufry learning programs and enable training paths by employee role, easily accessible worldwide. The global Headquarters in Basel and the Swiss operations have been the first entities to pilot the system at the end of 2015. This starting phase of implementation also included about 2,000 employees – from Divisional CEOs to Shop Managers. The global roll-out to the majority of Dufry operations is planned to take place during 2016 and 2017.

Learning and professional development during 2015
We are developing and growing the management potential within our Group through job enrichment, coaching and targeted management learnings. The aim is to fill as many new or open management positions as possible with internal people and talents. Through tailored learning programs we ensure that our professionals have the leadership and managerial skills as well as the knowledge necessary to operate our business successfully.

28,853

Dufry employed 28,853 people (FTE) at December 31, 2015, an increase of 44.7 % to year-end 2014

As part of our new Group structure for example, we have been able to promote all new members of the Group Executive Committee from internal sources and expect to fill above 90 % of managerial positions within the new Dufry organization with internal personnel.

Dufry Sales Academy

Dufry Sales Academy is the first of our important learning programs and includes: Out in Front and Dufry +1.

Starting in 2012, we introduced the Out in Front program for our shop managers and supervisors on the shop floor. After having trained a total of 691 retail managers as of year-end 2014, further 227 managers received this specific learning during 2015. By the end of 2015, Out in Front is running in 35 countries and covers over 70 locations, which make up more than 60 % of Group sales in 2015 (including the Nuance business, excluding World Duty Free).

The Dufry +1 program will be expanded in 2016 to also reach out to the newly acquired WDF locations and is expected to provide training to over 5,800 sales professionals. Under the Dufry +1 program we trained a total of 6,680 new shop floor hires on our foundational sales and service course as of year-end 2015. Dufry +1 courses are taught in 63 countries. The learning of both programs is given by Dufry Certified Trainers, with the number of training certifications having increased to 1,551 at year-end 2015 compared to 800 in the previous year.

Step Ahead Retail Management Training Program

Managers running important segments in our value chain, such as commercial, logistics, procurement, marketing or retail functions, require specific learning in order to be successful in their roles, and run the company according to the Group's performance expectations.

The Step Ahead program was launched in 2013 to ensure that new and potential retail managers are formally educated on Dufry's business model and processes, as well as on critical people management skills. Also in this program, all education is delivered by other Dufry managers, ensuring that best practices are exchanged among peers and know-how remains within the company.

During 2015 in the Step Ahead Management Skills program, we organized several courses and had a number of 1,905 in attendance. In the Step Ahead Retail Operations learning we have educated 72 team members in various roles. Since 2013, the total numbers educated in these two programs are 2,646 in attendance for Step Ahead Management Skills and 142 managers for Step Ahead Retail Operations.

Talent Management

Our future and long-term management needs are getting addressed by an optimal balance of promoting internal high-level personnel and hiring external talents (for example in new countries where we start operations). In 2013, Dufry started piloting a global, systematic integrated process to identify high-potential talents in our organization and develop them toward the key roles in our business model. Since then, the program has been continuously developed and expanded.

We believe talent management and succession planning are ongoing processes, all the more so as we assess and leverage the high-quality pool of employees who have joined the company through our acquisition-intense transformation phase. Accordingly, we carry out a yearly review of the quality of our talent pipeline at two levels:

DUFRY SALES TRAINING PROGRAMS

SALES TRAINING PROGRAMS COVERAGE (IN TOTAL AT YEAR-END)	2015	2014	2013	2012
Out in Front	918 retail managers 6,931 sales professionals 35 countries	691 retail managers 5,500 sales professionals 29 countries	313 retail managers 3,534 sales professionals 24 countries	303 retail managers 2,142 sales professionals 6 countries
Dufry +1	6,680 sales professionals 63 countries	3,191 sales professionals 46 countries	2,437 sales professionals 32 countries	684 sales professionals 27 countries
Trainer Certificates	1,551 trainer certificates	800 trainer certificates	626 trainer certificates	408 trainer certificates

- On the first level, each year we select a limited number of candidates to occupy one of our pre-defined key positions in our organizational structure. To date, we have selected and focused on developing 57 high-potential managers (as of year-end 2015), addressing and safeguarding the succession in specific key management positions at the top.
- The second level focuses on the stores. Within our top-performing stores' personnel and supervisors, we have identified 300 people on whose development we will focus in order to ensure a quality store management succession pipeline.

Equal employment
Dufry fosters a culture of equal opportunity. Our HR policy is to provide equal employment conditions and to offer career opportunities without discrimination to all our employees. The company fulfills local legislation and regulations of each country where it operates. We offer and promote a work environment where everyone receives equal treatment, regardless of gender, color, ethnic or national origins, disability, age, marital status, sexual orientation or religion. Any kind of child labor or forced labor is strictly rejected and we have clear recruitment procedures and workplace control in place to ensure full compliance with this regulation.

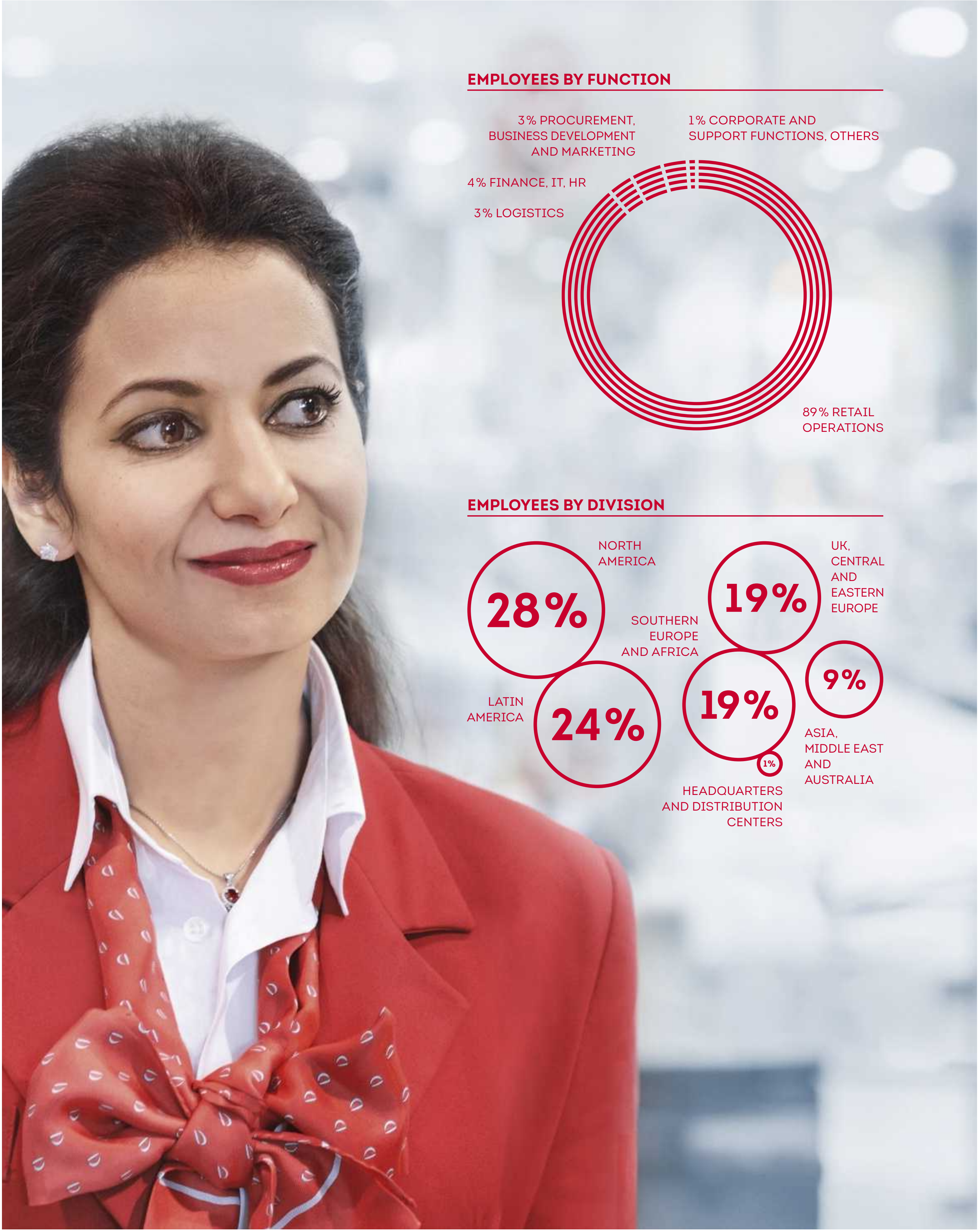
In terms of remuneration, we provide our employees with fair and competitive wages based on the individual's background and experience, the particular job within our organization, the appropriate market benchmark in the respective countries and locations, as well as her / his performance.

Dufry World – Our internal news magazine
Dufry regularly reports on important news in its corporate E-magazine "Dufry World", which is published in 5 languages. This ensures that important trends in our industry and developments of our Group are communicated to our staff members in full. Furthermore, the magazine also aims at providing news "from the people for the people" and covering all 5 divisions, to reflect the different cultures and promote the global reach of the company. The magazine is issued 4 times per year.

In addition, all internal and external information are also made available in Dufry's intranet "Dufry Gate", which can also be accessed via the "Dufry Cloud". The Dufry Cloud is an online platform which allows employees to connect remotely to the company's internal communication channels. The Cloud is continuously improved to maximize connectivity, thus improving employee's reachability around the world. In addition, the reach of the Dufry Gate will be further extended by the end of the second quarter 2016 by allowing direct access for group employees through any kind of mobile device by the use of adaptive design technology.

Recognizing outstanding performances – Our Awards programs
Dufry Group runs various global and regional recognition programs that award teams within the organization, who go the extra mile. The announcement of the winners of the awards usually takes place by mid-year and reflects the achievements of the previous year. In 2014, Dufry and Nuance were still recognizing employees achievements based on the two entities award systems, while in 2015 World Duty Free was using locally based recognition plans.

Going forward, the Dufry One Award system will be enhanced and extended to all the close to 29,000 employees, thus creating a unique award system based on identical criteria.



EMPLOYEES BY FUNCTION

EMPLOYEES BY DIVISION

The 2014 award winners have been announced in spring 2015 and published in the July 2015 issue of the corporate magazine Dufry World as well as in the Dufry Gate.

Dufry One Awards

1. The One Productivity Award – A global program recognizing year on year measurable improvement across sales, number of tickets, organic growth and average spend per ticket. The 2014 Awards went to:
   - Dufry Argentina – Ezeiza Airport, Arrivals, Argentina
   - Hudson News – San Francisco Airport, News Discover, USA
   - Hellenic Duty Free Shops – Evzonoi border shop, Greece

2. The One Customer Award – Open to all shops participating in the global Mystery Shopper program, recognizes individual shop performance across the specific customer impact segments of the Mystery Shop. The winners of the 2014 Awards were:
   - Teams of Dominican Republic and Puerto Rico operations
   - Hellenic Duty Free Shops – Kos Airport, Greece
   - Dufry Newark Airport, USA

Awards programs to recognize excellence in travel retail.

Nuance Star Awards

Star Awards recognize teams and individuals for outstanding service and excellent team work in the Nuance's former EMEA organization. In autumn 2014, the countries were asked to nominate candidates for the following categories: Service Stars, Team Stars and Proactivity Award.

1. Service Stars
   - 10 professionals selected for outstanding services in their roles. Their names were individually published in the internal corporate magazine.

2. Team Stars
   - Terminal 2 Team, Lisbon Airport, Portugal
   - Travel Star Team, Geneva Airport, Switzerland
   - Temptation T1 Team, Manchester Airport, UK

3. Proactivity Award
   - 4 professionals selected who proactively improved the shop floor experience (with names individually published in the internal corporate magazine) for:
   - Implementing anti-theft inventory check list at Stockholm-Arlanda Airport, Sweden
   - Introducing iPads to sell sunglasses at Zurich Airport, Switzerland
   - Launching the online rota system at Cardiff Airport (UK) allowing to plan staff allocation to shifts according to expected passenger flow

Employee engagement surveys

Measuring employee engagement and satisfaction through regular surveys is an important tool to recognize potential for improvements across the Group. With close to 29,000 employees, Dufry does its employee surveys systematically over defined cycles, always involving a substantial part of its employees across the world in each survey, and ensuring that over the timespan of the entire cycle, all employees have been involved in a survey. This system results in more frequent surveys, a better quality of the responses and a higher engagement rate (compared to doing surveys with the entire workforce on a yearly basis).

In 2015, Dufry carried out an employee survey which concentrated on areas like compensation and benefits, working environment, manager and co-worker relationships, learning and development, rewards, culture, job engagement and organizational engagement. More than 20 countries have completed the 2015 survey covering four different divisions. The overall response rate was 76 %, the engagement rate 60 %, which are excellent rates compared to the overall benchmark of the survey system we used.

For 2016, Dufry is organizing another global employee engagement survey, which is the same for all employees in every location. Running in several phases, the first one already started in September 2015 with the aim to be fully completed by May 2016. The survey will be 100 % confidential and will include over 13,000 employees. The results of the survey will be discussed at the level of the single operation as well as aggregated at divisional and at Group level and corrective measures will be initiated where necessary.

Health and safety at the work place

Health and safety at the work place is essential to ensure employee welfare. The majority of Dufry's workforce operates in airport and cruise-ship environments, where employees have to comply and follow the respective airport's, seaport's or vessel's safety regulations. Regular learning courses, among others in fire safety and first aid, are provided to our employees for the prevention and quick, correct reaction in cases of emergencies.

SOCIAL RESPONSIBILITY

Dufry remains strongly committed to social and cultural involvement and engages in many countries in which it operates through charitable sponsoring and partnerships. The main focus of our programs is on disadvantaged children, young people and their families. The Group also supports various cultural and sports events and contributes to charitable organizations to help victims of natural disasters. The most important non-profit organizations that we currently work with are:

SOS Children's Villages programs in Brazil, Cambodia, Mexico, Ivory Coast and Russia
Dufry initiated its successful partnership with the SOS Children's Villages organization back in 2009, when it started to sponsor a social center in Igarassu, Brazil. At that time, the Group funded the construction of the center and has continued to support its running costs and training classes ever since. In 2015, 520 infants, young children and teenagers with their mothers in 130 families profited from family strengthening programs with child-minding and day care centers.

In Cambodia, Dufry supports the running costs of the SOS Children's Villages youth facility in Battambang. When young people are ready to move out of the SOS families, they can join the SOS Youth Program, where they start vocational training or go on to higher education. Dufry's funding in 2015 supports ten adolescents on their way to shape their own future.

The SOS Children's Villages Family strengthening program in Tehuacan, Mexico, focuses on the work with families to enlarge the potential for a quality life inside their families or in groups. Mothers for example are given the opportunity to leave their children in the SOS child day care center during the day so that they can go to work and earn an income. The Dufry donations support the running costs of the social center in Tehuacan since 2013. In 2015, this program covered 570 beneficiaries in 150 families.

In the Ivory Coast (Abobo-Gare, Abidjan), we support a SOS Children's Villages Youth Facility project, by covering the running costs of this facility, which provides housing, education and support programs for vulnerable young people in the Abidjan area. The donations help to support 34 young people.

In 2015, we expanded our social engagement with SOS Children's Village with a new project in Lavrovo, Russia. Dufry provides community support to improve the quality of public schools and kindergartens by offering training to teachers and educators.

Disadvantaged children and their families benefit from our support.

Since 2013, Dufry runs an additional financing channel in favor of the worldwide work of SOS Children's Villages by installing coin collection boxes in many Dufry shops all over the world. This gives customers and business partners an opportunity to also participate in the various valuable support programs of this organization.

A twenty year project in Rio de Janeiro, Brazil
2015 marked the twenty year anniversary of Dufry Brazil's sponsorship of a social promotion program in Rio de Janeiro. This program offers free professional education to 30 young people every year. The program

1 SAINT MARC | HAITI
Participating in a student sponsorship program by the Hand in Hand for Haiti Foundation.

2 IGARASSU | BRAZIL
A SOS Children's Villages project supported by Dufry since 2009.

3 **TEHUACAN | MEXICO**
Supporting the SOS Children's Villages Family strengthening program.

can be attended by 16 to 18 year-old female or male teenagers and covers subjects, such as English, computer classes, retail operations, professional orientation, teamwork, leadership, ethics and citizenship modules. Students also receive free meals, medical and dental care, life insurance, uniforms, educational material and transportation assistance.

Dufry employees regularly participate in the program as volunteers, serving as mentors to these teenagers.

Hand in Hand for Haiti
Dufry became a sponsor in the Student Sponsorship Program launched by the Hand in Hand for Haiti Foundation and supported in 2015 an entire class of 25 students at the school complex in Saint Marc, north of Port-au-Prince, Haiti's capital. This donation enables the sponsored students to receive free trilingual education in French, English and Creole. It also provides them with meals, health services, uniforms and school supplies as well as bus transportation to and from school. In addition, after-school programs are organized daily for all children as well as day-camps during the Easter and summer breaks.

Street Child United
Since 2014, Dufry is also a main sponsor of Street Child United, a charity and global campaign for street children to receive protection, support and opportunities to realize their potential. Street Child United works to challenge the negative perceptions of street children by transforming the way they are treated. The charity does this by using the power of sports, arts and children's voices to deliver international sporting events for street children where they can powerfully demonstrate their potential and bring the challenges and injustices they face onto the global agenda.

Street Child United's international events take place ahead of the world's biggest sporting events such as FIFA World Cups or Olympic Games. Following the successful 2014 Street Child World Cup football event (also sponsored by Dufry), Street Child United will host the first-ever Street Child Games in March 2016, just ahead of the Olympic and Paralympic Games. Former street children from up to 18 countries will come together in Rio de Janeiro, Brazil, for a week of Olympic-themed sports, a festival of arts and a congress for street children's rights.

Major projects supported by World Duty Free

Since 2006, WDF has worked together with The One Foundation. This charity set up the bottled water brand "One Water" in 2005 to help people who do not have access to clean drinking water. All profits generated from the sale of this water are donated by the foundation to the construction of infrastructure to provide sub-Saharan African regions with drinking water. WDF sells the "One" brand water bottles and reusable jute bags in its UK stores and has thereby helped to raise funds for clean water and nutrition projects, and also financed other water projects in sub-Saharan countries.

The Rainbow Trust Children's Charity – committed to offering emotional and practical support to children with a life-threatening or terminal illness, and to their families. World Duty Free started to collaborate with the Rainbow Trust in 2013 and its employees across different WDF UK regions have organized several fundraising events such as half marathons, Santa and 10 kilometers dash runs or skydives since then to raise money in support of these children and their families. In 2015, charity activities included WDF employee participation at the London Marathon, quiz nights, sponsored walks, golf event, and participations on 10 kilometers urban courses in different UK cities. Since 2013, WDF has raised money for the Rainbow Trust Children's Charity for providing nearly 7,000 hours of support for families in crisis.

WDF also supports the Touchstone Family Association through its Vancouver operation since 2012. This association is a non-profit, community-based social service agency whose aim is to preserve and enhance family relationships which have been affected by times of financial crisis.

Further donations and cultural events

Dufry is involved in many other social projects with local activities in countries where it operates. In 2015, these included for example Dufry employees in Belgrade who worked together with volunteers of the Asylum Protection Center to hand out food and hygiene products to Syrian refugees. In Northern Greece, donations were made to several schools and municipalities to cover the fuel costs for the heating of school premises.

The operations in Greece also supported charities such as the Mitera Infant Center, Pentelis Convalescent Home, Agios Andreas Children's Home, Agia Varvara Children's Home, the Western and Eastern Attica Chronic Diseases Foundation or the Greek Red Cross refugees program just to name a few. It also collaborated with various local foundations, putting items they produce on sale in the Hellenic Duty Free shops. All revenues achieved from such sales go directly to the foundations involved, without Dufry making a profit on these transactions.

Duty Free Uruguay organized one of the most recognized golf tournaments in Uruguay, with over a thousand golf players participating, in aid of the Cimientos Foundation. Cimientos is an Argentinian NGO founded in 1997 with operations in Uruguay since 2011. Their goal is to enable more children to finish high school. Duty Free Shop Argentina also collaborates with Cimientos and another Argentinian NGO – Programa de Reciclado de la Fundación hospital de Pediatria Garrahan. The Garrahan Pediatrics Hospital Foundation gives social and emotional assistance to poor children being hospitalized at Garrahan Hospital.

The sponsorship of cultural events included many local community events for example in the US or in Greece as well as the Swiss Indoors tennis tournament in Basel or the Baloîse Session, a three week music festival in Switzerland.

The great number of shops we operate worldwide enables us to encourage many customers globally to participate in support activities for specific or local programs or for victims of natural disasters by maintaining donation boxes in our shops. The amounts that we are able to collect in this way are always surprising and we would like to express our deepest gratitude to our customers for having participated so generously. The donations have been greatly welcomed by the different charities that were supported.

STRONG PERFORMANCE IN A HISTORIC YEAR
DEAR ALL

2015 was an eventful year: it started with the integration of Nuance, which we acquired in 2014, and continued with the acquisition of World Duty Free (WDF), which we announced in March 2015. The complexities of the integration of Nuance and the WDF transaction didn't take our focus from the day-to-day activities of our business, which required ongoing fine tuning: there was a volatile environment for a number of emerging markets, and events like the Swiss National Bank abandoning the floor against the Euro in January 2015, and resulting in an appreciation of the Swiss Franc by 19%, also required attention. In this context, Dufry achieved solid operational and financial performance: Turnover increased by 46.3% and reached CHF 6,139.3 million and EBITDA amounted to CHF 723.8 million, with EBITDA margin reaching 11.8%. Also in 2015, we continued to generate free cash flow, which before acquisitions related cash outflows increased to CHF 338.4 million.

Our primary focus in 2015 was the integration of Nuance and we were able to conclude the process by year-end as planned. The expected synergies of CHF 70 million are confirmed for 2016, of which CHF 34 million are already reflected in the results of 2015.

In March 2015, Dufry announced what would be the biggest transaction in the history of the Group: the acquisition of World Duty Free (WDF) for an enterprise value of EUR 3.6 billion. The transaction was structured in two steps with the first being the acquisition of the 50.1% stake from Edizione S.p.A. in August 2015, following clearance of anti-trust authorities in several countries. The second step was the execution of a Mandatory Tender Offer according to Italian law, which we concluded in November, 2015, resulting in the delisting of WDF and a 100% Dufry ownership of the business.

The acquisition of World Duty Free, one of our key competitors with a reported turnover of EUR 2,440 million and EBITDA of EUR 261 million for FY 2014, is transformational in many aspects. From an efficiency point of view, we have identified EUR 100 million as potential synergies, stemming from gross margin improvements and cost savings. Strategically, the acquisition is even more important, as it reinforces our global leadership in airport retail with 24% market share.

> The World Duty Free acquisition reinforces Dufry's leadership in travel retail.

Dufry financed the WDF transaction through a combination of equity and debt, in line with our long-term financing strategy. In June 2015, we performed a capital increase of CHF 2.2 billion. On the debt side, we structured a new bank facility of EUR 800 million and issued EUR 700 million Senior Notes.

The combination of Dufry, Nuance and World Duty Free is expected to generate a total of CHF 175 million of synergies, which will substantially increase our efficiency and generate value for our shareholder going forward. Dufry's resilient and strong cash generation capability will allow us to reduce debt levels quickly over the next 18 – 24 months to our target leverage level of 2 – 3x Net Debt / EBITDA.

On the operations side, 2015 was a mixed year. Emerging markets showed a wide range of performances, many of them influenced by strong volatility in the currency markets and also negatively impacted in certain locations by political events. On the other hand developed markets showed in general solid trends, namely the United States and Europe. A common factor across regions was the continuous passenger growth, which reached 6% in the year and is expected to continue in a similar trend in 2016.

STRONG TURNOVER GROWTH OF 46.3% IN 2015

Turnover grew by 46.3% and reached CHF 6,139.3 million in 2015, from CHF 4,196.6 million one year earlier. Organic growth was – 5.3%, a result of like-for-like growth of – 5.6% and a contribution of (net) new concessions of 0.3%. Organic growth for the year was significantly impacted by the volatility in emerging market currencies, which reduced the purchasing power of certain emerging market consumers, most notably Brazilians and Russians. Organic growth excluding these two customer groups was 4.0%, thus underlining the positive performance of the vast majority of our business. Changes in scope, which includes the consolidation of Nuance and WDF added 51.8%, to the turnover growth, while the FX translation impact was –0.2%, as a result of opposing factors: the Swiss Franc appreciation versus the Euro in January 2015; and the appreciation of the US Dollar in the period.

Turnover in **Region EMEA & Asia** reached CHF 1,010.8 million in 2015, from CHF 1,194.5 million in 2014. In constant exchange rates (CER), growth was –8.1%.

Europe performed positively in general. In locations where Russians are a relevant customer base, the negative impact of the Russian Ruble was felt, most notably in Russia, and to a lesser extent in Greece. On the other hand, refurbishments implemented at Milan Malpensa and Bergamo airports drove growth in Italy, as did the revamp of our Extra-Schengen retail space at Athens airport. Other operations such as France and Czech Republic also showed good results.

Performance continued to be weak in Africa, affected by the instability especially in Northern Africa, which has directed tourist flows to nearby destinations like Greece and Spain. In Middle East and Asia, growth was seen in most of the operations, benefiting from the structurally higher passenger growth in the region. Highlights were our operations in Cambodia, Indonesia and South Korea, among others.

Region America I's turnover grew by 6.0% to CHF 808.4 million in 2015, versus CHF 763.0 million in the previous year. In CER, turnover grew by 0.8% in the period. Performance was positive in Central America, both in the Caribbean and in Mexico. In South America, our operations held up well, considering the currency volatility seen in the year, which impacts purchasing power of local consumers.

Turnover in **Region America II** went to CHF 487.8 million in 2015, against CHF 683.3 million in 2014. Turnover measured in CER declined by –32.1%, directly reflecting the devaluation of the Brazilian Real against the US Dollar of 42% for the year. In the second half of 2015, the weakening of the local currency even reached 53%. Because the region's most important consumers are Brazilians, the devaluation of the Brazilian Real reduces their purchasing. When measured in local currencies, sales in the region declined by –5%.

Region United States & Canada's turnover grew by 8.3% in 2015 (3.6% in CER) and reached CHF 1,043.2 million compared to CHF 963.1 million in 2014. Hudson continues to post sustained growth, both from a like-for-like and new concessions perspective. Other formats like duty-free shops and brand boutiques have increasing importance in the region.

Nuance's turnover reached CHF 1,337.9 million from a four months consolidated turnover of CHF 536.6 million in 2014. Most operations performed well resulting in a slightly positive pro-forma organic growth, when excluding the lower number and reduced spending of Russians, which particularly impacted Turkey and Russia.

Turnover in **World Duty Free** was CHF 1,410.0 million, from August to December of 2015. On a pro-forma basis, organic growth in the period reached 9.6%. While performance in the UK was flat due to the strengthening of the British Pound, Spain posted strong growth through a strong passenger increase including higher inflow of tourists going to other destinations in previous years, such as Tunisia or Egypt.

CONSOLIDATION OF NUANCE AND WDF INFLUENCES COST STRUCTURE

Gross profit

Gross profit reached CHF 3,574.7 million in 2015 (2014: CHF 2,463.6 million, representing a growth of 45.1%. Gross margin moved to 58.2% from 58.7% in 2014, due to the consolidation of Nuance and World Duty Free.

Selling expenses

Selling expenses reached CHF 1,684.0 million in 2015, (2014: CHF 1,023.3 million). As a percentage of turnover, in 2015 they went to 27.4%, from 24.4% in 2014. The change is due to the consolidation of Nuance and WDF.

Personnel and general expenses

Personnel expenses as a percentage of turnover reached 13.9%, 60 basis points lower versus 2014. General expenses also saw a reduction as a percentage of turnover, declining by 100 basis points to 5.1%. For both lines the improvement is a consequence of the consolidation of Nuance and WDF.

EBITDA

EBITDA reached CHF 723.8 million, 25.6% higher versus the CHF 576.5 million reported in 2014. The EBITDA margin was 11.8% in 2015, compared to 13.7% in 2014. In 2015, a first tranche of around CHF 34 million of Nuance synergies were already included in the results.

CONSOLIDATED INCOME STATEMENT

	2015		2014	
	IN MILLIONS OF CHF	IN %	IN MILLIONS OF CHF	IN %
CONTINUING OPERATIONS				
Net sales	5,961.7		4,063.1	
Advertising income	177.6		133.5	
Turnover	**6,139.3**	**100.0 %**	**4,196.6**	**100.0 %**
Cost of sales	(2,564.6)	41.8 %	(1,733.0)	41.3 %
Gross profit	**3,574.7**	**58.2 %**	**2,463.6**	**58.7 %**
Selling expenses	(1,684.0)	27.4 %	(1,023.3)	24.4 %
Personnel expenses	(856.2)	13.9 %	(609.7)	14.5 %
General expenses	(314.7)	5.1 %	(256.4)	6.1 %
Share of result of associates	4.0	(0.1 %)	2.3	(0.1 %)
EBITDA [1]	**723.8**	**11.8 %**	**576.5**	**13.7 %**
Depreciation, amortization and impairment	(444.8)	7.2 %	(248.9)	5.9 %
Linearization	(29.2)	0.5 %	–	0.0 %
Other operational result	(117.1)	1.9 %	(61.1)	1.5 %
Earnings before interest and taxes (EBIT)	**132.7**	**2.2 %**	**266.5**	**6.4 %**
Interest expenses	(200.7)	3.3 %	(154.1)	3.7 %
Interest income	16.0	(0.3 %)	5.7	(0.1 %)
Foreign exchange gain / (loss)	5.2	(0.1 %)	(11.1)	0.3 %
Earnings before taxes (EBT)	**(46.8)**	**(0.8 %)**	**107.0**	**2.5 %**
Income tax	10.1	(0.2 %)	(20.4)	0.5 %
Net earnings from continuing operations	**(36.7)**	**(0.6 %)**	**86.6**	**2.1 %**
DISCONTINUED OPERATIONS				
Net earnings from discontinued operations	(0.2)	0.0 %	(0.8)	0.0 %
Net earnings	**(36.9)**	**(0.6 %)**	**85.8**	**2.0 %**
ATTRIBUTABLE TO				
Equity holders of the parent	(79.3)		51.6	
Non-controlling interests	42.4		34.2	
Net earnings to equity holders adjusted for amortization in respect of acquisitions	**182.8**		**174.4**	
Basic earnings per share from continuing operations	(1.73)		1.57	
Cash earnings per share [2]	3.99		5.24	
Weighted average number of outstanding shares in thousands	45,810		33,307	

[1] EBITDA is earnings before interest, taxes, depreciation, amortization, linearization and other operational result

[2] Adjusted for amortization in respect of acquisitions

Depreciation, amortization, impairment and linearization
Depreciation as a percentage of turnover, remained nearly stable at 2.2% compared to 2.1% in 2014. In absolute terms it reached CHF 135.8 million in 2015 from CHF 88.2 million in the previous year. Amortization was CHF 148.3 million higher when compared to 2014 and reached CHF 309.0 million in 2015, as a result of the additional amortization generated by the acquisitions of Nuance and WDF.

Linearization amounted to CHF – 29.2 million in 2015. Linearization is a non-cash item related to the Spanish business. It originates by the difference between the average minimum guarantee (MAG) over the full concession period and the MAG payable in the period. This item also includes the reduction in concession payments granted based on an upfront payment (prepaid lease) related to some Spanish contracts.

EBIT
EBIT stood at CHF 132.7 million in 2015 from CHF 266.5 million in the last year. Other operational result (net) reached CHF –117.1 million, of which CHF –77.4 million are due to one off restructuring costs of Nuance and transaction costs related to the WDF acquisition.

Financial result
Net financial results increased by CHF 20 million and reached CHF 179.5 million in 2015 from CHF 159.5 million in 2014. The increase is a result of the higher net debt level related to the acquisition of WDF, as well as transaction costs also related to the acquisition of CHF 31.9 million.

Taxes
Income taxes was positive by CHF 10.1 million in 2015, versus an expense of CHF 20.4 million one year before.

Net earnings
Net earnings reached CHF – 36.9 million in 2015. Excluding transaction and restructuring costs related to the acquisitions of Nuance and WDF, net earnings reached CHF 72.4 million. Reported Cash EPS in 2015 stood at CHF 3.99. When excluding the beforehand mentioned one-offs, Cash EPS reached 6.38, compared to CHF 6.60 in 2014 (also excluding one-offs).

SOLID FINANCIAL STRUCTURE

Cash flow and debt
Net cash flow from operating activities reached CHF 414.8 million in 2015, from CHF 391.5 million in 2014. In 2015, CAPEX was CHF 164.6 million compared to CHF 197.6 million in 2014. As a result, free cash flow reached CHF 250.2 million, 29.0% higher than in 2014. Before acquisition related cash outflows of the Nuance and WDF acquisition, free cash flow was CHF 338.4 million.

Net debt was CHF 3,957.9 million in December 2015 (2014: CHF 2,354.4 million). Our main covenant, Net Debt / adjusted EBITDA was 3.92x at year-end 2015.

Dufry's share price started the year 2015 at CHF 149.20 and fluctuated between a high of CHF 151.30 and a low of CHF 111.00. At year-end it closed at CHF 120.00 resulting in a market capitalization of CHF 6.5 billion.

2016, FOCUS ON THE INTEGRATION OF WDF AND DELEVERAGING

By having completed the integration of Nuance in our organization, we now expect to see the full impact of the CHF 70 million synergies in 2016. Our focus for this year will be the integration of WDF. After doing a detailed analysis, the action plans to be deployed by the integration teams are now ready and we expect the integration to be concluded by mid-2017.

As after other acquisitions, deleveraging is a priority for us. Apart from the integration and the related synergies, we will be monitoring costs, net working capital and investments closely to drive cash generation.

From a macro-economic perspective, 2016 started in a similar fashion as the previous year and we expect the volatility of the financial markets to continue – even if at a reduced level. We are ready to face the challenges of managing the business with regional differences, while benefitting from a geographically well balanced concession portfolio, where the exposure to single concessions was drastically reduced.

After a strong support during 2015, we thank our share and bondholders, banks, analysts and key advisors for their confidence and contribution for the building of a much stronger company, the new Dufry.

Kind regards,

Andreas Schneiter

DUFRY

Financial Statements 2015

FINANCIAL STATEMENTS 2015
CONTENT

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2015

IN MILLIONS OF CHF	NOTE	2015	RESTATED* 2014
CONTINUING OPERATIONS			
Net sales	7	5,961.7	4,063.1
Advertising income		177.6	133.5
Turnover		**6,139.3**	**4,196.6**
Cost of sales		(2,564.6)	(1,733.0)
Gross profit		**3,574.7**	**2,463.6**
Selling expenses	8	(1,684.0)	(1,023.3)
Personnel expenses	9	(856.2)	(609.7)
General expenses	10	(314.7)	(256.4)
Share of result of associates	11	4.0	2.3
EBITDA[1]		**723.8**	**576.5**
Depreciation, amortization and impairment	12	(444.8)	(248.9)
Linearization	13	(29.2)	–
Other operational result	13	(117.1)	(61.1)
Earnings before interest and taxes (EBIT)		**132.7**	**266.5**
Interest expenses	14	(200.7)	(154.1)
Interest income	14	16.0	5.7
Foreign exchange gain / (loss)		5.2	(11.1)
Earnings before taxes (EBT)		**(46.8)**	**107.0**
Income tax	15	10.1	(20.4)
Net earnings from continuing operations		**(36.7)**	**86.6**
DISCONTINUED OPERATIONS			
Net earnings from discontinued operations		(0.2)	(0.8)
Net earnings		**(36.9)**	**85.8**
ATTRIBUTABLE TO			
Equity holders of the parent		(79.3)	51.6
Non-controlling interests		42.4	34.2
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Basic earnings per share	16	(1.73)	1.55
Diluted earnings per share	16	(1.73)	1.50
Weighted average number of outstanding shares in thousands	16	45,810	33,307
EARNINGS PER SHARE FOR CONTINUING OPERATIONS			
Basic earnings per share attributable to equity holders of the parent	16	(1.73)	1.57
Diluted earnings per share attributable to equity holders of the parent	16	(1.73)	1.53

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

[1] EBITDA is earnings before interest, taxes, depreciation, amortization, linearization and other operational result

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2015

IN MILLIONS OF CHF	NOTE	2015	RESTATED* 2014
Net earnings		**(36.9)**	**85.8**
OTHER COMPREHENSIVE INCOME			
Actuarial gains / (losses) on post-employment benefits	17	12.8	(37.9)
Income tax	15, 17	(1.2)	4.5
Items not being reclassified to net income in subsequent periods, net of tax		**11.6**	**(33.4)**
Exchange differences on translating foreign operations	17	(83.7)	223.9
Net gain / (loss) on hedge of net investment in foreign operations	17	2.2	(102.4)
Changes in the fair value of interest rate swaps held as cash flow hedges	17	1.0	–
Income tax on above positions	15, 17	(0.3)	3.2
Items to be reclassified to net income in subsequent periods, net of tax		**(80.8)**	**124.7**
Total other comprehensive income, net of tax		**(69.2)**	**91.3**
Total comprehensive income, net of tax		**(106.1)**	**177.1**
ATTRIBUTABLE TO			
Equity holders of the parent		(140.6)	130.7
Non-controlling interests		34.5	46.4
Total comprehensive income attributable to equity holders of the parent		**(140.6)**	**130.7**
ATTRIBUTABLE TO			
Continuing operations		(140.3)	131.5
Discontinued operations		(0.3)	(0.8)

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2015

IN MILLIONS OF CHF	NOTE	31.12.2015	RESTATED* 31.12.2014
ASSETS			
Property, plant and equipment	18	604.6	435.4
Intangible assets	20	7,308.2	4,733.2
Investments in associates	11	41.4	72.9
Deferred tax assets	22	203.9	195.9
Other non-current assets	23	347.4	106.6
Non-current assets		**8,505.5**	**5,544.0**
Inventories	24	907.3	741.2
Trade and credit card receivables	25	132.8	118.7
Other accounts receivable	26	336.0	227.2
Income tax receivables		27.8	11.0
Financial instruments at fair value through profit and loss	38.5.3	17.7	–
Cash and cash equivalents		432.5	513.0
Current assets		**1,854.1**	**1,611.1**
Assets of discontinued operations held for sale	40	–	1.8
Total assets		**10,359.6**	**7,156.9**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the parent	27	3,149.1	2,293.6
Non-controlling interests	29, 30	183.6	159.5
Total equity		**3,332.7**	**2,453.1**
Financial debt	31	4,313.1	2,821.8
Deferred tax liabilities	22	693.1	419.1
Provisions	32	183.9	109.2
Post-employment benefit obligations	33	55.3	37.7
Other non-current liabilities	34	64.9	3.3
Non-current liabilities		**5,310.3**	**3,391.1**
Trade payables		546.8	418.3
Financial debt	31	77.3	45.6
Income tax payables		44.1	33.8
Provisions	32	153.7	54.8
Other liabilities	34	894.7	760.2
Current liabilities		**1,716.6**	**1,312.7**
Total liabilities		**7,026.9**	**4,703.8**
Total liabilities and shareholders' equity		**10,359.6**	**7,156.9**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2015

2015 IN MILLIONS OF CHF	NOTE	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT										
		Share capital	Share premium	Treasury shares	Capital reserve for mandatory convertible notes	Employee benefit reserve	Hedging & revaluation reserves	Translation reserves	Retained earnings	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Restated* Balance at January 1		**179.5**	**1,964.7**	**(14.3)**	**262.8**	**(32.9)**	**–**	**(112.2)**	**46.0**	**2,293.6**	**159.5**	**2,453.1**
Net earnings / (loss)		–	–	–	–	–	–	–	(79.3)	(79.3)	42.4	(36.9)
Other comprehensive income / (loss)	17	–	–	–	–	11.6	0.7	(73.6)	–	(61.3)	(7.9)	(69.2)
Total comprehensive income / (loss) for the period		**–**	**–**	**–**	**–**	**11.6**	**0.7**	**(73.6)**	**(79.3)**	**(140.6)**	**34.5**	**(106.1)**
TRANSACTIONS WITH OR DISTRIBUTIONS TO SHAREHOLDERS:												
Dividends to non-controlling interests		–	–	–	–	–	–	–	–	–	(43.3)	(43.3)
Rights issue	27	80.8	2,119.2	–	–	–	–	–	–	2,200.0	–	2,200.0
Conversion of mandatory convertible notes	27	9.1	253.7	–	(262.8)	–	–	–	–	–	–	–
Transactions costs for equity instruments	27	–	(78.3)	–	–	–	–	–	–	(78.3)	–	(78.3)
Share-based payment	28	–	–	–	–	–	–	–	2.8	2.8	–	2.8
Tax effect on equity transactions	15	–	–	–	–	–	–	–	(0.2)	(0.2)	–	(0.2)
Total transactions with or distributions to owners		**89.9**	**2,294.6**	**–**	**(262.8)**	**–**	**–**	**–**	**2.6**	**2,124.3**	**(43.3)**	**2,081.0**
CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES:												
Changes in participation of non-controlling interests	6.3, 29	–	–	–	–	–	–	–	(1,128.2)	(1,128.2)	32.9	(1,095.3)
Balance at December 31		**269.4**	**4,259.3**	**(14.3)**	**–**	**(21.3)**	**0.7**	**(185.8)**	**(1,158.9)**	**3,149.1**	**183.6**	**3,332.7**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2015

2014 IN MILLIONS OF CHF	NOTE	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT										
		Share capital	Share premium	Treasury shares	Capital reserve for mandatory convertible notes	Employee benefit reserve	Hedging & revaluation reserves	Translation reserves	Retained earnings	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Balance at January 1		**154.5**	**1,207.0**	**(18.1)**	**–**	**0.3**	**–**	**(224.5)**	**18.3**	**1,137.5**	**129.9**	**1,267.4**
Restated* net earnings / (loss)	6.4	–	–	–	–	–	–	–	51.6	51.6	34.2	85.8
Other comprehensive income / (loss)	17	–	–	–	–	(33.2)	–	112.3	–	79.1	12.2	91.3
Total comprehensive income for the period		**–**	**–**	**–**	**–**	**(33.2)**	**–**	**112.3**	**51.6**	**130.7**	**46.4**	**177.1**
TRANSACTIONS WITH OR DISTRIBUTIONS TO SHAREHOLDERS:												
Dividends to non-controlling interests		–	–	–	–	–	–	–	–	–	(39.5)	(39.5)
Issuance of equity instruments	27	25.0	785.0	–	269.6	–	–	–	–	1,079.6	–	1,079.6
Transaction costs for equity instruments	27	–	(27.3)	–	(6.8)	–	–	–	–	(34.1)	–	(34.1)
Net purchase of treasury shares	28.2	–	–	(13.8)	–		–			(13.8)	–	(13.8)
Assignment of treasury shares	28.2	–	–	17.6	–	–	–	–	(17.6)	–	–	–
Share-based payment	28	–	–	–	–	–	–	–	2.4	2.4	–	2.4
Tax effect on equity transactions	15	–	–	–	–	–	–	–	0.1	0.1	–	0.1
Total transactions with or distributions to owners		**25.0**	**757.7**	**3.8**	**262.8**	**–**	**–**	**–**	**(15.1)**	**1,034.2**	**(39.5)**	**994.7**
CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES:												
Changes in participation of non-controlling interests		–	–	–	–	–	–	–	(8.8)	(8.8)	22.7	13.9
Restated* Balance at December 31		**179.5**	**1,964.7**	**(14.3)**	**262.8**	**(32.9)**	**–**	**(112.2)**	**46.0**	**2,293.6**	**159.5**	**2,453.1**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

IN MILLIONS OF CHF	NOTE	2015	RESTATED* 2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Earnings before taxes (EBT)		(46.8)	107.0
Net earnings from discontinued operations	40	(0.2)	(0.8)
Total earnings before taxes (EBT)		**(47.0)**	**106.2**
ADJUSTMENTS FOR			
Depreciation, amortization and impairment	12	444.8	248.9
Loss / (gain) on sale of non-current assets		0.9	(0.9)
Increase / (decrease) in allowances and provisions		53.1	(16.0)
Loss / (gain) on unrealized foreign exchange differences		1.5	9.1
Other non-cash items		14.3	2.4
Share of result of associates	11	(4.0)	(2.3)
Interest expense	14	200.7	154.1
Interest income	14	(16.0)	(5.7)
Cash flow before working capital changes		**648.3**	**495.8**
Decrease / (increase) in trade and other accounts receivable		63.5	(32.0)
Decrease / (increase) in inventories	24	15.3	36.0
Increase / (decrease) in trade and other accounts payable		(221.9)	(43.5)
Dividends received from associates	11	4.8	0.4
Cash generated from operations		**510.0**	**456.7**
Income taxes paid		(95.2)	(65.2)
Net cash flows from operating activities		**414.8**	**391.5**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	18, 19	(134.8)	(143.7)
Purchase of intangible assets	20, 21	(179.7)	(57.0)
Purchase of financial assets		(11.7)	–
Proceeds from sale of property, plant and equipment		4.9	3.1
Interest received		11.4	4.9
Business combinations, net of cash	6	(1,366.7)	(1,124.6)
Proceeds from sale of interests in subsidiaries and associates	11	28.6	0.2
Net cash flows used in investing activities		**(1,648.0)**	**(1,317.1)**

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2015

IN MILLIONS OF CHF	NOTE	2015	RESTATED* 2014
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of new shares	27	2,200.0	810.0
Proceeds from mandatory convertible notes	27	–	275.0
Transaction costs for issuance of financial instruments		(110.8)	(75.9)
Proceeds from bank loans	31	824.0	1,570.8
Proceeds from issuance of notes	31	734.6	606.8
Repayment of bank loans and senior notes	31	(981.9)	(1,821.7)
Repayment of 3rd party loans	31	(5.1)	(5.7)
Dividends paid to non-controlling interest	29	(43.3)	(39.5)
Net purchase of treasury shares	28	–	(13.8)
Net contributions from / (purchase of) non-controlling interests		(1,413.3)	31.1
Interest paid		(135.2)	(107.8)
Net cash flows (used in) / from financing activities		**1,069.0**	**1,229.3**
Currency translation on cash		83.7	(37.1)
(Decrease) / increase in cash and cash equivalents		**(80.5)**	**266.6**
CASH AND CASH EQUIVALENTS AT THE			
– beginning of the period		513.0	246.4
– end of the period		432.5	513.0

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2015

1. CORPORATE INFORMATION

Dufry AG (the Company) is a publicly listed company with headquarters in Basel, Switzerland. The Company is the world's leading travel retail company. It operates around 2,200 shops worldwide. The shares of the Company are listed on the Swiss Stock Exchange (SIX) in Zurich and its Brazilian Depository receipts on the BM&FBOVESPA in São Paulo.

