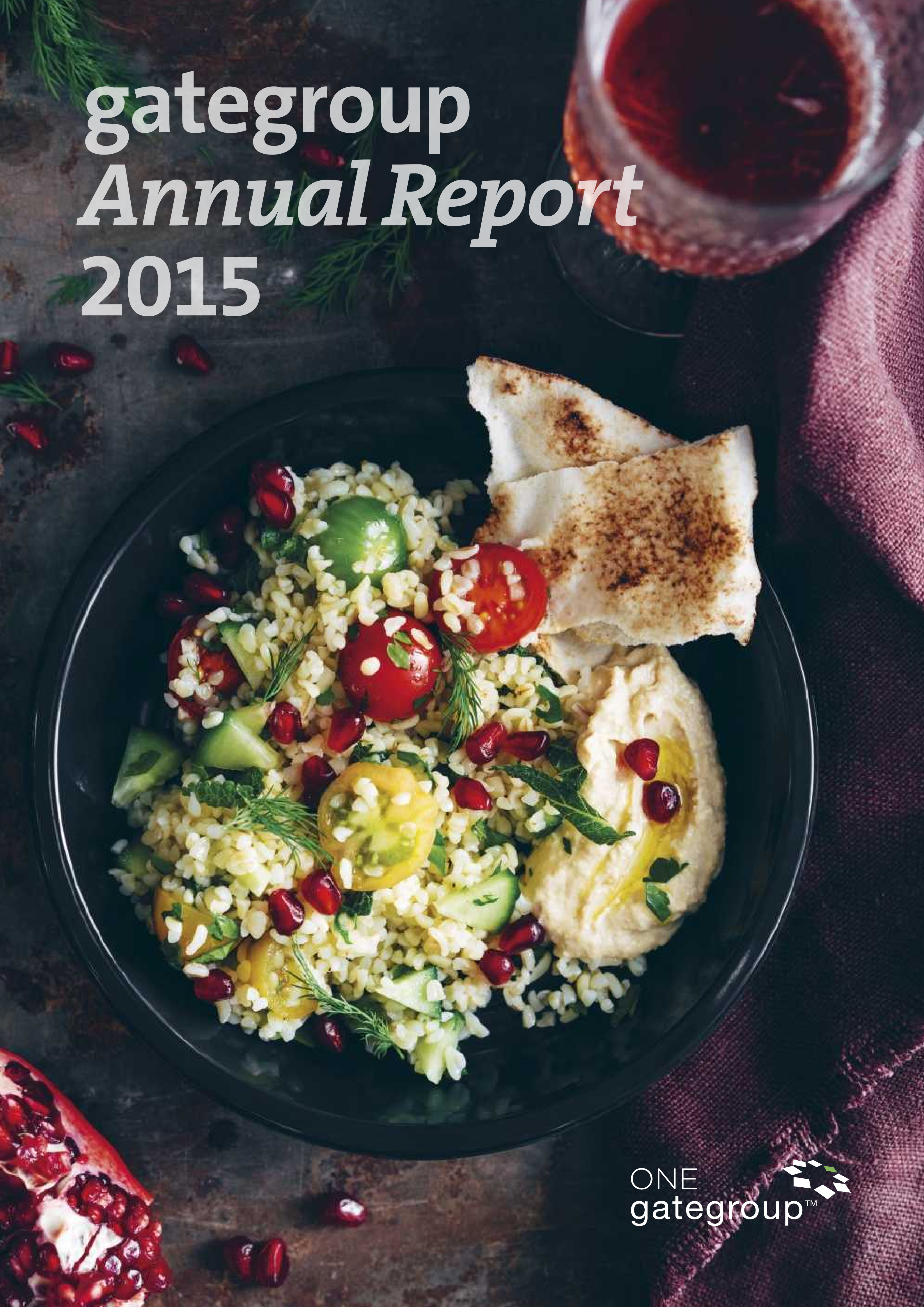
gategroup *Annual Report* 2015

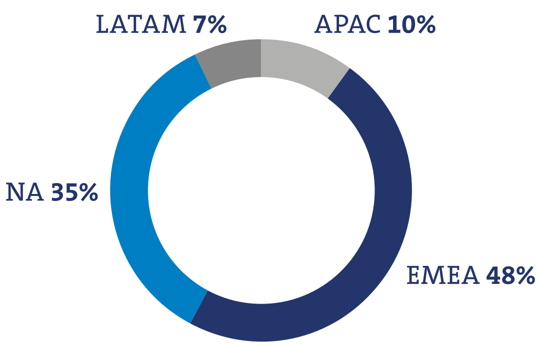


key figures

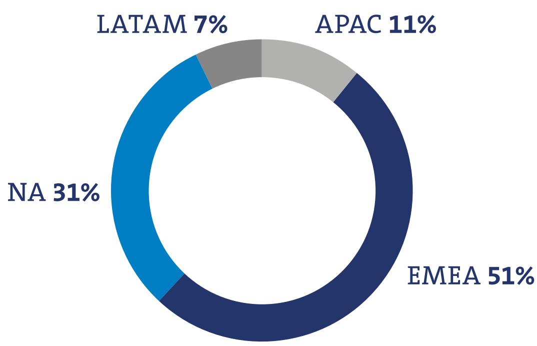
in CHF m	2015	Adjusted 2015 [I] at Constant Currency	2014	change in %
Total revenue	**2,996.4**	**3,107.7**	**3,009.2**	**(0.4)%**
EBITDA [II]	**142.4**	**180.8**	**168.6**	**(15.5)%**
EBITDA margin	4.8%	5.8%	5.6%	(0.8) pp
Operating profit	**40.0**	**107.5**	**102.8**	**(61.1)%**
Operating profit margin	1.3%	3.5%	3.4%	(2.1) pp
(Loss)/profit for the year [III]	**(63.4)**		**38.9**	**na**
Cash generated from operations	**116.1**		**119.2**	**(2.6)%**
Net debt	240.1		243.1	(1.2)%
Free cash flow [IV]	67.1		65.8	(2.0)%
Number of employees	**28,865**		**27,762**	**4.0%**

Revenue by geography [V, VI] in CHF m

2015

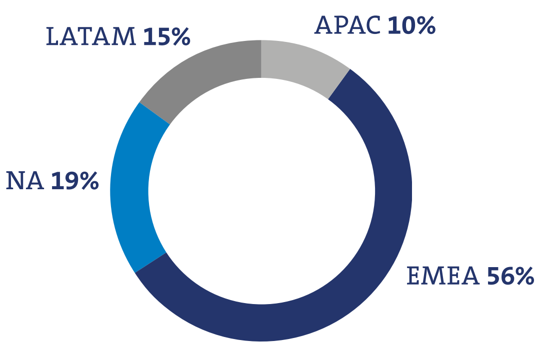


2014

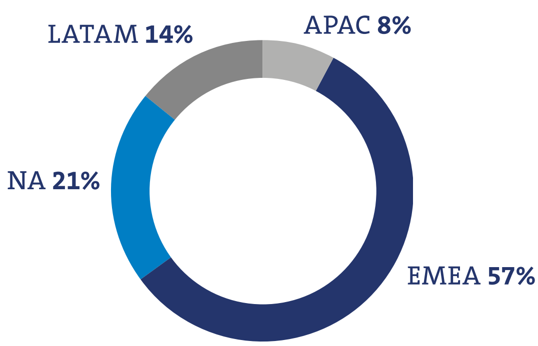


EBITDA by geography in CHF m

2015



2014



[I] Figures include adjustments of CHF 61.6 million for US labor agreement, charge associated with shareholder activism, restructuring and other provisions
[II] EBITDA throughout the document refers to Segment EBITDA as defined in Note 5 of the consolidated financial statements
[III] Attributable to shareholders of the Company
[IV] Cash generated from operations minus capital expenditures net of proceeds from sale of assets
[V] Figures exclude eliminations
[VI] gategroup's four business segments by geographic region: Europe, Middle East, Africa and the Commonwealth of Independent States ("EMEA"); North America ("NA"); Latin America ("LATAM"); and Asia Pacific ("APAC")

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letter to shareholders

gategroup reported solid financial performance for 2015, achieving major operational and commercial progress and a stronger financial foundation.

Andreas Schmid, *Chairman of the Board*

Dear Shareholder,

For gategroup, 2015 was a year of transition and positive change. The Group took progressive steps to restructure the organization and set fundamentals to drive efficiencies, thereby enhancing the overall business and setting financial performance on a trajectory of sustainable improvement.

The Group performed well in relative terms, aligned with an airline industry that continued to experience positive growth and good financial performance during the year.

