



Invitation

to the Ordinary General Meeting of Shareholders of

Dufry AG

The **Ordinary General Meeting of Dufry AG will be held on Wednesday, April 29, 2015** at 14.00 hrs (doors open at 13.00 hrs) at the Grandhotel "Les Trois Rois", Blumenrain 8, 4001 Basel, Switzerland.

Agenda

1. Approval of the Annual Report, the Consolidated Financial Statements and the Annual Financial Statements for 2014

The Board of Directors **proposes** that the annual report, the consolidated financial statements and the annual financial statements for 2014 be approved.

2. Appropriation of Available Earnings

| | |
|--|--------------|
| | (in CHF 000) |
| Retained earnings: | 121,486 |
| Movement in legal reserves: | 3,832 |
| Net earnings (loss) for the year: | (15,466) |
| | <hr/> |
| Available earnings at December 31, 2014: | 109,852 |

The Board of Directors **proposes** that the available earnings be appropriated as follows (in CHF 000):

| | |
|------------------------|---------|
| To be carried forward: | 109,852 |
|------------------------|---------|

3. Discharge of the Board of Directors and the Persons Entrusted with Management

The Board of Directors **proposes** that the members of the Board of Directors and the persons entrusted with management be granted discharge for their activities in the financial year 2014.

4. Re-Elections to the Board of Directors

4.1 Re-Election of the Chairman

The Board of Directors **proposes** that Mr. Juan Carlos Torres Carretero be re-elected as member of the Board of Directors and as its Chairman for a term of office extending until completion of the next Ordinary General Meeting.

4.2 Re-Election of Directors

The Board of Directors **proposes** that Messrs. Andrés Holzer Neumann, Jorge Born, Xavier Bouton, James Cohen, Julián Díaz González, José Lucas Ferreira de Melo, George Koutsolioutsos and Joaquín Moya-Angeler Cabrera be re-elected as members of the Board of Directors for a term of office extending until completion of the next Ordinary General Meeting. The nominees will be elected individually.

5. Re-Elections to the Remuneration Committee and Election of Two New Members

The Board of Directors **proposes** that Messrs. Jorge Born and Xavier Bouton be elected, and Messrs. James Cohen and Andrés Holzer Neumann be re-elected, as members of the Remuneration Committee for a term of office extending until completion of the next Ordinary General Meeting. The nominees will be elected individually.

Explanations:

If elected, the Board of Directors intends to appoint an independent director as Chairman of the Remuneration Committee with a casting vote.

6. Re-Election of the Auditors

The Board of Directors **proposes** that Ernst & Young Ltd be re-elected as the Auditors for the financial year 2015.

7. Re-Election of the Independent Voting Rights Representative

The Board of Directors **proposes** that the law firm Buis Bürgi AG, Mühlebachstrasse 8, 8008 Zurich, be re-elected as the Independent Voting Rights Representative for a term of office extending until completion of the next Ordinary General Meeting.

8. Compensation of the Board of Directors and the Group Executive Committee

8.1. Approval of the Maximum Aggregate Amount of Compensation of the Board of Directors

The Board of Directors **proposes** to approve a maximum aggregate amount of compensation of the Board of Directors for the term of office from the 2015 Ordinary General Meeting to the 2016 Ordinary General Meeting of CHF 7.4 million.

Explanations:

The Remuneration System of the Board of Directors is explained in detail on p. 176 et seq. of the annual report. Members of the Board of Directors receive a fixed compensation (except for the CEO, who does not receive any compensation in relation to his position as a member of the Board). Given his intense involvement with the Company's management, Mr. Torres Carretero is considered an executive Chairman and also receives a performance bonus. The proposed maximum aggregate amount of CHF 7.4 million for the compensation of the Board of Directors for the period until the next Ordinary General Meeting derives from the following components:

- *Board and committee fees, including the board membership fees, the fee of the executive Chairman and the committee membership fees for the members of the Board of Directors proposed for re-election and election under agenda items 4 and 5 above.*
- *A cash bonus for the executive Chairman which is based on financial performance of the Company and capped at 130% of the target bonus. The bonus will be approved by the entire Board of Directors upon proposal of the Nomination and Remuneration Committee. The amount included in the proposed maximum aggregate amount is based on the maximum possible bonus pay-out.*
- *The Nomination and Remuneration Committee has initiated a project which aims to include a share-based remuneration component by granting shares of Dufry AG to the members of the Board of Directors, with a vesting period of three years (see p. 177 of the annual report). Historically, Dufry has always sourced its share based compensation from treasury shares, so that no dilutive effect is expected. On a fully diluted basis, the impact would be less than 0.01% of the share capital.*
- *Mandatory social security contributions to be paid (or expected to be paid) by the Company pursuant to applicable law with respect to the Board and committee fees and the performance-based bonus of the Chairman.*