The consolidated financial statements of Dufry AG and its subsidiaries (Dufry or the group) for the year ended December 31, 2015 were authorized for public disclosure in accordance with a resolution of the Board of Directors of the Company dated March 8, 2016, and are subject to the approval of the Annual General meeting to be held on April 28, 2016.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The consolidated financial statements of Dufry AG and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS).

Dufry AG's consolidated financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The carrying values of recognized assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at amortized cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged.

The consolidated financial statements are presented in millions of Swiss Francs (CHF) and all values are rounded to the nearest one hundred thousand, except when otherwise indicated.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of Dufry AG and entities controlled by Dufry (its subsidiaries) as at December 31, 2015 and the respective comparative information. Certain comparative figures were restated due to the revision of the values of the purchase price analysis of the Nuance Group (see notes 6.5 and 39).

Subsidiaries are fully consolidated from the date of acquisition, being the date on which Dufry obtains control, and continue to be consolidated until the date when such control is lost. The group controls an entity when Dufry is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra group balances, transactions, unrealized gains and losses resulting from intragroup transactions and dividends are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the group loses control over a subsidiary, it

- derecognizes the assets (including goodwill) and liabilities of the subsidiary, derecognizes the carrying amount of any non-controlling interest as well as derecognizes the cumulative translation differences recorded in equity
- recognizes the fair value of the consideration received, recognizes the fair value of any investment retained as well as recognizes any surplus or deficit in the consolidated income statement and
- reclassifies the parent's share of components previously recognized in other comprehensive income to the consolidated income statement or retained earnings, as appropriate.

For the accounting treatment of associated companies see 2.3 p).

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, Dufry selects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related transaction costs are expensed and included in other operational result. When Dufry acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with the changes in contingent considerations recognized in the income statement.

Dufry measures goodwill at the acquisition date as:

- The fair value of the consideration transferred;
- plus the recognized amount of any non-controlling interests in the acquiree;
- plus if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree;
- less the net recognized amount of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in the consolidated income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units that are expected to benefit from the combination.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained, unless there are specific allocations.

b) Turnover
Sales are measured at the fair value of the consideration received, excluding sales taxes or duties. Retail sales are settled in cash or by credit card, whereas advertising income is recognized when the services have been rendered.

c) Cost of sales
Cost of sales are recognized when the company sells a product and comprise the purchase price and the cost incurred until the product arrives at the warehouse, i.e. import duties, transport, inventory valuation adjustments and inventory differences.

d) Foreign currency translation
The consolidated financial statements are expressed in millions of Swiss francs (CHF). Each company in the group uses its corresponding functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency using the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are re-measured to their fair value in the functional currency using the exchange rate at the reporting date and recorded as unrealized foreign exchange gains / losses. Exchange differences arising on the settlement or on the translation of derivative financial instruments are recognized through the consolidated income statement, except where the hedges on net investments allow the recognition in other comprehensive income, until the respective investments are disposed of. Any related deferred tax is also accounted through other comprehensive income. Non-monetary items are measured at historical cost in the respective functional currency.

At the reporting date, the assets and liabilities of all subsidiaries reporting in foreign currency are translated into the presentation currency of Dufry (CHF) using the exchange rate at the reporting date. The income statements of the subsidiaries are translated using the average exchange rates of the respective month in which the transactions occurred. The net translation differences are recognized in other comprehensive income. On disposal of a foreign entity or when control is lost, the deferred cumulative translation difference recognized within equity relating to that particular operation is recognized in the consolidated income statement as gain or loss on sale of subsidiaries.

Intangible assets and fair value adjustments identified during a business combination (purchase price allocation) are treated as assets and liabilities in the functional currency of such operation.

Principal foreign exchange rates applied for valuation and translation:

	AVERAGE RATE		CLOSING RATE		RATES AT ACQUISITION DATE	
IN CHF	2015	2014	31.12.2015	31.12.2014	07.08.2015	09.09.2014
1 USD	0.9625	0.9155	0.9997	0.9939	0.9822	0.9342
1 EUR	1.0680	1.2144	1.0863	1.2027	1.0766	1.2067
1 GBP	1.4707	1.5068	1.4730	1.5484	1.5202	

e) Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the group are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in the consolidated income statement on the purchase, sale, issue or cancellation of the Company's own equity instruments.

f) Share capital
Ordinary shares are classified as equity. Mandatory convertible notes are classified as compound financial instruments (see 2.3 g) below.

Costs directly attributable to the issuance of shares or options are shown in the statement of changes in equity as transaction costs for equity instruments, net of tax.

When any subsidiary purchases Dufry shares (treasury shares), the consideration paid, including any directly attributable expenses, net of income taxes, is deducted from equity until the shares are cancelled, assigned or sold. Where such ordinary shares are subsequently sold, any consideration received, net of any direct transaction expenses and income tax, is included in equity.

g) Compound financial instruments
Compound financial instruments issued by Dufry comprise convertible notes that can be converted to share capital. The number of shares to be issued is dependent on the changes in their fair value.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component and is represented in equity for the date of inception. The directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured except on conversion or expiry.

The liability component is classified as current liabilities unless Dufry has an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

h) Linearization
In cases where fees for the concession are based on fix or determinable amounts of money, the expenses paid are treated as operational lease. For these operational leases when the amounts are increasing or decreasing over the time Dufry accrues the difference between the amount paid and the respective straight-line expenses for the period calculated over the overall duration of the contract, as linearization. In addition, this line item includes the reduction in concession payments granted based on an upfront payment (see prepaid lease in note 26) done at the inception of two Spanish contracts (Madrid and Barcelona as main airports), acquired as part of the World Duty Free acquisition (see note 6.1).

i) Pension and other post-employment benefit obligations
The employees of the subsidiaries are eligible for retirement, invalidity and death benefits under local social security schemes prevailing in the countries concerned and defined benefit or defined contribution plans provided through separate funds, insurance plans, or unfunded arrangements. The pension plans are either funded through regular contributions made by the employer or the employee or unfunded.

The cost of providing benefits under defined benefit plans is determined using the projected unit credit method.

Re-measurements, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest), are recognized in the statement of financial position with a corresponding debit or credit to other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognized in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- the date that Dufry recognizes restructuring related costs

Net interest is calculated by applying the discount rate to the net defined benefit obligation (asset). Dufry recognizes the following changes in the net defined benefit obligation in the income statement:
- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements under "personnel expenses"
- Net interest expense or income under "interest expenses or income"

j) Share-based payments
Equity settled share based payments to employees and other third parties providing services are measured at the fair value of the equity instruments at grant date. The fair value determined at grant date of the equity-settled share-based payments is expensed on a pro rata basis over the vesting period, based on the estimated number of equity instruments that will eventually vest. At the end of each reporting period, Dufry revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the income statement such that the cumulative expense reflects the revised estimate.

Where the terms of an equity settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification, which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the holder of the option as measured at the date of modification.

k) Taxation
Income tax expense represents the sum of the current income tax and deferred tax.

Income tax positions not relating to items recognized in the income statement, are recognized in correlation to the underlying transaction either in other comprehensive income or equity.

Current income tax
Income tax receivables or payables are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the reporting date in the countries where Dufry operates and generates taxable income.

Income tax relating to items recognized in other comprehensive income is recognized in the same statement.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax basis of assets or liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:
- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits or tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date applicable for each respective company.

l) Property, plant and equipment
These are stated at cost less accumulated depreciation and any impairment in fair value. Depreciation is computed on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term. The useful lives applied are as follows:
- Real estate (buildings) 20 to 40 years
- Leasehold improvements the shorter of 10 years
- Furniture and fixtures the shorter of 5 years
- Motor vehicles the shorter of 5 years
- Computer hardware the shorter of 5 years

m) Intangible assets
These assets mainly comprise of concession rights and brands. Dufry considers that these assets have indefinite useful live, when concession rights are granted by one of the non-controlling interests holder of the company, or for brands when the company considers to use the brand for the foreseeable future. Intangible assets acquired separately are capitalized at cost and those from a business acquisition are capitalized at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to intangible assets. The useful lives of these intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life. Intangible assets with an indefinite useful life are reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, any changes are made on a prospective basis.

n) Impairment of non-financial assets
Intangible assets with indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation and amortization are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of an asset or cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash generating units).

o) Non-current assets held for sale or for distribution to equity holders of the parent and discontinued operations
Dufry classifies investments as held for sale or for distribution to equity holders of the parent if their carrying amounts will be recovered principally through a sale or distribution rather than through continuing use. Dufry measures these at the lower of their carrying amount or fair value less costs to sell or to distribute.

Assets and liabilities classified as held for sale or for distribution are presented separately in the statement of financial position.

A disposal group qualifies as discontinued operation if it is:
- A major line of business or major geographical area;
- part of a single coordinated plan for disposal; or
- a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as net earnings after tax from discontinued operations in the consolidated statement of income.

Additional disclosures are provided in note 40. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

p) Associates
Associates are all entities over which Dufry has significant influence but not control, generally accompanying a shareholding of more than 20 % of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost. The carrying amount is increased or decreased to recognize the investor's share of the net earnings of the investee after the date of acquisition and decreased by dividends declared. Dufry's investment in associates includes goodwill identified on acquisition.

Dufry's share of post-acquisition net earnings is recognized in the income statement, and its share of post-acquisition movements in other comprehensive income is recognized in the statement of comprehensive income with a corresponding adjustment to the carrying amount of the investment. When Dufry's share of losses in an associate equals or exceeds its interest in the associate, Dufry does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to net earnings where appropriate.

Dufry determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, Dufry calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to share of result of associates in the income statement.

Profits and losses resulting from upstream and downstream transactions between Dufry and its associate are recognized in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by Dufry.

Dilution gains and losses arising in investments in associates are recognized in the income statement.

q) Inventories

Inventories are valued at the lower of historical cost or net realizable value. The historical costs are determined using the FIFO method. Historical cost includes all expenses incurred in bringing the inventories to their present location and condition. This includes mainly import duties and transport cost. Purchase discounts and rebates are deducted in determining the cost of inventories. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Inventory allowances are set up in the case of slow-moving and obsolete stock. Expired items are fully written off.

r) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand or current bank accounts as well as short-term deposits at banks with initial maturity below 91 days. Short-term investments are included in this position if they are highly liquid, readily convertible into known amounts of cash and subject to insignificant risk of changes in value. Bullet bonds amounting to CHF 29.5 (2014: 23.9) million, due within 90 days are disclosed here.

s) Provisions

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that Dufry will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate at the end of the reporting period of the consideration required to settle the present obligation, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that the reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognized in accordance with IAS 37 Provisions, contingent liabilities and contingent assets and the amount initially recognized less cumulative amortization recognized in accordance with IAS 18 Revenue.

Onerous contracts

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist if Dufry has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Restructurings

A restructuring provision is recognized when Dufry has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

t) Financial instruments

Financial assets and financial liabilities are recognized when Dufry becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are deducted from or added to the fair value of the financial assets or financial liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the income statement.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

u) Financial assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss (FVTPL), Held to maturity financial assets, available for sale (AFS) financial assets and loans and receivables. The categorization depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular purchases or sales of financial assets are those that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that Dufry manages together and has a recent actual pattern of short-term profit taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with Dufry's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial instruments: recognition and measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in the income statement. The net gain or loss recognized in the income statement incorporates any dividend or interest earned on the financial asset and is included in the other operating result line item in the income statement. Fair value is determined in the manner described in note 37.

Trade and other accounts receivable

Trade and other receivables (including credit cards receivables, other accounts receivable, cash and cash equivalents) are measured at amortized cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been affected.

Certain categories of financial assets, such as trade receivables, are assessed for impairment individually.

Subsequent recoveries of amounts previously written off are credited against the allowance accounts for these categories. Changes in the carrying amount of the allowance account are recognized in the income statement in the lines selling expenses or other operational result.

Derecognition of financial assets

Dufry derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If Dufry neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred as set, Dufry recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If Dufry retains substantially all the risks and rewards of ownership of a transferred financial asset, Dufry continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

v) Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at FVTPL

These financial liabilities are either held for trading or have been designated as at FVTPL.

A financial liability is classified as held for trading if:
- It has been acquired principally for the purpose of re purchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short-term profit taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Other financial liabilities, not held for trading may be designated as at FVTPL upon initial recognition if:
- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed together and its performance is evaluated on a fair value basis, in accordance with the group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial instruments: recognition and measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in the income statement. The net gain or loss recognized in the consolidated income statement incorporates any interest paid on the financial liability and is included in the financial result in the income statement. Fair value is determined in the manner described in note 37.

Other financial liabilities

Other financial liabilities (including borrowings) are subsequently measured at amortized cost using the effective interest method (see 2.3 t).

Derecognition of financial liabilities

Dufry derecognizes financial liabilities only when the obligations are discharged, cancelled or they expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in the consolidated income statement.

w) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously (see note 38.10).

x) Derivative financial instruments

Dufry enters into a variety of derivative financial instruments to manage its exposure to interest rate or foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in note 38.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the income statement unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the income statement depends on the nature of the hedge relationship.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

y) Hedge accounting

Dufry designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, Dufry documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Hedge accounting is discontinued when Dufry revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time, is recognized when the underlying hedged item is ultimately derecognized in the income statement.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated in the hedging and revaluation reserves. The gain or loss relating to the ineffective portion is recognized in the income statement, and is included in the interest expenses / income line item.

Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated under the heading of translation reserves. The gain or loss relating to the ineffective portion is recognized immediately in the income statement, and is included in the foreign exchange gains / losses line item (see notes 31.1 and 31.2).

2.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

New and amended standards and interpretations
The accounting policies adopted are consistent with those of the previous financial year, except for the revised Standards and the Interpretations adopted in these financial statements (effective January 1, 2015). Their adoption did not have a significant impact on the amounts reported in these financial statements or disclosures therein.

Annual improvements 2010 – 2012 (issued December 2013)

- IFRS 2 Share-based payments
  The definition of vesting condition was clarified, by separately defining a "performance condition" and a "service condition".

- IFRS 3 Business combinations
  Accounting for contingent consideration in a business combination that is a financial asset or financial liability can only be measured at fair value, with changes in fair value being presented in either profit or loss or other comprehensive income.

- IFRS 8 Operating segments
  Aggregation of operating segments requires the disclosure of those factors that are used to identify the entity's reportable segments.

- IAS 24 Related party disclosures
  An entity providing key management personnel services to the reporting entity is a related party of the reporting entity.

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of Dufry's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date.

KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation include uncertainties at the reporting date, which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial periods, are discussed below.

Concession rights
Concession rights acquired in a business combination are measured at fair value as at the date of acquisition. The useful lives of operating concessions are assessed to be either finite or indefinite based on individual circumstances and are considering extensions and renewals. The useful lives of operating concessions are reviewed annually to determine whether the indefinite useful life assessment for those concessions continues to be sustainable. Dufry annually tests the operating concessions with indefinite useful lives and assesses these with finite life for impairment indications. The underlying calculation requires the use of estimates. The comments and assumptions used are disclosed in note 20.1.2.

Onerous contracts
Some of the long-term concession agreements described above include clauses to prevent early termination, such as obligations to fulfill guaranteed minimal payments during the full term of the agreement. The conditions for an onerous contract will be met, when such a contract presents a non-profitable outlook. In this event, a provision based on the present value of the unavoidable future negative cash flows expected by the management is established. The unavoidable costs are the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. Further details are given in note 32.

Brands and goodwill
Dufry tests these items annually for impairment. The underlying calculation requires the use of estimates. The comments and assumptions used are disclosed in note 20.1.

Income taxes
Dufry is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax assessment is uncertain. Dufry recognizes liabilities for tax audit issues based on estimates of whether additional taxes will be payable. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax or deferred tax provisions in the period in which such assessment is made. Further details are given in notes 15 and 22.

Deferred tax assets

Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits. Further details are given in note 22.

Provisions

Management makes assumptions in relation to the expected outcome and cash outflows based on the development of each individual case. Further details are given in note 32.

Share-based payments

Dufry measures the cost of equity settled transactions with employees by reference to the fair value of the equity instruments at the grant date. Estimating such fair values require determining the most appropriate valuation model for a grant of equity instruments, which depends on the terms and conditions of the grant, as well as, the most appropriate inputs to the valuation model including the expected probability that the triggering clauses will be met. The result will be the expected quantity of shares to be assigned. The assumptions and models used are disclosed in note 28.

Pension and other post-employment benefit obligations

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves assumptions about discount rates, future salary and pension increases as well as mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 33.

Purchase price allocation

The determination of the fair values of the identifiable assets (especially the concession rights) and the assumed liabilities (especially the contingent liabilities recognized as provisions), resulting from business combinations, is based on valuation techniques such as the discounted cash flow model. Some of the inputs to this model are partially based on assumptions and judgments and any changes thereof would affect the reported values (see note 6).

Consolidation of entities where Dufry has control, but holding only minority voting rights

Dufry considers controlling certain entities, even when it holds less than the majority of the voting rights, when it is exposed to or has the rights to variable returns from the involvements with the investee and has the ability to affect those returns through its power over the entity. These indicators are evaluated at the time of first consolidation and reviewed when there are changes in the statutes or composition of the executive board of these entities. Further details on non-controlling interests are disclosed in notes 29 and 30 as well as the Annex “Most important subsidiaries”.

4. NEW AND REVISED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET ADOPTED / EFFECTIVE

The standards and interpretations described below are expected to have an impact on Dufry's financial position, performance, and / or disclosures. Dufry intends to adopt these standards when they become effective.

IAS 7
Statement of cash flows
(effective January 1, 2017)
The IASB has issued an amendment to IAS 7 introducing an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

IAS 12
Income taxes
(effective January 1, 2017)
Additional amendments have been issued by the IASB regarding IAS 12 on the recognition of deferred tax assets for unrealized losses. These amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value.

IFRS 9
Financial Instruments
(effective January 1, 2018)
Phase 1: Classification and measurement – determines how financial assets and financial liabilities are accounted for and measured on an ongoing basis.
Phase 2: Impairment – a new single expected loss impairment model is introduced that will require more timely recognition of expected credit 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.

The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the group's financial assets, but will not impact the financial liabilities. Phase 2 is not expected to have any significant impact on the financial statements and phase 3 is expected to effect the disclosure requirements from a current point of view.

IFRS 15
Revenue from contracts with customers
(effective January 1, 2018)
IFRS 15, revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service.

The standard replaces IAS 18 Revenue and IAS 11 Construction contracts and related interpretations. Dufry is currently analyzing the impact of the standard, however, does not expect any material changes to the current revenue recognition approach. Dufry considered the following aspects:

(a) Sale of goods
Dufry's retail sales are on cash or credit basis and the revenue recognition occurs when the assets are transferred to the customer,

(b) Advertising income
Advertising income is recognized when the services have been rendered.

IFRS 16
Leases
(effective January 1, 2019)
Lessees will be required to recognize a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. The lease liability will be measured at present value of the lease payments to be made over the lease term. In other words, lessees will appear to become more asset-rich but also more indebted. To be considered as such, a lease agreement has to convey the right to control the use of an identified asset throughout the period of use, so that the customer has the right to obtain substantially all of the economic benefits from the use of the identified asset; and direct the use of the identified asset (i.e. direct how and for what purpose the asset is used). Dufry will be assessing the impact of IFRS 16 on the accounting for its lease, and in particular the concession agreements.

By conducting a detailed survey and compliance analysis of relevant agreements, Dufry will determine if the contracts convey the rights to control the use of the premises and if these grant substantially all economic benefits of that use.

Amendments that are considered to be insignificant from a current point of view:

Sale or Contribution of Assets between an Investor and its Associate or Joint venture (proposed amendments to IFRS 10 and IAS 28)
(effective date not yet defined by IASB)
The gain or loss resulting from the sale to or contribution from an associate of assets that constitute a business as defined in IFRS 3 is recognized in full. The gain or loss resulting from the sale to or contribution from a subsidiary that does not constitute a business as defined in IFRS 3 (i.e. not a group of assets conforming a business) to an associate is recognized only to the extent of unrelated investors' interests in the associate.

Annual Improvements 2012–2014 – issued September 2014
(effective January 1, 2016)
- IFRS 5 non-current assets held for sale and discontinued operations: Changes in methods of disposal are clarified, i.e. whether such a change in a disposal method would qualify as a change to a plan of sale. This amendment does not currently have any impact on Dufry.
- IAS 34 Interim Financial reporting: Disclosure of information "elsewhere in the interim financial report" is clarified and requires the inclusion of a cross-reference from the interim financial statements to the location of this information.

5. SEGMENT INFORMATION

Dufry's risks and returns are predominantly affected by the fact that Dufry operates in different countries. Therefore, Dufry presents the segment information as it does internally to the Group Executive Committee, using 4 geographical areas plus the Nuance business, the World Duty Free business and the distribution centers as additional business units.

2015 IN MILLIONS OF CHF	TURNOVER with external customers	with other business units	TOTAL	EBITDA[1]	FULL TIME EQUIVALENTS
EMEA & Asia	1,010.8	–	1,010.8	134.5	4,407
America I	808.4	–	808.4	55.7	3,674
America II	487.8	–	487.8	0.7	2,263
United States & Canada	1,043.2	–	1,043.2	126.9	5,743
The Nuance Business	1,337.9	–	1,337.9	131.6	3,386
World Duty Free Business[2]	1,410.0	–	1,410.0	153.3	9,069
Distribution Centers	41.2	836.7	877.9	121.1	311
Total segments	**6,139.3**	**836.7**	**6,976.0**	**723.8**	**28,853**
Eliminations	–	(836.7)	(836.7)	–	–
Dufry	**6,139.3**	**–**	**6,139.3**	**723.8**	**28,853**

2014 IN MILLIONS OF CHF	TURNOVER with external customers	with other business units	TOTAL	EBITDA[1]*	FULL TIME EQUIVALENTS
EMEA & Asia	1,194.5	–	1,194.5	189.9	4,367
America I	763.0	–	763.0	57.0	3,565
America II	683.3	–	683.3	27.2	2,389
United States & Canada	963.1	–	963.1	121.8	5,669
The Nuance Business[3]	536.6	–	536.6	51.3	3,654
World Duty Free Business	–	–	–	–	–
Distribution Centers	56.1	882.5	938.6	129.3	303
Total segments	**4,196.6**	**882.5**	**5,079.1**	**576.5**	**19,946**
Eliminations	–	(882.5)	(882.5)	–	–
Dufry	**4,196.6**	**–**	**4,196.6**	**576.5**	**19,946**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

[1] EBITDA before linearization and other operational result

[2] For the period August to December 2015

[3] For the period September to December 2014

As of January 1, 2016, Dufry has regrouped its geographical areas. Mainly the Nuance and the World Duty Free businesses have been included evenly in 5 geographical divisions and the distribution centers as an additional division.

In Switzerland (domicile), Dufry generated 5.5 % (2014: 4.9 %) of the turnover with external customers.

Financial Position and other disclosures

31.12.2015 IN MILLIONS OF CHF	TOTAL ASSETS	TOTAL LIABILITIES	INCOME TAX (EXPENSE) / GAIN	CAPITAL EXPENDITURE PAID	DEPRECIATION AND AMORTIZATION	OTHER NON-CASH ITEMS
EMEA & Asia	1,284.0	310.7	(23.6)	(25.3)	(55.6)	9.4
America I	1,381.7	187.5	(4.2)	(22.1)	(62.7)	14.1
America II	477.8	88.2	17.7	(178.0)	(66.9)	2.0
United States & Canada	634.7	130.4	0.4	(41.5)	(56.9)	0.4
The Nuance Business	1,967.0	469.5	13.4	(14.5)	(99.5)	0.9
World Duty Free Business [1]	3,828.1	1,231.6	4.8	(27.0)	(86.5)	25.4
Distribution Centers	432.3	152.1	0.6	(1.2)	(1.3)	5.4
Total segments	**10,005.6**	**2,570.0**	**9.1**	**(309.6)**	**(429.4)**	**57.6**
Unallocated positions	354.0	4,456.9	1.0	(4.9)	(15.4)	4.4
Dufry	**10,359.6**	**7,026.9**	**10.1**	**(314.5)**	**(444.8)**	**62.0**

31.12.2014 (RESTATED*) IN MILLIONS OF CHF	TOTAL ASSETS	TOTAL LIABILITIES	INCOME TAX (EXPENSE) / GAIN	CAPITAL EXPENDITURE PAID	DEPRECIATION AND AMORTIZATION	OTHER NON-CASH ITEMS
EMEA & Asia	1,391.1	343.8	(20.5)	(44.6)	(52.1)	1.4
America I	1,324.1	208.1	(1.6)	(12.3)	(61.3)	(1.6)
America II	560.6	293.6	6.1	(78.0)	(37.1)	3.7
United States & Canada	729.5	132.8	(0.2)	(54.8)	(49.3)	(0.1)
The Nuance Business [2]	2,377.4	613.0	4.4	(6.5)	(34.1)	(2.1)
World Duty Free Business	–	–	–	–	–	–
Distribution Centers	402.4	189.4	(4.2)	(0.9)	(1.1)	(1.3)
Total segments	**6,785.1**	**1,780.7**	**(16.0)**	**(197.1)**	**(235.0)**	**–**
Unallocated positions	371.8	2,923.1	(4.4)	(3.6)	(13.9)	(5.5)
Dufry	**7,156.9**	**4,703.8**	**(20.4)**	**(200.7)**	**(248.9)**	**(5.5)**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

1 For the period August to December 2015

2 For the period September to December 2014

Reconciliation of the earnings

IN MILLIONS OF CHF	2015	RESTATED* 2014
EBITDA[1]	**723.8**	**576.5**
Depreciation, amortization and impairment	(444.8)	(248.9)
Linearization	(29.2)	–
Other operational result	(117.1)	(61.1)
Interest expenses	(200.7)	(154.1)
Interest income	16.0	5.7
Foreign exchange gain / (loss)	5.2	(11.1)
Earnings before taxes	**(46.8)**	**107.0**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

[1] EBITDA before linearization and other operational result

Reconciliation of assets

IN MILLIONS OF CHF	31.12.2015	RESTATED* 31.12.2014
Operating assets	**10,005.6**	**6,785.1**
Current assets of corporate and holding companies	69.2	93.1
Non-current assets of corporate and holding companies	284.8	278.7
Total assets	**10,359.6**	**7,156.9**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

Reconciliation of liabilities

IN MILLIONS OF CHF	31.12.2015	RESTATED* 31.12.2014
Operating liabilities	**2,570.0**	**1,780.7**
Financial debt of corporate and holding companies, short-term	0.5	0.5
Financial debt of corporate and holding companies, long-term	4,306.4	2,815.5
Other non-segment liabilities	150.0	107.1
Total liabilities	**7,026.9**	**4,703.8**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

6. ACQUISITIONS OF BUSINESSES AND OTHER AGREEMENTS

2015 TRANSACTIONS

6.1 ACQUISITION OF WORLD DUTY FREE S.P.A.

On August 7, 2015, Dufry acquired a first stake of 50.1% in the voting equity interests in World Duty Free S.p.A. (WDF), a publicly listed company in Italy for a total consideration of CHF 1,407.1 (EUR 1,307) million equivalent to EUR 10.25 per share in cash. This initial acquisition of WDF triggered a mandatory tender offer (MTO) for the outstanding 49.9% of WDF shares (see note 6.3 transactions with non-controlling interests). The acquisition was mainly financed through the issuance of share capital (see note 27.1.1 fully paid ordinary shares). This acquisition has been accounted for using the acquisition method.

Continuing with its strategy to expand its travel retail business, Dufry acquired WDF, one of the top global travel retailers, to complement the geographical presence in key markets such as the airports of Heathrow, Gatwick, Stansted, Manchester in the UK, Madrid, Barcelona, Las Palmas and Tenerife in Spain, Vancouver in Canada, 29 destinations in the USA, as well as other key locations in Jamaica, Mexico, Peru, Chile, Finland, France, Germany, Italy, Jordan, Kuwait and Sri Lanka. With more than 500 shops located in 105 locations in 20 countries WDF achieved a turnover of EUR 2,439.6 (CHF 2,962.8) million and employed about 9,500 people in 2014.

Dufry expects to generate significant cost and margin synergies through the integration of WDF into its common business model and supply chain as well as through the combination of the global and divisional organizations and support functions, which are reflected in the value of the goodwill. The resulting goodwill is not amortized, is not tax deductible and will be subject to annual impairment testing. WDF will further enhance Dufry's global position in the travel retail market industry.

For this acquisition Dufry incurred transaction costs of CHF 50.7 million presented as other operational expenses and financial transaction taxes of CHF 12.3 million presented as other financial expenses in the income statement.

The fair value of the identifiable assets and liabilities of WDF at the date of acquisition and the resulting goodwill were determined preliminarily as Dufry is in the process of verifying the valuation of these net assets identified as follows:

	PRELIMINARY FAIR VALUE AT AUGUST 7, 2015	
IN MILLIONS OF	CHF	EUR
Trade and credit card receivables	43.3	39.9
Inventories	206.3	191.6
Other current assets	194.7	180.9
Property, plant and equipment	190.4	176.9
Concession rights	1,893.7	1,759.0
Other intangible assets	112.9	104.8
Other non-current assets	268.7	249.6
Trade payables	(235.9)	(218.8)
Financial debt	(1,029.3)	(956.0)
Provisions	(162.1)	(150.5)
Contingent liabilities	(6.7)	(6.2)
Other liabilities	(502.9)	(467.4)
Deferred tax liabilities	(383.7)	(356.4)
Fair value of non-controlling interests	(37.7)	(35.0)
Identifiable net assets	**551.7**	**512.4**
Dufry's share in the net assets (50.1%)	276.4	256.7
Goodwill[1]	1,130.7	1,050.3
Total consideration	**1,407.1**	**1,307.0**

[1] The goodwill comprises intangible values from several subsidiaries in different countries. At the exchange rate of December 31, 2015, the value was CHF 1,070.9 million (see note 20.1.1)

6.2 CASH FLOWS USED FOR BUSINESS COMBINATIONS, NET OF CASH

2015 IN MILLIONS OF CHF	TOTAL CONSIDERATION	NET CASH ACQUIRED	SUBTOTAL	CHANGES IN ACCOUNTS PAYABLE	NET CASH FLOW
World Duty Free Group, Italy	(1,407.1)	40.4	(1,366.7)	–	(1,366.7)
TOTAL	**(1,407.1)**	**40.4**	**(1,366.7)**	**–**	**(1,366.7)**

6.3 TRANSACTION WITH NON-CONTROLLING INTERESTS IN WORLD DUTY FREE

After the initial acquisition on August 7, 2015, Dufry launched a MTO for the outstanding WDF shares at the Milan Stock Exchange and acquired until November 13, 2015, in several steps the outstanding 49.9 % WDF shares for a total consideration paid in cash of CHF 1,412.6 million equivalent to EUR 10.25 per share. As a result, WDF has become a fully owned subsidiary of Dufry. The difference of the carrying value of the non-controlling interests in WDF acquired and the total consideration paid in cash is CHF 1,137.3 million. This amount is recognized in the retained earnings in the line changes in participation of non-controlling interests in the statement of changes in equity. The related transaction costs are described in note 6.1.

DECEMBER 31, 2015	IN MILLIONS OF CHF	IN MILLIONS OF EUR
Carrying value of the non-controlling interests in WDF acquired	275.3	255.7
Difference recognized in retained earnings within equity	1,137.3	1,046.0
Total consideration paid in cash	**1,412.6**	**1,301.7**

From the date when Dufry took control of the WDF operations in August until December 2015, these operations contributed CHF 1,410.0 (EUR 1,299.4) million in turnover and CHF 30.4 (EUR 28.0) million in EBIT to the income statement of Dufry. If the business combination had taken place at the beginning of 2015, WDF would have generated a turnover of CHF 3,118.9 million and an EBIT of CHF 64.1 million.

6.4 TRANSACTION WITH NON-CONTROLLING INTERESTS IN DUFRY LOJAS FRANCAS LTD.

Dufry entered a call / put option with a Brazilian Partner, which was exercized during the first quarter of 2015. Based on this transaction, Dufry acquired an additional 20 % of the shares of Dufry Lojas Francas Ltd. (DLF), an existing subsidiary operating the duty free shops at the airport of Guarulhos in Sao Paulo, Brazil. The total net consideration paid for this transaction was CHF 147.2 (USD 163.2) million. After the exercise of the option, Dufry holds 80 % of DLF. This step up acquisition generated a change in the participation of non-controlling interests (see statement of changes in equity).

2014 TRANSACTIONS

6.5 ACQUISITION OF THE NUANCE GROUP

On September 9, 2014, Dufry acquired 100 % of The Nuance Group (TNG) for a net consideration of CHF 1,312.2 million. The acquisition has been accounted for using the acquisition method. The related transaction costs of CHF 11.4 million have been presented in other operational result in the income statement.

TNG is one of the top global travel retailers with headquarters in Switzerland. In 2013, TNG reached a turnover of CHF 2,094.9 million (of which CHF 481.2 million from operations in Australia). Overall at acquisition date, TNG operated about 270 shops in 15 countries and employed approximately 3,900 full time equivalents (FTE's). Among the main locations operated by TNG are airports in Toronto in Canada, Hong Kong and downtown stores in Macau, China, Stockholm in Sweden, Zurich and Geneva in Switzerland, Antalya in Turkey and Heathrow in UK.

This geographical presence of TNG complements the one of Dufry very well. Dufry expects to expand this business and to generate significant cost synergies through the integration of TNG into its marketing model and supply chain as well as through the combination of the global and regional organizations and support functions, which are reflected in the value of the goodwill. The resulting goodwill is not amortized, is not tax deductible and will be subject to annual impairment testing.

The consideration paid for the acquisition, together with the refinancing of TNG's debt and related transaction expenses, was financed through the issuance of (gross proceeds):

- Mandatory convertible notes of CHF 275.0 million on June 18, 2014 (see note 27.2)
- Share capital of CHF 810.0 million on July 8, 2014 (see note 27.2)
- Senior Notes of CHF 606.8 million on July 17, 2014 (see note 31)

The transaction costs in relation with the equity component of the mandatory convertible notes and the share capital increase have been accounted through equity, whereas the costs related with the senior notes are part of the effective interest rate and will be amortized over the term of the debt.

The fair value of the identifiable assets and liabilities at the date of acquisition are to be considered as final and changed from the disclosure in Dufry's annual financial statements as of December 31, 2014:

	FAIR VALUE AT SEPTEMBER 09, 2014		
IN MILLIONS OF CHF	PRELIMINARY	CHANGE	FINAL
Trade and credit card receivables	54.8	–	54.8
Inventories	211.1	(0.5)	210.6
Other current assets	246.2	–	246.2
Property, plant and equipment	45.6	–	45.6
Concession rights	1,091.0	(12.0)	1,079.0
Other intangible assets	19.5	–	19.5
Investments in associates	67.6	–	67.6
Other non-current assets	20.5	–	20.5
Deferred tax assets	12.4		12.4
Trade payables	(144.3)	–	(144.3)
Financial debt	(449.7)	–	(449.7)
Provisions	(96.8)	(13.0)	(109.8)
Contingent liabilities	(1.0)	–	(1.0)
Other liabilities	(256.4)	–	(256.4)
Deferred tax liabilities	(175.2)	(2.6)	(177.8)
Fair value of non-controlling interests	(2.6)	6.5	3.9
Identifiable net assets	**642.7**	**(21.6)**	**621.1**
Dufry's share in the net assets	642.7	(21.6)	621.1
Goodwill	669.5	21.6	691.1
Total consideration	**1,312.2**	**–**	**1,312.2**

Dufry revised the preliminary values of the purchase price analysis as presented at December 31, 2014 to reflect:

- Change in deferred tax values based on more accurate underlying assumptions regarding import regimes / benefits in Turkey
- Inclusion of income tax effect on sale of investment in associates and
- Enterprise valuation of a startup operation in India after properly assessing the market.

From the date when Dufry took control of the TNG operations in September 2014 until December 2014 these operations contributed CHF 536.6 million in turnover and CHF 14.0 million in EBIT to the income statement of Dufry.

If the business combination had taken place at the beginning of 2014, TNG would have generated a turnover of CHF 1,776.4 million and an EBIT of approximately CHF 58 million.

6.6 CASH FLOWS USED FOR BUSINESS COMBINATIONS, NET OF CASH

2014 IN MILLIONS OF CHF	TOTAL CONSIDERATION	NET CASH ACQUIRED	SUBTOTAL	CHANGES IN ACCOUNTS PAYABLE	NET CASH FLOW
The Nuance Group, Switzerland	(1,312.2)	188.5	(1,123.7)	–	(1,123.7)
Alliance, Puerto Rico	–	–	–	(0.9)	(0.9)
TOTAL	**(1,312.2)**	**188.5**	**(1,123.7)**	**(0.9)**	**(1,124.6)**

7. NET SALES

Net sales by product categories:

IN MILLIONS OF CHF	2015	2014
Perfumes and Cosmetics	1,834.3	1,164.5
Confectionery, Food and Catering	1,017.6	734.9
Wine and Spirits	905.7	634.4
Watches, Jewelry and Accessories	419.0	355.9
Tobacco goods	656.6	380.5
Fashion, Leather and Baggage	394.2	350.3
Literature and Publications	204.7	190.6
Electronics	229.2	152.9
Toys, Souvenirs and other goods	300.4	99.1
Total	**5,961.7**	**4,063.1**

Net sales by market sector:

IN MILLIONS OF CHF	2015	2014
Duty-free	3,752.4	2,712.4
Duty-paid	2,209.3	1,350.7
Total	**5,961.7**	**4,063.1**

Net sales by channel:

IN MILLIONS OF CHF	2015	2014
Airports	5,328.9	3,539.0
Border, downtown and hotel shops	251.4	242.1
Cruise liners and seaports	141.0	121.6
Railway stations and other	240.4	160.4
Total	**5,961.7**	**4,063.1**

8. SELLING EXPENSES

IN MILLIONS OF CHF	2015	RESTATED* 2014
Concession fees and rents	(1,596.6)	(979.7)
Credit card commissions	(61.8)	(46.1)
Advertising and commission expenses	(30.3)	(24.7)
Packaging materials	(12.2)	(10.8)
Other selling expenses	(27.2)	(18.7)
Selling expenses	**(1,728.1)**	**(1,080.0)**
Concession and rental income	14.0	14.1
Commission income	5.8	7.7
Commercial services and other selling income	24.3	34.9
Selling income	**44.1**	**56.7**
Total	**(1,684.0)**	**(1,023.3)**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

Landlords require from Dufry a concession fee to operate duty free shops at airports or other similar locations. These fees are usually determined proportionally to sales or based on the number of passengers and limited by a minimum threshold.