On an adjusted basis, gategroup reported profit before tax of CHF 17.1 million on revenues of about CHF 3.0 billion. Total revenue at constant currency increased year over year by about CHF 100 million, or 3.3%. The adjusted EBITDA margin was level with the prior year as expected, at 5.7% compared to 5.6% in 2014, while at constant currency adjusted EBITDA was up to CHF 180.8 million due to operational improvement and the momentum built throughout the year, resulting in a margin of 5.8%.

Leading an uncompromising evolution requires teamwork and decisiveness. This meant intense dialogue and productive discussions within gategroup's new Board of Directors. In 2015, David Barger, Gerard van Kesteren, Frederick W. Reid and Julie Southern were elected to join Anthonie Stal, Remo Brunschwiler and me as members. We also welcomed new senior management to gategroup, with Xavier Rossinyol joining the Company as Chief Executive Officer on April 1, 2015, and Christoph Schmitz stepping into his role as Chief Financial Officer on January 19, 2015. gategroup and each of its stakeholders will

"Leading requires teamwork and decisiveness."

Andreas Schmid

continue to benefit from its dynamic leaders, who have equally an entrepreneurial mindset and a strong focus on customer satisfaction, complemented by reorganization competencies and a forward-thinking approach.

As part of the strategic review started in June 2015, the management structure and the composition of the Executive Management Board was simplified, reducing the number of Board members from 10 to 5 individuals. In addition to the Chief Executive Officer, Chief Financial Officer and Chief Commercial Officer roles, the EMB was completed with Herman Anbeek as President Americas and EMEA and Jann Fisch as President Asia Pacific.

Under the leadership of Xavier Rossinyol, Christoph Schmitz, Herman Anbeek and Jann Fisch, gategroup further strengthened the foundations of the business to drive profitability.

Following methodical work to fine-tune the framework to simplify the business, the Executive Management Board – with the support of the Board of Directors – launched Gateway 2020, a new strategy for the next phase of the Company's journey. Under this solid plan, gategroup is focused on four pillars: the core business, including airline catering and provisioning and retail on board services; commercial innovation; geographic expansion in attractive markets and through selective acquisitions; and standardization and efficiency.

Furthermore, the Executive Management Board heralded a new culture of 'one gategroup' – with principles based on operating as a single entity focused on the customer first and to deliver on gategroup's commitment to sustainable growth in shareholder value.

In Finance we made significant progress, including the introduction of Zero Based Budgeting principles. Furthermore, the full refinancing of the debt structure leads to annual interest savings of about CHF 16 million. These activities were further important steps in our focus on costs and efficiency.

Under Gateway 2020, gategroup's strategic objectives to expand its portfolio of core catering and retail business and to address growth opportunities, especially in emerging aviation markets, remain firm. This is evidenced by the retention of key long-standing customer partnerships, the entrance of gategroup in Kazakhstan, the acquisition of Inflight Service Group ("IFS"), and other progress. The acquisition of IFS further expands our leadership position in the growing retail on board market.

As a direct result of Gateway 2020, gategroup has committed to delivering annual revenue growth of 3-5% and an increase in EBITDA margin of between 0.25 and 0.50 percentage points annually, leading to improved cash generation further supported by tax, finance and working capital initiatives.

50+%

Share price increase

0.30

Proposed dividend, in CHF

gategroup’s focused strategy gained traction with the investor and analyst community as planned advancements swiftly took shape throughout the year. gategroup’s positive operational performance is reflected by a rise of more than 50% in its share price in 2015.

Increasing returns to our shareholders remains a key focus, and I am very pleased to report that the Board of Directors is proposing to the Annual General Meeting of Shareholders scheduled for April 14, 2016, a dividend of CHF 0.30 per registered dividend paying share, in line with the stated dividend policy.

Separately, to underpin the delivery of the Gateway 2020 strategy, the Board of Directors would like to further align gategroup’s long-term incentive program with continued and sustained operational and financial performance improvement.

2015 was characterized by significant change at the Board, management, structure and strategy level. I am fully aware that this meant a lot of extra work and full dedication to the organization. The determined headway, foundational improvements, and resulting strong performance development achieved in 2015 are a credit to teamwork.

On behalf of the Board of Directors, I thank the dedicated management team and employees of gategroup for their work to advance the Gateway 2020 strategy and to further build on gategroup’s solid groundwork.

Our people have worked together to conceptualize, develop and deploy new ways of working, while incorporating increased governance and better controls. In doing so, the team is making a difference and demonstrating that we have the right strategy in place for renewed and sustainable growth.

None of this would be possible without our valuable business partners and shareholders. Thank you for your ongoing confidence and support in gategroup.