- *A reserve amount which allows for flexibility in the event of extraordinary events such as adding additional Board members, significant additional workload of all or certain Board members that requires additional compensation, including membership in ad hoc committees, or an increase in mandatory social security contributions due to a change of domicile of a member of the Board of Directors or of applicable contribution rates.*

The proposed maximum aggregate amount is based on the maximum possible pay-out. For financial year 2014, on a "like-for-like" basis, such maximum possible pay-out would have amounted to CHF 6.8 million.

The actual pay-out, including the distribution among these non-binding components, will be disclosed in the remuneration reports 2015 and 2016, respectively.

8.2. Approval of the Maximum Aggregate Amount of Compensation of the Group Executive Committee

The Board of Directors **proposes** to approve a maximum aggregate amount of compensation of the Group Executive Committee for the financial year 2016 of CHF 50.5 million.

Explanations:

The Remuneration System of the Group Executive Committee is explained in detail on p. 178 et seq. of the annual report. Members of the Group Executive Committee receive compensation packages which consist of a fixed base salary in cash, a performance related cash bonus, a share-based incentive plan and other indirect benefits. The proposed maximum aggregate amount of CHF 50.5 million for the compensation of the Group Executive Committee for the financial year 2016 derives from the following components:

- *Base salaries reflecting the scope and key areas of responsibilities of the position, the required skills and the experience and competence of the individual person.*
- *Performance related cash bonuses. The target bonus is defined once per year based on performance related criteria of the sort as described on p. 178 of the annual report. The bonus pay-out can be between 0 and the maximum capped amount at 130 % of the target bonus for all members of the Group Executive Committee, including the CEO. The amount included in the proposed maximum aggregate amount is based on the maximum possible bonus pay-out.*

- *Grants of Performance Share Units (PSU). The actual number of shares allocated to each member of the Group Executive Committee under the PSU Plan depends on the achievement of predetermined performance criteria over the three-year performance and vesting period, and ranges from 0 and 2 shares per PSU (see p. 179 of the annual report for details. Note that the Nomination and Remuneration Committee is considering to adapt the metrics for the PSU Plan from 2015 onwards, see p. 181 of the annual report). The amount included in the proposed maximum aggregate amount is based on the maximum possible pay-out. Historically, Dufry has always sourced its share based compensation from treasury shares, so that no dilutive effect is expected. On a fully diluted basis, the impact would be 0.3% of the share capital.*
- *Pension and mandatory social security contributions to be paid (or expected to be paid) by the Company pursuant to applicable pension plans and law.*
- *Fringe benefits include health insurance, company cars or housing allowances. Dufry limits such benefits to a minimum.*
- *A reserve amount which allows for flexibility in case of extraordinary events such as a significant additional workload of all or individual Group Executive Committee members that requires additional compensation, or an increase in mandatory social security contributions due to a change of domicile of a member of the Group Executive Committee or of applicable contribution rates.*

The proposed maximum aggregate amount is based on the maximum possible pay-out for each element described above under the applicable compensation policies and plans and includes up to four additional Group Executive Committee Members in view of the recent acquisition of the Nuance Group and the envisaged acquisition of World Duty Free. For financial year 2014, on a "like-for-like" basis, such maximum possible pay-out would have amounted to CHF 47 million.

The actual pay-out, including the distribution among these non-binding components, will be disclosed in the remuneration report 2016.

9. Ordinary Capital Increase from CHF 179,525,280 to up to CHF 336,668,140*

The Board of Directors **proposes** that an ordinary increase of the share capital of the Company 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 up to 31,428,572* fully paid-in registered shares with a par value of CHF 5 each at an issue amount of CHF 5 per share be resolved. The Board of Directors shall be authorized to determine the subscription price. The new shares to be issued shall be entitled to dividends for the

fiscal year 2015. They shall have no privileges and rank *pari passu* with all issued shares of the Company. The contributions for the new shares to be issued shall be effected in cash. The transferability of the new shares to be issued shall be limited in the same manner as applicable on the outstanding shares of the Company and in accordance with the provisions of the Articles of Incorporation of the Company. The pre-emptive rights of the current shareholders of the Company shall be preserved. In order to effect the capital increase, a banking syndicate has agreed to subscribe to the new shares to be issued pursuant to an underwriting agreement and to offer them to the current shareholders of the Company. The Board of Directors shall be authorized to determine the further modalities for the exercise of the pre-emptive rights. Pre-emptive rights which are not exercised will be allocated in the interest of the Company to the investors who have signed commitments in respect of the purchase of such new shares and/or to other investors or existing shareholders. The Board of Directors shall execute the capital increase and record the same with the competent commercial register within three months.