9. PERSONNEL EXPENSES

IN MILLIONS OF CHF	2015	2014
Salaries and wages	(669.9)	(475.7)
Social security expenses	(106.3)	(85.5)
Retirement benefits (defined benefit plans)	(7.7)	8.2
Retirement benefits (defined contribution plans)	(8.8)	(5.3)
Other personnel expenses	(63.5)	(51.4)
Total	**(856.2)**	**(609.7)**

10. GENERAL EXPENSES

IN MILLIONS OF CHF	2015	2014
Repairs, maintenance and utilities	(66.2)	(48.2)
Legal, consulting and audit fees	(52.3)	(41.6)
Premises	(50.8)	(38.2)
EDP and IT expenses	(32.0)	(25.4)
Travel, car, entertainment and representation	(28.3)	(21.2)
Office and administration	(27.2)	(21.2)
Franchise fees and commercial services	(19.4)	(20.2)
PR and advertising	(13.5)	(10.2)
Insurances	(9.2)	(8.0)
Taxes, other than income taxes	(8.0)	(14.9)
Bank expenses	(7.8)	(7.3)
Total	**(314.7)**	**(256.4)**

11. INVESTMENT IN ASSOCIATES

Lojas Francas de Portugal SA operates duty-paid and duty-free shops in the airports of Lisbon as well as other locations in Portugal and Nuance Group (Chicago) LLC operates a duty-free shop at O'Hare International Airport of Chicago in Illinois, USA.

These investments are accounted for using the equity method.

Dufry's interests in Nuance Group (Orlando) LLC and Broward Duty Free LLC were sold on March 15, 2015, for CHF 28.4 (USD 30) million to an existing shareholder at book value.

Summarized statement of financial position

IN MILLIONS OF CHF	LOJAS FRANCAS DE PORTUGAL SA	NUANCE GROUP (CHICAGO) LLC	NUANCE GROUP (ORLANDO) LLC	OTHER ASSOCIATES	31.12.2015
Cash and cash equivalents	1.2	2.6	–	0.3	4.1
Other current assets	27.0	3.9	–	3.1	34.0
Non-current assets	58.6	27.5	–	0.8	86.9
Financial debt	(2.1)	–	–	–	(2.1)
Other current liabilities	(23.0)	(2.0)	–	(4.6)	(29.6)
Non-current liabilities	–	–	–	(5.1)	(5.1)
Equity	**61.7**	**32.0**	**–**	**(5.5)**	**88.2**
Proportion of the Group's ownership	49 %	35 %			
Dufry's share of the equity	**30.2**	**11.2**	**–**	**–**	**41.4**

IN MILLIONS OF CHF	LOJAS FRANCAS DE PORTUGAL SA	NUANCE GROUP (CHICAGO) LLC	NUANCE GROUP (ORLANDO) LLC	OTHER ASSOCIATES	31.12.2014
Cash and cash equivalents	1.6	2.7	3.5	0.9	8.7
Other current assets	25.7	4.1	3.6	1.5	34.9
Non-current assets	53.5	30.0	47.7	26.5	157.7
Other current liabilities	(17.7)	(1.9)	(1.7)	(0.6)	(21.9)
Equity	**63.1**	**34.9**	**53.1**	**28.3**	**179.4**
Proportion of the Group's ownership	49 %	35 %	37.5 %		
Dufry's share of the equity	**30.9**	**12.2**	**19.9**	**9.9**	**72.9**

Summarized statement of comprehensive income

IN MILLIONS OF CHF	LOJAS FRANCAS DE PORTUGAL SA	NUANCE GROUP (CHICAGO) LLC	NUANCE GROUP (ORLANDO) LLC [1]	OTHER ASSOCIATES	2015
Turnover	205.9	23.0	2.9	7.7	239.5
Depreciation, amortization and impairment	(0.9)	(4.2)	(0.1)	(1.6)	(6.8)
Income tax	(3.2)	–	–	0.1	(3.1)
Net earnings for the year (continuing operations)	**9.2**	**(2.5)**	**0.2**	**(3.5)**	**3.4**
Dufry's share of the profit for the year	**4.5**	**(0.9)**	**0.4**	**–**	**4.0**
OTHER COMPREHENSIVE INCOME					
Exchange differences on translating foreign operations	(1.6)	0.6	(1.2)	(0.5)	(2.7)
Items to be reclassified to net income in subsequent periods	**(1.6)**	**0.6**	**(1.2)**	**(0.5)**	**(2.7)**
Total comprehensive income	**2.9**	**(0.3)**	**(0.8)**	**(0.5)**	**1.3**

[1] Period from January 1, 2015 to March 15, 2015

IN MILLIONS OF CHF [1]	LOJAS FRANCAS DE PORTUGAL SA	NUANCE GROUP (CHICAGO) LLC	NUANCE GROUP (ORLANDO) LLC	OTHER ASSOCIATES	2014
Turnover	78.3	8.1	6.8	4.2	97.4
Depreciation, amortization and impairment	(0.7)	(0.1)	(0.2)	(0.1)	(1.1)
Income tax	(1.1)	–	–	(0.1)	(1.2)
Net earnings for the year (continuing operations)	**3.6**	**0.9**	**1.2**	**(2.6)**	**3.1**
Dufry's share of the profit for the year	**1.7**	**0.3**	**0.3**	**–**	**2.3**
OTHER COMPREHENSIVE INCOME					
Exchange differences on translating foreign operations	0.8	0.8	1.2	0.6	3.4
Items to be reclassified to net income in subsequent periods	**0.8**	**0.8**	**1.2**	**0.6**	**3.4**
Total comprehensive income	**2.5**	**1.1**	**1.5**	**0.6**	**5.7**

[1] Period from September 9, 2014 to December 31, 2014

The information above reflects the amounts presented in the financial statements of the associates (and not Dufry's share of those amounts) adjusted for differences in accounting policies between Dufry and the associates.

Reconciliation of the carrying amount of its investments

IN MILLIONS OF CHF	LOJAS FRANCAS DE PORTUGAL SA	NUANCE GROUP (CHICAGO) LLC	NUANCE GROUP (ORLANDO) LLC[1]	OTHER ASSOCIATES[1]	TOTAL
Business combinations September 9, 2014	**28.4**	**11.2**	**18.7**	**9.3**	**67.6**
Net earnings	1.7	0.3	0.3	–	2.3
Dividends received	–	(0.1)	(0.3)	–	(0.4)
Other comprehensive income	0.8	0.8	1.2	0.6	3.4
Carrying value at December 31, 2014	**30.9**	**12.2**	**19.9**	**9.9**	**72.9**
Net earnings	4.5	(0.9)	0.4	–	4.0
Dividends received	(3.6)	(0.7)	(0.5)	–	(4.8)
Disposals	–	–	(18.6)	(9.4)	(28.0)
Other comprehensive income	(1.6)	0.6	(1.2)	(0.5)	(2.7)
Carrying value at December 31, 2015	**30.2**	**11.2**	**–**	**–**	**41.4**

[1] The Nuance Group (Orlando) LLC and Broward Duty Free LLC were sold in March 2015.

12. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

IN MILLIONS OF CHF	2015	RESTATED* 2014
Depreciation	(134.6)	(86.8)
Impairment	(1.2)	(1.4)
Subtotal (note 18)	**(135.8)**	**(88.2)**
Amortization	(299.5)	(159.1)
Impairment	(9.5)	(1.6)
Subtotal (note 20)	**(309.0)**	**(160.7)**
Total	**(444.8)**	**(248.9)**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

13. LINEARIZATION AND OTHER OPERATIONAL RESULT

13.1 LINEARIZATION

IN MILLIONS OF CHF	2015	2014
Linearization[1]	**(29.2)**	**–**

[1] In cases where fees for the concession are based on fix or determinable amounts of money, the expenses paid are treated as operational lease. For these operational leases when the amounts are increasing or decreasing over the time, Dufry accrues the difference between the amount paid and the respective straight-line expense for the period calculated over the overall duration of the contract, as linearization. In addition, this line item includes the reduction in concession payments granted based on an upfront payment (prepaid lease) done at the inception of two Spanish contracts (Madrid and Barcelona as main airports), acquired as part of the World Duty Free acquisition.

13.2 OTHER OPERATIONAL RESULT

Other operational expenses and other operational income include non-recurring transactions, impairments of financial assets and changes in provisions.

IN MILLIONS OF CHF	2015	2014
Acquisition-related costs	(50.7)	(13.1)
Closing or restructuring of operations	(30.0)	(24.3)
Consulting fees, expenses related to projects and start-up expenses	(21.3)	(16.4)
Impairment of financial assets	(6.9)	(2.9)
Losses on sale of non-current assets	(1.7)	(1.3)
Other operating expenses	(12.1)	(9.8)
Other operational expenses	**(122.7)**	**(67.8)**

IN MILLIONS OF CHF	2015	2014
Insurance – compensation for losses	0.9	0.4
Gain on sale of non-current assets	0.8	2.2
Recovery of write offs / release of allowances	0.3	–
Other income	3.6	4.1
Other operational income	**5.6**	**6.7**

IN MILLIONS OF CHF	2015	2014
Other operational expenses	(122.7)	(67.8)
Other operational income	5.6	6.7
Other operational result	**(117.1)**	**(61.1)**

14. INTEREST

IN MILLIONS OF CHF	2015	2014
INCOME ON FINANCIAL ASSETS		
Interest income on short-term deposits	6.3	4.3
Other financial income	4.9	0.4
Interest income on financial assets	**11.2**	**4.7**
INCOME ON NON-FINANCIAL ASSETS		
Interest income	**4.8**	**1.0**
Total interest income	**16.0**	**5.7**
EXPENSES ON FINANCIAL LIABILITIES		
Interest expense	(148.1)	(119.7)
Amortization / write off of arrangement fees	(24.5)	(20.1)
Other financial expenses [1]	(6.7)	(11.5)
Interest expense on financial liabilities	**(179.3)**	**(151.3)**
EXPENSES ON NON-FINANCIAL LIABILITIES		
Interest expense	(9.1)	(2.8)
Other financial expenses [1]	(12.3)	–
Interest and other financial expenses on non-financial liabilities	**(21.4)**	**(2.8)**
Total interest expense	**(200.7)**	**(154.1)**

[1] This position mainly includes financial costs and transaction taxes related to the financing of acquisitions

15. INCOME TAXES

INCOME TAX RECOGNIZED IN THE CONSOLIDATED INCOME STATEMENT

IN MILLIONS OF CHF	2015	RESTATED* 2014
Current income taxes	(69.9)	(57.6)
of which corresponding to the current period	(73.1)	(57.1)
of which adjustments recognized in relation to prior years	3.2	(0.5)
Deferred income taxes	80.0	37.2
of which related to the origination or reversal of temporary differences	72.3	37.2
of which adjustments recognized in relation to prior years	0.2	–
of which adjustments due to change in tax rates	7.5	–
Total	**10.1**	**(20.4)**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

IN MILLIONS OF CHF	2015	RESTATED* 2014
Consolidated earnings before income tax (EBT)	(46.8)	107.0
Expected tax rate in %	18.4 %	15.8 %
Tax at the expected rate	8.6	(16.9)
EFFECT OF		
Income not subject to income tax	3.8	7.5
Different tax rates for subsidiaries in other jurisdictions	28.4	12.9
Effect of changes in tax rates on previously recognized deferred tax assets and liabilities	7.5	–
Non-deductible expenses	(18.1)	(4.1)
Net change of unrealized tax loss carry-forwards	(21.3)	(12.7)
Non recoverable withholding taxes	(7.7)	(7.1)
Adjustments recognized in relation to prior year	3.4	(0.5)
Other items	5.5	0.5
Total	**10.1**	**(20.4)**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

The expected tax rate approximates the average of the income tax rates of the countries where Dufry is active, weighted by the EBT of the respective operations. In 2015, there have been no significant changes in these income tax rates, with the exception of Greece (increase by 3 %) and UK (long-term decrease by 2 %).

DEFERRED INCOME TAX RECOGNIZED IN OTHER COMPREHENSIVE INCOME / EQUITY

IN MILLIONS OF CHF	2015	2014
RECOGNIZED IN OTHER COMPREHENSIVE INCOME		
Actuarial gains / (losses) on defined benefit plans	(1.2)	4.5
Net gain / (loss) on hedge of net investment	–	3.2
Cash flow hedges	(0.3)	–
Total	**(1.5)**	**7.7**
RECOGNIZED IN EQUITY		
Tax effect on share-based payments	(0.2)	0.1
Total	**(0.2)**	**0.1**

16. EARNINGS PER SHARE

EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

BASIC

Basic earnings per share are calculated by dividing the net earnings attributable to equity holders of the parent by the weighted average number of shares outstanding during the year.

IN MILLIONS OF CHF / QUANTITY	2015	RESTATED* 2014
Net earnings attributable to equity holders of the parent	(79.3)	51.6
Weighted average number of ordinary shares outstanding	45,810	33,307
Basic earnings per share in CHF	**(1.73)**	**1.55**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

DILUTED

Diluted earnings per share are calculated by dividing the net earnings attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

IN MILLIONS OF CHF / QUANTITY	2015	RESTATED* 2014
Net earnings attributable to equity holders of the parent	(79.3)	51.6
Weighted average number of ordinary shares outstanding adjusted for the effect of dilution	45,810	34,303
Diluted earnings per share in CHF	**(1.73)**	**1.50**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

EARNINGS PER SHARE FOR CONTINUING OPERATIONS

BASIC

IN MILLIONS OF CHF / QUANTITY	2015	RESTATED* 2014
Net earnings attributable to equity holders of the parent from continuing operations	(79.1)	52.4
Weighted average number of ordinary shares outstanding	45,810	33,307
Basic earnings per share in CHF	**(1.73)**	**1.57**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

DILUTED

IN MILLIONS OF CHF / QUANTITY	2015	RESTATED* 2014
Net earnings attributable to equity holders of the parent from continuing operations	(79.1)	52.4
Weighted average number of ordinary shares outstanding adjusted for the effect of dilution	45,810	34,303
Diluted earnings per share in CHF	**(1.73)**	**1.53**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

EARNINGS PER SHARE ADJUSTED FOR AMORTIZATION (CASH EPS)

Cash EPS are calculated by dividing net earnings attributable to equity holders of the parent, adjusted by the amortization effect generated by the intangible assets identified during the purchase price allocations of past acquisitions through weighted average number of ordinary shares outstanding. With this Cash EPS, Dufry aims to facilitate the comparison at EPS level with other companies not having performed such acquisition activities.

IN MILLIONS OF CHF / QUANTITY	2015	RESTATED* 2014
Net earnings attributable to equity holders of the parent	(79.3)	51.6
ADJUSTED FOR		
Dufry's share of the amortization in respect of acquisitions	262.1	122.8
Adjusted net earnings	**182.8**	**174.4**
Weighted average number of ordinary shares outstanding	45,810	33,307
Cash EPS	**3.99**	**5.24**
Deferred tax on above mentioned amortization in CHF per share	(1.32)	(0.79)
Linearization of Spanish contracts in CHF per share	0.64	–

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES

IN THOUSANDS	2015	2014
Outstanding shares	45,904	33,316
Less treasury shares	(94)	(9)
Used for calculation of basic earnings per share	**45,810**	**33,307**
EFFECT OF DILUTION		
CHF 275 million mandatory convertible notes at conversion price of CHF 152 per share	–	996.0
Used for calculation of earnings per share adjusted for the effect of dilution	**45,810**	**34,303**

For movements in shares see note 27 Equity, note 28 Share-based payment and Treasury shares.

17. COMPONENTS OF OTHER COMPREHENSIVE INCOME

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT					
2015 IN MILLIONS OF CHF	**Employee benefit reserve**	**Hedging & revaluation reserves**	**Translation reserves**	**TOTAL**	**NON-CONTROLLING INTERESTS**	**TOTAL EQUITY**
Exchange differences on translating foreign operations	–	–	(75.8)	(75.8)	(7.9)	(83.7)
Subtotal	**–**	**–**	**(75.8)**	**(75.8)**	**(7.9)**	**(83.7)**
Net gain / (loss) on hedge of net investment in foreign operations	–	–	2.2	2.2	–	2.2
Subtotal	**–**	**–**	**2.2**	**2.2**	**–**	**2.2**
Changes in the fair value of forward exchange contracts held as cash flow hedges	–	1.0	–	1.0	–	1.0
Income tax effect	–	(0.3)	–	(0.3)	–	(0.3)
Subtotal	**–**	**0.7**	**–**	**0.7**	**–**	**0.7**
Actuarial gains / (losses) on post-employment benefits	12.8	–	–	12.8	–	12.8
Income tax effect	(1.2)	–	–	(1.2)	–	(1.2)
Subtotal	**11.6**	**–**	**–**	**11.6**	**–**	**11.6**
Other comprehensive income	**11.6**	**0.7**	**(73.6)**	**(61.3)**	**(7.9)**	**(69.2)**

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT					
2014 IN MILLIONS OF CHF	**Employee benefit reserve**	**Hedging & revaluation reserves**	**Translation reserves**	**TOTAL**	**NON-CONTROLLING INTERESTS**	**TOTAL EQUITY**
Exchange differences on translating foreign operations	–	–	211.5	211.5	12.4	223.9
Subtotal	**–**	**–**	**211.5**	**211.5**	**12.4**	**223.9**
Net gain / (loss) on hedge of net investment in foreign operations	–	–	(102.4)	(102.4)	–	(102.4)
Income tax effect	–	–	3.2	3.2	–	3.2
Subtotal	**–**	**–**	**(99.2)**	**(99.2)**	**–**	**(99.2)**
Actuarial gains / (losses) on post-employment benefits	(37.7)	–	–	(37.7)	(0.2)	(37.9)
Income tax effect	4.5	–	–	4.5	–	4.5
Subtotal	**(33.2)**	**–**	**–**	**(33.2)**	**(0.2)**	**(33.4)**
Other comprehensive income	**(33.2)**	**–**	**112.3**	**79.1**	**12.2**	**91.3**

18. PROPERTY, PLANT AND EQUIPMENT

2015 IN MILLIONS OF CHF	LEASEHOLD IMPROVEMENTS	FURNITURE FIXTURE	COMPUTER HARDWARE	VEHICLES	WORK IN PROGRESS	TOTAL
AT COST						
Balance at January 1	**405.0**	**289.1**	**72.6**	**9.8**	**48.3**	**824.8**
Business combinations (note 6)	29.6	131.3	5.7	0.6	23.2	190.4
Additions (note 19)	27.4	30.4	5.8	1.3	70.2	135.1
Disposals	(61.5)	(43.5)	(10.7)	(2.4)	(1.4)	(119.5)
Reclassification within classes	47.5	28.9	1.8	–	(78.2)	–
Reclassification to intangible assets	–	–	–	–	(7.0)	(7.0)
Currency translation adjustments	(14.2)	(13.9)	(4.5)	(0.4)	(0.9)	(33.9)
Balance at December 31	**433.8**	**422.3**	**70.7**	**8.9**	**54.2**	**989.9**
ACCUMULATED DEPRECIATION						
Balance at January 1	**(166.8)**	**(160.2)**	**(51.1)**	**(6.3)**	**–**	**(384.4)**
Additions (note 12)	(69.1)	(54.6)	(9.8)	(1.1)	–	(134.6)
Disposals	57.7	41.7	10.2	1.9	–	111.5
Reclassification within classes	(0.2)	(0.1)	–	–	–	(0.3)
Currency translation adjustments	9.3	11.5	4.2	0.3	–	25.3
Balance at December 31	**(169.1)**	**(161.7)**	**(46.5)**	**(5.2)**	**–**	**(382.5)**
IMPAIRMENT						
Balance at January 1	**(3.2)**	**(1.8)**	**–**	**–**	**–**	**(5.0)**
Impairment (note 12)	(0.7)	(0.5)	–	–	–	(1.2)
Disposals	2.5	0.5	–	–	–	3.0
Reclassification within classes	0.2	0.1	–	–	–	0.3
Currency translation adjustments	0.3	(0.2)	–	–	–	0.1
Balance at December 31	**(0.9)**	**(1.9)**	**–**	**–**	**–**	**(2.8)**

2014 IN MILLIONS OF CHF	LEASEHOLD IMPROVEMENTS	FURNITURE FIXTURE	COMPUTER HARDWARE	VEHICLES	WORK IN PROGRESS	TOTAL
AT COST						
Balance at January 1	**316.5**	**226.1**	**59.6**	**8.8**	**29.4**	**640.4**
Business combinations (note 6)	34.7	5.2	2.9	0.3	2.5	45.6
Additions (note 19)	21.8	17.0	6.7	1.2	87.0	133.7
Disposals	(38.0)	(10.6)	(2.6)	(1.2)	–	(52.4)
Reclassification within classes	42.8	31.7	1.2	–	(75.7)	–
Currency translation adjustments	27.2	19.7	4.8	0.7	5.1	57.5
Balance at December 31	**405.0**	**289.1**	**72.6**	**9.8**	**48.3**	**824.8**
ACCUMULATED DEPRECIATION						
Balance at January 1	**(142.7)**	**(130.7)**	**(42.4)**	**(6.0)**	**–**	**(321.8)**
Additions (note 12)	(48.8)	(29.4)	(7.6)	(1.0)	–	(86.8)
Disposals	36.9	9.6	2.1	1.2	–	49.8
Currency translation adjustments	(12.2)	(9.7)	(3.2)	(0.5)	–	(25.6)
Balance at December 31	**(166.8)**	**(160.2)**	**(51.1)**	**(6.3)**	**–**	**(384.4)**
IMPAIRMENT						
Balance at January 1	**(2.6)**	**(1.7)**	**(0.4)**	**–**	**–**	**(4.7)**
Impairment (note 12)	(1.4)	–	–	–	–	(1.4)
Disposals	0.9	–	0.4	–	–	1.3
Currency translation adjustments	(0.1)	(0.1)	–	–	–	(0.2)
Balance at December 31	**(3.2)**	**(1.8)**	**–**	**–**	**–**	**(5.0)**
CARRYING AMOUNT						
At December 31, 2015	**263.8**	**258.7**	**24.2**	**3.7**	**54.2**	**604.6**
At December 31, 2014	**235.0**	**127.1**	**21.5**	**3.5**	**48.3**	**435.4**

19. CASH FLOW USED FOR PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

IN MILLIONS OF CHF	2015	2014
Payables for capital expenditure at the beginning of the period	(13.7)	(23.8)
Business combinations	(16.1)	–
Additions of property, plant and equipment (note 18)	(135.1)	(133.7)
Payables for capital expenditure at the end of the period	30.1	13.7
Currency translation adjustments	–	0.1
Total Cash Flow	**(134.8)**	**(143.7)**

20. INTANGIBLE ASSETS

2015 IN MILLIONS OF CHF	CONCESSION RIGHTS Indefinite lives	CONCESSION RIGHTS Finite lives	BRANDS	GOODWILL	OTHER	TOTAL
AT COST						
Restated*						
Balance at January 1	**61.2**	**3,315.4**	**174.3**	**1,670.2**	**193.2**	**5,414.3**
Business combinations (note 6)	–	1,893.7	105.5	1,130.7	7.4	3,137.3
Additions (note 21)	–	19.9	–	–	12.8	32.7
Disposals	–	(86.9)	–	–	(12.9)	(99.8)
Reclassification from prepayments	–	16.1	–	–	–	16.1
Reclassification from property, plant & equipment	–	–	–	–	7.0	7.0
Currency translation adjustments	(4.6)	(175.5)	1.0	(132.6)	(2.4)	(314.1)
Balance at December 31	**56.6**	**4,982.7**	**280.8**	**2,668.3**	**205.1**	**8,193.5**
ACCUMULATED AMORTIZATION						
Restated*						
Balance at January 1	**–**	**(576.2)**	**(1.0)**	**–**	**(102.5)**	**(679.7)**
Additions (note 12)	–	(271.0)	(2.3)	–	(26.2)	(299.5)
Disposals	–	86.6	–	–	11.8	98.4
Reclassification	–	0.5	–	–	(0.5)	–
Currency translation adjustments	–	4.0	–	–	1.9	5.9
Balance at December 31	**–**	**(756.1)**	**(3.3)**	**–**	**(115.5)**	**(874.9)**
IMPAIRMENT						
Balance at January 1	**–**	**(0.4)**	**–**	**(1.0)**	**–**	**(1.4)**
Impairment (note 12)	–	(9.5)	–	–	–	(9.5)
Disposals	–	0.2	–	–	–	0.2
Currency translation adjustments	–	0.3	–	–	–	0.3
Balance at December 31	**–**	**(9.4)**	**–**	**(1.0)**	**–**	**(10.4)**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

2014 IN MILLIONS OF CHF	CONCESSION RIGHTS Indefinite lives	 Finite lives	BRANDS	GOODWILL	OTHER	TOTAL
AT COST						
Balance at January 1	**60.8**	**1,921.4**	**158.6**	**912.8**	**163.2**	**3,216.8**
Business combinations (note 6)	–	1,079.0	15.0	691.1	4.5	1,789.6
Additions (note 21)	–	182.2	–	–	17.4	199.6
Disposals	(0.4)	(1.3)	–	–	(0.7)	(2.4)
Currency translation adjustments	0.8	134.1	0.7	66.3	8.8	210.7
Restated* Balance at December 31	**61.2**	**3,315.4**	**174.3**	**1,670.2**	**193.2**	**5,414.3**
ACCUMULATED DEPRECIATION						
Balance at January 1	**–**	**(410.1)**	**–**	**–**	**(72.5)**	**(482.6)**
Additions (note 12)	–	(132.4)	(1.0)	–	(25.7)	(159.1)
Disposals	–	0.7	–	–	0.6	1.3
Currency translation adjustments	–	(34.8)	–	–	(4.5)	(39.3)
Restated* Balance at December 31	**–**	**(576.2)**	**(1.0)**	**–**	**(102.5)**	**(679.7)**
IMPAIRMENT						
Balance at January 1	**–**	**(0.2)**	**–**	**–**	**–**	**(0.2)**
Impairment (note 12)	–	(0.6)	–	(1.0)	–	(1.6)
Disposals	–	0.3	–	–	–	0.3
Currency translation adjustments	–	0.1	–	–	–	0.1
Balance at December 31	**–**	**(0.4)**	**–**	**(1.0)**	**–**	**(1.4)**
CARRYING AMOUNT						
At December 31, 2015	**56.6**	**4,217.2**	**277.5**	**2,667.3**	**89.6**	**7,308.2**
Restated* at December 31, 2014	**61.2**	**2,738.8**	**173.3**	**1,669.2**	**90.7**	**4,733.2**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

20.1 IMPAIRMENT TEST

Concession rights with indefinite useful lives, as well as brands and goodwill are subject to impairment testing each year. Concession rights with finite useful lives are tested for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable.

20.1.1 Impairment test of goodwill

For the purpose of impairment testing, goodwill recognized from business combinations has been allocated to the following cash generating units (CGU's). These groups also reflect the reportable segments that are expected to benefit from the synergies of the business combinations:

IN MILLIONS OF CHF	31.12.2015	RESTATED* 31.12.2014
EMEA & Asia	293.1	319.5
America I [1]	532.4	430.5
America II [1]	51.5	149.8
United States & Canada	78.4	78.3
The Nuance Business	641.0	691.1
World Duty Free Business	1,070.9	–
Total carrying amount of goodwill	**2,667.3**	**1,669.2**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

[1] The activities of Eurotrade have been transfered to International Operations & Services Corp. (IOSC). Eurotrade had an associated goodwill of CHF 98.6 million which in 2014 was presented under America II and now is presented within IOSC as part of America I. As of 2016, both regions will be presented as the new division Latin America.

The recoverable amounts of goodwill for each of the above group of CGU's have been determined based on value-in-use calculations. Such calculations are based on business plans approved by senior management and use cash flow projections covering a five-year period as well as a discount rate, which represents the weighted average cost of capital (WACC) adjusted for regional specific risks.

Cash flows beyond that five-year period have been extrapolated using a steady growth rate that does not exceed the long-term average growth rate for the respective markets in which these CGU's operate. The discounted cash flow model uses net sales as a basis to determine the free cash flow and the value assigned. Net sales projections are based on actual net sales achieved in the year 2015 and latest estimations for the projected years. The intersegment results of the global distribution centers have been assigned / allocated to the respective geographical segments.

The key assumptions used for determining the recoverable amounts for these business units are:

GOODWILL IN PERCENTAGE (%)	POST TAX DISCOUNT RATES 2015	POST TAX DISCOUNT RATES 2014	PRE TAX DISCOUNT RATES 2015	PRE TAX DISCOUNT RATES 2014	GROWTH RATES FOR NET SALES 2015	GROWTH RATES FOR NET SALES 2014
EMEA & Asia	9.69	10.37	11.59	11.90	4.4 – 15.9	4.2 – 8.4
America I	10.59	10.38	11.74	11.67	4.3 – 13.6	5.1 – 11.1
America II	8.48	7.98	8.48	8.79	6.0 – 11.4	5.8 – 16.6
United States & Canada	5.39	5.65	6.75	7.05	4.1 – 10.8	4.3 – 7.3
The Nuance Business	6.20	6.15	6.70	7.62	2.2 – 4.5	5.2 – 5.9
World Duty Free Business	6.20	–	6.96	–	4.3 – 4.5	–

As basis for the calculation of these discount rates, the following risk free interest rates have been used (derived from past 5 year average of prime 10-year bonds rates): CHF 0.40 %, EUR 1.22 %, USD 2.16 % (2014: CHF 0.62 %, EUR 1.56 %, USD 2.13 %).

For the calculation of the discount rates and WACC (weighted average cost of capital), the Company used the following re-levered beta:

	2015	2014
Beta factor	0.88	0.57

Sensitivity to changes in assumptions

Management believes that any reasonably possible change (+ / – 1 %) in the key assumptions, on which the recoverable amounts are based, would not cause the respective carrying amount to exceed its recoverable amount. For Regions America I, America II and the Nuance Group, where the actual recoverable amount exceed its carrying amount by CHF 291.2 million, 217.9 million and CHF 874 million respectively, an (unlikely) increase of the discount rate by 2 % would lead to an impairment of CHF 86.9 million, CHF 4.9 million and CHF 30.6 million respectively. The key assumptions used for the determination of the value-in-use are described in note 20.1.3.

20.1.2 Impairment test of concession rights with indefinite useful lives

Concession rights are tested for impairment purposes at company level, which represents the cash generating unit. For presentation purposes the CGU's are grouped into business units. A business unit is a part of Dufry's business segments. The following table illustrates the existing business units with concession rights with indefinite useful life:

IN MILLIONS OF CHF	2015	2014
Italy	43.6	48.2
Middle East	13.0	13.0
Total carrying amount of concession rights	**56.6**	**61.2**

Certain concessions were granted by the non-controlling interest holder. Consequently these concession rights are assessed as having an indefinite useful life.

The recoverable amounts for each of the CGU's have been determined based on value-in-use calculations. Such calculations are based on business plans approved by senior management and use cash flow projections covering a five-year period as well as a discount rate, which represents the weighted average cost of capital (WACC) adjusted for local specific risks.

Cash flows beyond that five-year period have been extrapolated using a steady growth rate that does not exceed the long-term average growth rate for the respective markets in which these CGU's operate. The discounted cash flow model uses net sales as a basis to determine the free cash flow and subsequently the value assigned. Net sales projections are based on actual net sales achieved in year 2015 and latest estimations for the years thereafter.

The key assumptions used for determining the recoverable amounts for these business units are:

	POST TAX DISCOUNT RATES		PRE TAX DISCOUNT RATES[1]		GROWTH RATES FOR NET SALES	
CONCESSION RIGHTS IN PERCENTAGE (%)	2015	2014	2015	2014	2015	2014
Italy	7.19	7.43	8.52	8.77	–1.5 – 3.0	2.8 – 3.1
Middle East	6.39	6.50	6.39	6.50	6.5 – 18.7	7.2 – 8.1

[1] based on the country in which the concession is located

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use, Dufry believes that no reasonably possible change (+/–1%) in any of the above key assumptions would cause the carrying value of the concession rights to materially exceed its recoverable amount.

20.1.3 Key assumptions used for value-in-use calculations

The calculation of value-in-use is most sensitive to the following assumptions:

- Sales growth
- Gross margin and suppliers prices
- Concession fee levels
- Discount rates
- Growth rate used to extrapolate

Sales growth

Sales growth is based on statistics published by external experts, such as Air4cast or ACI (Airports Council International) to estimate the development of international passenger traffic per country where Dufry is active. For the budget year, the management also takes into consideration specific price inflation factors of the country, the cross currency effect and the expected potential changes to capture clients (penetration) per business unit.

Dufry has used a growth rate of 2.0% – 3.0% (2014: 1.6% – 2.1%) to extrapolate the cash flow projections beyond the period covered by the most recent forecasts.

Gross margins

The expected gross margins are based on average product assortment values estimated by the management for the budget 2016. These values are maintained over the planning period or where specific actions are planned. These values have been increased or decreased by up to 1% over the 5 year planning horizon compared to the historical data. The gross margin is also affected by supplier's prices. Estimates are obtained from global negotiations held with the main suppliers for the products and countries for which products are sourced, as well as data relating to specific commodities during the months before the budget.

Concession fee levels

These assumptions regarding the concession fee evolution are important and monitored in the specific market as well as the renewal conditions and competitor behavior where the CGU's are active. For the CGU's subject to a value-in-use calculation, the management expects the competitive position to remain stable over the budget period.

Discount rates

Several factors affect the discount rates:

- For the financial debt part, the rate is based on the average interest of the past 5 years of the respective ten-year government bond and is increased by the company's effective bank margin and adjusted by the effective blended tax rate and country risk of the respective CGU.
- For the equity part, a 5% equity risk premium is added to the base rate commented above and adjusted by the Beta of Dufry's peer group.

The same methodology is used by the management to determine the discount rate used in discounted cash flow (DCF) valuations, which are a key instrument to assess business potential of new or additional investment proposals.

20.1.4 Brands

In October 2015, Dufry presented its updated brand strategy. While at corporate level, Dufry will be used as exclusive brand, the Group will apply a multi-brand retail concept including among others our brands including Dufry, Hudson, World Duty Free, Nuance, Hellenic Duty Free, Colombian Emeralds, do Brasil, Regstaer, Interbaires. Management believes that the benefits of the brands are reflecting the economic reality and are in accordance with Dufry's respective markets, i.e. the airports or seaports where these brands are active. For impairment testing purposes the brand names are valued in relation with their respective sales potential, based on sales projection covering a period of five years.

The recoverable amount is determined using the Relief of Royalty method that considers a steady cash flow according to the discounted value of the royalty income after tax based on projected sales growth for each brand. The following table indicates the key assumptions used for the valuation of the main brands:

	ROYALTY INCOME AFTER TAX		POST TAX DISCOUNT RATES		GROWTH RATES FOR NET SALES	
BRAND NAMES IN PERCENTAGE (%)	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Dufry	0.32	0.32	6.98	7.04	4.7 – 13.4	4.3 – 9.3
Hudson News	0.91	0.91	5.39	5.65	4.1 – 10.8	4.3 – 7.3
Colombian Emeralds	1.75	1.75	14.82	13.79	4.0 – 14.0	4.0 – 16.0
Nuance	0.30	0.30	6.20	6.15	2.2 – 4.5	5.2 – 5.9
World Duty Free	0.39	–	6.20	–	4.3 – 4.5	–

These growth rates do not exceed the long term average growth rate for the respective brand business. The discount rates represent the weighted average cost of capital (WACC) of the markets where the brand is generating sales.

21. CASH FLOWS USED FOR PURCHASE OF INTANGIBLE ASSETS

IN MILLIONS OF CHF	2015	2014
Payables for capital expenditure at January 1	(166.5)	(1.4)
Additions of intangible assets (note 20)	(32.7)	(199.6)
Payables for capital expenditure at December 31	1.2	166.5
Currency translation adjustments	18.3	(22.5)
Total Cash Flow	**(179.7)**	**(57.0)**

22. DEFERRED TAX ASSETS AND LIABILITIES

Temporary differences arise from the following positions:

IN MILLIONS OF CHF	31.12.2015	RESTATED* 31.12.2014
DEFERRED TAX ASSETS		
Property, plant and equipment	48.6	10.0
Intangible assets	63.6	73.2
Provisions and other payables	67.2	65.2
Tax loss carry-forward	138.2	77.1
Other	46.4	30.0
Total	**364.0**	**255.5**
DEFERRED TAX LIABILITIES		
Property, plant and equipment	(75.1)	(24.0)
Intangible assets	(740.6)	(436.5)
Provisions and other payables	(25.3)	(2.9)
Other	(12.2)	(15.3)
Total	**(853.2)**	**(478.7)**
Deferred tax liabilities net	**(489.2)**	**(223.2)**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

Deferred tax balances are presented in the consolidated statement of financial position as follows:

IN MILLIONS OF CHF	2015	RESTATED* 2014
Deferred tax assets	203.9	195.9
Deferred tax liabilities	(693.1)	(419.1)
Balance at December 31	**(489.2)**	**(223.2)**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

Reconciliation of movements to the deferred taxes:

IN MILLIONS OF CHF	2015	RESTATED* 2014
Changes in deferred tax assets	8.0	41.0
Changes in deferred tax liabilities	(274.0)	(157.4)
Business combinations (note 6)	383.7	165.4
Currency translation adjustments	(39.4)	(4.0)
Deferred tax income (expense) at December 31	**78.3**	**45.0**
THEREOF		
Recognized in the income statement	80.0	37.2
Recognized in equity	(0.2)	0.1
Recognized in OCI	(1.5)	7.7

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

Tax loss carry-forwards
Certain subsidiaries incurred tax losses, which according to the local tax legislation gives rise to a tax credit usable in future tax periods. However, the use of this tax benefit is limited in time (expiration) and by the ability of the respective subsidiary to generate enough taxable profits in future.

Deferred tax assets relating to tax loss carry-forwards or temporary differences are recognized when it is probable that such tax credits can be utilized in the future in accordance with the budget 2016 approved by the Board of Directors and the projections prepared by the management for these entities.

The unrecognized tax loss carry-forwards by expiry date are as follows:

IN MILLIONS OF CHF	31.12.2015	31.12.2014
Expiring within 1 to 3 years	35.3	75.4
Expiring within 4 to 7 years	63.9	153.1
Expiring after 7 years	178.6	67.9
With no expiration limit	315.6	41.8
Total[1]	**593.4**	**338.2**

[1] This amount includes CHF 164.7 (2014: 32) million added through business combination

Unrecognized deferred tax liabilities
Dufry has not recognized deferred tax liabilities associated with investments in subsidiaries where Dufry can control the reversal of the timing differences and where it is not probable that the temporary differences will reverse in the foreseeable future.

Dufry does not expect that these differences result in taxable amounts in determining taxable profit (tax loss) of future periods when the carrying amount of the investment is recovered.

23. OTHER NON-CURRENT ASSETS

IN MILLIONS OF CHF	31.12.2015	31.12.2014
Guarantee deposits	79.2	38.7
Loans and contractual receivables	32.8	35.9
Prepaid lease [1]	221.9	16.5
Other	14.8	16.8
Subtotal	**348.7**	**107.9**
Allowances	(1.3)	(1.3)
Total	**347.4**	**106.6**

1 Prepaid lease refers mainly to amounts paid in advance to the Spanish concesionaire, which is measured at amortized cost.

MOVEMENT IN ALLOWANCES

IN MILLIONS OF CHF	2015	2014
Balance at January 1	**(1.3)**	**(1.7)**
Utilization	–	0.5
Currency translation adjustments	–	(0.1)
Balance at December 31	**(1.3)**	**(1.3)**

24. INVENTORIES

IN MILLIONS OF CHF	31.12.2015	31.12.2014
Purchased inventories at cost	927.3	758.0
Inventory allowance[1]	(20.0)	(16.8)
Total	**907.3**	**741.2**

[1] The inventory impaired has a book value of CHF 63.0 (2014: 55.2) million

CASH FLOWS USED FOR INCREASE / FROM DECREASE IN INVENTORIES

IN MILLIONS OF CHF	2015	RESTATED* 2014
Balance at January 1	758.0	540.5
Balance at December 31	927.3	758.0
Gross change – at cost	**(169.3)**	**(217.5)**
Business combinations (note 6)	206.3	210.6
Transfer to discontinued operations (note 40)	–	(1.8)
Change in unrealized profit on inventory	(4.0)	0.9
Utilization of allowances	5.1	0.2
Currency translation adjustments	(22.8)	43.6
Cash Flow – (Increase) / decrease in inventories	**15.3**	**36.0**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

Cost of sales includes inventories written down to net realizable value and inventory differences of CHF 16.5 (2014: 19.1) million.

25. TRADE AND CREDIT CARD RECEIVABLES

IN MILLIONS OF CHF	31.12.2015	31.12.2014
Trade receivables	86.9	74.4
Credit card receivables	46.4	44.5
Gross	**133.3**	**118.9**
Allowances	(0.5)	(0.2)
Net	**132.8**	**118.7**

Trade receivables and credit card receivables are stated at their nominal value less allowances for doubtful amounts. These allowances are established based on an individual evaluation when collection appears to be no longer probable.

AGING ANALYSIS OF TRADE RECEIVABLES

IN MILLIONS OF CHF	31.12.2015	31.12.2014
Not due	59.7	47.0
OVERDUE		
Up to 30 days	7.5	19.2
31 to 60 days	7.0	3.4
61 to 90 days	1.7	1.4
More than 90 days [1]	11.0	3.4
Total overdue	**27.2**	**27.4**
Trade receivables, gross	**86.9**	**74.4**

[1] The main overdue receivables are covered by bank guarantees

MOVEMENT IN ALLOWANCES

IN MILLIONS OF CHF	2015	2014
Balance at January 1	**(0.2)**	**(0.1)**
Creation	(1.5)	(0.2)
Release	1.0	0.1
Utilized	0.1	–
Currency translation adjustments	0.1	–
Balance at December 31	**(0.5)**	**(0.2)**

26. OTHER ACCOUNTS RECEIVABLE

IN MILLIONS OF CHF	2015	2014
Receivables for refund from suppliers	96.7	47.0
Sales tax and other tax credits	87.6	74.0
Accrued concession fees and rental income	41.3	12.0
Prepaid lease	38.7	–
Prepayments	30.8	29.8
Receivables from subtenants and business partners	13.0	24.2
Guarantee deposits	7.7	15.1
Loans receivable	6.2	3.2
Personnel receivables	4.2	4.8
Accrued income	3.8	4.2
Derivative financial assets [1]	1.7	0.6
Other	16.5	16.5
Total	**348.2**	**231.4**
Allowances	(12.2)	(4.2)
Total	**336.0**	**227.2**

[1] See note 38 Financial instruments

MOVEMENT IN ALLOWANCES

IN MILLIONS OF CHF	2015	2014
Balance at January 1	**(4.2)**	**(3.4)**
Creation	(6.6)	(1.6)
Release	0.1	0.1
Utilized	0.3	0.6
Reclassification from receivables for refund from suppliers	(2.3)	–
Currency translation adjustments	0.5	0.1
Balance at December 31	**(12.2)**	**(4.2)**

27. EQUITY

27.1 ISSUED CAPITAL

IN MILLIONS OF CHF	31.12.2015	31.12.2014
Share capital	269.4	179.5
Share premium	4,259.3	1,964.7
Total	**4,528.7**	**2,144.2**

27.1.1 Fully paid ordinary shares

IN MILLIONS OF CHF	NUMBER OF SHARES	SHARE CAPITAL	SHARE PREMIUM
Balance at January 1, 2014	**30,905,056**	**154.5**	**1,207.0**
Issue of shares	5,000,000	25.0	785.0
Share issuance costs	–	–	(27.3)
Balance at December 31, 2014	**35,905,056**	**179.5**	**1,964.7**
Conversion of mandatory convertible notes	1,809,188	9.1	253.7
Issue of shares	16,157,463	80.8	2,119.2
Share issuance costs	–	–	(78.3)
Balance at December 31, 2015	**53,871,707**	**269.4**	**4,259.3**

27.2 AUTHORIZED AND CONDITIONAL SHARE CAPITAL

AUTHORIZED SHARE CAPITAL	NUMBER OF SHARES	IN THOUSANDS OF CHF
Balance at January 1, 2014	**1,466,387**	**7,332**
Expiration May 2, 2014	(1,466,387)	(7,332)
Balance at December 31, 2014	**–**	**–**
Balance at December 31, 2015	**–**	**–**

CONDITIONAL SHARE CAPITAL	NUMBER OF SHARES	IN THOUSANDS OF CHF
Balance at January 1, 2014	**2,697,620**	**13,488**
Balance at December 31, 2014	**2,697,620**	**13,488**
Utilization June 18, 2015	(1,809,188)	(9,046)
Balance at December 31, 2015	**888,432**	**4,442**

Share capital increase

2015
The General Meeting held on April 29, 2015, approved the increase of the share capital of Dufry from currently CHF 179.5 million by up to CHF 157.1 million to a maximum amount of up to CHF 336.6 million through the issuance of fully paid-in new registered shares with a par value of CHF 5 each.