“gategroup further strengthened the foundations of the business to drive profitability.”

Andreas Schmid

Sincerely,

Andreas Schmid
Chairman

chief executive's report

Through the continued advancement of our Gateway 2020 strategy, gategroup is creating a truly integrated, simplified and more focused organization to generate value.

Xavier Rossinyol, *Chief Executive Officer*

In 2015, gategroup took meaningful steps to provide the most innovative, customized and value-creating offering in every market in which we operate. We created momentum in revenue growth and increased efficiencies. These and related results are a significant part of the Gateway 2020 strategy introduced in 2015 that underpins our mission to generate an upturn in revenue and EBITDA over the next 5 years.

Simplification

A key component of the strategy was simplifying the business into a more integrated organization, allowing the team to move forward as a single entity – as 'one gategroup'. Working closely with gategroup's Board of Directors, the brands were brought together under a new global structure with greater accountability across regions. The four regions into which the business is organized are EMEA, North America, Latin America and Asia Pacific. This approach places considerable focus on customer needs and cost efficiency while ensuring greater concentration on profit and cash flow generation under local leadership.

To reflect our more focused and geographic approach, gategroup streamlined the Executive Management Board. Instead of 10 individuals, the EMB is now comprised of five members including my role as Chief Executive Officer, joined by the Chief Financial Officer, President Americas & EMEA, President Asia Pacific, and a Chief Commercial Officer.

Focus on Customer and Innovation

Aligned with these measures, we introduced a new commercial organization under a global management system to strengthen relationships with our customers.

gategroup's focus on commercial innovation extends beyond airline catering to include strengthening commercial capabilities and expanding our retail on board offering through market-leading technology and innovation. We created true Centres of Excellence to join together subject matter experts in key areas of the business such as Culinary, Retail on Board and Technology. These teams support the global organization, guaranteeing best practice sharing and standardization, while also advancing new products and business partnerships. In the same spirit, a new global Innovation Centre of Excellence was created to help gategroup pioneer and deliver the most advanced, airline-customized offering in the market, tailored to specific passenger needs.

Backed by these creative competencies, gategroup was pleased to host focused workshops with several key customers over the course of the year. These events further fostered an environment of innovation, where airlines and gategroup paired the latest trends in retail with culinary excellence and technology.

Efficiencies to Generate Value

Investing in improved capabilities equally means optimizing existing operations, necessary for the Company's sustainable growth today and in the future. As part of the regional restructuring, gategroup reorganized operations to drive facility standardization based on similar business needs and comparable customer requirements.

gategroup further simplified the organization by centralizing other similar global functions, such as HR and procurement, to capture synergies. This was complemented by stronger financial controls including IT services to properly control and support the business.

These steps, combined with other measures, allowed the Group to target a reduction of indirect headcount by the end of 2016 of approximately 300 people, about half of which had been achieved by the end of 2015.

Restructuring activities were coupled with Zero Based Budgeting ("ZBB") principles in 2015 for further optimization of resources. ZBB is now integrated in the business, and we are driving cost improvement across the network through greater transparency and accountability at all levels of the organization.

gategroup's procurement function has been reinforced with a stronger and more focused team. Through better supplier management we will be able to leverage cost improvement, taking full advantage of our global economies of scale.

Across the Group, we are identifying savings opportunities toward sustainable cost containment and efficiency maximization.

gategroup's People – Key to Our Success

By themselves, these measures would not be sufficient to make a sustainable difference. Each step requires a committed approach by gategroup's people. The tremendous team of people here at gategroup has my appreciation for being open to change, having great drive and motivation, taking pride in their work, and collaborating closely to more efficiently run the business.

"We are driving cost improvement through greater transparency and accountability at all levels of the organization."

Xavier Rossinyol

Collectively, the strengthened gategroup team is concentrating efforts across four areas that define the Gateway 2020 strategy:

– Focusing on core airline catering, culinary excellence and overall business operations as an integrated 'one gategroup'

– Strengthening commercial capabilities and expanding our retail on board offering through market-leading technology and innovation

– Expanding our geographic footprint with a focus on emerging markets and up-and-coming carriers in high-growth markets

– Optimizing cost and simplifying operating practices through standardization and efficiency across all processes

The strength of any strategy is expressed in outcomes, and I am pleased to report that gategroup is delivering measurable and sustainable results.