* On or before the date of the Ordinary General Meeting, the Board of Directors may, depending on the market environment and the availability of other sources for financing, make a downward adjustment of the maximum number of new shares to be issued and the resulting subscription ratio and accordingly submit an adjusted proposal for approval to the Ordinary General Meeting. Alternatively, the Board of Directors shall be authorized to determine the final maximum number of new shares to be issued shortly before the launch of the rights offering, which in such case shall be set at a number that is expected to result in gross proceeds to Dufry of at least CHF 2.2 billion.

Explanations:

On March 30, 2015, Dufry announced that it had signed a definitive agreement (SPA) to acquire the majority of the shares in World Duty Free S.p.A. (WDF) held indirectly by Edizione S.r.l., in an all-cash transaction. The SPA is subject to customary conditions, including the approval of the proposed capital increase by the Ordinary General Meeting and required antitrust approvals. Pursuant to the SPA, the purchase price will be paid all in cash, and Dufry has to pay to the seller a termination fee in the amount of EUR 100 million if the proposed capital increase is not approved by the Ordinary General Meeting. Once consummated, the acquisition of the majority stake in WDF will trigger a mandatory all cash takeover offer by Dufry for all remaining shares in WDF in accordance with Italian law at the same price per WDF share as agreed with Edizione S.r.l.

WDF is one of the world's leading travel retailers, operating mainly in airports and with a broad geographical reach. It has operations in 20 countries through 105 locations with over 500 stores, from its heartland in Western Europe, to the Americas, the Middle East and Asia. In 2014, WDF reported turnover of EUR 2,440 million and EBITDA of EUR 261 million.

As announced, Dufry plans to finance the acquisition of WDF and the refinancing of WDF's debt through the proposed capital increase with envisaged proceeds of at least CHF 2.2 billion and long-term debt instruments for a total amount of approx. CHF 1.6 billion, and has secured bridge financing in the amount of CHF 3.8 billion. The capital increase proposed herein by the Board of Directors shall facilitate the financing of the acquisition of WDF and reduce Dufry's debt/equity ratio.

The Board of Directors proposes an ordinary share capital increase with envisaged proceeds of at least CHF 2.2 billion implemented by way of (i) a rights offering in which existing shareholders of the Company will receive rights to purchase the new shares from the Company (through the underwriting banks) in proportion to their existing shareholdings (the Rights Offering), and (ii) an international offering (the International Offering) in which new shares in respect of which such rights have not been validly exercised during the rights exercise period will, in first priority up to an amount of CHF 1.35 billion, be sold to Purple Green Investment Pte. Ltd., an affiliate of GIC (Singapore's Sovereign Wealth Fund), Qatar Holding LLC, an affiliate of Qatar Investment Authority and Kinder Investments Pte. Ltd., an affiliate of Temasek Holdings (Private) Limited (the Commitment Investors) based on commitment letters signed by the Commitment Investors, and, in second priority, be offered for sale through a public offering in Switzerland and private placements in certain jurisdictions outside of Switzerland. The offer price in the Rights Offering and the International Offering will be the same, and will be set on the basis of the then applicable market conditions.

Shareholders representing approx. 30% of Dufry's share capital have irrevocably committed to vote in favour of the proposed capital increase at the Ordinary General Meeting.

10. Deletion of Article 30 of the Articles of Incorporation regarding Acquisition of Assets

The Board of Directors **proposes** to delete Article 30 of the Articles of Incorporation.

If accepted by the majority of the votes represented at the Ordinary General Meeting, Article 30 of the Articles of Incorporation would be deleted.

Explanations:

Pursuant to Art. 628 para. 4 of the Swiss Code of Obligations, provisions regarding acquisitions of assets may be deleted from a company's articles of incorporation after ten years. This ten year time period has elapsed with respect to Article 30 of the Articles of Incorporation of Dufry AG, which can be deleted without replacement.