On June 18, 2015, Dufry AG issued 16,157,463 new registered shares with a nominal value of CHF 80.8 million, representing 45% additional shares. After this share issuance and including the shares created by the conversion of the Mandatory Convertible Notes (see comments below), the share capital of Dufry AG amounts to CHF 269.4 million. The offer price for the rights offering as well as for the committed investors was set at CHF 136.16 per new share. In the rights offering, 9,744,390 new shares were subscribed for by existing shareholders, while 6,413,073 new shares were purchased by committed investors, resulting in gross proceeds of CHF 2,200 million.

The trading of the newly issued shares on the SIX Swiss Exchange commenced on June 25, 2015. The share issuance costs related with these transactions have been estimated at CHF 78.3 million and are presented in equity.

2014
The Extraordinary General Meeting held on June 26, 2014, approved the increase of the share capital of Dufry AG from currently CHF 154.5 million by up to CHF 27.3 million to a maximum amount of up to CHF 181.8 million through the issuance of fully paid-in new registered shares with a par value of CHF 5 each.

On July 8, 2014, Dufry AG issued 5,000,000 new registered shares representing 16% additional shares. After this share issuance, the share capital of the company amounts to CHF 179.5 million. The offer price for the rights offering as well as the public offering was set at CHF 162 per new share. In the rights offering, 3,623,976 new shares were subscribed for by existing shareholders, while 1,376,024 new shares were purchased by investors in the international offering, resulting in gross proceeds of CHF 810 million.

The trading of the newly issued shares on the SIX Swiss Exchange commenced on July 9, 2014. The share issuance costs related with this transaction amounted to CHF 27.3 million and is presented in equity.

Mandatory Convertible Notes (MCN)

2015
The Mandatory Convertible Notes amounting to CHF 262.8 million (net of issuance costs) were converted into 1,809,188 ordinary registered shares of Dufry during June 2015 at a conversion price of CHF 152 per share. Dufry issued the shares out of the existing conditional share capital.

27.3 RESERVES

IN MILLIONS OF CHF	2015	RESTATED* 2014
Employee benefit reserve	(21.3)	(32.9)
Hedging and revaluation reserves	0.7	–
Capital reserve for mandatory convertible notes	–	262.8
Translation reserves	(185.8)	(112.2)
Retained earnings	(1,158.9)	46.0
Balance at December 31	**(1,365.3)**	**163.7**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

27.3.1 Employee benefit reserve

IN MILLIONS OF CHF	2015	2014
Balance at January 1	**(32.9)**	**0.3**
Actuarial gains (losses) on defined benefit plans	12.8	(37.7)
Income tax relating to components of other comprehensive income	(1.2)	4.5
Balance at December 31	**(21.3)**	**(32.9)**

27.3.2 Hedging and revaluation reserves

IN MILLIONS OF CHF	2015	2014
Balance at January 1	**–**	**–**
Gain / (loss) arising on changes in fair value of financial instruments:		
– Interest rate swaps entered for as cash flow hedges	1.0	–
Income tax relating to components of other comprehensive income	(0.3)	–
Balance at December 31	**0.7**	**–**

27.3.3 Capital reserve for mandatory convertible notes

IN MILLIONS OF CHF	2015	2014
Balance at January 1	**262.8**	**–**
Issuance of equity instruments	–	269.6
Conversion of mandatory convertible notes[1]	(262.8)	–
Transaction costs for equity instruments	–	(6.8)
Balance at December 31	**–**	**262.8**

[1] Details for the Mandatory Convertible Notes (MCN) are described in note 27.2

27.3.4 Translation reserves

IN MILLIONS OF CHF	2015	2014
Balance at January 1	**(112.2)**	**(224.5)**
Exchange differences arising on translating the foreign operations (attributed to equity holders of parent)	(75.8)	211.5
Net gain / (loss) on hedge of net investments in foreign operations (note 31)	2.2	(102.4)
Income tax related to net gains / (losses) on hedge of net investments of foreign operations	–	3.2
Balance at December 31	**(185.8)**	**(112.2)**

Foreign exchange gains and losses on financing instruments that are designated as hedging instruments for net investments in foreign operations are included in the translation reserves.

28. SHARE-BASED PAYMENTS

28.1 PSU PLAN OF DUFRY AG

On October 29, 2015, Dufry granted to the members of the GEC and selected members of the senior management the Award 2015 with 122,803 PSU free of charge. On May 3, 2018, (vesting date) each PSU will give the right to the holders to receive up to two shares of Dufry depending on the effective cumulative amount of cash earnings per share (Cash EPS) reached by Dufry during the years 2015 to 2017 compared with the target of about CHF 24. The Cash EPS equals the basic Earnings per Share adjusted for amortization of intangible assets identified during business combinations and non-recurring effects. If at vesting the cumulative adjusted Cash EPS is at target level, each PSU Award 2015 grants one share. If the cumulative adjustetd Cash EPS is at 150 % of the target (maximum threshold) or above, each PSU Award 2015 grants two shares at vesting, and if the adjusted Cash EPS is at 50 % of the target (minimum threshold) or below, no share will be granted at vesting. If the adjusted Cash EPS is in between 50 % and 150 % of the target, the number of shares granted for each PSU will be allocated on a linear basis. Additionally, the allocation of shares is subject to an ongoing contractual relationship of the participant with Dufry throughout the vesting period. As of December 31, 2015, no PSU Award 2015 forfeited, so that 122,803 PSU remain outstanding.

At grant date the fair value of one PSU Award 2015 represents the market value for one Dufry share at that date (CHF 116.20) adjusted by the probability that participants comply with the ongoing contractual relationship clause. At December 31, 2015, a probability of 90 % was determined by taking into account the projected adjusted Cash EPS at vesting. The contractual life of the PSU Award 2015 is 30 months. PSU don't provide to its holders shareholder rights, like voting or a right to receive dividends.

On October 1, 2014, Dufry granted 51,486 PSU Award 2014 to the members of the adjusted GEC. One PSU gives the right to receive in 2017, free of charge, up to two shares, based on the performance achieved by Dufry. For the PSU Awards 2014 the performance will be measured as the average yearly growth rate reached by the earnings per share adjusted for amortization of intangible assets identified during business combinations and non-recurrent effects (adjusted Cash EPS) of Dufry between 2013 and 2016. If the targeted average yearly growth of 7 % is achieved, one share will be granted for each PSU, whereas for an average yearly growth rate of 3.5 % or less, no shares will be granted and for a growth rate of 10.5 % or higher two shares will be granted. If the effective growth rate is in-between 3.5 % and 10.5 % the number of shares granted for each PSU will be allocated on a linear basis. Additionally, the allocation of shares is subject to an ongoing contractual relationship of the participant with Dufry from January 1, 2014, until January 1, 2017. As of December 31, 2015, 6,919 PSU Award 2014 forfeited, so that 44,567 PSU remain outstanding.

At grant date the fair value of the PSU Award 2014 represents the market value for one Dufry share i.e. CHF 143.1. At December 31, 2015, a probability of 148 % was determined by taking into account the projected adjusted Cash EPS at vesting. The contractual life of the PSU Award 2014 is 27 months. There are no cash settlement alternatives for the participants.

With the PSU Award 2013 Dufry granted to the members of the GEC 42,957 PSU options. One PSU gives the right to receive in 2016, free of charge, up to two shares, based on the performance achieved by Dufry. For the PSU Award 2013, the performance will be measured as the average yearly growth rate reached by the earnings per share adjusted for amortization of intangible assets identified during business combinations and non-recurrent effects (adjusted Cash EPS) of Dufry in between 2012 and 2015. Each PSU will grant the right to receive one Dufry share if the targeted average yearly growth of 7% is achieved, no share if the average yearly growth rate is 3.5% or lower and two shares if the average growth rate is 10.5% or higher. If the effective growth rate is in-between 3.5% and 10.5% the number of shares granted for each PSU will be allocated on a linear basis. Additionally, the allocation of shares is subject to an ongoing contractual relationship of the participant with Dufry from January 1, 2013, until January 1, 2016. As of December 31, 2015, 6,100 PSU Award 2013 forfeited, so that 36,857 PSU remain outstanding. At January 1, 2016, the PSU Award 2013 vested and the minimal threshold was not achieved so that no shares have been allocated to the participants and no liability was recognized at December 31, 2015, regarding this award.

In 2015 the total expense recognized in the income statement against equity from share-based payment transactions was CHF 2.8 (2014: 2.4) million.

28.2 TREASURY SHARES

Treasury shares are valued at historical cost.

	NUMBER OF SHARES	IN MILLIONS OF CHF
Balance at January 1, 2014	**120,269**	**18.1**
Assigned to holders of RSU-Awards 2013[1]	(117,104)	(17.6)
Share purchases	91,000	13.8
Balance at December 31, 2014	**94,165**	**14.3**
Share purchases	4	–
Balance at December 31, 2015	**94,169**	**14.3**

[1] For description of RSU plan see note 29 in the Annual Report 2014. RSU plans were discontinued in 2014.

29. BREAKDOWN OF TRANSACTIONS WITH NON-CONTROLLING INTERESTS

The following transactions have been recognized in equity attributable to non-controlling interests at fair value:

IN MILLIONS OF CHF	2015	RESTATED* 2014
World Duty Free Group acquisition through business combination (note 6.1)	37.7	–
Non-controlling interests in World Duty Free Group after initial acquisition [1]	(9.0)	–
The Nuance Group acquisition through business combination (note 6.5)	–	(3.9)
Dufry Lojas Francas Ltd 40 %	–	36.6
Dufry Lojas Francas Ltd. 20 % Call option (note 6.4)	–	(19.8)
Dufry France S.A. 30 % Guadeloupe business	–	1.7
Hudson Group, increase in share capital of several subsidiaries	4.5	7.2
Other	(0.3)	0.9
TOTAL	**32.9**	**22.7**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

[1] Change in non-controlling interests from August 7,2015, until the completion of the acquisition of the remaining interest.

30. INFORMATION ON COMPANIES WITH NON-CONTROLLING INTERESTS

The non-controlling interests (NCI) comprise the portion of equity of subsidiaries that are not owned by Dufry. The net earnings attributable to non-controlling interests is CHF 42.4 (2014: restated 34.2) million and Dufry carefully assessed the significance of each subsidiary with non-controlling interests and concluded that none of them is individually material for Dufry.

In 2015, the major part of the net earnings attributable to non-controlling interests of CHF 23.7 (2014: 20.0) million relates to several legal entities with different non-controlling interest holders within Hudson Group. The remaining CHF 18.7 (2014: 14.0) million belongs to various other subsidiaries of Dufry.

31. FINANCIAL DEBT

IN MILLIONS OF CHF	31.12.2015	31.12.2014
Bank debt (overdrafts)	23.3	13.7
Bank debt (loans)	51.1	28.7
Third party loans	2.9	3.2
Financial debt, short-term	**77.3**	**45.6**
Bank debt (loans)	2,537.7	1,738.3
Senior Notes	1,767.3	1,074.9
Third party loans	8.1	8.6
Financial debt, long-term	**4,313.1**	**2,821.8**
Total	**4,390.4**	**2,867.4**
OF WHICH ARE		
Bank debt	2,612.1	1,780.7
Senior Notes	1,767.3	1,074.9
Third party loans	11.0	11.8

BANK DEBT

IN MILLIONS OF CHF	31.12.2015	31.12.2014
MAIN BANK DEBTS ARE DENOMINATED IN		
US Dollar	1,035.8	1,053.5
Euro	802.6	601.4
British Pound Sterling	631.8	–
Swiss Franc	100.0	110.0
Subtotal	**2,570.2**	**1,764.9**
LOCAL BANK DEBTS IN		
Different currencies	**73.1**	**40.1**
Deferred bank arrangement fees[1]	(31.2)	(24.3)
Total	**2,612.1**	**1,780.7**

[1] The arrangement fees relate only to the main bank debt

SENIOR NOTES

IN MILLIONS OF CHF	31.12.2015	31.12.2014
SENIOR NOTES DENOMINATED IN		
US Dollar	499.8	496.9
Euro	1,303.6	601.4
Subtotal	**1,803.4**	**1,098.3**
Deferred arrangement fees	(36.1)	(23.4)
Total	**1,767.3**	**1,074.9**

DETAILED CREDIT FACILITIES

Dufry negotiates and manages its key credit facilities centrally. Minor credit lines at local level are kept for practical reasons.

The bank credit agreements and the bank guarantee facility (see note 36) contain covenants and conditions customary to this type of financing. During 2015 Dufry complied with the financial covenants and conditions contained in the bank credit agreements.

Main bank credit facilities

				DRAWN AMOUNT IN CHF	
IN MILLIONS OF	MATURITY	CURRENCY	CREDIT LIMIT IN LOCAL CURRENCY	31.12.2015	31.12.2014
Committed 5-year term loan	31.07.2019	USD	1,010.0	1,009.6	1,003.8
Committed 5-year term loan	31.07.2019	EUR	500.0	543.2	601.4
Committed 4-year term loan (multi-currency)	31.07.2019	EUR	800.0	835.9	–
5-year revolving credit facility (multi-currency)	31.07.2019	CHF	900.0	181.5	159.7
Total				**2,570.2**	**1,764.9**

On March 27, 2015, a syndicate of banks with the London Branch of ING N.V. acting as agent, granted Dufry a committed 4-year term loan of EUR 800 million which was used to replace the bank debt of World Duty Free Group.

Senior notes

					AMOUNT IN CHF	
IN MILLIONS OF	MATURITY	COUPON RATE	CURRENCY	NOMINAL IN LOCAL CURRENCY	31.12.2015	31.12.2014
Senior notes	15.10.2020	5.50 %	USD	500.0	499.8	496.9
Senior notes	15.07.2022	4.50 %	EUR	500.0	543.2	601.4
Senior notes	01.08.2023	4.50 %	EUR	700.0	760.4	–
Total					**1,803.4**	**1,098.3**

On July 28, 2015, Dufry placed denominated Senior Notes of EUR 700 million with a maturity of eight years with qualified institutional investors in Switzerland and abroad.

All notes are listed on the Dublin stock exchange and interests are payable semi-annually in arrears.

WEIGHTED AVERAGE INTEREST RATE

The borrowings under these credit facilities bear interest at a floating rate (EURIBOR or LIBOR) plus spread. Below are the overall weighted average notional interest rates on the main currencies:

INTEREST RATE IN PERCENTAGE (%)	2015	2014
Average on USD	3.45	2.70
Average on CHF	1.83	1.80
Average on EUR	3.53	2.40
Average on GBP	2.98	–
Weighted Average Total	**3.42**	**2.60**

31.1 HEDGE OF NET INVESTMENTS IN FOREIGN OPERATIONS

The following net debt is designated as hedge in net investment in accordance with IAS 39, paragraph 102:

		AMOUNT IN HEDGING CURRENCY		AMOUNT IN CHF	
IN MILLIONS OF	CURRENCY	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Dufry do Brasil and other companies [1]	USD	947.2	947.2	946.9	941.4
World Duty Free Group SA	GBP	240.0	–	353.5	–
Total				**1,300.4**	**941.4**

[1] Alliance Inc., Interbaires SA, Navinten SA, Blaicor SA, International Operation & Services Corp., Duty Free Ecuador SA and Regstaer Ltd.

31.2 NET INVESTMENT IN FOREIGN OPERATIONS

Dufry granted below mentioned long-term loans to subsidiaries. These loans are considered as part of Dufry's net investment in foreign operations in accordance with IAS 21, paragraph 15, as settlement is neither planned nor likely to occur in the foreseeable future.

		AMOUNT IN HEDGING CURRENCY		AMOUNT IN CHF	
IN MILLIONS OF	CURRENCY	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Dufry America Holding Inc.	USD	17.2	19.6	17.2	19.5
Nuance Group (Australia) Pty Ltd.	AUD	121.8	121.8	88.8	98.9
Nuance Group (Sverige) AB	SEK	110.0	110.0	13.0	14.0
Total				**119.0**	**132.4**

32. PROVISIONS

IN MILLIONS OF CHF	CONTINGENT LIABILITIES	ONEROUS CONTRACTS	CLOSEDOWN	LAWSUITS AND DUTIES	LABOR DISPUTES	OTHER	TOTAL
Published at December 31, 2014	42.1	74.6	3.6	8.5	3.2	19.4	151.4
Restatement*	–	12.6	–	–	–	–	12.6
Restated* Balance at January 1	**42.1**	**87.2**	**3.6**	**8.5**	**3.2**	**19.4**	**164.0**
Business combinations (note 6)	6.7	87.7	36.2	9.1	–	22.4	162.1
Charge for the year	–	2.1	–	8.7	–	32.4	43.2
Utilized	–	(9.6)	(7.7)	(0.9)	(0.9)	(5.9)	(25.0)
Unused amounts reversed	(3.9)	–	(0.4)	(0.5)	–	–	(4.8)
Interest discounted	–	8.7	–	–	–	–	8.7
Reclassification from / to other accounts[1]	–	–	1.5	–	–	(3.0)	(1.5)
Reclassification within classes	1.3	1.0	9.1	(2.3)	–	(9.1)	–
Currency translation adjustments	(0.7)	(5.8)	(0.3)	(0.9)	–	(1.4)	(9.1)
Balance at December 31	**45.5**	**171.3**	**42.0**	**21.7**	**2.3**	**54.8**	**337.6**
THEREOF							
Current	–	48.5	42.0	21.7	0.2	41.3	153.7
Non-current	45.5	122.8	–	–	2.1	13.5	183.9

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

[1] From other payables (CHF 1.5 million) and to net defined benefit obligation (CHF – 3.0 million)

Management believes that its provisions are adequate based upon currently available information. However, given the inherent difficulties in estimating liabilities in the areas described below, actual costs may vary from the amounts provisioned.

CONTINGENT LIABILITIES

Dufry as internationally operating company is exposed to contingent liabilities in respect of legal and tax claims in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities other than provided for.

In 2015, the contingent liabilities increased by CHF 6.7 million based on findings in Europe recognized during the due diligence process made for the acquisition of the World Duty Free Group. In 2014, the contingent liabilities increased by CHF 1.0 million based on findings in Europe, Asia and Australia recognized during the due diligence process made for the acquisition of The Nuance Group.

IFRS 3 Business combinations requires to reflect these liabilities with uncertain amounts in the statement of financial position although the risk exposure for some of these positions has been regarded as medium or low. The identified risks include a variety of potential liabilities from past periods, mainly related to the import and sale of merchandise by entities under common control or regarding contributions owed based on the contractual situation of employees. As the identified risks implied in these contingent liabilities are subject to interpretations and uncertainties in the respective regulations, the management made an estimation of the fair value.

ONEROUS CONTRACTS

Concession agreements usually fix the fee for the locations as a percentage on net sales. Some of these long-term concession agreements, which Dufry has entered into, include clauses to ensure a minimal concession fee during the full term of the agreement. However, in certain circumstances the economic environment around an activity deteriorates in such a way that it is highly unlikely that the operation will become profitable during the remaining concession duration. In such cases Dufry does impair the assets subject to amortization or depreciation and creates a provision for onerous contracts. This provision reflects the present value of the unavoidable cost (losses) of meeting the contractual obligation. At balance sheet date, an amount of CHF 171.3 (2014 restated: 87.2) million has been provided in relation to operations in Asia and Europe.

CLOSE DOWN

The provision of CHF 42 (2014: 3.6) million relates mainly to the closing of operations in Asia and Europe.

LABOR DISPUTES

The provision of CHF 2.3 (2014: 3.2) million relates mainly to claims presented by sales staff based on disputes related to the termination of temporary labor contracts in Brazil.

LAWSUITS AND DUTIES

These provisions of CHF 21.7 (2014: 8.5) million cover uncertainties dependent on the outcome of law suits in relation to taxes, duties or other claims in Brazil, Ecuador, India, Italy and Turkey.

The increase in 2015 are mainly related to disputes with custom authorities in Ecuador, India and Turkey.

OTHER

The charge for the year includes a provision for the expenses expected to be incurred in relation to the structural improvements and the integration of support functions of the organization.

CASH OUTFLOWS OF NON-CURRENT PROVISIONS

The expected timing of the related cash outflows of non-current provisions as of December 31, 2015 is currently projected as follows:

IN MILLIONS OF CHF	EXPECTED CASH OUTFLOW
2017	26.6
2018	15.2
2019	14.6
2020	13.7
2021 +	113.8
Total non-current	**183.9**

33. POST-EMPLOYMENT BENEFIT OBLIGATIONS

Dufry provides retirement benefits through a variety of arrangements comprised principally of stand-alone defined benefit or defined contribution plans, or state administered plans that cover a substantial portion of employees in accordance with local regulations and practices. The most significant plans in terms of the benefits accrued to date by participants are cash balance and final salary plans. Around 96.2 % (2014: 93.8 %) of the total defined benefit obligation and 100 % (2014: 100 %) of the plan assets correspond to pension funds in Switzerland (CH) and the United Kingdom (UK).

			2015			2014
IN MILLIONS OF CHF	**Funded**	**Unfunded**	**TOTAL**	**Funded**	**Unfunded**	**TOTAL**
SWITZERLAND						
Fair value of plan assets	179.2	–	179.2	181.1	–	181.1
Present value of defined benefit obligation	194.8	–	194.8	205.3	–	205.3
Financial (deficit) surplus	**(15.6)**	**–**	**(15.6)**	**(24.2)**	**–**	**(24.2)**
UK						
Fair value of plan assets	186.3	–	186.3	–	–	–
Present value of defined benefit obligation	209.8	–	209.8	–	–	–
Financial (deficit) surplus	**(23.5)**	**–**	**(23.5)**	**–**	**–**	**–**
OTHER PLANS						
Fair value of plan assets	–	–	–	–	–	–
Present value of defined benefit obligation	–	16.2	16.2	–	13.5	13.5
Financial (deficit) surplus	**–**	**(16.2)**	**(16.2)**	**–**	**(13.5)**	**(13.5)**
TOTAL						
Fair value of plan assets	365.5	–	365.5	181.1	–	181.1
Present value of defined benefit obligation	404.6	16.2	420.8	205.3	13.5	218.8
Total net book value employee benefits	**(39.1)**	**(16.2)**	**(55.3)**	**(24.2)**	**(13.5)**	**(37.7)**

A description of the significant retirement benefit plans is as follows:

Reconciliation to the funded plans

IN MILLIONS OF CHF	2015	2014
Net defined (obligation) / asset at January 1	**(24.2)**	**1.1**
Net defined asset / (obligation) of acquired companies	(25.6)	0.5
Pension expense through income statement	(9.3)	8.2
Remeasurements through other comprehensive income	12.3	(29.7)
Transfer payment	–	(8.0)
Contributions paid by employer	7.2	3.7
Currency translation	0.5	–
Net defined (obligation) / asset at December 31	**(39.1)**	**(24.2)**

33.1 SWITZERLAND

Dufry operates two company sponsored pension funds in form of foundations in Switzerland that provide contribution-based cash balance retirement and risk benefits to employees. The Pension Fund Nuance (PVN) was integrated to the financial report in September 2014. All pension plans in Switzerland are governed by the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG), which stipulates that pension plans are to be managed by independent, legally autonomous units. Pension plans are overseen by a regulator as well as by a state supervisory body. A pension plan's most senior governing body (Board of Trustees) must be composed of equal numbers of employee and employer representatives. The various insurance benefits are governed in regulations, with the BVG specifying the minimum benefits that are to be provided. The employer and employees pay contributions to the pension plan. In case of an underfunding, various measures can be taken such as the adjustment of the pension benefits, by altering the actuarial assumptions or increasing future contributions. The employer can also make additional restructuring contributions. The BVG prescribes how employees and employer have to jointly fund potential restructurings.

All actuarial risks are borne by the Pension funds Weitnauer (PKW) or PVN. These risks consist of demographic risks, primarily life expectancy, and financial risks such as the discount rate, future increases in salaries / wages, and the return on plan assets. These risks are regularly assessed by the Board of Trustees. In addition, two annual actuarial reports are submitted, one in accordance with the requirements of the BVG, the other in accordance with IFRS requirements.

The investment strategy is defined in form of a long-term target asset-, currency- and risk-structure (investment policy), which takes into account requirements from BVG, and aim to obtain a high long-term return on plan assets. The Board of Trustees is responsible for the investment of the assets, reviewing the investment portfolio as often as necessary – especially in the case of significant changes in the expectations of market developments and at least once a year. When reviewing the investment portfolio, it takes into account the limitations set in the strategy. The Board of Trustees delegates the implementation of the investment policy – in accordance with the investment strategy as well as various principles and objectives – to an Investment Committee, which consists of two members of the Board of Trustees. They supervise the entire investment process. The plan assets are managed by several external specialized and independent asset managers in accordance with the investment strategy, whereby the investments in properties are directly managed by the fund.

Under Swiss pension law Dufry cannot recover any surplus from the pension funds, because those belong to the foundations.

The pension funds currently invest in a diverse portfolio of asset classes including equities, bonds, property and commodities but do not currently use any more explicit asset-liability matching strategy instruments such as annuity purchase products or longevity swaps.

There have been the following changes made to the Swiss retirement benefit arrangements in the periods covered by these financial statements:

- In October 2015 Dufry informed their employees about the planned transfer of the PKW into the PVN as of January 1, 2016. Combined with this transfer the foundation board of the Nuance Group pension plan decided to change some of the plan benefits as from January 1, 2016, resulting in a plan change for all pension plan members. The plan change resulted in a past service credit of CHF 3.3 million which has been recognized in the 2015 pension expenses.
- As of December 2014 the PKW has made a final allocation of the retirement pensioners (retired before May 31, 2003). This final allocation resulted in a transfer of CHF 17.5 million in assets and CHF 25.5 million in liabilities.
- In September 2014 the PKW changed its plan from a defined benefit plan (Leistungsprimat) to a cash balance plan (Beitragsprimat) starting on January 1, 2015. The new plan intended to keep the benefits granted at levels similar to the previous plan. From this plan change a net gain of CHF 12.3 million resulted, presented in the line pension expenses in the income statement. The plan changes did not result in a change in qualification as a defined benefit plan under IFRS.
- As a result of the acquisition of The Nuance Group in August 2014, Dufry recognized a net defined benefit asset of the PVN in the amount of CHF 0.5 million. The actuarial assumptions applied were the same as for PKW.

33.2 UNITED KINGDOM (UK)

Dufry operates a defined benefit pension plan mainly in the UK under specific regulatory frameworks. The UK plan provides a retirement benefit in the form of a pension payment based on a guaranteed percentage of salary accruing for each year of service, revalued to and payable from retirement. In the UK plan, pension payments increase annually in line with the retail price index, subject to certain limits. The pension payments are made from trustee-administered funds; however, where plans are underfunded, the company meets the benefit payment obligation as it falls due. The plan is governed by local legislation and its own trust documentation. The responsibility for the governance of the plan, including investment decisions and contribution schedules, lies with the Board of Trustees. The Board of Trustees must be composed of representatives of the Company and plan participants in accordance with the plans' regulations.

Cost of defined benefit plans

	2015			2014
IN MILLIONS OF CHF	Switzerland	UK[1]	TOTAL	Switzerland
SERVICE COSTS				
Current service costs	(10.7)	(0.3)	(11.0)	(3.7)
Past service costs	3.3	–	3.3	12.3
Fund administration	(0.4)	–	(0.4)	(0.3)
Net interest	(0.3)	(0.9)	(1.2)	(0.1)
Total pension expenses recognized in the income statement	**(8.1)**	**(1.2)**	**(9.3)**	**8.2**

[1] For the period August to December

The current service costs, the change to cash balance plan and costs of funds administration of Dufry are included in personnel expenses (see note 9 retirement benefits).

Remeasurements employee benefits

	2015			2014
IN MILLIONS OF CHF	Switzerland	UK[1]	TOTAL	Switzerland
Actuarial gains (losses) – experience	3.6	1.0	4.6	(1.2)
Actuarial gains (losses) – demographic assumptions	7.8	2.2	10.0	–
Actuarial gains (losses) – financial assumptions	(6.7)	3.0	(3.7)	(33.2)
Return on plan assets exceeding expected interest	5.1	(3.7)	1.4	4.7
Total remeasurements recorded in other comprehensive income	**9.8**	**2.5**	**12.3**	**(29.7)**

[1] For the period August to December

The following tables summarize the components of the funded status and amounts recognized in the statement of financial position for the plan:

Change in the fair value of plan assets

	2015			2014
IN MILLIONS OF CHF	Switzerland	UK[1]	TOTAL	Switzerland
Balance at January 1	**181.1**	**–**	**181.1**	**63.8**
Business combinations	–	194.6	194.6	89.9
Interest income [2]	2.2	6.9	9.1	2.1
Return on plan assets, above interest income	5.1	(3.7)	1.4	4.7
Contributions paid by employer	7.0	0.2	7.2	3.7
Contributions paid by employees	3.6	0.1	3.7	2.1
Benefits paid	(19.8)	(7.1)	(26.9)	(2.7)
Transfer payment	–	–	–	17.5
Currency translation	–	(4.7)	(4.7)	–
Balance at December 31	**179.2**	**186.3**	**365.5**	**181.1**

[1] For the period August to December
[2] Expected interest income on plan assets based on discount rate. See actuarial assumptions.

Change in present value of defined benefit obligation

	2015			2014
IN MILLIONS OF CHF	Switzerland	UK[1]	TOTAL	Switzerland
Balance at January 1	**205.3**	**–**	**205.3**	**62.7**
Business combinations	–	220.2	220.2	89.4
Current service costs	10.7	0.3	11.0	3.7
Interest costs	2.6	7.8	10.4	2.1
Contributions paid by employees	3.6	0.1	3.7	2.1
Accrual of expected future administration costs	0.4	–	0.4	0.3
Actuarial losses / (gains) – experience	(3.6)	(1.0)	(4.6)	1.2
Actuarial losses / (gains) – demographic assumptions	(7.8)	(2.2)	(10.0)	–
Actuarial losses / (gains) – financial assumptions	6.7	(3.0)	3.7	33.2
Benefits paid	(19.8)	(7.1)	(26.9)	(2.7)
Past service cost – plan amendments	(3.3)	–	(3.3)	(12.2)
Transfer payment	–	–	–	25.5
Currency translation	–	(5.3)	(5.3)	–
Balance at December 31	**194.8**	**209.8**	**404.6**	**205.3**
Net defined benefit (obligation) / asset at December 31	**(15.6)**	**(23.5)**	**(39.1)**	**(24.2)**

[1] For the period August to December

Actuarial assumptions

The present value of the defined benefit obligation is determined annually by independent actuaries using the projected unit credit method. The main actuarial assumptions used are:

	2015		2014
IN PERCENTAGE (%)	Switzerland	UK [1]	Switzerland
Discount rates	1.00	3.85	1.25
Future salary increases	1.50	4.25	1.50
Future pension increases	0.25	2.20	0.50
Average retirement age (in years)	64	65	63–64
Mortality table (generational tables)	2010	2015	2010

[1] For the period August to December

The mortality table takes into account changes in the life expectancy.

Plan asset structure

The categories of plan assets in percentage of total value are as follows:

	2015		2014
IN PERCENTAGE (%)	Switzerland	UK [1]	Switzerland
Shares	30.9	29.4	30.1
Bonds	30.3	58.5	33.3
Real estate	28.1	0.0	23.5
Other [2]	10.7	12.1	13.1
Total	**100.0**	**100.0**	**100.0**

[1] For the period August to December
[2] Includes liquid positions and alternative investments.

All assets held by the Pension fund in Switzerland and UK are fair-value-level 1 (quoted prices in active markets), except certain real estate in Switzerland which are fair-value-level 2 (significant observable inputs) representing 13.9% (2014: 23.5%) of the total assets.

The net outflow of funds due to pension payments can be planned reliably. Contributions are paid regularly to the funded pension plans in Switzerland and UK. Furthermore, the respective investment strategies take account of the need to guarantee the liquidity of the plan at all times. Dufry does not make use of any assets held by pension plans.

Plan participants

IN THOUSAND OF CHF	2015 Switzerland	2015 UK[1]	2014 Switzerland
ACTIVE PARTICIPANTS			
Number at December 31 (persons)	882	25	1,015
Average annual plan salary	70.3	70.0	59.9
Average age (years)	40.0	49.0	40.2
Average benefit service (years)	10.0	14.1	8.8
DEFERRED PARTICIPANTS			
Number at December 31 (persons)	–	1,397	–
Average annual plan pension	–	5.3	–
BENEFIT RECEIVING PARTICIPANTS			
Number at December 31 (persons)	137	910	123
Average annual plan rent	24.0	4.0	26.2

[1] For the period August to December

IN MILLIONS OF CHF	2015 Switzerland	2015 UK[1]
EXPECTED CONTRIBUTIONS FOR		
Employer	5.8	0.2
Employees	3.1	0.1
Weighted average duration of defined benefit obligation (years)	19.7	21.2

[1] For the period August to December

IN MILLIONS OF CHF	2015 Switzerland	2014 Switzerland
MATURITY PROFILE OF DEFINED BENEFIT OBLIGATION		
Expected payments within 1 year	7.5	7.5
Expected payments in year 2	7.1	7.8
Expected payments in year 3	7.1	7.9
Expected payments in year 4	7.0	8.0
Expected payments in year 5	6.6	7.8
Expected payments beyond 5 years	36.7	41.6

Sensitivities of significant actuarial assumptions

The discount rate and the future salary increase were identified as significant actuarial assumptions.

The following impacts on the defined benefit obligation are to be expected:

2015 IN MILLIONS OF CHF	SWITZERLAND Increase	 Decrease	UK Increase	 Decrease
A CHANGE OF 0.5 % IN THE FOLLOWING ASSUMPTIONS WOULD IMPLY				
Discount rate	(14.7)	16.9	n / a	22.0
Salary rate	4.3	(3.9)	n / a	n / a
Inflation rate	n / a	n / a	16.3	n / a

The sensitivity analysis is based on realistically possible changes as of the end of the reporting year. Each change in a significant actuarial assumption was analyzed separately as part of the test. Interdependencies were not taken into account.

Expected costs

IN MILLIONS OF CHF	2016 Switzerland	 UK
Current service cost	7.3	0.4
Fund administration expenses	0.4	0.0
Net interest expenses	0.1	0.9
Costs to be recognized in income statement	**7.8**	**1.3**

34. OTHER LIABILITIES

IN MILLIONS OF CHF	31.12.2015	31.12.2014
Other service related vendors [1]	321.3	173.1
Concession fee payables	167.6	136.0
Personnel payables	165.6	134.4
Sales tax and other tax liabilities	98.4	47.7
Payables for capital expenditure [2]	31.3	180.2
Accrual for lease expenses	61.9	–
Interest payables	50.8	27.6
Payables for projects	19.5	18.1
Accrued liabilities	16.5	15.9
Financial derivative liabilities	2.6	0.1
Payables to local business partners	1.7	6.3
Payables for acquisitions	0.1	–
Other payables	22.3	24.1
Total	**959.6**	**763.5**
THEREOF		
Current liabilities	894.7	760.2
Non-current liabilities	64.9	3.3
Total	**959.6**	**763.5**

[1] Thereof WDF CHF 201.3 million
[2] Includes in 2014 CHF 162.2 million related to the Put option (see note 6.5)

35. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

A party is related to Dufry if the party directly or indirectly controls, is controlled by, or is under common control with Dufry, has an interest in Dufry that gives it significant influence over Dufry, has joint control over Dufry or is an associate or a joint venture of Dufry. In addition, members of the key management personnel of Dufry or close members of the family are also considered related parties as well as post-employment benefit plans for the benefit of employees of Dufry.

The related party transactions and relationships for Dufry are the following:

IN MILLIONS OF CHF	2015	2014
PURCHASE OF GOODS FROM		
Hudson Wholesale, purchase of merchandises [1]	18.5	18.9
Hudson RPM, purchase of merchandises [1]	4.1	4.0
Folli Follie Group, purchase of goods [2]	3.7	4.9
PURCHASE OF OTHER SERVICES FROM		
Transportes Aereos de Xalapa de CV [3]	2.3	3.4
Folli Follie Group, rent of building [2]	0.6	0.8
Pension Fund Weitnauer, post-employment benefits	4.2	2.5
Pension Fund Nuance, post-employment benefits	6.5	1.2
Aeropuertos Siglo XXI SA, Concession fees [3]	7.5	6.8
SALE OF GOODS TO		
Folli Follie Group [2]	–	0.7
OUTSTANDING PAYABLES AT DECEMBER 31		
Hudson Wholesale, trade payables [1]	1.1	2.2
Hudson RPM, trade payables [1]	0.3	0.4
Aeropuertos Siglo XXI SA, concession payables	0.9	0.9
Transportes Aereos de Xalapa SA de CV, other payables	0.7	1.3
Folli Follie Group, trade payables [2]	4.2	5.3
Pension Fund Weitnauer, personnel payables	–	0.5
Pension Fund Nuance, personnel payables	0.4	0.6
OUTSTANDING RECEIVABLES AT DECEMBER 31		
Folli Follie Group, trade receivables [2]	0.3	4.6

[1] These two Hudson companies are controlled by James S. Cohen, a member of the Board of Directors

[2] Folli Follie Group is controlled by George Koutsolioutsos, a member of the Board of Directors

[3] Aeropuertos Dominicanos Siglo XXI and Transportes Aereos de Xalapa SA de CV are subsidiaries of Latin America Airport Holding Ltd. Juan Carlos Torres Carretero and Andrés Holzer Neumann are member of the Board of Directors of this company.

The compensation to members of the Board of Directors and the Group Executive Committee for the services provided during the respective years includes all forms of consideration paid, payable or provided by Dufry, including compensation in company shares as follows:

IN MILLIONS OF CHF	2015	2014
BOARD OF DIRECTORS		
Number of directors	9	9
Short-term employee benefits[1]	5.6	4.9
Post-employment benefits	0.3	0.3
Share-based payments	–	–
Total compensation	**5.9**	**5.2**
GROUP EXECUTIVE COMMITTEE		
Number of members	9	9
Short-term employee benefits	16.1	16.9
Post-employment benefits	1.2	1.9
Share-based payments[2]	2.8	2.4
Total compensation	**20.1**	**21.2**

1 In prior year, the short-term employee benefit of the Board of Directors includes a compensation for the strategic consulting service provided by Mr. Bouton of CHF 0.3 million. This service agreement was terminated on December 31, 2014.

2 Expenses accrued during the year for members of the Group Executive Committee

For further information regarding participations and compensations to member of the Board of Directors or Group Executive Committee, please refer to the remuneration report at the end of the annual report.

36. COMMITMENTS AND CONTINGENCIES

GUARANTEE COMMITMENTS

Some long-term concession agreements, which Dufry has entered into, include obligations to fulfill minimal fee payments during the full term of the agreement. Some of these agreements have been backed with guarantees provided by Dufry or a financial institution. During the years 2015 or 2014, no party has exercised their right to call upon such guarantees. All accrued, but still unpaid fees are presented as liabilities in the balance sheet.

37. FAIR VALUE MEASUREMENT

FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT AMORTIZED COST

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

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

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

Quantitative disclosures fair value measurement hierarchy for assets

DECEMBER 31, 2015 IN MILLIONS OF CHF	DATE OF VALUATION	TOTAL	FAIR VALUE MEASUREMENT USING Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	BOOK VALUES
ASSETS MEASURED AT FAIR VALUE						
Derivative financial assets (Note 38.5.2)						
Foreign exchange forward contracts – USD	31.12.2015	0.5		0.5		0.5
Foreign exchange forward contracts – EUR	31.12.2015	1.2		1.2		1.2
Financial assets valued at FVTPL (Note 38.2)						
Short-term deposits	31.12.2015	29.5	29.5	–		29.5
Short-term financial investments	31.12.2015	17.7	17.7	–		17.7
ASSETS FOR WHICH FAIR VALUES ARE DISCLOSED						
Loans and receivables						
Credit card receivables	31.12.2015	45.5		45.5		46.4

DECEMBER 31, 2014 IN MILLIONS OF CHF	DATE OF VALUATION	TOTAL	FAIR VALUE MEASUREMENT USING Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	BOOK VALUES
ASSETS MEASURED AT FAIR VALUE						
Derivative financial assets (Note 38.5.2)						
Foreign exchange forward contracts – USD	31.12.2014	0.6		0.6		0.6
Financial assets valued at FVTPL (Note 38.2)						
Short-term deposits	31.12.2014	23.9	23.9			23.9
ASSETS FOR WHICH FAIR VALUES ARE DISCLOSED						
Loans and receivables						
Credit card receivables	31.12.2014	43.7		43.7		44.5

There were no transfers between the Level 1 and 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities

DECEMBER 31, 2015 IN MILLIONS OF CHF	DATE OF VALUATION	TOTAL	FAIR VALUE MEASUREMENT USING Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	BOOK VALUES
LIABILITIES MEASURED AT FAIR VALUE						
Derivative financial liabilities (Note 38.5.2)						
Foreign exchange forward contracts – USD	31.12.2015	0.9		0.9		0.9
Foreign exchange forward contracts – EUR	31.12.2015	0.1		0.1		0.1
Foreign exchange forward contracts – GBP	31.12.2015	0.1		0.1		0.1
Financial assets valued at FVTPL (Interest rate swaps)	31.12.2015	1.5		1.5		1.5
LIABILITIES FOR WHICH FAIR VALUES ARE DISCLOSED						
At amortized cost						
Senior Notes USD 500	31.12.2015	519.2	519.2			493.2
Senior Notes EUR 500	31.12.2015	569.3	569.3			529.6
Senior Notes EUR 700	31.12.2015	792.4	792.4			744.4
Floating rate borrowings USD	31.12.2015	1,089.5		1,089.5		1,019.2
Floating rate borrowings EUR	31.12.2015	859.1		859.1		789.7
Floating rate borrowings CHF	31.12.2015	102.4		102.4		98.4
Floating rate borrowings GBP	31.12.2015	674.0		674.0		631.8

DECEMBER 31, 2014 IN MILLIONS OF CHF	DATE OF VALUATION	TOTAL	FAIR VALUE MEASUREMENT USING Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	BOOK VALUES
LIABILITIES MEASURED AT FAIR VALUE						
Derivative financial liabilities (Note 38.5.2)						
Foreign exchange forward contracts – USD	31.12.2014	0.1		0.1		0.1
LIABILITIES FOR WHICH FAIR VALUES ARE DISCLOSED						
At amortized cost						
Senior Notes USD	31.12.2014	518.4	518.4			489.0
Senior Notes EUR	31.12.2014	642.7	642.7			585.9
Floating rate borrowings USD	31.12.2014	1,068.4		1,068.4		1,053.5
Floating rate borrowings EUR	31.12.2014	652.5		652.5		601.4
Floating rate borrowings CHF	31.12.2014	112.2		112.2		110.0

There were no transfers between the Level 1 and 2 during the period.