As part of our focus on the core business, gategroup renewed and expanded important agreements with several valued customers over the course of the financial year under review. Relationships with airlines such as Air Canada, Delta Air Lines and SAS were strengthened through further investment in culinary, operational and supply chain solutions, and through continued cooperation on overall service delivery, quality and cost. gategroup also worked closely with United Airlines through the latter half of 2015, with key business retention and expansion announced in January 2016. This was followed in February by renewed business with American Airlines at its Los Angeles hub and other international gateway locations.

In addition, technology plays a major role as the backbone of gategroup's focus on commercial capabilities and the passengers' end-to-end travel experience. gategroup's launch of POPS™, an automated and full-featured Pre-Order and Pre-Selection technology, was a new offering met with significant interest. The POPS product has an easy-to-use e-commerce portal that is optimized for all mobile devices, enabling airlines to easily implement and deliver a modern onboard shopping experience to passengers and drive dramatic efficiencies and revenue opportunities.

Accelerating the technology and driving further commercial improvements will be gategroup's acquisition of Inflight Service Group ("IFS"), announced in December 2015 and which closed in February 2016. gategroup is very pleased to join up with IFS, thereby creating the basis for the best retail on board offering in the industry. The acquisition further expands gategroup's leadership position in retail on board services in terms of size, number of customers, business intelligence and onboard technology. The transaction, which will increase gategroup's revenue by CHF 250 million and EBITDA by CHF 13.4 million annually pre-synergies, is expected to be cash accretive to Earnings Per Share in its first year.

Further advancing gategroup's Gateway 2020 strategy is the increased focus to expand our geographic footprint in emerging markets, concentrating on up-and-coming carriers in high-growth markets. A decisive step this year involved establishing a foothold in the attractive location of Kazakhstan through a partnership to provide inflight catering at Astana International Airport. The operation is flourishing with expectations for capacity increase aligned with anticipated growth in that market.

gategroup saw continued success with existing operations in other growing markets. The GVK Lounge, managed by gategroup and Travel Food Services in partnership with Chhatrapati Shivaji International Airport in Mumbai, was voted by travel and tourism professionals worldwide as the World's Leading Airport Lounge – First Class 2015, as part of the annual World Travel Awards™ program. The lounge was nominated for this distinguished honor after being voted Asia's Leading Airport Lounge for the year 2015.

“One team … one vision … one gategroup.”

Xavier Rossinyol

All of these drivers led to solid financial performance for the year under review. Even considering foreign exchange impacts and the deconsolidation of Shanghai operations in 2014, gategroup clearly protected its revenue base.

The Group reported CHF 2,996.4 million in total revenue for the full year 2015 compared with CHF 3,009.2 million in 2014. On an adjusted basis at constant currency, total revenue increased year over year by about CHF 100 million, to CHF 3,107.7 million, a growth of 3.3%, like-for-like growth of 4.8%. Excluding one-time charges and currency effects, adjusted EBITDA at constant currency was at CHF 180.8 million, representing a margin of 5.8%.

The better results are direct evidence of Gateway 2020 activities working to plan. With commercial wins, business development and the IFS acquisition, gategroup will further boost revenues in 2016 as well as increase its EBITDA margin as projected.

We also experienced steady cash flow, with CHF 116.1 million in cash generated from operations in 2015 compared with CHF 119.2 million in 2014, due to positive working capital. Additionally, through reduced capex, gategroup reported free cash flow of CHF 67.1 million over CHF 65.8 million in 2014.

Separately, following the successful refinancing of the multi-currency Revolving Credit Facility (“RCF”), gategroup redeemed EUR 100 million of its 6.75% coupon bearing senior notes in April 2015. The final step in November was taken by refinancing the remaining EUR 250 million 6.75% coupon bearing senior notes at better terms with a five-year EUR 250 million unsecured Term Loan. This was another important step in gategroup’s focus on costs and efficiency, creating a stronger basis for growth.

Thank You

Achieving on the key pillars of Gateway 2020, coupled with an on-track delivery of cost improvement, has required an unwavering focus – a concentrated effort to earn customer loyalty through added value and operational excellence, and pushing through to execute on expected deliverables that produce results. I would like to thank our customers and the entire gategroup team and the Board of Directors for the strong engagement and commitment.

