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

		ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT										
2014 IN MILLIONS OF CHF	**NOTE**	**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

	CONCESSION RIGHTS					
2015 IN MILLIONS OF CHF	**Indefinite lives**	**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	CON-TINGENT 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

	2015		2014
IN THOUSAND OF CHF	Switzerland	UK[1]	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

	2015	
IN MILLIONS OF CHF	Switzerland	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

	2015	2014
IN MILLIONS OF CHF	Switzerland	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	OWNER-SHIP 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	OWNER-SHIP 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

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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.

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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**

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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.

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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.