38. FINANCIAL INSTRUMENTS

Significant accounting policies are described in note 2.3 t) and following notes.

38.1 CAPITAL RISK MANAGEMENT

Capital comprises equity attributable to the equity holders of the parent less hedging and revaluation reserves for unrealized gains or losses on net investment, plus other equity-linked or equity-like instruments attributable to the parent.

The primary objective of Dufry's capital management is to ensure that it maintains an adequate credit rating and sustainable capital ratios in order to support its business and maximize shareholder value.

Dufry manages its financing structure and makes adjustments to it in light of its strategy and the long-term opportunities and costs of each financing source. To maintain or adjust the financing structure, Dufry may adjust dividend payments to shareholders, return capital to shareholders, issue new shares or issue equity-linked instruments or equity-like instruments.

Furthermore, Dufry monitors the financing structure using a combination of ratios, including a gearing ratio, cash flow considerations and profitability ratios. As for the gearing ratio Dufry includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

38.1.1 Gearing ratio

The following ratio compares owner's equity to borrowed funds:

IN MILLIONS OF CHF	31.12.2015	RESTATED* 31.12.2014
Cash and cash equivalents	(432.5)	(513.0)
Financial debt, short-term	77.3	45.6
Financial debt, long-term	4,313.1	2,821.8
Net debt	**3,957.9**	**2,354.4**
Equity attributable to equity holders of the parent	3,149.1	2,293.6
ADJUSTED FOR		
Accumulated hedged gains / (losses)	40.1	42.0
Effects from transactions with non-controlling interests [1]	1,821.0	692.6
Total capital [2]	**5,010.2**	**3,028.2**
Total net debt and capital	**8,968.1**	**5,382.6**
Gearing ratio	**44.1%**	**43.7%**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

[1] Represents the excess paid (received) above fair value of non-controlling interests on shares acquired (sold) as long as there is no change in control (IFRS 10.23)

[2] Includes all capital and reserves of Dufry that are managed as capital

Dufry did not hold collateral of any kind at the reporting dates.

38.2 CATEGORIES OF FINANCIAL INSTRUMENTS

AT DECEMBER 31, 2015

IN MILLIONS OF CHF	FINANCIAL ASSETS Loans and receivables	at FVTPL[1]	SUBTOTAL	NON-FINANCIAL ASSETS[2]	TOTAL
Cash and cash equivalents	403.0	29.5	432.5	–	432.5
Financial instruments at fair value through profit and loss	–	17.7	17.7	–	17.7
Trade and credit card receivables	132.8	–	132.8	–	132.8
Other accounts receivable	131.8	1.7	133.5	202.5	336.0
Other non-current assets	109.4	–	109.4	238.0	347.4
Total	**777.0**	**48.9**	**825.9**		

IN MILLIONS OF CHF	FINANCIAL LIABILITIES at amortized cost	at FVTPL[1]	SUBTOTAL	NON-FINANCIAL LIABILITIES[2]	TOTAL
Trade payables	546.8	–	546.8	–	546.8
Financial debt short-term	77.3	–	77.3	–	77.3
Other liabilities	776.1	2.6	778.7	116.0	894.7
Financial debt long-term	4,313.1	–	4,313.1	–	4,313.1
Other non-current liabilities	3.0	–	3.0	61.9	64.9
Total	**5,716.3**	**2.6**	**5,718.9**		

1 Financial assets and liabilities at fair value through income statement

2 Non-financial assets and liabilities comprise prepaid expenses and deferred income, which will not generate a cash outflow or inflow as well as sales tax and other tax positions

AT DECEMBER 31, 2014

IN MILLIONS OF CHF	FINANCIAL ASSETS Loans and receivables	at FVTPL[1]	SUBTOTAL	NON-FINANCIAL ASSETS[2]	TOTAL
Cash and cash equivalents	489.1	23.9	513.0	–	513.0
Trade and credit card receivables	118.7	–	118.7	–	118.7
Other accounts receivable	109.7	0.6	110.3	116.9	227.2
Other non-current assets	73.6	–	73.6	33.0	106.6
Total	**791.1**	**24.5**	**815.6**		

IN MILLIONS OF CHF	FINANCIAL LIABILITIES at amortized cost	at FVTPL[1]	SUBTOTAL	NON-FINANCIAL LIABILITIES[2]	TOTAL
Trade payables	418.3	–	418.3	–	418.3
Financial debt short-term	45.6	–	45.6	–	45.6
Other liabilities	695.9	0.1	696.0	64.2	760.2
Financial debt long-term	2,821.8	–	2,821.8	–	2,821.8
Other non-current liabilities	3.3	–	3.3	–	3.3
Total	**3,984.9**	**0.1**	**3,985.0**		

1 Financial assets and liabilities at fair value through income statement

2 Non-financial assets and liabilities comprise prepaid expenses and deferred income, which will not generate a cash outflow or inflow as well as sales tax and other tax positions

38.2.1 Net income by IAS 39 valuation category

Financial Assets at December 31, 2015

IN MILLIONS OF CHF	LOANS AND RECEIVABLES	AT FVTPL	TOTAL
Interest income	5.6	0.7	6.3
Other finance income	0.4	4.5	4.9
From interest	**6.0**	**5.2**	**11.2**
Fair values gain (loss)	–	4.9	4.9
Foreign exchange gain (loss) [1]	(148.3)	10.9	(137.3)
Impairments / allowances [2]	(11.7)	–	(11.7)
Total – from subsequent valuation	**(160.0)**	**15.8**	**(144.2)**
Net (expense) / income	**(154.0)**	**21.0**	**(133.0)**

Financial Liabilities at December 31, 2015

IN MILLIONS OF CHF	AT AMORTIZED COST	AT FVTPL	TOTAL
Interest expenses	(172.6)	–	(172.6)
Other finance expenses	(5.5)	(1.2)	(6.7)
From interest	**(178.1)**	**(1.2)**	**(179.3)**
Foreign exchange gain (loss) [1]	136.3	–	136.3
Total – from subsequent valuation	**136.3**	**–**	**136.3**
Net (expense) / income	**(41.8)**	**(1.2)**	**(43.0)**

[1] This position includes the foreign exchange gain (loss) recognized on third party and intercompany financial assets and liabilities through consolidated income statement

[2] This position includes the income from the released impairments and allowances and recoveries during the period less the increase of impairments and allowances

Financial Assets at December 31, 2014

IN MILLIONS OF CHF	LOANS AND RECEIVABLES	AT FVTPL	TOTAL
Interest income	4.3	–	4.3
Other finance income	0.4	–	0.4
From interest	**4.7**	**–**	**4.7**
Fair values gain (loss)	–	4.8	4.8
Foreign exchange gain (loss) [1]	137.8	–	137.8
Impairments / allowances [2]	(2.9)	–	(2.9)
Total – from subsequent valuation	**134.9**	**4.8**	**139.7**
Net income	**139.6**	**4.8**	**144.4**

Financial Liabilities at December 31, 2014

IN MILLIONS OF CHF	AT AMORTIZED COST	AT FVTPL	TOTAL
Interest expenses	(139.8)	–	(139.8)
Other finance expenses	(11.5)	–	(11.5)
From interest	**(151.3)**	**–**	**(151.3)**
Fair values gain (loss)	–	(1.0)	(1.0)
Foreign exchange gain (loss) [1]	(139.9)	–	(139.9)
Total – from subsequent valuation	**(139.9)**	**(1.0)**	**(140.9)**
Net expense	**(291.2)**	**(1.0)**	**(292.2)**

[1] This position includes the foreign exchange gain (loss) recognized on third party and intercompany financial assets and liabilities through consolidated income statement

[2] This position includes the income from the released impairments and allowances and recoveries during the period less the increase of impairments and allowances

38.3 FINANCIAL RISK MANAGEMENT OBJECTIVES

As a global retailer, Dufry has worldwide activities which need to be financed in different currencies and are consequently affected by fluctuations of foreign exchange and interest rates. Dufry's treasury manages the financing of the operations through centralized credit facilities to ensure an adequate allocation of these resources and simultaneously minimize the potential currency financial risk impacts.

Dufry continuously monitors the market risk, such as risks related to foreign currency, interest rate, credit, liquidity and capital. Dufry seeks to minimize the currency exposure and interest rates risk using appropriate transaction structures or alternatively, using derivative financial instruments to hedge the exposure to these risks. The treasury policy forbids entering or trading financial instruments for speculative purposes.

38.4 MARKET RISK

Dufry's financial assets and liabilities are mainly exposed to market risk in foreign currency exchange and interest rates. Dufry's objective is to minimize the income statement impact and to reduce fluctuations in cash flows through structuring the respective transactions to minimize market risks. In cases, where the associated risk cannot be hedged appropriately through a transaction structure, and the evaluation of market risks indicates a material exposure, Dufry may use financial instruments to hedge the respective exposure.

Dufry may enter into a variety of financial instruments to manage its exposure to foreign currency risk, including forward foreign exchange contracts, currency swaps and over the counter plain vanilla options.

During the current financial year Dufry utilized foreign currency forward contracts and options for hedging purposes.

38.5 FOREIGN CURRENCY RISK MANAGEMENT

Dufry manages the cash flow surplus or deficits in foreign currency of the operations through FX-transactions in the respective local currency. Major imbalances in foreign currencies at Group level are hedged through foreign exchange forwards contracts. The terms of the foreign currency forward contracts have been negotiated to match the terms of the forecasted transactions.

38.5.1 Foreign currency sensitivity analysis

Among various methodologies to analyze and manage risk, Dufry utilizes a system based on sensitivity analysis. This tool enables group treasury to identify the level of risk of each entity. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions.

Foreign Currency Exposure:

IN MILLIONS OF CHF	USD	EURO	GBP	BRL	OTHER	TOTAL
DECEMBER 31, 2015						
Monetary assets	1,655.2	1,897.9	659.0	20.2	256.8	4,489.1
Monetary liabilities	3,139.5	2,130.2	1,014.1	36.0	166.2	6,486.0
Net exposure before hedging	**(1,484.3)**	**(232.3)**	**(355.1)**	**(15.8)**	**90.6**	**(1,996.9)**
Hedging	929.7	–	353.5	–	(101.8)	1,181.4
Net exposure after hedging	**(554.6)**	**(232.3)**	**(1.6)**	**(15.8)**	**(11.2)**	**(815.5)**
DECEMBER 31, 2014						
Monetary assets	1,253.6	1,427.7	–	44.3	275.5	3,001.1
Monetary liabilities	2,317.8	1,562.3	–	72.2	163.4	4,115.7
Net exposure before hedging	**(1,064.2)**	**(134.6)**	**–**	**(27.9)**	**112.1**	**(1,114.6)**
Hedging	922.0	–	–	–	(79.1)	842.9
Net exposure after hedging	**(142.2)**	**(134.6)**	**–**	**(27.9)**	**33.0**	**(271.7)**

The sensitivity analysis includes all monetary assets and liabilities irrespective of whether the positions are third party or intercompany. Dufry has considered some intercompany long-term loans as net investment in foreign operations (IAS 21, paragraph 15). Consequently, the related exchange differences are presented in other comprehensive income and thereafter as translation reserve in equity.

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure of Dufry entities at December 31 of the respective year. The values and risk disclosed here are the hedged and not hedged positions assuming a 5% appreciation of the CHF against all other currencies.

A positive result indicates a profit, before tax in the consolidated income statement or in the hedging and revaluation reserves when the CHF strengthens against the relevant currency.

IN MILLIONS OF CHF	31.12.2015	31.12.2014
Effect on the Income Statement – profit (loss) of USD	27.7	7.2
Other comprehensive income – profit (loss) of USD	46.5	46.0
Effect on the Income Statement – profit (loss) of EUR	11.6	6.7

Reconciliation to categories of financial instruments:

IN MILLIONS OF CHF	31.12.2015	31.12.2014
FINANCIAL ASSETS		
Total financial assets held in foreign currencies (see above)	4,489.1	3,001.1
less intercompany financial assets in foreign currencies	(4,278.6)	(2,758.6)
Third party financial assets held in foreign currencies	210.5	242.5
Third party financial assets held in reporting currencies	615.4	573.1
Total third party financial assets [1]	**825.9**	**815.6**
FINANCIAL LIABILITIES		
Total financial liabilities held in foreign currencies (see above)	6,486.0	4,115.7
less intercompany financial liabilities in foreign currencies	(2,868.4)	(2,057.9)
Third party financial liabilities held in foreign currencies	3,617.6	2,057.8
Third party financial liabilities held in reporting currencies	2,101.3	1,927.2
Total third party financial liabilities [1]	**5,718.9**	**3,985.0**

[1] See note 38.2 Categories of financial instruments

38.5.2 Forward foreign exchange contracts and foreign exchange options at fair value

As the management of the company actively pursues to naturally hedge the positions in each operation, the policy of Dufry is to enter into foreign exchange forward and options contracts only where needed.

The following table shows the contracts or underlying principal amounts and fair values of derivative financial instruments. Contracts or underlying principal amounts indicate the volume of business outstanding at the balance sheet date. The fair values are determined by reference to market prices or standard pricing models that used observable market inputs at December 31 of each year.

IN MILLIONS OF CHF	CONTRACT OR UNDERLYING PRINCIPAL AMOUNT	POSITIVE FAIR VALUE	NEGATIVE FAIR VALUE
December 31, 2015	273.7	1.7	1.1
December 31, 2014	13.1	0.6	0.1

38.5.3 Financial instruments at fair value through profit and loss

The Argentinian subsidiary is subject to international cash transfer restrictions. Consequently excess of cash was placed in Bonds denominated in USD to reduce the currency exposure. The changes in fair value are booked through profit and loss.

Denomination: Bono de la Nacion Argentina vinculado al dolar (BONAD 16)
Issuer: Argentinian Government
Fixed interest rate: 1.75 %
Maturity date: 28.10.2016
Currency: Issued in USD and settled in Argentinian Pesos

The movements of the listed public bonds denominated in USD are as follows:

IN MILLIONS OF CHF	2015	2014
Balance at January 1	**–**	**–**
Additions	11.7	–
Fair value adjustment	4.9	–
Currency translation	1.1	–
Balance at December 31	**17.7**	**–**

The fair value of the listed public bonds is based on their current bid prices in an active market.

Purchases of and proceeds from the sale of financial assets at fair value through profit and loss are presented within investing activities in the statement of cash flows.

38.6 INTEREST RATE RISK MANAGEMENT

Dufry manages the interest rate risk through interest rate swaps and options to the extent that the hedging cannot be implemented through managing the duration of the debt drawings. The levels of the hedging activities are evaluated regularly and may be adjusted in order to reflect the development of the various parameters. Dufry had 9 outstanding interest swaps contracts during 2015 (none in 2014).

38.6.1 Interest rate swap contracts

The following table shows the contracts or underlying principal amounts and fair values of derivative financial instruments. Contracts or underlying principal amounts indicate the volume of business outstanding at December 31. The fair values are determined by reference to market prices or standard pricing models that used observable market inputs at December 31.

IN MILLIONS OF CHF	CONTRACT OR UNDERLYING PRINCIPAL AMOUNT	POSITIVE FAIR VALUE	NEGATIVE FAIR VALUE
December 31, 2015	195.5	–	1.5
December 31, 2014	–	–	–

The interest rate swaps settle on a monthly basis. The floating rate on the interest rate swaps is the equivalent to one month GBP LIBOR rate. Dufry will settle the difference between the fixed and the floating interest rate on a net basis.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce Dufry's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to the income statement over the period that the floating rate interest payments on debt affect the income statement.

38.6.2 Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates derivatives and non-derivative instruments at the reporting date. The risk analysis provided here assumes a simultaneous increase of 100 basis points of the interest rate of all interest bearing financial positions.

If interest rates had been 100 basis points higher whereas all other variables were held constant, Dufry's net earnings for the year 2015 would decrease by CHF 33.2 (2014: decrease by 15.9) million.

38.6.3 Allocation of financial assets and liabilities to interest classes

	IN %		IN MILLIONS OF CHF				
AT DECEMBER 31, 2015	Average variable interest rate	Average fixed interest rate	Variable interest rate	Fixed interest rate	Total interest bearing	Non-interest bearing	TOTAL
Cash and cash equivalents	0.4 %	17.3 %	155.2	38.7	193.9	238.6	432.5
Financial instruments at fair value through profit and loss		1.8 %	–	17.7	17.7	–	17.7
Trade and credit card receivables			–	–	–	132.8	132.8
Other accounts receivable	7.1 %		2.9	–	2.9	130.6	133.5
Other non-current assets	3.1 %	0.5 %	36.4	0.4	36.8	72.6	109.4
Financial assets			**194.5**	**56.8**	**251.3**	**574.6**	**825.9**
Trade payables			–	–	–	546.8	546.8
Financial debt, short-term	6.1 %		74.4	2.5	76.9	0.4	77.3
Other liabilities		1.3 %	–	1.5	1.5	777.2	778.7
Financial debt, long-term	2.6 %	5.0 %	2,569.0	1,744.1	4,313.1	–	4,313.1
Other non-current liabilities			–	–	–	3.0	3.0
Financial liabilities			**2,643.4**	**1,748.1**	**4,391.5**	**1,327.4**	**5,718.9**
Net financial liabilities			**2,448.9**	**1,691.3**	**4,140.2**	**752.8**	**4,893.0**

	IN %		IN MILLIONS OF CHF				
AT DECEMBER 31, 2014	Average variable interest rate	Average fixed interest rate	Variable interest rate	Fixed interest rate	Total interest bearing	Non-interest bearing	TOTAL
Cash and cash equivalents	0.0 %	0.3 %	400.4	41.5	441.9	71.1	513.0
Trade and credit card receivables			–	–	–	118.7	118.7
Other accounts receivable	0.0 %		10.1	–	10.1	100.2	110.3
Other non-current assets	3.2 %	1.1 %	8.4	25.8	34.2	39.4	73.6
Financial assets			**418.9**	**67.3**	**486.2**	**329.4**	**815.6**
Trade payables			–	–	–	418.4	418.4
Financial debt, short-term	3.0 %	3.0 %	40.5	4.7	45.2	0.4	45.6
Other liabilities		1.8 %	–	0.1	0.1	695.9	696.0
Financial debt, long-term	2.1 %	5.0 %	1,738.2	1,083.5	2,821.7	–	2,821.7
Other non-current liabilities			–	–	–	3.3	3.3
Financial liabilities			**1,778.7**	**1,088.3**	**2,867.0**	**1,118.0**	**3,985.0**
Net financial liabilities			**1,359.8**	**1,021.0**	**2,380.8**	**788.6**	**3,169.4**

38.7 CREDIT RISK MANAGEMENT

Credit risk refers to the risk that counterparty may default on its contractual obligations resulting in financial loss to Dufry.

Almost all Dufry sales are retail sales made against cash or internationally recognized credit / debit cards. Dufry has policies in place to ensure that other sales are only made to customers with an appropriate credit history or that the credit risk is insured adequately. The remaining credit risk is in relation to taxes, refunds from suppliers and guarantee deposits.

The credit risk on cash deposits or derivative financial instruments relates to banks or financial institutions. Dufry monitors the credit ranking of these institutions and does not expect defaults from non-performance of these counterparties.

38.7.1 Maximum credit risk

The carrying amount of financial assets recorded in the financial statements, after deduction of any allowances for losses, represents Dufry's maximum exposure to credit risk.

38.8 LIQUIDITY RISK MANAGEMENT

Dufry evaluates this risk as the ability to settle its financial liabilities on time and at a reasonable price. Beside its capability to generate cash through its operations, Dufry mitigates liquidity risk by keeping unused credit facilities with financial institutions (see note 31).

38.8.1 Remaining maturities for non-derivative financial assets and liabilities

The following tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities (based on the earliest date on which Dufry can receive or be required to pay). The tables include principal and interest cash flows.

AT DECEMBER 31, 2015 IN MILLIONS OF CHF	1–6 MONTHS	6–12 MONTHS	1–2 YEARS	MORE THAN 2 YEARS	TOTAL
Cash and cash equivalents	434.6	0.2	–	–	434.8
Financial instruments at fair value through profit and loss	–	17.9	–	–	17.9
Trade and credit card receivables	132.0	0.8	–	–	132.8
Other accounts receivable	131.8	0.1	–	–	131.9
Other non-current assets	0.4	0.8	1.0	112.5	114.7
Total cash inflows	**698.8**	**19.8**	**1.0**	**112.5**	**832.1**
Trade payables	546.9	–	–	–	546.9
Financial debt, short-term	82.7	6.2	–	–	88.9
Other liabilities	776.1	–	–	–	776.1
Financial debt, long-term	79.7	79.8	161.0	4,856.5	5,177.0
Other non-current liabilities	–	–	–	3.0	3.0
Total cash outflows	**1,485.4**	**86.0**	**161.0**	**4,859.5**	**6,591.9**

AT DECEMBER 31, 2014 IN MILLIONS OF CHF	1–6 MONTHS	6–12 MONTHS	1–2 YEARS	MORE THAN 2 YEARS	TOTAL
Cash and cash equivalents	513.6	–	–	–	513.6
Trade and credit card receivables	117.8	0.9	–	–	118.7
Other accounts receivable	109.6	0.1	–	–	109.7
Other non-current assets	0.8	0.9	4.5	76.6	82.8
Total cash inflows	**741.8**	**1.9**	**4.5**	**76.6**	**824.8**
Trade payables	418.1	0.2	–	–	418.3
Financial debt, short-term	47.1	2.3	–	–	49.4
Other liabilities	695.0	0.9	–	–	695.9
Financial debt, long-term	46.9	46.3	152.4	3,195.0	3,440.6
Other non-current liabilities	–	–	–	3.3	3.3
Total cash outflows	**1,207.1**	**49.7**	**152.4**	**3,198.3**	**4,607.5**

38.8.2 Remaining maturities for derivative financial instruments

Dufry has derivative financial instruments at year-end of net CHF 1.0 million with maturities below 6 month.

38.9 LEGAL RESTRICTIONS ON MONEY TRANSFER

Cash and cash equivalents at the end of the reporting period include CHF 71.7 (2014: 54.9) million held by subsidiaries operating in countries with exchange controls or other legal restrictions on money transfer.

38.10 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Dufry's notional cash pool is operated by a major finance institute. The respective balances at the end of the period have been set-off as follows, based on enforceable master netting agreement:

IN MILLIONS OF CHF	BALANCE BEFORE GLOBAL POOLING	SET-OFF	NET BALANCE
31.12.2015			
Cash and cash equivalents	1,009.7	(577.2)	432.5
Financial debt, short-term	654.5	(577.2)	77.3
31.12.2014			
Cash and cash equivalents	848.5	(335.5)	513.0
Financial debt, short-term	381.1	(335.5)	45.6

39. RESTATEMENT

Dufry revised the preliminary values of the purchase price analysis as presented at December 31, 2014 to reflect:

- Change in deferred tax calculation due to timing limitations of current income taxes in Turkey
- Inclusion of income tax effect on sale of investment in associates and
- Enterprise valuation of a startup operation in India after assessing properly the market.

39.1 CONSOLIDATED INCOME STATEMENT

IN MILLIONS OF CHF	PUBLISHED 2014	RESTATEMENT	RESTATED* 2014
CONTINUING OPERATIONS			
Net sales	4,063.1	–	4,063.1
Advertising income	133.5	–	133.5
Turnover	**4,196.6**	**–**	**4,196.6**
Cost of sales	(1,733.5)	0.5	(1,733.0)
Gross profit	**2,463.1**	**0.5**	**2,463.6**
Selling expenses	(1,023.7)	0.4	(1,023.3)
Personnel expenses	(609.7)	–	(609.7)
General expenses	(256.4)	–	(256.4)
Share of result of associates	2.3	–	2.3
EBITDA[1]	**575.6**	**0.9**	**576.5**
Depreciation, amortization and impairment	(249.1)	0.2	(248.9)
Linearization	–	–	–
Other operational result	(61.1)	–	(61.1)
Earnings before interest and taxes (EBIT)	**265.4**	**1.1**	**266.5**
Interest expenses	(154.1)	–	(154.1)
Interest income	5.7	–	5.7
Foreign exchange gain / (loss)	(11.1)	–	(11.1)
Earnings before taxes (EBT)	**105.9**	**1.1**	**107.0**
Income tax	(20.3)	(0.1)	(20.4)
Net earnings from continuing operations	**85.6**	**1.0**	**86.6**
DISCONTINUED OPERATIONS			
Net earnings from discontinued operations	(0.8)	–	(0.8)
Net earnings	**84.8**	**1.0**	**85.8**
ATTRIBUTABLE TO			
Equity holders of the parent	50.8	0.8	51.6
Non-controlling interests	34.0	0.2	34.2
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Basic earnings per share	1.53	0.02	1.55
Diluted earnings per share	1.48	0.02	1.50
Weighted average number of outstanding shares in thousands	33,307	–	33,307
EARNINGS PER SHARE FOR CONTINUING OPERATIONS			
Basic earnings per share attributable to equity holders of the parent	1.55	0.02	1.57
Diluted earnings per share attributable to equity holders of the parent	1.50	0.03	1.53

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

[1] EBITDA is earnings before interest, taxes, depreciation, amortization, linearization and other operational result

39.2 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

IN MILLIONS OF CHF	PUBLISHED 2014	RESTATEMENT	RESTATED* 2014
Net earnings	**84.8**	**1.0**	**85.8**
OTHER COMPREHENSIVE INCOME			
Actuarial gains / (losses) on post-employment benefits	(37.9)	–	(37.9)
Income tax	4.5	–	4.5
Items not being reclassified to net income in subsequent periods, net of tax	**(33.4)**	**–**	**(33.4)**
Exchange differences on translating foreign operations	223.9		223.9
Net gain / (loss) on hedge of net investment in foreign operations	(102.4)		(102.4)
Income tax on above positions	3.2	–	3.2
Items to be reclassified to net income in subsequent periods, net of tax	**124.7**	**–**	**124.7**
Total other comprehensive income, net of tax	**91.3**	**–**	**91.3**
Total comprehensive income, net of tax	**176.1**	**1.0**	**177.1**
ATTRIBUTABLE TO			
Equity holders of the parent	129.9	0.8	130.7
Non-controlling interests	46.2	0.2	46.4
Total comprehensive income attributable to equity holders of the parent	**129.9**	**0.8**	**130.7**
ATTRIBUTABLE TO			
Continuing operations	130.7	0.8	131.5
Discontinued operations	(0.8)	–	(0.8)

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

39.3 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IN MILLIONS OF CHF	PUBLISHED 31.12.2014	RESTATEMENT	RESTATED* 31.12.2014
ASSETS			
Property, plant and equipment	435.4	–	435.4
Intangible assets	4,723.4	9.8	4,733.2
Investments in associates	72.9	–	72.9
Deferred tax assets	195.9	–	195.9
Other non-current assets	106.6	–	106.6
Non-current assets	**5,534.2**	**9.8**	**5,544.0**
Inventories	741.2	–	741.2
Trade and credit card receivables	118.7	–	118.7
Other accounts receivable	227.2	–	227.2
Income tax receivables	11.0	–	11.0
Cash and cash equivalents	513.0	–	513.0
Current assets	**1,611.1**	**–**	**1,611.1**
Assets of discontinued operations held for sale	1.8	–	1.8
Total assets	**7,147.1**	**9.8**	**7,156.9**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Equity attributable to equity holders of the parent	2,292.8	0.8	2,293.6
Non-controlling interests	165.8	(6.3)	159.5
Total equity	**2,458.6**	**(5.5)**	**2,453.1**
Financial debt	2,821.8	–	2,821.8
Deferred tax liabilities	416.4	2.7	419.1
Provisions	96.6	12.6	109.2
Post-employment benefit obligations	37.7	–	37.7
Other non-current liabilities	3.3	–	3.3
Non-current liabilities	**3,375.8**	**15.3**	**3,391.1**
Trade payables	418.3	–	418.3
Financial debt	45.6	–	45.6
Income tax payables	33.8	–	33.8
Provisions	54.8	–	54.8
Other liabilities	760.2	–	760.2
Current liabilities	**1,312.7**	**–**	**1,312.7**
Total liabilities	**4,688.5**	**15.3**	**4,703.8**
Total liabilities and shareholders' equity	**7,147.1**	**9.8**	**7,156.9**

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

39.4 CONSOLIDATED STATEMENT OF CASH FLOWS

IN MILLIONS OF CHF	PUBLISHED 2014	RESTATEMENT	RESTATED* 2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Earnings before taxes (EBT)	105.9	1.1	107.0
Net earnings from discontinued operations	(0.8)	–	(0.8)
Total earnings before taxes (EBT)	**105.1**	**1.1**	**106.2**
ADJUSTMENTS FOR			
Depreciation, amortization and impairment	249.1	(0.2)	248.9
Loss / (gain) on sale of non-current assets	(0.9)	–	(0.9)
Increase / (decrease) in allowances and provisions	(16.0)	–	(16.0)
Loss / (gain) on unrealized foreign exchange differences	9.1	–	9.1
Other non-cash items	2.4	–	2.4
Share of result of associates	(2.3)	–	(2.3)
Interest expense	154.1	–	154.1
Interest income	(5.7)	–	(5.7)
Cash flow before working capital changes	**494.9**	**0.9**	**495.8**
Decrease / (increase) in trade and other accounts receivable	(32.0)	–	(32.0)
Decrease / (increase) in inventories	36.5	(0.5)	36.0
Increase / (decrease) in trade and other accounts payable	(43.1)	(0.4)	(43.5)
Dividends received from associates	0.4	–	0.4
Cash generated from operations	**456.7**	**–**	**456.7**
Income taxes paid	(65.2)		(65.2)
Net cash flows from operating activities	**391.5**	**–**	**391.5**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(143.7)	–	(143.7)
Purchase of intangible assets	(57.0)	–	(57.0)
Proceeds from sale of property, plant and equipment	3.1	–	3.1
Interest received	4.9	–	4.9
Business combinations, net of cash	(1,124.6)	–	(1,124.6)
Proceeds from sale of interests in subsidiaries and associates	0.2	–	0.2
Net cash flows used in investing activities	**(1,317.1)**	**–**	**(1,317.1)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of new shares	810.0	–	810.0
Proceeds from mandatory convertible notes	275.0	–	275.0
Transaction costs for issuance of financial instruments	(75.9)	–	(75.9)
Proceeds from bank loans	1,570.8	–	1,570.8
Proceeds from issuance of notes	606.8	–	606.8
Repayment of bank loans and senior notes	(1,821.7)	–	(1,821.7)
Proceeds from / (repayment of) 3rd party loans	(5.7)	–	(5.7)
Dividends paid to non-controlling interest	(39.5)	–	(39.5)
Net purchase of treasury shares	(13.8)	–	(13.8)
Net contributions from / (purchase of) non-controlling interests	31.1	–	31.1
Interest paid	(107.8)	–	(107.8)
Net cash flows (used in) / from financing activities	**1,229.3**	**–**	**1,229.3**
Currency translation on cash	(37.1)	–	(37.1)
(Decrease) / increase in cash and cash equivalents	**266.6**	**–**	**266.6**
CASH AND CASH EQUIVALENTS AT THE			
– beginning of the period	246.4	–	246.4
– end of the period	513.0	–	513.0

* Based on the final assessment of the Purchase Price Allocation related to the Nuance Group, certain amounts presented in the annual report 2014 have been restated (see note 39)

40. ASSETS OF DISCONTINUED OPERATIONS HELD FOR SALE

As part of the Nuance acquisition, Dufry acquired the operations in Sydney exclusively with the view to its subsequent disposal.

These assets are presented as held for sale following the approval of the Dufry's management on September 9, 2014 to sell this operation. The transaction was completed by end of February 2015.

a) Assets of discontinued operations

IN MILLIONS OF CHF	31.12.2015	31.12.2014
Operational assets in Sydney	–	1.8

In accordance with IFRS 5, the assets held for sale were written down to the value agreed with the buyer and no further costs to sell are expected.

b) Cash flows

IN MILLIONS OF CHF	2015	2014
Cash flows from operating activities	2.8	(1.9)
Cash flows from investing activities	0.1	–
Cash flows from financing activities	(2.9)	1.8
Currency translation on cash	–	0.1
Total cash flows	**–**	**–**

There are no items recognized in equity relating to the assets of discontinued operations classified as held-for-sale.

MOST IMPORTANT SUBSIDIARIES

H = Holding R = Retail D = Distribution Center

AS OF DECEMBER 31, 2015	LOCATION	COUNTRY	TYPE	OWNERSHIP IN %	SHARE CAPITAL IN THOUSANDS	CURRENCY
EMEA & ASIA						
ADF Shops CJSC	Yerevan	Armenia	R	100	553,834	AMD
Dufry (Cambodia) Ltd	Phnom Pen	Cambodia	R	80	1,231	USD
Dufry (Shanghai) Commercial Co., Ltd	Shanghai	China	R	100	19,497	CNY
Dufry France SA	Nice	France	R	100	8,291	EUR
Hellenic Duty Free Shops SA	Athens	Greece	R	100	397,535	EUR
PT Dufrindo International	Bali	Indonesia	R	100	62	USD
Dufrital SpA	Milan	Italy	R	60	258	EUR
Dufry Maroc SARL	Casablanca	Morocco	R	80	2,500	MAD
Dufry East OOO	Moscow	Russia	R	100	712	USD
Regstaer Ltd	Moscow	Russia	R	100	3,991	EUR
Dufry D.O.O.	Belgrade	Serbia	R	100	693,078	RSD
Dufry Thomas Julie Korea Co. Ltd	Busan	South Korea	R	70	100,000	KRW
Dufry Basel-Mulhouse AG	Basel	Switzerland	R	100	100	CHF
Dufry Sharjah FZC	Sharjah	U. Arab. Emirates	R	51	2,054	AED
AMERICA I						
Interbaires SA	Buenos Aires	Argentina	R	100	306	USD
Dufry Aruba N.V.	Oranjestad	Aruba	R	80	1,900	USD
Duty Free Caribbean Ltd.	St. Michael	Barbados	R	100	5,000	USD
Inversiones Tunc SRL	Santo Domingo	Dominican Republic	R	100	0	USD
Dufry Mexico SA de CV	Mexico City	Mexico	R	100	27,429	USD
Dufry Yucatan SA de CV	Mexico City	Mexico	R	100	1,141	USD
Alliance Duty Free, Inc.	San Juan	Puerto Rico	R	100	2,213	USD
Dufry Trinidad Ltd	Port of Spain	Trinidad and Tobago	R	60	392	USD
Navinten SA	Montevideo	Uruguay	R	100	126	USD
Flagship Retail Services Inc	Miami	USA	R	100	0	USD
AMERICA II						
Dufry do Brasil DF Shop Ltda	Rio de Janeiro	Brazil	R	100	3,175	USD
Dufry Lojas Francas Ltda	Sao Paulo	Brazil	R	80	99,745	USD
UNITED STATES & CANADA						
Hudson Group Canada Inc.	Vancouver	Canada	R	100	0	CAD
Dufry O'Hare T5 JV	Chicago	USA	R	80	0	USD
HG-Multiplex-Regali Dallas JV	Dallas	USA	R	75	0	USD
Hudson Las Vegas JV	Las Vegas	USA	R	73	0	USD
HG Magic Concourse TBIT JV	Los Angeles	USA	R	70	0	USD
LAX Retail Magic 2 JV	Los Angeles	USA	R	80	0	USD
Hudson Group (HG) Retail, LLC	New Jersey	USA	H / R	100	0	USD
New Orleans Air Ventures II	New Orleans	USA	R	66	0	USD
Airport Management Services LLC	New York	USA	H / R	100	0	USD
JFK Air Ventures II JV	New York	USA	R	80	0	USD
HG-KCGI-TEI JFK T8 JV	New York	USA	R	85	0	USD
Hudson-NIA JFK T1 JV	New York	USA	R	90	0	USD
Hudson-Retail NEU LaGuardia JV	New York	USA	R	80	0	USD

AS OF DECEMBER 31, 2015	LOCATION	COUNTRY	TYPE	OWNERSHIP IN %	SHARE CAPITAL IN THOUSANDS	CURRENCY
Dufry Newark Inc	Newark	USA	R	100	1,501	USD
AMS-BW Newark JV	Newark	USA	R	70	0	USD
Seattle Air Ventures II	Olympia	USA	R	75	0	USD
Dufry Seattle JV	Seattle	USA	R	88	0	USD
Hudson News O'Hare JV	Chicago	USA	R	70	0	USD
HG National JV	Virginia	USA	R	70	0	USD
THE NUANCE BUSINESS						
Nuance Group (Canada) Inc.	Toronto	Canada	R	100	13,260	CAD
Nuance Group (HK) Ltd	Hong Kong	China	R	100	0	HKD
Nuance-Watson (Macau) Ltd	Macau	China	R	100	49	HKD
Nuance Group (India) Pvt. Ltd	Bangalore	India	R	50	828,200	INR
Nuance Group (Malta) Ltd	Malta	Malta	R	100	2,796	EUR
Lenrianta CSJC	St. Petersburg	Russia	R	80	315	EUR
Nuance Group (Sverige) AB	Stockholm	Sweden	R	100	100	SEK
The Nuance Group AG	Zurich	Switzerland	H / R	100	82,100	CHF
Net Magaza Isletm. ve Ticaret A.S.	Antalya	Turkey	R	100	3,886	EUR
Nuance Group (UK) Ltd	Southampton	UK	R	100	50	GBP
Nuance Group Las Vegas Partnership	Las Vegas	USA	R	73	850	USD
Nuance Group (Australia) Pty Ltd	Melbourne	Australia	R	100	210,000	AUD
WORLD DUTY FREE BUSINESS						
World Duty Free Group SA*	Lima	Peru	R	100	1,163	USD
World Duty Free Group Vancouver LP	Vancouver	Canada	R	100	9,500	CAD
Aldeasa Chile, Ltd	Santiago de Chile	Chile	R	100	2,517	USD
World Duty Free Group Helsinki Ltd	Vantaa	Finland	R	100	2,500	EUR
World Duty Free Group France SNC	Neuilly Sur Seine	France	R	100	5	EUR
World Duty Free Group Germany GmbH	Düsseldorf	Germany	R	100	250	EUR
Sociedad de Distribucion Comercial Aeroportuaria de Canarias, S.L.	Telde	Gran Canaria	R	60	667	EUR
Aldeasa Jamaica, Ltd	St. James	Jamaica	R	100	280	USD
Aldeasa Jordan Airports Duty Free Shops Ltd	Amman	Jordan	R	100	705	USD
World Duty Free Group SA*	Kuwait City	Kuwait	R	100	2,383	KWD
Aldeasa Mexico, S.A de C.V.	Cancun	Mexico	R	100	3,766	USD
World Duty Free Group SA	Madrid	Spain	R	100	19,832	EUR
Autogrill Lanka PVT Ltd	Colombo	Sri Lanka	R	100	30,000	LKR
World Duty Free Group UK Ltd	London	UK	R	100	360	GBP
GLOBAL DISTRIBUTION CENTERS						
International Operations & Services (CH) AG	Basel	Switzerland	D	100	5,000	CHF
International Operations & Services Corp.	Montevideo	Uruguay	D	100	50	USD
International Operations & Services (USA) Inc.	Miami	USA	D	100	398	USD
HEADQUARTERS						
Dufry International AG	Basel	Switzerland	H	100	1,000	CHF
Dufry Management AG	Basel	Switzerland	H	100	100	CHF
Dufry Holdings & Investments AG	Basel	Switzerland	H	100	1,000	CHF
Dufry Financial Services B.V.	Amsterdam	Netherlands	H	100	0	EUR

* Branch of World Duty Free Group SA, Spain

Ernst & Young Ltd
Aeschengraben 9
P.O. Box
CH-4002 Basle

Phone +41 58 286 86 86
Fax +41 58 286 86 00
www.ey.com/ch

To the General Meeting of

Dufry AG, Basel

Basel, 8 March 2016

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of Dufry AG, which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated, statement of changes in equity, consolidated statement of cash flows and notes (pages 94 to 197), for the year ended 31 December 2015.

Board of Directors' responsibility
The Board of Directors is responsible for the preparation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements. whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements for the year ended 31 December 2015 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with IFRS and comply with Swiss law.

EY
Building a better working world

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Bruno Chiomento
Licensed audit expert
(Auditor in charge)

Christian Krämer
Licensed audit expert

INCOME STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2015

IN THOUSANDS OF CHF	2015	2014*
Dividend income	–	30,000
Financial income	11,411	9,795
Management and franchise fee income	6,175	8,867
Total income	**17,586**	**48,662**
Personnel expenses	(8,659)	(7,731)
General and administrative expenses	(4,921)	(4,039)
Management and franchise fee expenses	(15,965)	(13,704)
Amortization of intangibles	(5,755)	(5,755)
Financial expenses	(1,286)	(421)
Expenses related with capital increase	(595)	(29,297)
Direct taxes	(8,868)	(3,181)
Total expenses	**(46,049)**	**(64,128)**
(Loss) / profit for the year	**(28,463)**	**(15,466)**

* Prior year figures were adjusted to the new structure (see note 2.2)

STATEMENT OF FINANCIAL POSITION

AT DECEMBER 31, 2015

IN THOUSANDS OF CHF	NOTE	31.12.2015	31.12.2014*
ASSETS			
Cash and cash equivalents		10,746	730
Current receivables third parties		41	118
Current receivables participants and bodies		1	–
Current receivables subsidiaries		980	1,661
Current receivables other group companies		11	87
Prepaid expenses and accrued income		7	14
Current financial assets subsidiaries		357,000	373,000
Current assets		**368,786**	**375,610**
Investments	3	4,238,415	1,892,671
Intangible assets		82,006	87,761
Non-current assets		**4,320,421**	**1,980,432**
Total assets		**4,689,207**	**2,356,042**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current interest bearing liabilities		–	6,811
Current liabilities third parties		2,626	872
Current liabilities participants and bodies		994	815
Current liabilities subsidiaries		12,788	10,653
Current liabilities other group companies		2	13
Deferred income and accrued expenses		13,347	11,093
Current liabilities		**29,757**	**30,257**
Total liabilities		**29,757**	**30,257**
Share capital	5	269,359	179,525
Legal capital reserves			
Reserve from capital contribution	5	4,290,806	2,030,305
Legal retained earnings			
Other legal reserves		5,927	5,927
Voluntary retained earnings			
Results carried forward		136,098	139,594
(Loss) / profit for the year	13	(28,463)	(15,466)
Treasury shares	6	(14,277)	(14,100)
Shareholders' equity		**4,659,450**	**2,325,785**
Total liabilities and shareholders' equity		**4,689,207**	**2,356,042**

* Prior year figures were adjusted to the new structure (see note 2.2)

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Dufry AG (the company) is a publicly listed company. The shares of the Company are listed on the Swiss Stock Exchange (SIX) in Zurich and its Brazilian Depository Receipts on the BM&FBOVESPA in Sao Paolo.