Documentation and Attendance Procedures

Holders of the Company's Brazilian Depositary Receipts (BDRs)

The following is *not* applicable to the holders of the Company's Brazilian Depositary Receipts (BDR Holders). BDR Holders are not entitled to personally participate in the Ordinary General Meeting. They are only entitled to instruct the depositary Itaú Unibanco S.A., Sao Paulo, Brazil (Itaú Unibanco) to vote the Company's shares underlying their BDRs, according to separate communication and separate voting instructions sent to them by Itaú Unibanco.

Documentation

This invitation to the Ordinary General Meeting of Shareholders, the agenda and the proposals of the Board of Directors will be mailed to the duly registered shareholders (but not to the BDR Holders) of the Company. The annual report, including the remuneration report, the annual financial statements, the consolidated financial statements and the reports of the auditors for the financial year 2014, is available to the shareholders at the Company's head office in Basel and on the internet via www.dufry.com and will be mailed separately to the shareholders, upon request.

Registration and Participation to the Ordinary General Meeting

Only shareholders (but not BDR Holders) entered in the share register of the Company with the right to vote on April 10, 2015, will be entitled to participate in the Ordinary General Meeting. Such shareholders will receive their admission cards on request using the Proxy/Answer Form enclosed with the invitation.

The Proxy/Answer Form or an equivalent proxy/voting instruction (in each case as written original or in scanned form and signed by the shareholder or its representative) must reach the Company's Share Register (Areg.ch AG, Fabrikstrasse 10, CH-4614 Hägendorf, Switzerland, e-mail: info@areg.ch) no later than April 27, 2015. Proxy/Answer Forms or equivalent proxies/voting instructions arriving after that date or proxies and/or voting instructions returned in another form will be disregarded.

Shareholders voting electronically must have submitted their proxy and voting instructions on the electronic voting platform (<https://netvote.ch/dufry>) no later than April 27, 2015, 11:59 p.m.

Also, shareholders will only be able to cast their vote for the number of shares held on April 10, 2015 to the extent they still hold those shares on the start of trading on the SIX Swiss Exchange on April 28, 2015.

Please note that the shareholders do not need to attend the Ordinary General Meeting in person in order to cast their vote and that they may be represented by:

- a) their proxy who does not need to be a shareholder; or
- b) Buis Bürgi AG, Mühlebachstrasse 8, Postfach 672, CH-8024 Zurich, as independent voting rights representative.

The independent voting rights representative votes as instructed by you. To the extent you do not provide specific voting instructions, you instruct, by signing the Proxy/Answer Form or submitting your voting instructions electronically, the independent voting rights representative to exercise your voting rights in accordance with the proposal of the Board of Directors with regard to the items listed in this invitation. If new agenda items (other than listed in this invitation) or new proposals or motions with respect to agenda items set forth in this invitation are put forth before the Ordinary General Meeting, you instruct, in the absence of other specific instructions, the independent voting rights representative to exercise your voting rights in accordance with the recommendation of the Board of Directors. To the extent the voting instructions are not clear, the shares will be deemed non-represented.

Electronic Proxies and Instructions to the Independent Voting Rights Representative

Shareholders may now cast their votes online at <https://netvote.ch/dufry> by issuing electronic authorizations and instructions to the independent voting rights representative. The necessary individual login data is enclosed with the meeting materials supplied to each shareholder. Shareholders have until April 27, 2015, 11:59 p.m. to vote electronically, or change any instructions they may have communicated electronically. Shareholders who voted electronically are then not permitted to cast their votes at the Ordinary General Meeting in person, but can attend the Ordinary General Meeting as guests.

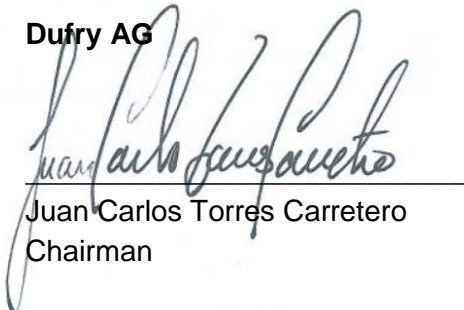
Language

The Ordinary General Meeting will be held in English. Simultaneous translation in German will be available.

Basel, April 8, 2015

For the Board of Directors of

Dufry AG

A handwritten signature in black ink, appearing to read "Juan Carlos Torres Carretero", is written over a horizontal line. The signature is cursive and somewhat stylized.

Juan Carlos Torres Carretero
Chairman

Enclosures:

- Proxy/Answer Form
- Return envelope to Areg.ch AG, Fabrikstrasse 10, CH-4614 Högendorf, Switzerland