Dufry AG was incorporated in 1865 and is registered with the commercial register in the canton of Basel Stadt, Switzerland.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements of Dufry AG were prepared in accordance with the requirements of the Swiss law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations).

Where not prescribed by law, the significant accounting and valuation principles applied are described below.

2.2 FIRST-TIME ADOPTION OF THE NEW SWISS LAW ON ACCOUNTING AND FINANCIAL REPORTING

The 2015 financial statements of Dufry AG are the first statements in which Dufry AG adopts the new Swiss law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations).

To ensure comparability, the previous year's figures have been adjusted to the new presentation requirements. In particular the following positions are affected:
- Treasury shares are restated as a deduction in equity. The reserve for treasury shares were released accordingly.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Assets

Financial assets include loans. A valuation adjustment reserve has not been accounted for. Loans granted in foreign currencies are translated at the rate at the balance sheet date, whereby unrealized losses are recorded. Unrealized profits are not recognized in the income statement but deferred within accrued liabilities.

Treasury Shares

Treasury shares are recognized at acquisition cost and deducted from shareholders' equity at the time of acquisition. In case of a resale, the gain or loss is recognized through the income statement as financial income or financial expenses.

Intangible assets

Intangible assets generated internally are capitalized if they meet the following conditions cumulatively at the date of recognition:

- The intangible assets generated internally are identifiable and controlled by the entity;
- the intangible assets generated internally will generate a measurable benefit for the entity for more than one year;
- the expenses incurred in the creation of the intangible assets generated internally can be separately recognized and measured;
- it is likely that the resources required to complete and market or use the intangible assets for the entity's own purposes are available or will be made available.

Intangible assets are amortized using the straight-line method. As soon there are indicators that book values may be overstated, these are reviewed and, if necessary, adjusted.

Share-based payments

Should treasury shares be used for share-based payment programs for Board members, the difference between the acquisition costs and any consideration paid by the employees at grant date is recognized as personnel expenses.

Current interest-bearing liabilities

Interest-bearing liabilities are recognized in the balance sheet at nominal value.

Exchange rate differences

Except for investments in subsidiaries which are translated at historical rates, all assets and liabilities denominated in foreign currencies are translated into Swiss francs (CHF) using year-end exchange rates. Realized exchange gains and losses arising from these as well as those from business transactions denominated in foreign currencies are recorded in the income statement. Net unrealized exchange losses are recorded in the income statement; net unrealized gains, however, are deferred within accrued liabilities.

Foregoing a cash flow statement and additional disclosures in the notes

As Dufry AG has prepared its consolidated financial statements in accordance with a recognized accounting standard (IFRS), it has decided to forego presenting additional information on interest-bearing liabilities and audit fees in the notes as well as a cash flow statement in accordance with the law.

3. SIGNIFICANT INVESTMENTS

	SHARE IN CAPITAL AND VOTING RIGHTS		SHARE CAPITAL	
IN THOUSANDS OF CHF	2015	2014	2015	2014
Dufry International AG, Switzerland	100 %	100 %	1,000	1,000
Dufry Management AG, Switzerland	100 %	100 %	100	100
Dufry Corporate AG, Switzerland	100 %	100 %	100	100
Dufry Holdings & Investments AG, Switzerland	100 %	100 %	1,000	1,000
Total				

4. SIGNIFICANT SHAREHOLDERS' PARTICIPATION

IN PERCENTAGE (%) OF OUTSTANDING REGISTERED SHARES	31.12.2015	31.12.2014
Group of shareholders consisting of various companies and legal entities representing the interests of Andrés Holzer Neumann, Julián Díaz González, Juan Carlos Torres Carretero, George Koutsolioutsos, James S. Cohen, Nucleo Capital Co-Investment Fund I Ltd. and James S. Cohen Family Dynasty Trust	20.50 %	26.80 %
Temasek Holdings (Private) Ltd.	8.55 %	–
Government of Singapore	7.79 %	–
State of Qatar	6.92 %	–
Black Rock, Inc.	3.06 %	–
Credit Suisse Group	–	7.10 %
Group of shareholders represented by Tarpon Gestora de Recursos S.A.	–	3.13 %
T. Rowe Price Associates, Inc.	–	3.01 %

5. SHARE CAPITAL

5.1 ORDINARY SHARES

IN THOUSANDS OF CHF	NUMBER OF SHARES	SHARE CAPITAL	RESERVE FROM CAPITAL CONTRIBUTION*
Balance at January 1, 2014	**30,905,056**	**154,525**	**1,245,305**
Issue of shares	5,000,000	25,000	785,000
Balance at December 31, 2014	**35,905,056**	**179,525**	**2,030,305**
Conversion of mandatory convertible notes	1,809,188	9,046	231,073
Issue of shares	16,157,463	80,788	2,119,213
Reclassification to retained earnings	–	–	(8,064)
Share issuance costs not recognized as capital contribution	–	–	(81,721)
Balance at December 31, 2015	**53,871,707**	**269,359**	**4,290,806**

* The amount of the reserve from capital contribution (share premium) is subject to a formal confirmation by the Swiss tax authorities. As of December 31, 2015, CHF 2,022,241,801 of the total amount disclosed are recognized by the Swiss tax authorities (2014: CHF 1,245,305,293).

The General Meeting held on April 29, 2015, approved the increase of the share capital of Dufry from currently CHF 179,525,280 by up to CHF 157,142,860 to a maximum amount of up to CHF 336,668,140 through the issuance of fully paid-in new registered shares with a par value of CHF 5 each.

On June 18, 2015, Dufry AG issued 16,157,463 new registered shares with a nominal value of CHF 80,788 million, representing 45% additional shares. After this share issuance and including the shares created by the conversion of the Mandatory Convertible Notes (see comment below), the share capital of Dufry AG amount to CHF 269,358,535. The offer price for the rights offering as well as for the committed investors was set at CHF 136.16 per new share. In the rights offering, 9,744,390 new shares were subscribed for by existing shareholders, while 6,413,073 new shares were purchased by committed investors, resulting in gross proceeds of CHF 2,200 million.

During June 2015, the Mandatory Convertible Notes amounting to CHF 262,800 were converted into 1,809,188 ordinary registered shares of Dufry AG at a conversion price of CHF 152 per share. Dufry issued the shares out of the existing conditional share capital (see note 5.2).

On June 26, 2014, the Extraordinary General Meeting approved the increase of the share capital of Dufry from CHF 154,525,280 by up to CHF 27,269,160 to a maximum amount of up to CHF 181,794,440 through the issuance of fully paid-in new registered shares with a par value of CHF 5 each.

On July 8, 2014, Dufry AG issued 5,000,000 new registered shares representing 16% additional shares. The price obtained during the public offering was CHF 162.00 per share. During the rights offering, 3,623,976 shares were subscribed by existing shareholders, while 1,376,024 shares were purchased by third party investors resulting in a gross proceeds of CHF 810.0 million. The trading of the shares commenced on July 9, 2014. The share issuance costs related with this transaction of CHF 29.3 million have been expensed.

5.2 CONDITIONAL SHARE CAPITAL

IN THOUSANDS OF	SHARES	CHF
Balance at January 1, 2014	**2,698**	**13,488**
Balance at December 31, 2014	**2,698**	**13,488**
Utilization June, 2015	(1,809)	(9,046)
Balance at December 31, 2015	**888**	**4,442**

6. TREASURY SHARES

IN THOUSANDS OF	SHARES	CHF
Balance at January 1, 2014	**120.3**	**18,444**
Assigned to holders of RSU Awards 2013	(117.1)	(18,327)
Share purchases	340.1	54,102
Share sales	(249.1)	(40,303)
Revaluation	–	183
Balance at December 31, 2014	**94.2**	**14,100**
Share purchases	0.0	1
Revaluation	–	177
Balance at December 31, 2015	**94.2**	**14,277**

7. FULL-TIME EQUIVALENTS

The annual average number of full-time equivalents (FTE) for the reporting year, as well as the previous year, did not exceed 9 FTE's.

8. PLEDGED ASSETS

In 2015 and 2014, Dufry AG had no pledged assets.

9. GUARANTEE COMMITMENT REGARDING SWISS VALUE ADDED TAX (VAT)

The following companies form a tax group for the Swiss Federal Tax Administration – Main division VAT:

DUFRY International AG	DUFRY Management AG
International Operations & Services (CH) AG	DUFRY Corporate AG
DUFRY Samnaun AG	DUFRY Holdings & Investments AG
DUFRY Participations AG	DUFRY AG
DUFRY Russia Holding AG	DUFRY Altay AG
DUFRY Trading AG	The Nuance Group AG
DUFRY Basel Mulhouse AG	The Nuance Group (International) AG

10. CONTINGENT LIABILITIES

Dufry AG jointly and severally with Dufry Holdings & Investments AG, Dufry International AG, Hudson Group (HG), Inc. and Dufry Financial Services B.V. guaranteed the following credit facility:

					DRAWN AMOUNT IN CHF	
IN MILLIONS OF	MATURITY	COUPON RATE	CURRENCY	NOMINAL IN LOCAL CURRENCY	31.12.2015	31.12.2014
MAIN BANK CREDIT FACILITIES						
Committed 5-year term loan	31.07.2019		USD	1,010.0	1,009.7	1,003.8
Committed 5-year term loan	31.07.2019		EUR	500.0	543.2	601.4
Committed 4-year term loan	31.07.2019		EUR	800.0	835.9	–
5-year revolving credit facility	31.07.2019		CHF	900.0	181.5	157.4
Subtotal					**2,570.3**	**1,762.6**
SENIOR NOTES						
Senior notes	15.10.2020	5.50 %	USD	500.0	499.8	496.9
Senior notes	15.07.2022	4.50 %	EUR	500.0	543.2	601.4
Senior notes	01.08.2023	4.50 %	EUR	700.0	760.4	–
Subtotal					**1,803.4**	**1,098.3**
GUARANTEE FACILITY						
Committed 5-year term guarantee line Unicredit AG	09.09.2019		EUR	250.0	103.7	278.5
Subtotal					**103.7**	**278.5**
Total					**4,477.4**	**3,139.4**

11. PARTICIPATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE GROUP EXECUTIVE COMMITTEE IN DUFRY AG

The following members of the Board of Directors or of the Group Executive Committee of Dufry AG (including related parties) hold directly or indirectly shares or share options of the Company as at December 31, 2015 or December 31, 2014:

			31.12.2015			31.12.2014
IN THOUSANDS	SHARES	FINANCIAL INSTRUMENTS [1]	PARTICIP.	SHARES	FINANCIAL INSTRUMENTS [1]	PARTICIP.
MEMBERS OF THE BOARD OF DIRECTORS						
Juan Carlos Torres Carretero, Chairman	982.2	257.1	2.38 %	743.0	164.4	2.53 %
Andrés Holzer Neumann, Vice-Chairman	4,291.3	463.6	9.13 %	3,708.8	468.2	11.63 %
Jorge Born, Director	21.9	30.9 [2]	0.10 %	–	30.92	0.09 %
James S. Cohen, Director	2,059.3	–	3.96 %	2,089.0	93.4	6.08 %
Julián Diáz Gonzalez, Director and CEO	284.5	92.6	0.72 %	286.9	43.8	0.92 %
George Koutsolioutsos, Director [3]	1,608.4	200.0	3.47 %	1,536.1	272.3	5.04 %
Joaquin Moya-Angeler Cabrera, Director	–	–	0.00 %	6.0	–	0.02 %
Total Board of Directors	**9,247.6**	**1,044.2**	**19.76 %**	**8,369.8**	**1,073.0**	**26.31 %**
MEMBERS OF THE GROUP EXECUTIVE COMMITTEE						
Julián Diáz Gonzalez, CEO	284.5	92.6	0.72 %	286.9	43.8	0.92 %
Andreas Schneiter, CFO	6.1	–	0.02 %	6.1	–	0.02 %
José Antonio Gea, GCOO	4.1	–	0.01 %	4.1	–	0.01 %
Luis Marin, CCO	1.5	–	0.00 %	1.5	–	0.00 %
Xavier Rossinyol, COO Region EMEA & Asia [4]	n / a	n / a	n/a	27.0	–	0.08 %
José C. Rosa, COO America II [5]	n / a	n / a	n / a	4.6 [6]	–	0.01 %
Joseph Didomizio, COO United States & Canada	–	–	0.00 %	9.5	–	0.03 %
Total Group Executive Committee	**296.2**	**92.6**	**0.73 %**	**339.7**	**43.8**	**1.07 %**

1 The detailed terms of the various financial instruments disclosed above are as disclosed to the SIX Swiss Exchange and published on July 9, 2015, for the year 2015 and on November 26, 2014, for the year 2014.

2 European Capped Calls on 30,940 shares of Dufry AG. The transaction is divided into 5 tranches of 6,188 shares each, which expire on 29.07.2019, 30.07.2019, 31.07.2019, 04.08.2019 and 05.08.2019, respectively. Each tranche is automatically exercised, and the differences are to be cash settled. The strike price for each option is CHF 160, and the cap is CHF 260 per option.

3 Director as of April 29, 2014

4 Member until March 31, 2015

5 Member until October 31, 2015

6 Includes 4.5 shares and 0.1 BDRs

At December 31, 2015, the Dufry share had a market value of CHF 120 (2014: 149) each.

In addition to the above, the shareholders' group consisting of different legal entities controlled by Andrés Holzer Neumann, Juan Carlos Torres Carretero, Julián Díaz González, James S. Cohen, James S. Cohen Family Dynasty Trust and George Koutsolioutsos holds sale positions of 8.81 % through options (4,589,120 voting rights) as of December 31, 2015 (as of December 31, 2014: sales positions of 10.80 % through options (3,877,480 voting rights)).

The detailed terms of these financial instruments are as disclosed to the SIX Swiss Exchange and published on July 9, 2015 (for sale position as of December 31, 2014: publication of disclosure notice on November 26, 2014).

Disclosure notices are available on the SIX Swiss Exchange website:

https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html

12. OPTIONS ON SHARES FOR THE GROUP EXECUTIVE COMMITTEE

Members of the Group Executive Committee received CHF 57.0 (2014: 51.5) thousands stock options with a value of CHF 6,288 (2014: 5,371) thousands.

13. APPROPRIATION OF AVAILABLE EARNINGS

IN THOUSANDS OF CHF	2015	2014
Result carried forward	124,128	121,486
Movement in reserves for treasury shares	–	3,832
Reclassification former reserves from treasury shares to retained earnings	–	14,276
Other	3,906	–
Reclassification from reserve from capital contribution (see note 5.1)	8,064	–
(Loss) / profit for the year	(28,463)	(15,466)
Voluntary retained earnings at December 31	**107,635**	**124,128**
To be carried forward	**107,635**	**124,128**

EY
Building a better working world

Ernst & Young Ltd
Aeschengraben 9
P.O. Box
CH-4002 Basle

Phone +41 58 286 86 86
Fax +41 58 286 86 00
www.ey.com/ch

To the General Meeting of

Dufry AG, Basel

Basel, 8 March 2016

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Dufry AG, which comprise the balance sheet, income statement and notes (pages 200-209), for the year ended 31 December 2015.

Board of Directors' responsibility
The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements for the year ended 31 December 2015 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

EY
Building a better working world

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Bruno Chiomento Licensed audit expert (Auditor in charge)	Christian Krämer Licensed audit expert

The financial reports are available under:

http://www.dufry.com/en/Investors/FinancialReports/index.htm

For the Investor Relations and Corporate Communications contacts as well as a summary of anticipated key dates in 2016 please refer to pages 246 / 247 of this Annual Report.

CORPORATE GOVERNANCE

INTRODUCTION

This Report is prepared in accordance with the Corporate Governance Directive (DCG) of the SIX Swiss Exchange. All information within this Corporate Governance Report and within the Remuneration Report (see page 233) refers to the Company Organization, Internal Regulations and Articles of Incorporation that were in effect as of December 31, 2015 (if not specifically mentioned otherwise).

Dufry is committed to good Corporate Governance, Openness and Transparency.

The Articles of Incorporation are available on the Company website www.dufry.com section Investors – Articles of Incorporation.

Direct link:

http://www.dufry.com/en/Investors/Articlesofincorporation/index.htm

1. GROUP STRUCTURE AND SHAREHOLDERS

1.1 GROUP STRUCTURE

In fiscal year 2015, the Group was operationally structured in 4 regions, with the newly acquired businesses of Nuance (acquired in 2014) and World Duty Free (acquired in 2015) being reported as additional separate entities, as shown in Note 5 "Segment information" of the Consolidated Financial Statements on page 119.

As of January 1, 2016, the Group operates in 5 geographic divisions as shown in the management organizational chart on page 16 of this Annual Report.

Listed company

COMPANY

Dufry AG, Brunngässlein 12, 4052 Basel, Switzerland
(hereinafter "Dufry AG" or the "Company")

LISTING

Registered shares: SIX Swiss Exchange
Brazilian Depositary Receipts (BDRs):
São Paulo Stock Exchange
(BM & FBOVESPA – Bolsa de Valores de São Paulo), Brazil

MARKET CAPITALIZATION

CHF 6,464,604,840 as of December 31, 2015

PERCENTAGE OF SHARES HELD BY DUFRY AG

0.18 % of Dufry AG share capital as of December 31, 2015

SECURITY NUMBERS

Registered shares:
ISIN-Code CH0023405456, Swiss Security-No. 2340545
Ticker Symbol DUFN

Brazilian Depositary Receipts (BDRs):
ISIN-Code BRDAGBBDR008
Ticker Symbol DAGB33

Non-listed companies

For a table of the operational non-listed consolidated entities please refer to page 196 in the section Financial Statements of this Annual Report*.

* Including the company names, locations, percentage of shares held, share capital.

1.2 SIGNIFICANT SHAREHOLDERS

Pursuant to the information provided to the Company by its shareholders in compliance with the Swiss Stock Exchange Act during 2015, the following significant shareholders disclosed positions of more than 3% of the voting rights as of December 31, 2015 [1].

SHAREHOLDER			DISCLOSURE OF PURCHASE POSITIONS	DISCLOSURE OF SALE POSITIONS [3]
	Through registered shares	Through other financial instruments [2]	Total	Total
Group of shareholders consisting of various companies and legal entities including Travel Retail Investment S.C.A., Folli Follie Commercial Industrial and Technical S.A. and Hudson Media, Inc., such group representing the interests of Andrés Holzer Neumann, Julián Díaz González, Juan Carlos Torres Carretero, James S. Cohen, James S. Cohen Family Dynasty Trust, Dimitrios Koutsolioutsos and Nucleo Capital Co-Investment Fund I Ltd. [4]	20.5%	1.94%	22.44%	8.86%
Morgan Stanley Group [5]	0.27%	9.76%	10.03%	3.68%
Temasek Holdings (Private) Limited [6]	8.55%	–	8.55%	–
Government of Singapore [7]	7.79%	–	7.79%	–
State of Qatar [8]	6.92%	–	6.92%	–
BlackRock, Inc. [9]	3.06%	0.00001%	3.06%	1.76%

(1) The percentage of voting rights has to be read in context with the relevant and applicable stock exchange and disclosure rules. The actual shareholdings may differ from the figures indicated in the table, as the Company must only be notified by its shareholders if one of the thresholds defined in Article 120 of the Financial Market Infrastructure Act is crossed. Percentages have been calculated on the basis of the number of shares recorded in the Commercial Register.

(2) Financial instruments such as conversion and share purchase rights, granted (written) share sale rights.

(3) Share sale rights (especially put options) and granted (written) conversion and / or share purchase rights as well as financial instruments that provide for or permit cash settlement as well as other differential transactions (e.g. contracts for difference and / or financial futures).

(4) Shares held through:
a) Travel Retail Investment S.C.A. (Luxembourg / Grand Duchy of Luxembourg) holds shares and financial instruments. Shares in Travel Retail Investment S.C.A. are held by: 1) Petrus Pte. Ltd. (Singapore), which in turn is held by The Bingo Trust (New Zealand). Travel Retail S.á.r.l. is the general partner and sole manager of Travel Retail Investment S.C.A. Petrus Pte. Ltd. holds the majority of the shares in Travel Retail Investment S.C.A. and Travel Retail S.á.r.l. Mr. Andrés Holzer Neumann is the settlor of The Bingo Trust and exercises indirect control over the trust. 2) Witherspoon Investments LLC (Wilmington, DE / USA), which is held directly by Mr. Juan Carlos Torres Carretero. 3) Mr. Julián Díaz González (Lachen / Switzerland).
b) Mr. Julián Díaz González holds certain shares directly.
c) Mr. Juan Carlos Torres Carretero holds certain shares directly.
d) Petrus Pte. Ltd., Grupo Industrial Omega, S.A. de C.V. (Cuidad de Mexico / Mexico), various companies held directly by Grupo Industrial Omega, S.A. de C.V., and Consorcio Ann Taylor S.A. de C.V., all of which are controlled by Mr. Andrés Holzer Neumann.
e) Mr. James S. Cohen holds his shares partly directly, partly through Hudson Media, Inc. (East Rutherford, NJ / USA), which he controls.
f) James S. Cohen Family Dynasty Trust (East Rutherford, NJ / USA) holds all its shares directly. Mr. James S. Cohen is the Grantor of this trust, but is not a beneficiary of the trust.
g) Dimitrios Koutsolioutsos holds his shares and financial instruments indirectly through Folli Follie Commercial Industrial and Technical S.A. (Agios Stephanos / Greece), which he controls, and Strenaby Finance Ltd. (British Virgin Islands), fully controlled by Folli Follie Commercial Industrial and Technical S.A. Dimitrios Koutsolioutsos holds shares in Folli Follie Commercial Industrial and Technical S.A. through Cordial Worldwide Ltd (British Virgin Islands), which he fully owns.
h) Nucleo Capital Co-Investment Fund I Ltd (Grand Cayman / Cayman Islands), which holds the shares directly.

(5) Morgan Stanley, The Corporation Trust Company (Wilmington, DE / USA) holds the shares and financial instruments indirectly through several subsidiaries.

(6) Shares held through Kinder Investments Pte. Ltd. (Singapore). The indirect holder of the shares is Temasek Holdings (Private) Limited (Singapore). Temasek Holdings (Private) Limited is owned by the Minister of Finance of the Republic of Singapore. Kinder Investment Pte. Ltd. is wholly owned by Tembusu Capital Pte. Ltd., which in turn is wholly owned by Temasek Holdings (Private) Limited (Singapore).

(7) Shares held through GIC Private Limited ("GIC") (Singapore) and Purple Green Investment Pte. Ltd. (Singapore). Both companies are owned (directly and indirectly) by the Government of Singapore ("GoS"). GIC is wholly owned by the GoS and manages the reserves of Singapore. GIC acts as the fund manager for GoS and the Monetary Authority of Singapore. Purple Green Investment Pte. Ltd. is an investment holding company wholly owned by GIC Blue Holdings Pte. Ltd., which in turn is wholly owned by GIC (Ventures) Pte. Ltd., which in turn is wholly owned by the GoS. Purple Green Investment Pte. Ltd. is managed by GIC.

(8) Shares held through Qatar Holding LLC. The indirect holder of the shares is the State of Qatar (Qatar). Qatar Holding LLC is owned by the Qatar Investment Authority, which was founded and is owned by the State of Qatar.

(9) BlackRock, Inc. (New York, NY/USA) holds the shares, financial instruments and sale positions (contracts of difference) indirectly through several subsidiaries.

Further details regarding these shareholders and shareholder groups as well as additional information regarding the individual disclosures notices in 2015 are available on the website of SIX Swiss Exchange on:

https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html

Shareholders agreements
The group of shareholders consisting of various companies and legal entities representing the interests of Andrés Holzer Neumann, Julián Díaz González, Juan Carlos Torres Carretero, James S. Cohen, James S. Cohen Family Dynasty Trust, Dimitrios Koutsolioutsos and Nucleo Capital Co-Investment Fund I Ltd have four different shareholders agreements.

Shareholders agreement among Petrus Pte. Ltd., Witherspoon Investment LLC, Mr. Díaz González, Mr. Torres and Travel Retail S.à.r.l.

Shareholders agreement among Travel Retail Investment S.C.A., James S. Cohen, James S. Cohen Family Dynasty Trust, and Hudson Media, Inc.

Shareholders agreement between Travel Retail Investment S.C.A. and Folli Follie Commercial Industrial and Technical S.A.

Shareholders agreement among Travel Retail Investment S.C.A., Mr. Torres and Nucleo Capital Co-Investment Fund I Ltd. Nucleo Capital Ltda. is only a party to that agreement as investment manager of Nucleo Capital Co-Investment Fund I Ltd.

Travel Retail Investment S.C.A. (interests of Messrs. Holzer Neumann, Torres and Díaz González), Mr. Torres, Nucleo Capital Co-Investment Fund I Ltd, Nucleo Capital Ltda., James S. Cohen, James S. Cohen Family Dynasty Trust, Hudson Media, Inc. (interests of Mr. Cohen) and Folli Follie Commercial Industrial and Technical S.A. (interests of Mr. Koutsolioutsos) entered into an additional agreement that limits the number of equity securities these parties and their affiliates may hold in Dufry AG to prevent that a mandatory offer threshold is crossed, and provides for an automatic exclusion of shareholders from the group reported herein in case of a breach of such a limit. Under this additional agreement, Nucleo Capital Ltda. has to make sure that other funds for which it is the investment manager comply with such limit as well.

1.3 CROSS-SHAREHOLDINGS

Dufry AG has not entered into cross-shareholdings with other companies in terms of capital shareholdings or voting rights in excess of 5%.

2. CAPITAL STRUCTURE

2.1 SHARE CAPITAL

As of December 31, 2015 the Company's capital structure is as follows:

ORDINARY SHARE CAPITAL

CHF 269,358,535 (nominal value) divided in 53,871,707 fully paid registered shares with nominal value of CHF 5 each

CONDITIONAL SHARE CAPITAL

CHF 4,442,160 (nominal value) divided in 888,432 fully paid registered shares with nominal value of CHF 5 each

AUTHORIZED SHARE CAPITAL

None

2.2 DETAILS TO CONDITIONAL AND AUTHORIZED SHARE CAPITAL

Conditional share capital
Article 3bis of the Articles of Incorporation, dated June 24, 2015, reads as follows:
1. The share capital may be increased in an amount not to exceed CHF 13,488,100 by the issuance of up to 2,697,620 fully paid registered shares with a nominal value of CHF 5 each through the exercise of conversion and / or option rights granted in connection with the issuance of newly or already issued convertible debentures, debentures with option rights or other financing instruments by the Company or one of its group companies.
2. The preferential subscription rights of the shareholders shall be excluded in connection with the issuance of convertible debentures, debentures with option rights or other financing instruments. The then current owners of conversion and / or option rights shall be entitled to subscribe for the new shares.
3. The acquisition of shares through the exercise of conversion and / or option rights and each subsequent transfer of the shares shall be subject to the restrictions set forth in Article 5 of these Articles of Incorporation.

4. The Board of Directors may limit or withdraw the right of the shareholders to subscribe in priority to convertible debentures, debentures with option rights or similar financing instruments when they are issued, if
   a) an issue by firm underwriting by a consortium of banks with subsequent offering to the public without preferential subscription rights seems to be the most appropriate form of issue at the time, particularly in terms of the conditions or the time plan of the issue; or
   b) the financing instruments with conversion or option rights are issued in connection with the financing or refinancing of the acquisition of an enterprise or parts of an enterprise or with participations or new investments of the Company.
5. If advance subscription rights are denied by the Board of Directors, the following shall apply:
   a) Conversion rights may be exercised only for up to 15 years; and option rights only for up to 7 years from the date of the respective issuance.
   b) The respective financing instruments must be issued at the relevant market conditions.

Authorized share capital
As of December 31, 2015, the Company has no authorized share capital.

2.3 CHANGES IN CAPITAL OF DUFRY AG

NOMINAL SHARE CAPITAL		
December 31, 2013	CHF	154,525,280
December 31, 2014	CHF	179,525,280
December 31, 2015	CHF	269,358,535
CONDITIONAL SHARE CAPITAL		
December 31, 2013	CHF	13,488,100
December 31, 2014	CHF	13,488,100
December 31, 2015	CHF	4,442,160
AUTHORIZED SHARE CAPITAL		
December 31, 2013	CHF	7,331,940
December 31, 2014		None
December 31, 2015		None

Changes in capital in 2013
On December 13, 2013, Dufry issued 1,231,233 shares with nominal value of CHF 5 from the authorized capital. Hence, the existing authorized share capital decreased from CHF 13,488,105 to CHF 7,331,940, and the ordinary share capital increased from CHF 148,369,115 to CHF 154,525,280.

Changes in capital in 2014
At the Extraordinary General Meeting of Shareholders on June 26, 2014, shareholders approved the Board of Directors' proposal to increase the ordinary share capital of the Company from CHF 154,525,280 by up to CHF 27,269,160 to a maximum amount of up to CHF 181,794,440. This proposal by the Board of Directors was made in connection with the acquisition of The Nuance Group. On July 8, 2014, the Company issued 5,000,000 shares with nominal value of CHF 5, and the ordinary share capital increased from CHF 154,525,280 to CHF 179,525,280.

Changes in capital in 2015
At the Ordinary General Meeting of Shareholders on April 29, 2015, shareholders approved the Board of Directors' proposal to increase the ordinary share capital of the Company from CHF 179,525,280 by up to CHF 157,142,860 to a maximum amount of up to CHF 336,668,140. This proposal by the Board of Directors was made in connection with the acquisition of the World Duty Free Group.

In June 2015, Mandatory Convertible Notes matured and were converted into 1,809,188 shares with nominal value of CHF 5. On June 18, 2015, the Company issued 16,157,463 shares with nominal value of CHF 5 in connection with the capital increase mentioned above. From these two transactions, the ordinary share capital of the Company increased from CHF 179,525,280 to CHF 269,358,535. The conditional share capital decreased (due to the conversion of the Mandatory Convertible Notes) from CHF 13,488,100 to CHF 4,442,160. Note that the additional 1,809,188 shares, while validly issued, were not yet reflected in the Commercial Register as of December 31, 2015 (total number of shares as per the Commercial Register was 52,062,519). In line with Art. 653h of the Swiss Code of Obligations, this registration will occur in the course of March 2016, to reflect the total amount of 53,871,707.

2.4 SHARES

As of December 31, 2015, the share capital of Dufry AG is divided into 53,871,707 fully paid in registered shares with a nominal value of CHF 5 each.

The Company has only one category of shares. The shares are issued in registered form. All shares are entitled to dividends if declared. Each share entitles its holder to one vote. The Company maintains a share register showing the name and address of the shareholders or usufructuaries. Only persons registered as shareholders or usufructuaries of registered shares in the share register shall be recognized as such by the Company.

2.5 PARTICIPATION CERTIFICATES AND PROFIT SHARING CERTIFICATES

The Company has not issued any non-voting equity securities, such as participation certificates ("Partizipationsscheine") or profit sharing certificates ("Genussscheine").

2.6 LIMITATION ON TRANSFERABILITY AND NOMINEE REGISTRATION OF REGISTERED SHARES

- Only persons registered as shareholders or usufructuaries of registered shares in the share register shall be recognized as such by the Company. In the share register the name and address of the shareholders or usufructuaries is recorded. Changes must be reported to the Company.
- Acquirers of registered shares shall be registered as shareholders with the right to vote, provided that they expressly declare that they acquired the registered shares in their own name and for their own account.
- The Board of Directors may register nominees with the right to vote in the share register to the extent of up to 0.2 % of the registered share capital as set forth in the commercial register. Registered shares held by a nominee that exceed this limit may be registered in the share register with the right to vote if the nominee discloses the names, addresses and number of shares of the persons for whose account it holds 0.2 % or more of the registered share capital as set forth in the commercial register. Nominees within the meaning of this provision are persons who do not explicitly declare in the request for registration to hold the shares for their own account and with whom the Board of Directors has entered into a corresponding agreement (see also Article 5 of the Articles of Incorporation). Nominees are only entitled to represent registered shares held by them at a Meeting of Shareholders provided that they are registered in the share register and they hold a valid written proxy granted by the beneficial owner of the registered shares instructing the nominee how to vote at the Meeting of Shareholders. Shares held by a nominee for which it is not able to produce such a proxy count as not represented at the Meeting of Shareholders.
- Corporate bodies and partnerships or other groups of persons or joint owners who are interrelated to one another through capital ownership, voting rights, uniform management or otherwise linked as well as individuals or corporate bodies and partnerships who act in concert to circumvent the regulations concerning the nominees (esp. as syndicates), shall be treated as one single nominee within the meaning of the above mentioned regulation in terms of nominees.
- The Board of Directors may cancel the registration, with retroactive effect if appropriate, if the registration was effected based on false information or in case of breach of the agreement between the nominee and the Board of Directors.
- After consulting the party involved, the Company may delete entries in the share register if such entries occurred in consequence of false statements by the purchaser. The purchaser must be informed immediately of the deletion.

Exceptions granted in the year under review
The Company has registered with the CVM and listed its shares in the form of BDRs on the BM&FBovespa. Each BDR issued by Itaú Unibanco S.A. ("Depositary Institution") of the BDR program represents one share issued by the Company and held in custody by the Bank of New York Mellon, in London ("Custodian").

BDR holders do not own, from a legal point of view, the Dufry AG shares underlying their BDRs. As a consequence, BDR holders are prevented from directly exercising any of the shareholders' rights provided for by the Company's Articles of Incorporation and by Swiss corporate law. For example, BDR holders are not entitled to personally participate in the General Meetings of the Company. However, BDR holders are entitled to instruct the Depositary Institution to vote the Dufry AG shares underlying their BDRs, according to the instructions sent to them by the Depositary Institution.

To facilitate voting by BDR holders, the Company entered into arrangements with the Depositary Institution and the Custodian to enable, by way of exception, registration of The Bank of New York Mellon in the share register as nominee with voting rights for the number of registered shares corresponding to the total number of outstanding BDRs. Otherwise, no exceptions have been granted during the year under review.

BDR holders who wish to be in a position to directly exercise any of the shareholders' rights granted by Swiss corporate law or the Company's Articles of Incorporation must convert their BDRs into shares of Dufry AG and ask to be registered in the share register of the Company, pursuant to Article 5 of the Company's Articles of Incorporation.

Required quorums for a change of the limitations of transferability

A change of the limitations on the transfer of registered shares or the removal of such limitations requires a resolution of the Meeting of Shareholders passed by at least two thirds of the votes represented and the absolute majority of the nominal value of shares represented.

2.7 CONVERTIBLE BONDS AND OPTIONS

As of December 31, 2015, there are no outstanding bonds that are convertible into, or warrants or options to acquire shares issued by or on behalf of the Company. Dufry has a Performance Share Unit (PSU) plan, the essentials of which are disclosed in the "Remuneration Report" on page 233 ff.

3. BOARD OF DIRECTORS

3.1 MEMBERS OF THE BOARD OF DIRECTORS

NAME	PROFESSION	NATIONALITY	POSITION WITH DUFRY	DATE OF FIRST ELECTION	OTHER POSITIONS WITH DUFRY
Juan Carlos Torres Carretero	Executive at Advent International	Spanish	Chairman	2003	AC [1]
Andrés Holzer Neumann	President of Grupo Industrial Omega	Mexican	Vice-Chairman	2004	NRC [2]
Jorge Born	CEO of Bomagra S.A.	Argentinian	Director	2010	AC [1] | NRC [2, 3]
Xavier Bouton	Consultant	French	Director	2005	NRC [2]
James S. Cohen	CEO of Hudson Media Inc	American	Director	2009	NRC [2]
Julián Díaz González	CEO of Dufry AG	Spanish	Director, CEO	2013	None
José Lucas Ferreira de Melo	Consultant	Brazilian	Director	2010	AC [1, 3]
George Koutsolioutsos	CEO of Folli Follie Group	Greek	Director	2014	None
Joaquín Moya-Angeler Cabrera	Consultant	Spanish	Director	2005	AC [1]

1 AC: Audit Committee
2 NRC: Nomination and Remuneration Committee
3 Committee Chairman

3.2 EDUCATION, PROFESSIONAL BACKGROUND, OTHER ACTIVITIES AND FUNCTIONS

JUAN CARLOS TORRES CARRETERO
Chairman, born 1949

Education

MS in physics from Universidad Complutense de Madrid and MS in management from MIT's Sloan School of Management.

Professional Background

Many years of private equity and senior management operating experience. 1988 Joined Advent International, a private equity firm, in Boston as a partner. 1991 – 1995 Partner at Advent International in Madrid. Since 1995 Managing Director and Senior Partner in charge of Advent International Corporation's investment activities in Latin America.

Current Board Mandates

Dufry AG, Latin American Airport Holding, Ltd., Aeropuertos Dominicanos Siglo XXI, S.A., TCP Participações S.A., InverCap Holdings, S.A. de C.V., Grupo Biotoscana, S.L.U.

ANDRÉS HOLZER NEUMANN
Vice-Chairman, born 1950

Education

Graduate of Boston University, holds an MBA from Columbia University.

Professional Background

Since 1973 President of Grupo Industrial Omega, S.A. de C.V., the holding company of Holzer y CÌA, S.A. de C.V., Industria Nacional de Relojes Suizos, S.A. de C.V., Consorcio Metropolitano Inmobiliario, S.A. de C.V., Inmobiliara Coapa Larca, S.A. de C.V., Inmobiliara Castellanos, S.A. de C.V., and Negocios Creativos, S.A. de C.V.

Current Board Mandates

Dufry AG, Latin American Airport Holding, Ltd. and Opequimar, S.A. de C.V.

JORGE BORN
Director, born 1962

Education

B.S. in economics from the Wharton School of the University of Pennsylvania.

Professional Background

2001 – 2010 Deputy Chairman of Bunge Ltd. 1992 – 1997 Head of Bunge's European operations. Before 1997 various capacities in the commodities trading, oil seeding processing and food products areas in Argentina, Brazil, the United States and Europe for Bunge Ltd. 2004 – 2005 Board member of Dufry AG. Since 1997 President and Chief Executive Officer of Bomagra S.A., Argentina.

Current Board Mandates

Dufry AG, Hochschild Mining, Ltd., Latin American Executive Board at Wharton Business School, Board of Governors of the Lauder Institute at Wharton Business School, Georgetown University and Fundación Bunge y Born (Chairman).

Mr. Born served as a member of the Board of Directors of Dufry South America, Ltd. until its merger with Dufry Holdings & Investments AG in March 2010.

XAVIER BOUTON
Director, born 1950

Education
Diploma in economics and finance from l'Institut d'Etudes Politiques de Bordeaux and doctorate in economics and business administration from the University of Bordeaux.

Professional Background
1978 – 1984 Director of C.N.I.L. (Commission Nationale de l'Informatique et des Libertés). 1985 – 1994 General Secretary of Reader's Digest Foundation. 1990 – 2005 Board member of Laboratoires Chemineau. Since 1999 Chairman of the Supervisory Board of FSDV (Fayenceries de Sarreguemines Digoin & Vitry le François) based in Paris, France.

Current Board Mandates
Dufry AG, ADL Partners and F.S.D.V. (Fayenceries de Sarreguemines, Digoin & Vitry le François) (Chairman of the Supervisory Board).

GEORGE KOUTSOLIOUTSOS
Director, born 1968

Education
Degree in Economics, University of Hartford, Hartford, USA / Paris and Master's degree in Business Administration and Marketing, University of Hartford, USA.

Professional Background
Mr. Koutsolioutsos' professional career started in New York working two years in the jewelry industry. 1992 – 2011 held various key positions at Folli Follie Group, including supervising and managing local and international distribution, investor relations, and leading the international expansion. Since January 2011 Chief Executive Officer of Folli Follie Group.

Current Board Mandates
Dufry AG, Folli Follie Group.

JAMES S. COHEN
Director, born 1958

Education
Bachelor's degree in economics from the Wharton School of the University of Pennsylvania.

Professional Background
Since 1980 various positions at Hudson Media Inc. (President and CEO since 1994).

Current Board Mandates
Dufry AG, Hudson Media, Inc.

JOAQUÍN MOYA-ANGELER CABRERA
Director, born 1949

Education
Master's degree in mathematics from the University of Madrid, diploma in economics and forecasting from the London School of Economics and Political Science and an MBA from MIT's Sloan School of Management.

Professional Background
Mr. Moya-Angeler has focused his career on the technology and real estate industries, including having founded a number of companies. He has been the Chairman of the Board of various companies: IBM Spain (1994 – 1997), Leche Pascual (1994 – 1997), Meta4 (1997 – 2002), TIASA (1996 – 1998), and Hildebrando (2003 – 2014). To date Chairman of Redsa (since 1997), Presenzia and Pulsar Technologies (since 2002), La Quinta Real Estate (since 2003), Inmoan (since 1989), Avalon Private Equity (since 1999) and Corporación Tecnológica Andalucía (since 2005).

Current Board Mandates
Dufry AG, La Quinta Group (Chairman), Palamon Capital Partners, Corporación Tecnológica Andalucia (Chairman), Board of Trustees of the University of Almeria (Chairman), Fundación Mediterránea (Honorary Chairman), Redsa S.A. (Chairman), Inmoan SL (Chairman), Avalon Private Equity (Chairman), Spanish Association of Universities Governing Bodies (Honorary Chairman), Calidad Pascual (Vice Chairman), Sarquavitae (Board of Advisors), AGS Nasoft (Board of Advisors) and Corporación Gropo Leche Pascual (Vice Chairman).

JULIÁN DÍAZ GONZÁLEZ
Director, Chief Executive Officer, born 1958

Education
Degree in business administration from Universidad Pontificia Comillas I.C.A.D.E., de Madrid.

Professional Background
1989 – 1993 General Manager at TNT Leisure, S.A. 1993 – 1997 Division Director at Aldeasa. 1997 – 2000 various managerial and business positions at Aeroboutiques de Mexico, S.A. de C.V. and Deor, S.A. de C.V. 2000 – 2003 General Manager of Latinoamericana Duty-Free, S.A. de C.V. Since 2004 Chief Executive Officer at Dufry AG.

Current Board Mandates
Dufry AG, Distribuidora Internacional de Alimentacion, S.A. (DIA).

JOSÉ LUCAS FERREIRA DE MELO
Director, born 1956

Education
Bachelor's degree in accounting from Associação de Ensino Unificado do Distrito Federal, Brazil.

Professional Background
1979 – 1991 various positions at Pricewaterhouse Coopers Auditores Independentes. 1992 Director of Brazilian Exchange Commission (CVM). 1993 – 1997 Partner at Pricewaterhouse-Coopers Auditores Independentes. 1998 Partner at Global Control Consultoria. 1999 – 2009 Executive Director and later Vice-President at Unibanco – União de Bancos Brasileiros, S.A. and Unibanco Holdings, S.A.

Current Board Mandates
Dufry AG, International Meal Company Alimentação, S.A., Cetip S.A. – Balcão Mercados Organizados and Restoque Comércio e Confecções de Roupas S.A.

Mr. Ferreira de Melo served as a member of the Board of Directors of Dufry South America, Ltd. until its merger with Dufry Holdings & Investments AG in March 2010.

Messrs. Juan Carlos Torres Carretero (Chairman), Andrés Holzer Neumann (Vice-Chairman), Julián Díaz González, James S. Cohen and George Koutsolioutsos are members of a group of shareholders, which held a 22.44 % purchase position of Dufry AG as of December 31, 2015 (participation mentioned includes financial instruments). See for details the disclosure under "1.2 Significant Shareholders" on page 214 of this Annual Report.

Due to his intense involvement with the Company's management the Chairman of the Board of Directors, Mr. Juan Carlos Torres Carretero is considered an executive Chairman. Mr. Julián Díaz González acts as Chief Executive Officer of the Company. All other members of the Board of Directors are non-executive members. Mr. George Koutsolioutsos, in his function as CEO of the Folli Follie Group, oversaw the operations of Hellenic Duty Free Shops SA prior to its acquisition by Dufry in 2013 (no executive function for Dufry AG or any of its subsidiaries in 2014 or 2015). Otherwise, none of the members of the Board of Directors have ever been in a managerial position at Dufry AG or any of its subsidiaries. For information on related parties and related party transactions please refer to Note 35 on page 173 and to the information provided in the Remuneration Report on page 233 ff. of this Annual Report.

3.3 RULES IN THE ARTICLES OF INCORPORATION REGARDING THE NUMBER OF PERMITTED MANDATES OUTSIDE THE COMPANY

In accordance with Article 24 para. 2 of the Articles of Incorporation, dated June 24, 2015, no member of the Board of Directors may hold more than four additional mandates in listed companies and ten additional mandates in non-listed companies. The following mandates are not subject to the limitations under para. 2 of this Article:

a) mandates in companies which are controlled by the Company or which control the Company;
b) mandates held at the request of the Company or any company controlled by it. No member of the Board of Directors may hold more than ten such mandates; and
c) mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations. No member of the Board of Directors may hold more than ten such mandates.

Mandates shall mean mandates in the supreme governing body of a legal entity which is required to be registered in the commercial register or a comparable foreign register. Mandates in different legal entities that are under joint control or the same beneficial ownership are deemed one mandate.

3.4 ELECTION AND TERMS OF OFFICE

In accordance with Article 13 of the Articles of Incorporation, dated June 24, 2015:

- The Board of Directors shall consist of at least three and at most nine members.
- Members of the Board of Directors and the Chairman of the Board shall be elected for a term of office extending until completion of the next Ordinary Meeting of Shareholders.
- The members of the Board of Directors and the Chairman of the Board may be re-elected without limitation.
- If the office of the Chairman of the Board of Directors is vacant, the Board of Directors shall appoint a Chairman from among its members for a term of office extending until completion of the next Ordinary Meeting of Shareholders.
- Except for the election of the Chairman of the Board of Directors and the members of the Remuneration Committee by the Meeting of Shareholders, the Board of Directors determines its own organization. The Board of Directors shall elect a Vice-Chairman. It shall appoint a Secretary who does not need to be a member of the Board of Directors.

Article 24 para. 1 of the Articles of Incorporation stipulates the following: As members of the Board of Directors only persons may be elected who served a minimum of four years in aggregate on the Board of Directors or on the Executive Management of each of (i) one or several travel retail company(ies) with operations in more than one continent at the end of at least one year of the years of activity of such person, and (ii) one or several publicly listed retail company(ies) with an annual turnover of at least CHF 3 billion at the end of at least one year of the years of activity of such person. The requirements under (i) and (ii) above can be fulfilled by the same or several cumulated position(s) held by such person.

All members of the Board of Directors were elected in individual elections at the Ordinary General Meeting of Shareholders held on April 29, 2015. The same General Meeting elected Juan Carlos Torres Carretero as Chairman of the Board of Directors. Messrs. Jorge Born, Xavier Bouton, James Cohen and Andrés Holzer Neumann were elected in individual elections as members of the Nomination and Remuneration Committee.

3.5 INTERNAL ORGANIZATIONAL STRUCTURE

Except for the election of the Chairman of the Board of Directors and the members of the Nomination and Remuneration Committee (which are to be elected by the General Meeting of Shareholders), the Board of Directors determines its own organization. It shall elect its Vice-Chairman, the members of the Audit Committee, and appoint a Secretary who does not need to be a member of the Board of Directors.

The Board of Directors has established two committees: the Audit Committee and the Nomination and Remuneration Committee. Both Committees are assisting the Board of Directors in fulfilling its duties and have also decision authority to the extent described below.

Audit Committee
Members as of December 31, 2015: José Lucas Ferreira de Melo (Chairman Audit Committee), Jorge Born, Joaquín Moya-Angeler Cabrera, Juan Carlos Torres Carretero.

The members of the Audit Committee, with the exception of Juan Carlos Torres Carretero (who is considered an executive Chairman), are non-executive and independent members of the Board of Directors. Pursuant to item 14 of the Swiss Code of Best Practice for Corporate Governance (SCBP), an independent member is a non-executive member, has not been an executive member of the Dufry Group in the last three years and has no or comparatively minor business relations with the Company. The members shall be appointed, as a rule, for the entire duration of their mandate as Board members and be re-eligible.

The Audit Committee assists the Board of Directors in fulfilling its duties of supervision of management. It is responsible for the review of the performance and independence of the Auditors, the review of and the decision on the audit plan and the audit results and the monitoring of the implementation of the findings by management, the review of the internal audit plan, the assessment of the risk management and the decision on proposed measures to reduce risks, the review of the compliance levels and risk management, as well as the review to propose whether the Board of Directors should accept the Company's accounts. The Audit Committee regularly reports to the Board of Directors on its decisions, assessments, findings and proposes appropriate actions. The Audit Committee generally meets at the same dates the Board of Directors meetings take place, although the Chairman may call meetings as often as business requires. The length of the meetings lasted usually for approximately 2 to 3 hours in fiscal year 2015, during which the Audit Committee held 5 meetings. The average attendance ratio of the Audit Committee members at its meetings was 100 %. The auditors attended 3 meetings of the Audit Committee in 2015. Members of the Group Executive Committee attended meetings of the Audit Committee as follows: CEO 5 meetings, the CFO (who acts as Secretary of the Audit Committee meetings) 5 meetings.

Nomination and Remuneration Committee
Members as of December 31, 2015: Jorge Born (Chairman Nomination and Remuneration Committee), Xavier Bouton, James S. Cohen, Andrés Holzer Neumann.

The members of the Nomination and Remuneration Committee are all non-executive and independent members of the Board of Directors. Pursuant to item 14 of the Swiss Code of Best Practice for Corporate Governance (SCBP), an independent member is a non-executive member, has not been an executive member of the Dufry Group in the last three years and has no or comparatively minor business relations with the Company. The members shall be appointed by the shareholders' meeting until the next Ordinary General Meeting of Shareholders and be re-eligible.

The Nomination and Remuneration Committee assists the Board of Directors in fulfilling its nomination and remuneration related matters. It is responsible for assuring the long-term planning of appropriate appointments to the positions of the CEO and the Board of Directors, as well as for the review of the remuneration system of the Company and for proposals in relation thereto to the Board of Directors. The Nomination and Remuneration Committee makes recommendations regarding the proposals of the Board of Directors in relation to the maximum aggregate amount of compensation of the Board and of the Group Executive Committee to be submitted to the general Meeting of Shareholders of the Company for approval, as well as in relation to the remuneration package of the CEO and the members of the Board. The Nomination and Remuneration Committee makes proposals on the grant of options or other securities under any other management incentive plan of the Company, if any. The Nomination and Remuneration Committee meets as often as business requires. The 4 meetings held in the fiscal year 2015 lasted about 1 to 3 hours. The average attendance ratio of the Nomination and Remuneration Committee members at its meetings was 100 %. The Chairman of the Board of Directors usually participates as a guest in the Nomination and Remuneration Committee meetings. Members of the Group Executive Committee attended meetings of the Nomination and Remuneration Committee as follows: CEO 4 meetings. External advisors attended 2 meetings of the Nomination and Remuneration Committee in 2015.

Work method of the Board of Directors
As a rule, the Board of Directors meets about six to seven times a year (usually at least once per quarter). Additional meetings or conference calls are held as and when necessary. The Board of Directors held 13 meetings during fiscal year 2015. The meetings of the Board of Directors usually lasted half a day. The average attendance ratio of the Board members at the Board of Directors' meetings was 100 %. The Chairman determines the agenda and items to be discussed at the Board meetings. All members of the Board of Directors can request to add further items on the agenda.

The CEO, the CFO, the GCOO and the GC, also acting as Secretary to the Board, attend the meetings of the Board of Directors. Other members of the Group Executive Committee may attend meetings of the Board of Directors as and when required. Members of the Group Executive Committee attended meetings of the Board of Directors in 2015 as follows: CEO 13 meetings, CFO 11 meetings, GCOO 10 meetings, GC 11 meetings, GCCO 1 meeting, COOs of the regions 1 meeting.

The Board of Directors also engages specific advisors to address specific matters when required. External advisors attended pertinent portions of 2 meetings of the Board of Directors in 2015 in connection with the acquisition projects of the Company. The external Auditors attended 3 meetings of the Audit Committee in 2015.

3.6 DEFINITION OF AREAS OF RESPONSIBILITY

The Board of Directors is the ultimate corporate body of Dufry AG. It further represents the Company towards third parties and shall manage all matters which by law, Articles of Incorporation or Board regulations have not been delegated to another body of the Company.

In accordance with the Board regulations ("Organisationsreglement"), the Board of Directors has delegated the operational management of the Company to the CEO who is responsible for overall management of the Dufry Group. The following responsibilities remain with the Board of Directors:
- Ultimate direction of the business of the Company and the power to give the necessary directives;
- Determination of the organization of the Company;
- Administration of the accounting system, financial control and financial planning;
- Appointment and removal of the members of the committees installed by itself as well as the persons entrusted with the management and representation of the Company, as well as the determination of their signatory power;
- Ultimate supervision of the persons entrusted with the management of the Company, in particular with respect to their compliance with the law, the Articles of Incorporation, regulations and directives;
- Preparation of the business report, the compensation report and the Meetings of Shareholders and to carry out the resolutions adopted by the Meeting of Shareholders;
- Notification of the judge if liabilities exceed assets;
- Passing of resolutions regarding the subsequent payment of capital with respect to non-fully paid in shares;
- Passing of resolutions confirming increases in share capital and the amendments of the Articles of Incorporation entailed thereby;
- Non-delegable and inalienable duties and powers of the Board of Directors pursuant to the Swiss Merger Act;
- To approve any non-operational or non-recurring transaction not included in the annual budget and exceeding the amount of CHF 10,000,000;
- To issue convertible debentures, debentures with option rights or other financial market instruments;
- To approve the annual investment and operating budgets of the Company and the Dufry Group;
- To approve the executive regulations promulgated in accordance with the board regulations; and
- To propose an independent voting rights representative for election to the Meeting of Shareholders, and to appoint an independent voting rights representative in the event of a vacancy.

Except for the Chairman of the Board of Directors, who has single signature authority, the members of the Board have joint signature authority, if any.

3.7 INFORMATION AND CONTROL INSTRUMENTS VIS-À-VIS THE SENIOR MANAGEMENT

The Board of Directors ensures that it receives sufficient information from the management to perform its supervisory duty and to make the decisions that are reserved to the Board through several means.

- Dufry Group has an internal management information system that consists of financial statements, performance indicators and risk management. Information to management is provided on a regular basis according to the cycles of the business: sales on a weekly basis; income statement, cash management and key performance indicator (KPI) including customer, margins and investment information, balance sheet and other financial statements on a monthly basis. The management information is prepared on a consolidated basis as well as per business unit. Financial statements and key financial indicators / ratios are submitted to the entire Board of Directors on a quarterly basis.

- During Board meetings, each member of the Board may request information from the other members of the Board, as well as from the members of the management present on all affairs of the Company and the Group.
- Outside of Board meetings, each member of the Board may request from the Chief Executive Officer information concerning the course of business of the Company and the Group and, with the authorization of the Chairman, about specific matters.
- The CEO reports at each meeting of the Board of Directors on the course of business of the Company and the Group in a manner agreed upon from time to time between the Board and the CEO. Apart from the meetings, the CEO reports immediately any extraordinary event and any change within the Company and within the Dufry Group to the Chairman.
- For attendance of the members of the Group Executive Committee at meetings of the Board of Directors or meetings of the Audit Committee or Nomination and Remuneration Committee please refer to section "3.5 Internal organizational structure" above.
- The Audit Committee met 5 times in 2015 with management to review the business, better understand laws, regulations and policies impacting the Dufry Group and its business and support the management in meeting the requirement and expectations of stakeholders. In meetings of the Audit Committee, the CFO acts as Secretary to the Committee. The Auditors are invited to the meetings of the Audit Committee and attended 3 meetings of the Audit Committee in 2015. Among these meetings some or part of them are also held without management.
- The Global Internal Audit department provides independent risk-based and objective assurance reviews, loss prevention advice, and risk exposure analysis to group companies through 3 different activities streams: Internal Audit, Loss Prevention and Enterprise Risk Management.
- Internal auditing is an independent function that provides objective assurance and consulting activity, aiming to improve our organization's operations. The selection of Internal Audit reviews to be executed during the year is based on specific methodology throughout the Dufry Group and includes the consideration of internal and external factors. In fiscal year 2015, Internal Audit conducted over 60 reviews, examining more than 30 operations in all regions, representing a coverage of above 90% of 2015 group net sales, in which the newly acquired business of Nuance was already included. The WDF group was integrated in the Dufry governance structure in December 2015, nevertheless its operations are already part of the 2016 Dufry Internal Audit annual plan. Regular follow-up is performed to ensure that risk mitigation and control improvement measures are implemented on a timely basis.
- The Global Loss Prevention activity was created to prevent losses and misappropriations within the group. The day-to-day work is designed to leverage profitability using advanced data mining and antifraud techniques. Currently, validations are performed monthly or bimonthly for all group companies and results are proven to provide valuable information for loss prevention purposes. Additionally, we are continuously trying to use new data mining techniques to establish validations that can enhance our coverage and create a higher assurance level over our key retail risks.
- We have in place an Enterprise Risk Management program which sets out our approach for assessing compliance with: relevant laws, corporate policies and procedures, tax regulations, agreements or contracts and integrity policy, anticipating externally imposed guidelines and preventing losses. The program is sponsored by the Group Executive Committee and based on the concept of direct stakeholder assurance feedback, and is distributed among all operations and areas.
- All the results of these Group Internal Audit activities are communicated to key management in charge and to the Group's senior management on an on-going basis, and regular briefings are done to the Audit Committee.
- Detailed information on the financial risk management is provided in Note 38 in the Financial Statements of this Annual Report.

4. GROUP EXECUTIVE COMMITTEE

4.1 MEMBERS OF THE GROUP EXECUTIVE COMMITTEE

As of December 31, 2015, the Group Executive Committee (GEC) comprised seven executives. As of January 1, 2016, Dufry regrouped its business into 5 geographic divisions (previously 4 regions with Nuance and Word Duty Free operations reported as separate entities). The Group Executive Committee was expanded to twelve members, taking into account the larger group structure as a result of the Nuance Group and World Duty Free acquisitions.

The Group Executive Committee, under the control of the CEO, conducts the operational management of the Company pursuant to the Company's board regulations. The CEO reports to the Board of Directors on a regular basis. The following table sets forth the name and year of appointment of the members of the Group Executive Committee, followed by a short description of each member's business experience, education and activities:

NAME	NATIONALITY	POSITION	GEC MEMBER SINCE YEAR
Julián Díaz González	Spanish	Chief Executive Officer (CEO)	2004
Andreas Schneiter	Swiss	Chief Financial Officer (CFO)	2012
José Antonio Gea	Spanish	Global Chief Operating Officer (GCOO)	2004
Luis Marin	Spanish	Global Chief Corporate Officer (GCCO)	2014
Jordi Martin-Consuegra	Spanish	Global Resources Director (GRD)	2016 [1]
Pascal C. Duclos	Swiss	General Counsel (GC)	2005
Pedro J. Castro Benitez	Spanish	Chief Executive Officer (DCEO) Division Southern Europe and Africa	2016 [1]
Eugenio Andrades	Spanish	Chief Executive Officer (DCEO) Division UK, Central and Eastern Europe	2016 [1]
Andrea Belardini	Italian	Chief Executive Officer (DCEO) Division Asia, Middle East and Australia	2016 [1]
René Riedi	Swiss	Chief Executive Officer (DCEO) Division Latin America	2000
Joseph DiDomizio	American	Chief Executive Officer (DCEO) Division North America	2008
Gustavo Magalhães Fagundes	Brazilian	General Manager (GM) Brazil and Bolivia	2016 [1]

[1] Appointment to Group Executive Committee as of January 1, 2016

All agreements entered into with the members of the Group Executive Committee are entered for an indefinite period of time.

Mr. Xavier Rossinyol, former Chief Operating Officer of Region EMEA & Asia, left the Company effective March 31, 2015. Mr. José Carlos Costa da Silva Rosa, former Chief Operating Officer of Region America II, has become active for Dufry in Portugal and left the Group Executive Committee effective October 31, 2015.

4.2 EDUCATION, PROFESSIONAL BACKGROUND, OTHER ACTIVITIES AND VESTED INTERESTS

JULIÁN DÍAZ GONZÁLEZ

Chief Executive Officer, born 1958

Education

Degree in business administration from Universidad Pontificia Comillas I.C.A.D.E., de Madrid.

Professional Background

1989 – 1993 General Manager at TNT Leisure, S.A. 1993 – 1997 Division Director at Aldeasa. 1997 – 2000 various managerial and business positions at Aeroboutiques de Mexico, S.A. de C.V. and Deor, S.A. de C.V. 2000 – 2003 General Manager of Latinoamericana Duty-Free, S.A. de C.V. Since 2004 Chief Executive Officer at Dufry AG.

Current Board Mandates

Dufry AG, Distribuidora Internacional de Alimentacion, S.A. (DIA).

PASCAL C. DUCLOS

General Counsel, born 1967

Education

Licence en droit from Geneva University School of Law, L.L.M. from Duke University School of Law. Licensed to practice law in Switzerland and admitted to the New York Bar.

Professional Background

1991 – 1997 Senior attorney at law at Geneva law firm Davidoff & Partners. Also academic assistant at the University of Geneva School of Law (1994 – 1996). 1999 – 2001 Attorney at law at New York law firm Kreindler & Kreindler. 2001 – 2002 Financial planner at UBS AG in New York. 2003 – 2004 Senior foreign attorney at law at the Buenos Aires law firm Beretta Kahale Godoy. Since 2005 General Counsel and Secretary to the Board of Directors at Dufry AG.

ANDREAS SCHNEITER

Chief Financial Officer, born 1970

Education

Degree in business administration and specialization in finance at School of Economy and Business Administration Berne.

Professional Background

1998 – 2003 various positions at UBS Warburg in Zurich in the area of Mergers and Acquisitions. Joined Dufry in 2003 as Head Corporate Controlling. 2004 – 2012 Head Group Treasury and since 2005 additionally Investor Relations at Dufry. Since July 2012 Chief Financial Officer at Dufry AG.

LUIS MARIN

Global Chief Corporate Officer, born 1971

Education

Degree in Economic Sciences and Business Administration from Universidad de Barcelona.

Professional Background

1995 – 1998 Auditor at Coopers & Lybrand. 1998 – 2001 Financial Controller at Derbi Motocicletas – Nacional Motor S.A. 2001 – 2004 Head of Finance and Administration of Spanish subsidiaries of Areas (member of the French group Elior). Joined Dufry in 2004, as Business Controlling Director and since 2012, also responsible for mergers and acquisitions. Since January 2014 Gobal Chief Corporate Officer at Dufry AG.

JOSÉ ANTONIO GEA

Global Chief Operating Officer, born 1963

Education

Degree in economics and business sciences from Colegio Universitario de Estudios Financieros.

Professional Background

1989 – 1995 various positions at TNT Express Espana, S.A. Director of Blue Cow Division (1993 – 1995). 1995 – 2003 various managerial positions at Aldeasa. Left Aldeasa as Director of Operations. Since 2004 Global Chief Operating Officer at Dufry AG.

JORDI MARTIN-CONSUEGRA

Global Resources Director, born 1972

Education

Executive MBA from Instituto de Empresa, Madrid. Degree in economics from Universidad Complutense de Madrid and Bachelor of Arts in Combined Studies from University of Wolverhampton, UK.

Professional Background

1996 – 1998 Business Consultant at Burke in Madrid (today Burke is part of ALTEN Group in Spain). 1998 – 2000 Director of Consultancy Services at Burke. 2001 – 2002 Lawson Software Product Manager at Burke in Madrid. 2003 – 2005 Director of Business Solutions at Burke. 2005 – 2008 Global Information Technology Director at Dufry AG. 2008 – 2009 Global Integration Director at Dufry AG. 2009 – 2012 Global Organization and Human Resources Director at Dufry AG. Since 2012 Global Resources Director at Dufry AG.

PEDRO J. CASTRO BENITEZ
Chief Executive Officer Division Southern Europe and Africa, born 1967

Education

Masters degree in international relations, specializing in foreign trade, from Spanish Diplomatic School in Madrid. Degree in administration and political science, specializing in foreign affairs, from Complutense University in Madrid.

Professional Background

1998 – 2000 General Manager Chile at Aldeasa. 2000 – 2003 Managing Director Canariensis at Aldeasa. 2003 – 2006 Chief Executive Officer at Aldeasa Jordan. 2006 – 2010 Director Operations Spain at Aldeasa. 2011 – 2015 Chief Operating Officer International at World Duty Free. Since January 2016 Chief Executive Officer Division Southern Europe and Africa at Dufry AG.

RENÉ RIEDI
Chief Executive Officer Division Latin America, born 1960

Education

Degree in business administration from the School of Economy and Business Administration Zurich.

Professional Background

Prior to 1993 worked in product marketing and international sales of the multinational FMCG (Fast Moving Consumer Goods) company Unilever. 1993 – 2000 Joined Dufry as Sales Manager Eastern Europe. Product Category Manager Spirits & Tobacco (1995 – 1996). Head of Product Marketing (1996 – 1997). Director Division Spirits & Tobacco (Weitnauer Distribution Ltd. 1998 – 2000). 2000 – 2012 Chief Operating Officer Region Eurasia at Dufry AG. 2012 – 2015 Chief Operating Officer Region America I at Dufry AG. Since January 2016 Chief Executive Officer Division Latin America at Dufry AG.

EUGENIO ANDRADES
Chief Executive Officer Division UK, Central and Eastern Europe, born 1968

Education

Degree in Mining Engineering at Politécnica University of Madrid. MS of Economics and Strategy of Colorado School of Mines, Colorado/USA.

Professional Background

Prior to 1996 Consultant at McKinsey & Co and Carboex, a subsidiary of Endesa. 1996 – 2001 Director of Strategy & Development and Investor Relations at Aldeasa. 2001 Chief Executive Officer Jordan and Middle East region at Aldeasa. 2002 – 2007 Director of Strategy & Development and Investor Relations at Aldeasa. 2007 – 2010 Commercial Director and Operations Coordinator at Aldeasa. 2011 – 2014 Chief Commercial Officer at World Duty Free Group. 2014 – 2015 Chief Executive Officer at World Duty Free Group. Since January 2016 Chief Executive Officer Division UK, Central and Eastern Europe at Dufry AG.

JOSEPH DIDOMIZIO
Chief Executive Officer Division North America, born 1970

Education

Bachelor's of Arts degree in Marketing and Business Administration from the University of Bridgeport.

Professional Background

1992 – 2008 several managerial positions in Hudson Group (April–September 2008: President and Chief Executive Officer). 2008 - 2015 Chief Operating Officer Region United States & Canada at Dufry AG. Since January 2016 Chief Executive Officer Division North America at Dufry AG.

ANDREA BELARDINI
Chief Executive Officer Division Asia, Middle East and Australia, born 1968

Education

Degree in Business and Economics, University of Rome (La Sapienza).

Professional Background

1991 – 1996 various positions as Controller and Project Manager at Carlson Wagonlit Travel. 1997 – 1999 Director of Operations Italy at Carlson Wagonlit Travel. 1999 – 2000 Vice President Operations South Europe at Carlson Wagonlit Travel. 2000 – 2004 Executive Vice President Strategy & Development at Aeroporti di Roma. 2004 – 2009 Executive Vice President Commercial Business Management & Development at Aeroporti di Roma. 2009 – 2015 Chief Executive Officer Europe at Nuance Group (since 2013 also Global Chief Commercial Officer at Nuance Group). Since January 2016 Chief Executive Officer Division Asia, Middle East and Australia at Dufry AG.

GUSTAVO MAGALHÃES FAGUNDES
General Manager Brazil and Bolivia, born 1967

Education

Degree in business administration and management and post-graduate degree in HR and marketing from EAESP/Fundação Getúlio Vargas in São Paulo, Master in international economics and management from Bocconi University in Milan, executive MBA from AmBev Corporate University in São Paulo, general management degree from Harvard Business School in Massachusetts, USA.

Professional Background

1996 – 2002 Head of Marketing at AmBev. 2002 – 2009 Chief Operating Officer at Travel Retail, Brasif. 2010 – 2014 Chief Operating Officer at Brasif Holding. 2014 – 2015 COO Dufry Brazil and Bolivia. Since January 2016 General Manager Brazil and Bolivia at Dufry AG.

Other activities and vested interests

As of December 31, 2015, none of the members of the Group Executive Committee of Dufry AG has had other activities in governing and supervisory bodies of important Swiss or foreign organizations, institutions or foundations under private and public law with the exception of the Board mandates of Mr. Julián Díaz mentioned above. No member of the Group Executive Committee has permanent management or consultancy functions for important Swiss or foreign interest groups, nor holds any official functions and political posts.

4.3 RULES IN THE ARTICLES OF INCORPORATION REGARDING THE NUMBER OF PERMITTED MANDATES OUTSIDE THE COMPANY

In accordance with Article 25 para. 1 of the Articles of Incorporation, dated June 24, 2015, no member of the Group Executive Committee may hold more than two additional mandates in listed companies and four additional mandates in non-listed companies. The following mandates are not subject to the limitations under para. 1 of this Article:

a) mandates in companies which are controlled by the Company or which control the Company;
b) mandates held at the request of the Company or any company controlled by it. No member of the Group Executive Committee may hold more than ten such mandates; and
c) mandates in associations, charitable organizations, foundations, trusts and employee welfare foundations. No member of the Group Executive Committee may hold more than ten such mandates.

For definition of "mandate" please refer to section 3.3 above.

4.4 MANAGEMENT CONTRACTS

Dufry AG does not have management contracts with companies or natural persons not belonging to the Group.

5. COMPENSATION, SHAREHOLDINGS AND LOANS

5.1 CONTENT AND METHOD OF DETERMINING THE COMPENSATION AND SHAREHOLDING PROGRAMS

Detailed information of compensation, shareholdings and loans to active and former members of the Board of Directors and of the Group Executive Committee in fiscal year 2015 is included in the Remuneration Report on pages 233 to 244 of this Annual Report.

5.2 DISCLOSURE OF RULES IN THE ARTICLES OF INCORPORATION REGARDING COMPENSATION OF THE BOARD OF DIRECTORS AND OF THE EXECUTIVE MANAGEMENT

For rules in the Articles of Incorporation regarding the approval of compensation by the Meeting of Shareholders, the supplementary amount for changes in the Executive Management as well as the general compensation principles please refer to Articles 20–22 of the Articles of Incorporation. The Articles of Incorporation do not contain any rules in association with loans, credit facilities or post-employment benefits for the members of the Board of Directors and Executive Management. The rules regarding agreements with members of the Board of Directors and of the Executive Management in terms of duration and termination are stipulated in Article 23. Dufry's Articles of Incorporation are available on the Company website www.dufry.com – section Investors – Articles of Incorporation. Direct link:

http://www.dufry.com/en/Investors/Articlesofincorporation/index.htm

6. SHAREHOLDERS' PARTICIPATION RIGHTS

6.1 VOTING RIGHTS AND REPRESENTATION

Each share recorded as share with voting rights in the share register confers one vote on its registered holder. Each shareholder duly registered in the share register on the record date may be represented at the Meeting of Shareholders by the independent voting rights representative or any person who is authorized to do so by a written proxy. A proxy does not need to be a shareholder. Shareholders entered in the share register as shareholders with voting rights on a specific qualifying date (record date) designated by the Board of Directors shall be entitled to vote at the Meeting of Shareholders and to exercise their votes at the Meeting of Shareholders. See section 6.5 below.

Nominees are only entitled to represent registered shares held by them at a Meeting of Shareholders, if they are registered in the share register in accordance with Article 5 para. 4 of the Articles of Incorporation and if they hold a valid written proxy granted by the beneficial owner of the registered shares instructing the nominee how to vote at the Meeting of Shareholders. Shares held by a nominee for which it is not able to produce such a proxy count as not being represented at the Meeting of Shareholders.

As explained under section 2.6 above, BDR holders do not own the Dufry AG shares underlying their BDRs. As a consequence, BDR holders are prevented from exercising directly any of the shareholders' rights provided for by the Company's Articles of Incorporation and by Swiss corporate law. For example, BDR holders are not entitled to personally participate in the General Meetings of the Company. However, BDR holders are entitled to instruct the Depositary Institution to vote the Company's shares underlying their BDRs, according to the instructions sent to them by the Depositary Institution. See section 2.6 above or the Articles of Incorporation on our website:

http://www.dufry.com/en/Investors/Articlesofincorporation/index.htm

6.2 THE INDEPENDENT VOTING RIGHTS REPRESENTATIVE

In accordance with Article 10 para. 3 of the Articles of Incorporation, dated June 24, 2015, the independent voting rights representative shall be elected by the Meeting of Shareholders for a term of office extending until completion of the next Ordinary Meeting of Shareholders. Re-election is possible. If the Company does not have an independent voting rights representative, the Board of Directors shall appoint the independent voting rights representative for the next Meeting of Shareholders.

The Company may also make arrangements for electronic voting (Article 11 para. 5). Resolutions passed by electronic voting shall have the same effect as votes by ballot.

The Ordinary General Meeting of Shareholders held on April 29, 2015, re-elected the law firm Buis Bürgi AG, Zurich, as the independent voting rights representative until the completion of the Ordinary General Meeting of Shareholders in 2016. Buis Bürgi AG is independent from the Company and has no further mandates for Dufry AG.

For the upcoming General Meeting of Shareholders on April 28, 2016, the Company will enable its shareholders to send their voting instructions electronically to the independent voting rights representative Buis Bürgi AG through the platform:

https://www.netvote.ch/dufry

The corresponding instructions regarding registration and voting procedures on this electronic platform will be sent to the shareholders together with the invitation to the General Meeting.

6.3 QUORUMS

The Meeting of Shareholders shall be duly constituted irrespective of the number of shareholders present or of shares represented. Unless the law or Articles of Incorporation provide for a qualified majority, an absolute majority of the votes represented at a Meeting of Shareholders is required for the adoption of resolutions or for elections, with abstentions, blank and invalid votes having the effect of "no" votes. The Chairman of the Meeting shall have a casting vote.

A resolution of the Meeting of Shareholders passed by at least two thirds of the votes represented and the absolute majority of the nominal value of shares represented shall be required for:

1. a modification of the purpose of the Company;
2. the creation of shares with increased voting powers;
3. restrictions on the transfer of registered shares and the removal of such restrictions;
4. restrictions on the exercise of the right to vote and the removal of such restrictions;
5. an authorized or conditional increase in share capital;
6. an increase in share capital through the conversion of capital surplus, through a contribution in kind or in exchange for an acquisition of assets, or a grant of special benefits upon a capital increase;
7. the restriction or denial of pre-emptive rights;
8. the change of the place of incorporation of the Company;
9. the dismissal of a member of the Board of Directors;
10. an increase in the maximum number of members of the Board of Directors;
11. a modification of the eligibility requirements of the members of the Board of Directors (Article 24 para. 1 of the Articles of Incorporation);
12. the dissolution of the Company;
13. other matters where statutory law provides for a corresponding quorum.

6.4 CONVOCATION OF THE MEETING OF SHAREHOLDERS

The Meeting of Shareholders shall be called by the Board of Directors or, if necessary, by the Auditors. One or more shareholders with voting rights representing in the aggregate not less than 10 % of the share capital can request, in writing, that a Meeting of Shareholders be convened. Such request must be submitted to the Board of Directors, specifying the items and proposals to appear on the agenda.

The Meeting of Shareholders shall be convened by notice in the Swiss Official Gazette of Commerce (SOGC) not less than 20 days before the date fixed for the Meeting. Registered shareholders will also be informed by ordinary mail.

6.5 AGENDA

The invitation for the Meeting of Shareholders shall state the day, time and place of the Meeting, and the items and proposals of the Board of Directors and, if any, the proposals of the shareholders who demand that the Meeting of Shareholders be called or that items be included in the agenda.

One or more shareholders with voting rights whose combined holdings represent an aggregate nominal value of at least CHF 1,000,000 may request that an item be included in the agenda of a Meeting of Shareholders. Such a request must be made in writing to the Board of Directors at the latest 60 days before the Meeting and shall specify the agenda items and the proposals made.

6.6 REGISTRATION INTO THE SHARE REGISTER

The record date for the inscription of registered shareholders into the share register in view of their participation in the Meeting of Shareholders is defined by the Board of Directors. It is usually around 2 weeks before the Meeting. Shareholders who dispose of their registered shares before the Meeting of Shareholders are no longer entitled to vote with such disposed shares.

7. CHANGE OF CONTROL AND DEFENCE MEASURES

7.1 DUTY TO MAKE AN OFFER

An investor who acquires more than 33⅓% of all voting rights (directly, indirectly or in concert with third parties) whether they are exercisable or not, is required to submit a takeover offer for all shares outstanding (Article 135 Financial Market Infrastructure Act, FMIA). The Articles of Incorporation of the Company contain neither an opting-out nor an opting-up provision (Article 125 para. 4 FMIA).

7.2 CLAUSES ON CHANGE OF CONTROL

In case of change of control or in any event which would trigger a mandatory offer pursuant to the FMIA with respect to the Company, the Performance Share Units awarded to the PSU Plan Participants shall vest immediately.

In case of change of control, all amounts drawn under the CHF 2,500,000,000, USD 1,010,000,000, EUR 500,000,000, and EUR 3,600,000,000 multicurrency term and revolving credit facilities agreements and the EUR 250,000,000 letter of credit and bank guarantee facility agreement shall become immediately due and payable. Furthermore, upon the occurrence of a change of control, Dufry may be required to repurchase the USD 500,000,000 Senior Notes due 2020, the EUR 500,000,000 Senior Notes due 2022 and the EUR 700,000,000 Senior Notes due 2023 at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest.

According to Article 23 of the Articles of Incorporation, employment and other agreements with the members of the Group Executive Committee may be concluded for a fixed term or for an indefinite term. Agreements for a fixed term may have a maximum duration of one year. Renewal is possible. Agreements for an indefinite term may have a notice period of maximum twelve months. The current contracts with the members of the Group Executive Committee contain termination periods of twelve months or less.

8. AUDITORS

8.1 AUDITORS, DURATION OF MANDATE AND TERM OF OFFICE OF THE LEAD AUDITOR

Pursuant to the Articles of Incorporation, the Auditors shall be elected every year and may be re-elected. Ernst & Young Ltd acted as Auditors and has held the mandate as Auditor since 2004. Bruno Chiomento has been the Lead Auditor in charge for the consolidated financial statements of the Company and the statutory financial statements as of December 31, 2015. Mr. Chiomento took the existing auditing mandate in 2015.

8.2 AUDITING FEE

During fiscal year 2015, Dufry agreed with Ernst & Young Ltd to pay a fee of CHF 3.4 million for services in connection with auditing the statutory annual financial statements of Dufry AG (including quarterly reviews) and its subsidiaries, as well as the consolidated financial statements of Dufry Group and a fee of CHF 0.1 million for audit related services.

8.3 ADDITIONAL FEES

Additional fees amounting to CHF 0.6 million were paid to Ernst & Young Ltd for transaction services and CHF 0.7 million for tax services.

8.4 SUPERVISORY AND CONTROL INSTRUMENTS PERTAINING TO THE AUDIT

The Audit Committee as a committee of the Board of Directors reviews and evaluates the performance and independence of the Auditors at least once each year. Based on its review, the Audit Committee recommends to the Board of Directors, which external Auditor should be proposed for election at the General Meeting of Shareholders. The decision regarding this agenda item is then taken by the Board of Directors. When evaluating the performance and independence of the Auditors, the Audit Committee puts special emphasis on the following criteria: Global network of the audit firm, professional competence of the lead audit team, understanding of Dufry's specific business risks, personal independence of the lead auditor and independence of the audit firm as a company, co-ordination of the Auditors with the Audit Committee and the Senior Management / Finance Department of Dufry Group, practical recommendations with respect to the application of IFRS regulations.

Within the yearly approved budget, there is also an amount permissible for non-audit services that the Auditors may perform. Within the scope of the approved and budgeted amount, the Chief Financial Officer can delegate non-audit related mandates to the Auditors.

The Audit Committee determines the scope of the external audit and the relevant methodology to be applied to the external audit with the Auditors and discusses the results of the respective audits with the Auditors. The Auditors prepare a management letter addressed to the Senior Management, the Board of Directors and the Audit Committee once per year, informing them in detail on the result of their audit. The Auditors also review the interim quarterly reports before these publications are released.

Representatives of the Auditors are regularly invited to meetings of the Audit Committee, namely to attend during those agenda points that dealt with accounting, financial reporting or auditing matters.

In addition, the Audit Committee reviews regularly the internal audit plan. Internal Audit reports are communicated to management in charge and the Company's senior management on an on-going basis and regular briefings are done to the Audit Committee.

During the fiscal year 2015, the Audit Committee held 5 meetings. The Auditors were present at 3 of those meetings. The Board of Directors has determined the rotation interval for the Lead Auditor to be seven years, as defined by the Swiss Code of Obligation; such rotation occurred the last time in 2015.

9. INFORMATION POLICY

Dufry is committed to an open and transparent communication with its shareholders, financial analysts, potential investors, the media, customers, suppliers and other interested parties.

Dufry AG publishes its financial reports on a quarterly basis, both in English and Portuguese. The financial reports and media releases containing financial information are available on the Company website.

In addition, Dufry AG organizes presentations and conference calls with the financial community and media to further discuss details of the reported earnings or on any other matters of importance. The Company undertakes roadshows for institutional investors on a regular basis.

Details and information on the business activities, Company structure, financial reports, media releases and investor relations are available on the Company's website:

https://www.dufry.com

The official means of publication of the Company is the Swiss Official Gazette of Commerce:

http://www.shab.ch

Web-links regarding the SIX Swiss Exchange push-/pull-regulations concerning ad-hoc publicity issues are:

http://www.dufry.com/en/OurCompany/NewsandMedia/Latestnews/index.htm

http://www.dufry.com/en/OurCompany/NewsandMedia/Mediareleasesubscription/index.htm

Web-links regarding the filings made by the Company with the CVM or BM & FBOVESPA are:

http://www.dufry.com/en/Investors/CVMFilings/QuarterlyFinancialStatementsITR/index.htm

http://www.cvm.gov.br

http://www.bmfbovespa.com.br

The current Articles of Incorporation are available on Dufry's website under:

http://www.dufry.com/en/Investors/Articlesofincorporation/index.htm

The financial reports are available under:

http://www.dufry.com/en/Investors/FinancialReports/index.htm

For the Investor Relations and Corporate Communications contacts as well as a summary of anticipated key dates in 2015 please refer to pages 246/247 of this Annual Report.

REMUNERATION REPORT

DEAR SHARE-HOLDERS

2015 was a transformational year for Dufry. The integration of the Nuance acquisition on one hand and the acquisition of WDF on the other hand, were the key topics for both Management and the Board of Directors along 2015. The final result of these transformational transactions will be only seen in 2017 and 2018, once all businesses are fully integrated and all synergies have been implemented. Nevertheless, important work has been done by Dufry in 2015, and 2016 will be critical to achieve the stated targets which are expected to reflect value creation in the coming years.

In 2015, the Nomination and Remuneration Committee of Dufry focused to further improve the compensation programs for both the Board of Directors as well as the Group Executive Committee and to adapt them to the new increased size of the Group.

In this context, the Nomination and Remuneration Committee mandated PwC to carry out a compensation benchmarking for the Board of Directors and the Group Executive Committee, based on a group of 18 companies, which are comparable in size, geographic reach and market profile. At the same time, we also asked external expert opinion to review our compensation systems. Such benchmarking and external advice is requested periodically to update and adjust compensation to current market trends.

After the successful implementation of the Ordinance against Excessive Compensation (Minder Initiative) in the 2015 Annual General Meeting, Dufry plans also to hold a consultative vote on the Compensation Report 2015 in the Annual General Meeting 2016. We believe that this step provides shareholders with a further option to express their views on Dufry's compensation model.

In 2015, the Board of Directors approved a proposal by the Nomination and Remuneration Committee to increase the compensation for Board members of Dufry, based on the PwC benchmarking. Dufry has almost tripled its size in the last few years and has further expanded its global reach. As a consequence, the level of preparation has increased on one hand and the complexity of risk assessment has risen on the other hand. These two points, as well as the increased number of meetings, have made the Dufry Board mandate more time consuming and the new Board fees are designed to compensate for this. The Board of Directors held 13 meetings, the Audit Committee 5 meetings and the Nomination and Remuneration Committee 4 meetings in 2015. The average attendance ratio was 100 % for the Board and each of the Committee meetings.

In 2015, we abolished a project started the year before to partially compensate Board members with shares. After a detailed review, this option was considered not to be best practice for compensation and therefore Dufry's Board of Directors decided not to pursue this option any longer.

We also launched a project in 2015 to split the Nomination and Remuneration Committee in two separate bodies, which will become effective in 2016. Given the higher intensity of each of the functions in today's environment, we believe that it is more effective to address the two topics separately. It will allow the Committee members to dedicate more time to their respective topic, and with this, to assess a broader range of aspects including current market trends.

Last but not least, we also adapted the long-term incentive plan (PSU plan) for Dufry management. In order to recognize the broader management team as well as to ensure that we can attract the best talents in our industry, we have broadened the PSU plan to include about 60 senior managers below the Group Executive Committee. The second change in the PSU plan was done in relation to the PSU calculation. Whereas the old program was based on a normalized Cash EPS of a given year, the new plan uses a three year Cumulative normalized Cash EPS. We implemented the change because the previous plan proved to be very volatile partially due to consolidation effects of the acquisitions and had a very low visibility along the vesting period. The new metric results in a flatter pay-out curve, i.e. the likelihood of both, the plan not vesting and the plan vesting at maximum is considerably lower. We are convinced that the new metric will provide a better measure to reflect the long-term value creation of the Group.

2016 and beyond will be important years for Dufry, as the enlarged group will become fully integrated. Dufry's Nomination and Remuneration Committees will carefully monitor the compensation aspects of this transformation. Furthermore, we also will review the regulatory and industry developments in relation to compensation. In both cases, we plan to address any points pro-actively in case any change is warranted.

We would like to thank our shareholders for their contribution and the trust they have put in Dufry.

Yours Sincerely,

Jorge Born

INTRODUCTION

The success of Dufry is dependent on its ability to attract, motivate and retain outstanding individuals. It is Dufry's aim to provide appropriate and competitive remuneration to its employees and to support their development in a high performance environment.

This Remuneration Report provides information on the remuneration system and compensation paid to the members of the Board of Directors and of the Group Executive Committee in fiscal year 2015. The Report is prepared in accordance with Articles 13–17 of the Ordinance against excessive Compensation (OaeC) and item 5 of the Annex to the Corporate Governance Directive (DCG) of the SIX Swiss Exchange, governing disclosure of remuneration systems and compensation paid to members of the Board of Directors and the Group Executive Committee.

The Remuneration Report will be presented to the General Meeting of Shareholders on April 28, 2016, for a consultative vote.

GOVERNANCE

Based on Dufry's Articles of Incorporation and in line with the OaEC, the Board of Directors has the overall responsibility for defining the personnel and remuneration policy used for the entire Group, as well as the general terms and conditions of employment for members of the Group Executive Committee. It approves the individual compensation of the members of the Board of Directors and of the Group Executive Committee. Since January 1, 2015, the Meeting of Shareholders has to approve the proposal of the Board of Directors in relation to the maximum aggregate amount of compensation of the Board of Directors for the period until the next Ordinary Meeting of Shareholders and of the Group Executive Committee for the following financial year. The vote at the Ordinary Meeting of Shareholders has binding effect for these total maximum amounts of compensation. Thereafter, the approval of the individual compensation to the members of the Board of Directors and of the Group Executive Board (within the limits approved by the Meeting of Shareholders) is directly with the Board of Directors.

The Nomination and Remuneration Committee supports the Board of Directors in fulfilling its nomination and remuneration related matters. The Committee consists of four non-executive members of the Board of Directors. The General Meeting of Shareholders held on April 29, 2015, elected Messrs. Jorge Born and Xavier Bouton, and re-elected Messrs. James Cohen and Andrés Holzer Neumann (all individually elected) as members of the Nomination and Remuneration Committee for a term of office until completion of the next Ordinary Meeting of Shareholders in 2016. Jorge Born has been appointed by the Board of Directors as Chairman of the Nomination and Remuneration Committee.

COMMITTEES AND COMMITTEE MEMBERSHIPS AS OF DECEMBER 31, 2015

MEMBER OF THE BOARD OF DIRECTORS	NOMINATION & REMUNERATION COMMITTEE	AUDIT COMMITTEE
Juan Carlos Torres Carretero, Chairman	–	Committee Member
Andrés Holzer Neumann, Vice-Chairman	Committee Member	–
Jorge Born, Director	Committee Chairman	Committee Member
Xavier Bouton, Director	Committee Member	–
James S. Cohen, Director	Committee Member	–
Julián Díaz González, Director / CEO	–	–
José Lucas Ferreira de Melo, Director	–	Committee Chairman
George Koutsolioutsos, Director	–	–
Joaquín Moya-Angeler Cabrera, Director	–	Committee Member

For further details regarding the responsibilities of the Nomination and Remuneration Committee and the meetings held in fiscal year 2015, please refer to section 3.5 Internal Organizational Structure of the Corporate Governance Report.

COMPENSATION COMPARISONS

During the course of 2015, the Board of Directors of Dufry consulted PricewaterhouseCoopers AG (PwC) on the structure and level of Executive compensation arrangements, with a particular focus on the Executive PSU plan. PwC also conducted a benchmark analysis on compensation levels for both members of the Board of Directors and of the Group Executive Committee using third party compensation survey data and disclosed information from 18 companies with a similar size, geographical reach and / or complexity, mostly from the SMI and SMIM universe. Other divisions of PwC also provided services as Tax and HR Advisors for other internal projects.

REMUNERATION TO THE MEMBERS OF THE BOARD OF DIRECTORS

REMUNERATION SYSTEM

The remuneration of the members of the Board of Directors is set to attract and retain highly qualified individuals to serve on the Board of Directors. The Board of Directors determines the amount of remuneration of its members, taking into account their responsibilities, experience and the time they invest in their activity as members of the Board of Directors.

The total compensation to the members of the Board of Directors, except for the Chief Executive Officer who does not receive any compensation in relation to his position as member of the Board, included the following elements in fiscal year 2015:
- Fixed fee in cash as member of the Board of Directors and members of Board Committees; and
- Mandatory social security contributions

In addition, the Chairman of the Board of Directors, who due to his intense involvement with the Company's management is considered an executive Chairman, may also receive a performance bonus. This performance bonus is related to financial performance of the Company (performance objective: EBITDA) and is capped at 130 % of the target bonus. The target bonus for fiscal year 2015 was set at 100 % of the Chairman's board fee (2014: target bonus also 100 % of Chairman's board fee). With the exception of the variable compensation to the Chairman and to the CEO (each in their capacity as Chairman and Chief Executive Officer), the

POSITION / RESPONSIBILITY	FEE 2015 IN THOUSANDS OF CHF	FEE 2014 IN THOUSANDS OF CHF
Chairman [1]	1,914.8	1,665.0
Vice-Chairman [2]	250.0	175.0
Member of the Board of Directors [2, 3]	250.0	175.0
Member of the Audit Committee	50.0	50.0
Member of the Nomination and Remuneration Committee	50.0	50.0

1 The Chairman receives no fees as a Committee member.
2 Increased Board fee of TCHF 250 for period from AGM 2015 to AGM 2016.
3 The CEO does not receive additional compensation as a Board member.

compensation for the members of the Board of Directors is not tied to particular targets. Extraordinary assignments or work which a member of the Board of Directors would perform for the Company outside of his activity as a Board member can be specifically remunerated and has to be approved by the Board of Directors. No extraordinary assignments outside Board activities have taken place in fiscal year 2015. In addition, the members of the Board of Directors are reimbursed all reasonable cash expenses incurred by them in the discharge of their duties.

The Nomination and Remuneration Committee ("NRC") discusses the annual compensation (board fees, committee fees, target bonus for Chairman) in separate NRC meetings. The Chairman usually participates as a guest in these meetings without any voting rights. The Nomination and Remuneration Committee then makes proposals in relation to the compensation of each Board member to the entire Board of Directors. Thereafter, the Board of Directors decides collectively on the compensation of its members once per year, with all Board members being present during such meeting (CEO compensation reviewed and decided separately as described in section Remuneration to the members of the Group Executive Committee).

In fiscal year 2015, the Board of Directors decided to raise the fee for the Chairman to TCHF 1,915 (increase of TCHF 250 compared to previous fee for the Chairman). The Board of Directors further decided to increase the Board fee for the members of the Board of Directors for the period from the Annual General Meeting of Shareholders, held on April 29, 2015, to the next Annual General Meeting in 2016. Each member of the Board of Directors (except the Chairman and the CEO) receives a Board membership fee of TCHF 250 in cash (representing an increase of TCHF 75 compared to the previous Board fee) and an additional TCHF 50 in cash as a member of a Board Committee (no increase in the Committee fee). The Chairman fee and Board fee were raised to reflect the complexity of tasks and high intensity of the work done by the Board, also due to the increased size of the Company (see also section "Changes in the Remuneration System in 2015 – Board of Directors" below). For fiscal year 2015, the Chairman of the Board of Directors will receive a cash bonus of TCHF 1,943, based on profit targets (EBITDA) of the Group. The bonus amounts to 101.5 % of the Chairman's board fee (2014: TCHF 1,595 and 96 % of board fee).

CHANGES IN THE REMUNERATION SYSTEM IN 2015 – BOARD OF DIRECTORS

The Nomination and Remuneration Committee had analyzed in a project whether to include share-based remuneration by granting shares of Dufry AG to the members of the Board of Directors in the amount of TCHF 75 per Board member (except for the Chairman and the CEO). After a thorough analysis, the Nomination and Remuneration Committee concluded that it will not introduce such share grants for the members of the Board of Directors. Due to the high intensity of the work done by the Board, and due to the increased size and geographical diversification of the Company, as well as the monitoring of risks becoming more extensive, the Board of Directors approved a proposal by the Nomination and Remuneration Committee to increase the cash fees for membership in the Board to TCHF 250 (as of AGM 2015). The CEO (who does not receive a fee as Board member) is excluded from such increase in the Board fees.

SUMMARY OF REMUNERATION IN FISCAL YEAR 2015 AND 2014

On December 31, 2015, the Board of Directors comprised 9 members (December 31, 2014: also 9 Board members). For fiscal year 2015 and 2014, covering the period between January 1 and December 31, the remuneration for the members of the Board of Directors is shown in the table below. The remuneration difference compared to the previous year is mainly due to the increased remuneration for the Chairman and the Board members as explained above.

COMPENSATION TO THE BOARD OF DIRECTORS (AUDITED)

NAME, FUNCTION IN THOUSANDS OF CHF	2015 REMUNERATION	2015 POST-EMPLOYMENT BENEFITS [5]	2015 TOTAL	2014 REMUNERATION	2014 POST-EMPLOYMENT BENEFITS [5]	2014 TOTAL
Juan Carlos Torres Carretero, Chairman [1]	3,857.8	197.1	4,054.9	3,260.2	169.5	3,429.7
Andrés Holzer Neumann, Vice-Chairman	275.4	14.8	290.2	225.0	13.5	238.5
Jorge Born, Director	309.0	18.2	327.2	213.7	12.8	226.5
Xavier Bouton, Director [2]	259.0	15.4	274.4	425.0	10.6	435.6
James S. Cohen, Director	275.4	16.3	291.7	225.0	13.5	238.5
Julián Díaz González, Director and CEO [3]	–	–	–	–	–	–
José Lucas Ferreira de Melo, Director	275.4	16.3	291.7	225.0	13.5	238.5
George Koutsolioutsos, Director [4]	225.4	13.5	238.9	117.6	7.2	124.8
Joaquin Moya-Angeler Cabrera, Director	275.4	13.3	288.7	225.0	12.8	237.8
Total	**5,752.8**	**304.9**	**6,057.7**	**4,916.5**	**253.4**	**5,169.9**

1 The remuneration for Mr. Torres Carretero includes Board fee of CHF 1.915 million and bonus of CHF 1.943 million (2014: CHF 1.665 million Board fee and CHF 1.595 million bonus).

2 In 2014, the remuneration for Mr. Bouton included fees for consulting services of CHF 0.25 million. These consulting services have been terminated as per December 31, 2014.

3 Mr. Díaz González (CEO of the Company) does not receive any additional compensation as Board member.

4 Director as of April 29, 2014.

5 Amount includes mandatory employer social security contributions.

RECONCILIATION BETWEEN REPORTED BOARD COMPENSATION FOR 2015 AND THE AMOUNT APPROVED BY THE SHAREHOLDERS AT THE AGM 2015 UNTIL THE AGM 2016

The Ordinary Meeting of Shareholders held on April 29, 2015, approved a maximum aggregate amount of compensation of the Board of Directors for the term of office from the AGM 2015 to the AGM 2016 of CHF 7.4 million. The following table shows the reconciliation between the reported Board compensation for fiscal year 2015 and the amount approved by the shareholders at the AGM 2015.

IN THOUSANDS OF CHF	BOARD COMPENSATION IN FISCAL YEAR 2015 AS REPORTED	LESS BOARD COMPENSATION TO BE ACCRUED FOR THE PERIOD JANUARY 1, 2015 TO THE AGM IN APRIL 2015 (4 MONTHS)	PLUS BOARD COMPENSATION TO BE ACCRUED FOR THE PERIOD JANUARY 1, 2016 TO THE AGM IN APRIL 2016 (4 MONTHS)	TOTAL BOARD COMPENSATION FOR THE PERIOD FROM AGM 2015 TO AGM 2016	TOTAL MAXIMUM AMOUNT AS APPROVED BY SHAREHOLDERS AT THE AGM 2015 FOR PERIOD OF AGM 2015 TO AGM 2016	COMPEN-SATION RATIO
Total Board of Directors	**6,057.7**	**1,190.4**	**1,409.8**	**6,277.1**	**7,400**	**84.8 %**

OTHER COMPENSATION, LOANS OR GUARANTEES (AUDITED)

In the years 2015 and 2014, there was no other compensation paid directly or indirectly to active or former members of the Board of Directors, or to their related parties. There are also no loans or guarantees received or provided to these Board members, nor to their related parties.

REMUNERATION TO THE MEMBERS OF THE GROUP EXECUTIVE COMMITTEE

REMUNERATION SYSTEM

Dufry aims to provide internationally competitive compensation to the members of its Group Executive Committee (as of January 1, 2016, CEO, CFO, GCOO, GC, GCCO, GRD, five Divisional CEOs and one GM Brazil & Bolivia; for the structure during fiscal year 2015 see also Corporate Governance Report on page 225) that reflects the experience and the area of responsibility of each individual member. Members of the Group Executive Committee (GEC) receive compensation packages, which consist of a fixed basic salary in cash, social benefits, allowances in kind, a performance related bonus and share-based incentive plans.

BASIC SALARY

The annual basic salary is the fixed compensation reflecting the scope and key areas of responsibilities of the position, the skills required to perform the role and the experience and competencies of the individual person. The basic salary is reviewed annually.

ANNUAL BONUS

The annual bonus is defined once per year and is based on a bonus target expressed in percentage of the annual basic salary. The target bonus corresponds to the bonus award at 100 % achievement of the pre-defined objectives. Each member of the Group Executive Committee has its own bonus. In case that an executive reaches the objectives in full, the bonus pay-out will correspond to the targeted level. If one or more objectives are not reached, the bonus will be reduced. The bonus pay-out can be between a minimum of zero and the maximum capped amount of 130 % of the target bonus for all members of the Group Executive Committee, including the CEO.

PERFORMANCE OBJECTIVES

GROUP EXECUTIVE COMMITTEE (2015)	EBITDA	NON-FINANCIAL
Chief Executive Officer Chief Financial Officer Global Chief Operating Officer Global Chief Corporate Officer General Counsel 2 Regional Chief Operating Officers (one of them until March 31, 2015)	100 %	–
2 Regional Chief Operating Officers (one of them until October 31, 2015)	50 %	50 %

The target bonus amounted to 200 % of the basic salary for the CEO and to between 60 % and 200 % of the basic salary for the other members of the Group Executive Committee in fiscal year 2015 (Fiscal Year 2014: 200 % for the CEO and between 60 % and 200 % for the other members of the Group Executive Committee).

The main part of the bonus is related to measures regarding financial performance, which in fiscal year 2015 and 2014 was based on EBITDA, for both, the Group and the respective Region in the case of the Regional Chief Operating Officers (RCOOs). Such financial measures were weighted for the CEO, CFO, GCOO,

REMUNERATION COMPONENTS

	INSTRUMENT	PURPOSE	INFLUENCED BY
Basic salary	– Basic compensation – Paid in cash on monthly basis	– To attract and retain management	– Position – Competitive market environment – Experience of the person
Bonus	– Annual bonus – Usually paid in cash after completion of the relevant year	– Pay for performance	– Achievement of financial results of the Group and of specific Regions and of defined goals by each individual person
Share-based incentives PSUs	– Performance Share Units (PSU) if any, vesting conditional on performance	– Rewarding long-term performance – Aligning compensation to shareholder interests	– PSU Awards 2013/2014: Cash EPS growth over 3 years – PSU Awards 2015/following years: Cumulative Cash EPS in CHF over 3 years
Other indirect benefits, post-employment benefits	– Allowances in kind – Social pension and insurance prerequisites	– To attract and retain management	– Market practice and position – Legal requirements of social benefits

GC, GCCO and 2 of the 4 RCOOs (one of these two RCOOs was a GEC member until March 31, 2015) as follows: 100 % EBITDA; for 2 of the 4 RCOOs (one of these two RCOOs was a GEC member until October 31, 2015) 50 % EBITDA and 50 % non-financial oriented targets in form of individual and general performance of the business as evaluated by the CEO (Fiscal Year 2014: 100 % EBITDA for the CEO, CFO, GCOO, GC, GCCO and 2 of the 4 RCOOs. 50 % EBITDA and 50 % non-financial oriented targets for 2 of the 4 RCOOs).

The bonus accrued as part of the compensation for the members of the Group Executive Committee represented in 2015 between 61 % and 203 % of their basic salary and amounted to CHF 9.7 million in the aggregate (2014: between 55 % and 201 % of their basic salary and an amount of CHF 9.9 million in the aggregate). The achievement ratio regarding the EBITDA target was 101.5 % for fiscal year 2015.

RANGE OF BONUS COMPONENTS

IN % OF BASIC SALARY	2015	2014	2013
Group Executive Committee	61 - 203 %	55 - 201 %	17 - 100 %

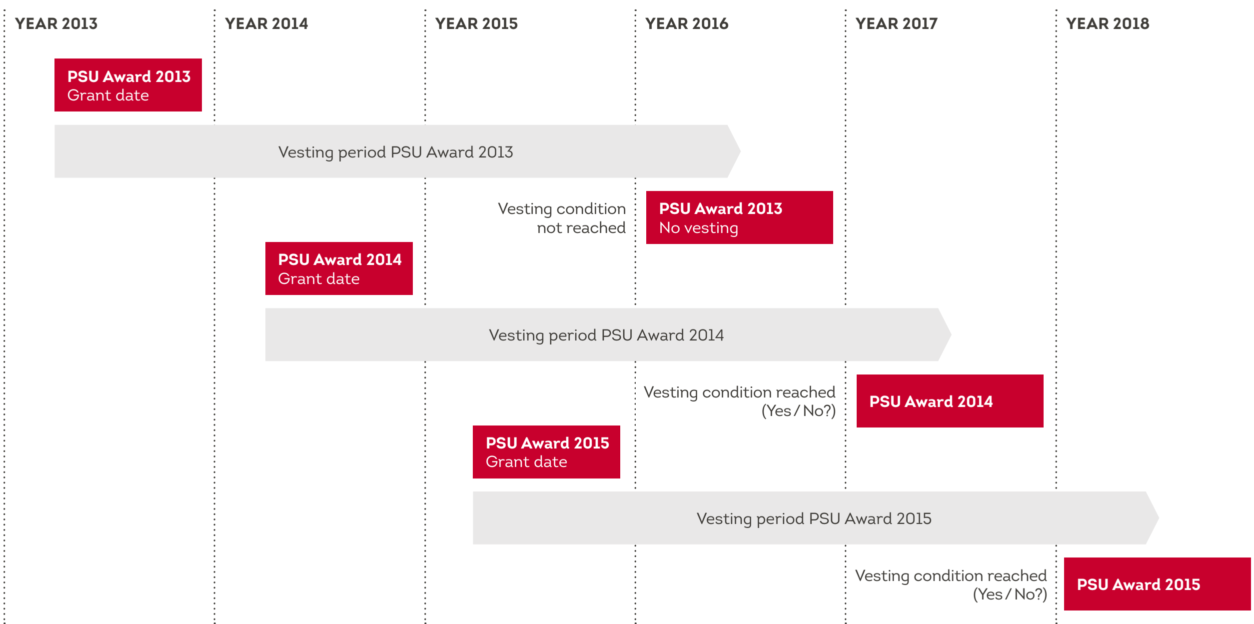
The bonus compensation for each of the members of the Group Executive Committee, other than the CEO bonus, is approved by the Nomination and Remuneration Committee in coordination with the CEO. The CEO's bonus compensation is determined based on achieved targets and proposed by the Nomination and Remuneration Committee and decided by the Board of Directors once per year. The Nomination and Remuneration Committee as well as the Board of Directors review the compensation of the CEO, CFO, GCOO, GCCO and the GC (as of January 1, 2016 also the GRD) yearly. The compensation of the RCOOs is reviewed once per year by the CEO (as of January 1, 2016 all five Divisional CEOs including the GM Brazil & Bolivia).

SHARE-BASED INCENTIVES (PSU)

In 2013, the Company introduced a Performance Share Unit (PSU) plan for the members of the Group Executive Committee. The purpose of the plan is to provide the members of the Group Executive Committee (and since fiscal year 2015 also selected members of the Senior Management team) with an incentive to make significant and extraordinary contributions to the long-term performance and growth of Dufry Group, enhancing the value of the shares for the benefit of the shareholders of the Company. The share-based incentive is also increasing the ability of Dufry Group to attract and retain persons of exceptional skills.

From an economic point of view, the PSUs are stock options with an exercise price of nil. However, they are expected to have no dilutive effect, as the shares for

TIMING OF THE PSU PLANS



share-based incentives historically have been sourced from treasury shares, held by the Company.

Details of the Performance Share Units (PSU)

The number of PSUs allocated to each member of the Group Executive Committee in any given year takes into account the base salary as well as the prevailing share price, i.e. an assumption of one share for every PSU. The accrued value of the PSU awards 2015 represented about 119% of the basic salary for the CEO and between 62% and 117% of the basic salary for the other members of the Group Executive Committee (2014: 89% for the CEO and between 62% and 90% for the other members of the Group Executive Committee). The PSU awards will only vest in the third year of the award and are linked to specific performance criteria (see below).

Vesting conditions of the PSUs are:
- The participant's ongoing contractual relationship on the vesting date; and
- The achievement of the performance target as described below.

Performance target for 2013 and 2014 PSU grants

The number of shares allocated for each PSU for the 2013 and 2014 PSU grants directly depends on the average growth rate reached of the Company's basic earnings per share adjusted for acquisition-related amortization and normalized for non-recurring effects (Cash EPS). For the calculation of the relevant EPS growth for the PSU awards 2013 and 2014, the following metrics are used:
- Cash EPS of the fiscal year directly preceding the grant date (i.e. for the PSU Award 2014 Cash EPS of 2013; for the PSU Award 2013 Cash EPS of 2012) is used as a basis and is compared to the Cash EPS of the fiscal year preceding the vesting date (i.e. for the PSU Award 2014: respective metric in 2016; for the PSU Award 2013: respective metric in 2015).

Depending on the average growth achieved, each PSU will convert according to the following grid:
- Minimum threshold of average Cash EPS growth of 3.5% per annum must be achieved; otherwise the PSU shall not vest and will become nil and void. The participant will not be allocated any shares from the PSU.
- For a Cash EPS growth of 7% per annum (target), the participant shall be allocated one share for every PSU that has vested.
- For a Cash EPS growth of 10.5% per annum or above (maximum threshold), the participant shall be allocated two shares for every PSU that has vested.
- For a Cash EPS growth of between 3.5% and 7% per annum or between 7% and 10.5% per annum the number of shares allocated from vested PSUs is calculated on a linear basis.
- The maximum number of shares allocated is capped at two shares per vested PSU.

CASH EPS GROWTH PER ANNUM PSU GRANTS 2013/2014	PSU VESTING
< 3.5% (minimum threshold)	No vesting
Between 3.5% and 7%	Linear calculation (between 0% and 100% vesting)
=7% (at target)	100% vesting (1 share per PSU)
Between 7% and 10.5%	Linear calculation (between 100% and 200% vesting)
≥ 10.5% (maximum threshold)	200% vesting (2 shares per PSU)

Performance target for 2015 and following years' grants

The number of shares allocated for each PSU for the 2015 grants (and following years' grants) directly depends on the Company's Cumulative Normalized Cash EPS as a nominal amount in Swiss Francs of the three year period preceding the vesting date (see also section "Changes in the Remuneration System in 2015 – Group Executive Committee" on page 241).
- For the 2015 grants, the Target Cumulative Cash EPS has been set at a nominal amount in Swiss Francs that was based on the cumulative cash EPS of the years 2012 to 2014 and applied a growth rate of 5% per annum. This amount which is about CHF 24, and the derived figures below are subject to change from year to year by the Nomination and Remuneration Committee.

Depending on the Cumulative Normalized Cash EPS achieved, each PSU will convert according to the following grid:
- Minimum threshold of 50% of target must be achieved; otherwise the PSU shall not vest and will become nil and void. The participant will not be allocated any shares from the PSU.
- For a Cumulative Cash EPS at target, the participant shall be allocated one share for every PSU that has vested.
- For a Cumulative Cash EPS of 150% of target or above, which represents the maximum threshold, the participant shall be allocated two shares for every PSU that has vested.
- For a Cumulative Cash EPS higher than the minimum threshold but lower than the maximum threshold, the number of shares allocated from vested PSUs is calculated on a linear basis.
- The maximum number of shares allocated is capped at two shares per vested PSU.

CUMULATIVE CASH EPS PSU GRANTS 2015	PSU VESTING
< minimum threshold (50 % of target)	No vesting
at target	100 % vesting (1 share per PSU)
≥ maximum threshold (150 % of target)	Maximum vesting (2 shares per PSU)
Between minimum threshold and maximum threshold	Linear calculation (between 0 and maximum 2 shares per PSU)

In 2015, the members of the Group Executive Committee have been granted, in the aggregate 56,965 PSU. Out of this amount, 18,347 PSU were granted to the CEO. The total maximum number of shares that can be allocated to the members of the Group Executive Committee (maximum 2 shares per vested PSU) would amount to 113,930 shares for the PSU Award 2015, 89,134 shares for the PSU Award 2014 and to nil shares for the PSU Award 2013 (as the PSU Award 2013 will not vest).

The PSU plans have been approved by the Nomination and Remuneration Committee and the Board of Directors. The Nomination and Remuneration Committee reviews achievement of the respective performance target at a specific vesting date, upon proposal of the CEO, who as plan administrator will analyze and adjust potential exceptional and non-recurring events to normalize Cash EPS in relation to the PSU plan. The CEO acts as Plan Administrator and therefore proposes the amount of each specific grant to each individual plan participant, which are reviewed by the Nomination and Remuneration Committee. The grants made to the CEO are decided by the Nomination and Remuneration Committee.

OTHER INDIRECT BENEFITS

The Company limits further benefits to a minimum. Fringe benefits such as health insurance, company car, or housing allowances have been granted to certain members of the Group Executive Committee. The total amounted to CHF 0.54 million in the aggregate in fiscal year 2015 (2014: CHF 0.66 million).

CHANGES IN THE REMUNERATION SYSTEM IN 2015 – GROUP EXECUTIVE COMMITTEE

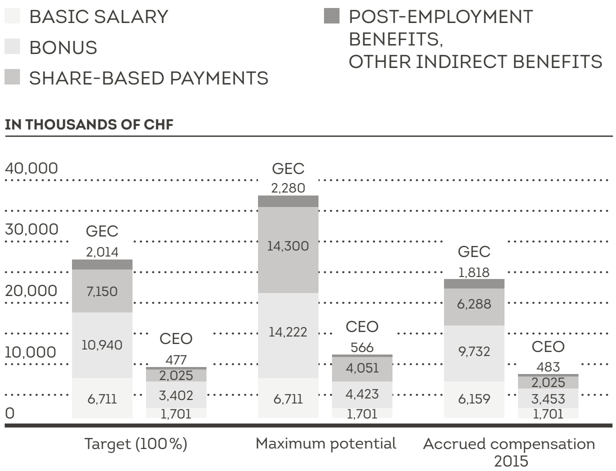
The Nomination and Remuneration Committee has decided on some changes to the remuneration system in fiscal year 2015:

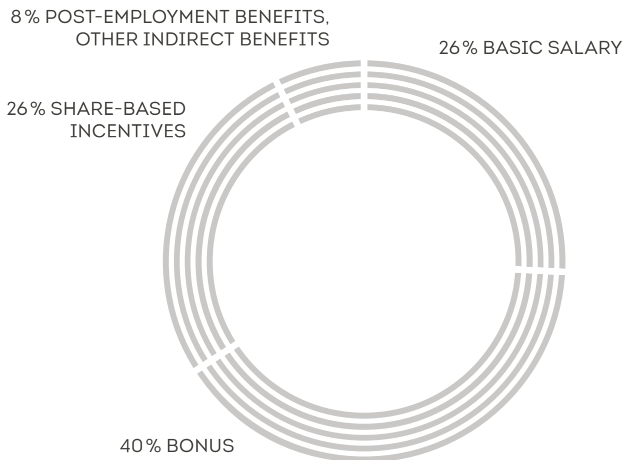
The Restricted Share Units (RSU) program that was in place from 2005 until 2013 was terminated in 2013 and no awards were made since. In 2015, the Nomination and Remuneration Committee considered an alternative program going forward, but decided that the share-based compensation for the members of the Group Executive Committee should consist of Performance Share Units (PSUs) only.

Based on a proposal by the Nomination and Remuneration Committee, the Board of Directors decided to adapt the metrics for the PSU plan from fiscal year 2015 onwards. As described above the adaption to the PSU plan was to change from the annual growth rate of Cash EPS of the one year directly preceding the date of grant and the vesting date, respectively, to the Cumulative Cash EPS in Swiss Francs of the three years preceding the vesting date. The change is intended to reduce the volatility of the PSU plan as the original plan has a very steep pay-out curve, which is likely to result in the maximum or non-vesting scenario, respectively. The new metric also rewards continuous and sustainable improvements in the Cash EPS generation over time. The duration of the PSU plan (PSUs vest in the third year of the award) remained unchanged.

The number of persons qualified to PSU awards has been broadened and includes since fiscal year 2015 not only the members of the Group Executive Committee, but also further selected members of the Senior Management team of Dufry (about 60 senior managers). In addition to the PSUs awarded to the members of the Group Executive Committee as detailed above, this further group of Senior Managers received in aggregate 65,838 PSU from the Award 2015. The conditions of the PSU plans are identical for all plan participants (whether members of the Group Executive Committee or Senior Managers). The total maximum number of shares that can be allocated to all participants of the PSU Awards 2015 and 2014 (maximum 2 shares per vested PSU) would amount to 334,740 shares, representing together a total of 0.62 % of outstanding shares as at December 31, 2015. The PSU Awards 2013 will not vest as the vesting conditions were not reached. Historically, Dufry has always sourced its share based compensation from treasury shares, so that no dilutive effect is expected from the PSUs.

REMUNERATION STRUCTURE GROUP EXECUTIVE COMMITTEE IN 2015





COMPARISON AND COMPOSITION OF REMUNERATION TO THE GROUP EXECUTIVE COMMITTEE IN FISCAL YEAR 2015

The charts above reflect the composition of the different remuneration components as well as the actual remuneration of the seven active members and two former members of the Group Executive Committee (as of December 31) for fiscal year 2015. In the chart, this actual remuneration is also compared to the potential compensation (for all nine members) if 100% of the target bonus was reached, and the maximum potential of compensation possible based on the capped bonus and the share-based compensation.

PAY-OUT COMPONENTS FOR FISCAL YEAR 2015

For fiscal year 2015, the achievement ratio in conjunction with the EBITDA target was 101.5%. Based on this, the pay-out of the bonus component for the CEO amounts to CHF 3.5 million, which represents 203% of the CEO's basic salary. As mentioned before, the PSU Awards 2013 have not vested and there will be no pay-out for the CEO or any other members of the Group Executive Committee from the PSU Awards 2013. Therefore, the pay-out for the entire Group Executive Committee for fiscal year 2015 amounts to a total of CHF 17.7 million, of which CHF 5.6 million is the pay-out to the CEO.

SUMMARY OF REMUNERATION IN FISCAL YEAR 2015

For fiscal year 2015, the remuneration of the Group Executive Committee includes the compensation to the seven active GEC members (as of December 31) for the entire year, and to the two former GEC members on a pro rata basis up to the dates on which they left the GEC (fiscal year 2014: includes compensation to the nine Executives for the entire year). The remuneration for fiscal years 2015 and 2014, mentioned in the table on the opposite page covers the period between January 1 and December 31.

The remuneration difference compared to the previous year are mainly due to the change in the number of the Executives during the year, regular salary increases based on annual performance review and individual bonus payments based on achievement of yearly objectives set in advance, as well as the different values of the PSU awards.

The Ordinary Meeting of Shareholders held on April 29, 2015, approved a maximum aggregate amount of compensation for the members of the Group Executive Committee for the financial year 2016 of CHF 50.5 million. The approved maximum aggregate amount reflects the maximum possible pay-out calculated for each compensation element and takes into account twelve members of the Group Executive Committee in fiscal year 2016. As of January 1, 2016, the Group Executive Committee has been expanded to a total of twelve members (see also page 225 in the Corporate Governance section of this Annual Report), taking into account the larger group structure as a result of the

COMPENSATION TO THE MEMBERS OF THE GROUP EXECUTIVE COMMITTEE (AUDITED)

	2015		2014	
REMUNERATION COMPONENT IN THOUSANDS OF CHF	**GEC [1]**	**CEO [2]**	**GEC**	**CEO [2]**
Basic salary	6,158.7	1,701.2	6,264.0	1,675.1
Bonus	9,732.3	3,452.6	9,935.0	3,209.9
Post-employment benefits [3]	1,281.0	447.1	1,896.9	527.3
Other indirect benefits	537.1	35.5	660.7	35.0
Share-based payments [4]	6,288.4	2,025.3	5,370.9	1,497.7
Total compensation accrued	**23,997.5**	**7,661.7**	**24,127.5**	**6,945.0**
Total compensation pay-out	**17,709.1**	**5,636.3**	**18,756.6**	**5,447.3**
Number of performance share units awarded (in thousands)	57.0	18.3	51.5	14.4

1 Compensation in 2015 includes remuneration of Mr. Rossinyol (former COO Region EMEA & Asia until March 31, 2015) and Mr. Rosa (former COO Region America II until October 31, 2015) on a pro rata basis up to these dates.
2 The CEO has the highest compensation of the Group Executive Committee.
3 Amount includes employer social security contributions and pension contributions.
4 For valuation details see Note 28 of the consolidated financial statements.

recent acquisitions of the Nuance Group and World Duty Free. The compensation ratio, including the distribution among the different compensation components, will be disclosed in detail in the Remuneration Report 2016.

OTHER COMPENSATION, LOANS OR GUARANTEES (AUDITED)

In the years 2015 and 2014, there were no other compensations paid directly or indirectly to active or former members of the Group Executive Committee, or to their related parties. There are also no loans or guarantees received or provided to the Group Executive Committee members, or to related parties.

CONTRACTS OF EMPLOYMENT TERMS

According to Article 23 of the Articles of Incorporation, employment and other agreements with the members of the Group Executive Committee may be concluded for a fixed term or for an indefinite term. Agreements for a fixed term may have a maximum duration of one year. Renewal is possible. Agreements for an indefinite term may have a notice period of maximum twelve months. The current contracts with the members of the Group Executive Committee contain termination periods of twelve months or less.

PARTICIPATIONS IN DUFRY AG

The following members of the Board of Directors or of the Group Executive Committee of Dufry AG (including related parties) hold directly or indirectly shares or share options of the Company as at December 31, 2015 or December 31, 2014 (members not listed do not hold any shares or options):

	DECEMBER 31, 2015			DECEMBER 31, 2014		
IN THOUSANDS	SHARES	FINANCIAL INSTRUMENTS [1]	PARTICIP.	SHARES	FINANCIAL INSTRUMENTS [1]	PARTICIP.
MEMBERS OF THE BOARD OF DIRECTORS						
Juan Carlos Torres Carretero, Chairman	982.2	257.1	2.38 %	743.0	164.4	2.53 %
Andrés Holzer Neumann, Vice-Chairman	4,291.3	463.6	9.13 %	3,708.8	468.2	11.63 %
Jorge Born, Director	21.9	30.9 [2]	0.10 %	-	30.9 [2]	0.09 %
James S. Cohen, Director	2,059.3	-	3.96 %	2,089.0	93.4	6.08 %
Julián Díaz González, Director and CEO	284.5	92.6	0.72 %	286.9	43.8	0.92 %
George Koutsolioutsos, Director [3]	1,608.4	200.0	3.47 %	1,536.1	272.3	5.04 %
Joaquin Moya-Angeler Cabrera, Director	-	-	0.00 %	6.0	-	0.02 %
Total Board of Directors	**9,247.6**	**1,044.2**	**19.77 %**	**8,369.8**	**1,073.0**	**26.31 %**
MEMBERS OF THE GROUP EXECUTIVE COMMITTEE						
Julián Díaz González, CEO	284.5	92.6	0.72 %	286.9	43.8	0.92 %
Andreas Schneiter, CFO	6.1	-	0.01 %	6.1	-	0.02 %
José Antonio Gea, GCOO	4.1	-	0.01 %	4.1	-	0.01 %
Luis Marin, CCO	1.5	-	0.00 %	1.5	-	0.00 %
Xavier Rossinyol, COO Region EMEA & Asia [4]	n/a	n/a	n/a	27.0	-	0.08 %
José C. Rosa, COO America II [5]	n/a	n/a	n/a	4.6 [6]	-	0.01 %
Joseph DiDomizio, COO United States & Canada	–	–	0.00 %	9.5	-	0.03 %
Total Group Executive Committee	**296.2**	**92.6**	**0.73 %**	**339.7**	**43.8**	**1.07 %**

1 The detailed terms of the various financial instruments disclosed below are as disclosed to the SIX Swiss Exchange and published on July 9, 2015, for the year 2015 and on November 26, 2014, for the year 2014.

2 European Capped Calls on 30,940 shares of Dufry AG. The transaction is divided into 5 tranches of 6,188 shares each, which expire on 29.07.2019, 30.07.2019, 31.07.2019, 04.08.2019, and 05.08.2019, respectively. Each tranche is automatically exercised, and the differences are to be cash settled. The strike price for each option is CHF 160, and the cap is CHF 260 per option.

3 Director as of April 29, 2014.

4 Member until March 31, 2015.

5 Member until October 31, 2015.

6 Includes 4.5 shares and 0.1 BDRs.

In addition to the above, the shareholders' group consisting of different legal entities controlled by Andrés Holzer Neumann, Juan Carlos Torres, Julían Díaz González, James S. Cohen, James S. Cohen Family Dynasty Trust and Dimitrios Koutsolioutsos holds sale positions of 8.81 % through options (4,589,120 voting rights) as of December 31, 2015 (as of December 31, 2014: sale positions of 10.80 % through options (3,877,480 voting rights)).

The detailed terms of these financial instruments are as disclosed to the SIX Swiss Exchange and published on July 9, 2015 (for sale position as of December 31, 2014: publication of disclosure notice on November 26, 2014).

Disclosure notices are available on the SIX Swiss Exchange website:

https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html

Ernst & Young Ltd
Aeschengraben 9
P.O. Box
CH-4002 Basle

Phone +41 58 286 86 86
Fax +41 58 286 86 00
www.ey.com/ch

To the General Meeting of

Dufry AG, Basel

Basel, 8 March 2016

Report of the statutory auditor on the remuneration report

We have audited the remuneration report of Dufry AG for the year ended 31 December 2015.The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables labeled "audited" on pages 237 to 243 of the remuneration report.

Responsibility of the Board of Directors
The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibility
Our responsibility is to express an opinion on the accompanying remuneration report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report complies with Swiss law and articles 14 – 16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the remuneration report with regard to compensation, loans and credits in accordance with articles 14 – 16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the remuneration report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the remuneration report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion
In our opinion, the remuneration report for the year ended 31 December 2015 of Dufry AG complies with Swiss law and articles 14 – 16 of the Ordinance.

Ernst & Young Ltd

Bruno Chiomento
Licensed audit expert
(Auditor in charge)

Christian Krämer
Licensed audit expert

INFORMATION FOR INVESTORS AND MEDIA

REGISTERED SHARES

Issuer	Dufry AG
Listing	SIX Swiss Exchange
Type of security	Registered shares
Ticker symbol	DUFN
ISIN-No.	CH0023405456
Swiss Security-No.	2340545
Reuters	DUFN.S
Bloomberg	DUFN:SW

BRAZILIAN DEPOSITARY RECEIPTS (BDRS)

Issuer	Dufry AG
Listing	BM&FBOVESPA
Type of security	Brazilian Depositary Receipts (BDRs)
Ticker symbol	DAGB33
ISIN-No.	BRDAGBBDR008
Reuters	DAGB33.SA
Bloomberg	DAGB33:BZ

KEY DATES IN 2016

March 16, 2016	Results Fiscal Year 2015, Publication of Annual Report
April 28, 2016	Annual General Meeting
May 3, 2016	Results First Three Months 2016
July 29, 2016	Results First Half Year 2016
November 3, 2016	Results First Nine Months 2016

SENIOR NOTES

Issuer	Dufry Finance SCA
Listing	ISE Irish Stock Exchange
Type of security	Senior Notes
Size of issue	USD 500 million
Interest rate	5.5% p.a., paid semi-annually
Maturity	October 15, 2020
ISIN-No.	USL2660RAA25 (Serie REG S) US26433UAA34 (Serie 144A)
Bloomberg	DUFSCA

Issuer	Dufry Finance SCA
Listing	ISE Irish Stock Exchange
Type of security	Senior Notes
Size of issue	EUR 500 million
Interest rate	4.5% p.a., paid semi-annually
Maturity	July 15, 2022
ISIN-No.	XS1087753353 (Serie REG S) XS1087754245 (Serie 144A)
Bloomberg	DUFSCA

Issuer	Dufry Finance SCA
Listing	ISE Irish Stock Exchange
Type of security	Senior Notes
Size of issue	EUR 700 million
Interest rate	4.5% p.a., paid semi-annually
Maturity	August 1, 2023
ISIN-No.	XS1266592457 (Serie REG S) XS1266592705 (Serie 144A)
Bloomberg	DUFSCA

ADDRESS CORPORATE HEADQUARTERS

DUFRY AG
Brunngässlein 12
P.O. Box
4010 Basel
Switzerland

Phone +41 61 266 44 44

DUFRY.COM

Company's website:

Latest news:

Articles of incorporation:

Financial reports:

INVESTOR AND MEDIA CONTACTS

Renzo Radice
Global Head Investor Relations
and Corporate Communications
Phone + 41 61 266 44 19
renzo.radice@dufry.com

INVESTOR RELATIONS

Sara Lizi
Head Investor Relations
Phone + 55 21 21 57 99 01
sara.lizi@br.dufry.com

Rafael Duarte
Investor Relations
Phone + 41 61 266 45 77
rafael.duarte@dufry.com

CORPORATE COMMUNICATIONS

Renzo Radice
Global Head Corporate Communications
Phone + 41 61 266 44 19
renzo.radice@dufry.com

Mario Rolla
Corporate Communications Brazil
Phone + 55 21 21 57 96 11
mario.rolla@br.dufry.com

This Annual Report contains certain forward-looking statements, which can be identified by terms like "believe", "assume", "expect" or similar expressions, or implied discussions regarding potential new projects or potential future revenues, or discussions of strategy, plans or intentions. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. All forward-looking statements are based only on data available to Dufry at the time of preparation of this Annual Report. Dufry does not undertake any obligation to update any forward-looking statements contained in this Annual Report as a result of new information, future events or otherwise.

Publisher Dufry AG, Basel
Concept, Production Tolxdorff & Eicher Consulting, Horgen
Design MetaDesign, Zurich
Production, Print Neidhart + Schön AG, Zurich

Let's build the future of
travel retail together.