Together with our business partners and shareholders, we will take gategroup to the next level of operational and financial success to the benefit of all our stakeholders, always with a focus on our key customers and markets.

gategroup overview

who we are…

gategroup is the leading independent global provider of products, services and solutions to airline passengers.

gategroup offers a wide array of services tailored to the aviation industry: airline catering and provisioning; retail and technology solutions; onboard service equipment; and supply chain and logistics solutions. We also manage and operate airport lounges; design and source premium amenity kits and comfort items; and manage distributed food and beverage solutions. Our services are customized for any type of airline business model or cabin service, for short- and long-haul operations.

Our Strategy

gategroup continues to take important steps to anchor its leading position in the industry. In 2015, this was evidenced by the introduction of Gateway 2020, a focused strategy to deliver service excellence and drive margins and cash flow with Group activities concentrated around four key pillars:

Focus on the Core – Reinforcing and growing our leadership position in airline catering and retail on board, leveraging available skills and facilities with a clear focus on core competencies and a distinct go-to-market approach as 'one gategroup' through the integration of brands geographically.

Commercial Innovation – Strengthening commercial capabilities to expand the business and retail on board turnover through market-leading technology and innovation, supported by data-driven insights. gategroup established Centres of Excellence, including for Culinary, Innovation, Retail on Board and Technology, that support colleagues and customers around the globe to create the most progressive, consumer-centric offering. A clear focus has been set to improve the full travel experience of the passenger.

Geographic Expansion – A strengthened focus on emerging markets and up-and-coming carriers operating in high-growth regions are at the core of gategroup's geographic expansion plan, largely centered around airport locations in Asia Pacific and the Middle East, as well as Africa and Latin America and airlines based in the emerging markets, playing an increasing role in the global market.

Standardization and Efficiency – gategroup is driving cost optimization simplification within the organization through the introduction of Zero Based Budgeting, further streamlining of its internal structure, global standardization of its operating practices, and enhanced global procurement.

Through focused efforts, gategroup is driving continued growth and building a 'one gategroup' culture across geographies, business units and teams.

A unified culture across geographies, business units and teams.

Our people manage complexity with ease, from intricate menu specifications to sizeable hub operations, and everything in between.

Geographic Network and Structure

gategroup operates across the globe. At the end of 2015, we operated from more than 160 facilities in 33 countries on six continents.

Business Segments

In 2015, gategroup realigned the organization into four business segments by geographic region: Europe, Middle East, Africa and the Commonwealth of Independent States ("EMEA"); North America; Latin America; and Asia Pacific. gategroup reports financial performance for these four regions.

Of total revenue basis in 2015, EMEA represented approximately 48% (56% of total EBITDA contribution), followed by North America at 35% (19% of total EBITDA), Asia Pacific at 10% (10% of total EBITDA), and Latin America at 7% (15% of total EBITDA).

Customer Partnerships

gategroup is the trusted partner of onboard products and services for more than 270 airlines. Our customers range from full-service carriers to hybrid and Low Cost Carriers ("LCCs"). Our top customers include Air Canada, American Airlines, Delta Air Lines, easyJet, Emirates, IAG Group, LATAM, Swiss International Air Lines, United Airlines and Virgin Atlantic.

Tangible Advantage

gategroup aims to provide its customers with a tangible advantage through offering the most innovative service and dedicated support, focused on culinary and operational excellence as well as a high level of logistical expertise. Every day, teams at gategroup competently manage the complexities of our industry, ranging from sizeable hub operations with numerous types of aircraft, to intricate menus and a variety of customer-specific requirements.

Distinctive Offering

gategroup brings customers' visions into reality. Some of the most distinctive cabins aboard the most recognizable airlines flying today are served by gategroup, across all cabin types and varieties of onboard service – First or Business Class, VIP charter flights, retail on board in economy cabin, or a hybrid approach.

We operate where our customers need us. In 2015, we were the primary caterer at a main hub airport for all of our 10 largest catering customers.

We value long-term partnerships. Some of gategroup's customer relationships have been in place for about 70 years.

Additionally, we provide customer support through account management teams who coordinate closely with operating and culinary teams, with direction from our central commercial team. Each of our top airline customers has a Global Account Director who is responsible for coordinating all operational, culinary and other key components and thereby fostering strong relationships.

Similarly, our marketing, sales and customer service efforts are organized and implemented globally yet also coordinated at a regional and/or country/local level, depending on conditions in a specific market.

Contracts

gategroup has a strong track record of winning new business and maintaining long-term relationships with major customers.

Revenue Stability

Our main customer catering contracts have an average duration of four to five years. Of the annual revenue available for renewal in 2015, we renewed approximately 82%, while winning approximately 18% of all new contract value up for bid where we were not the incumbent. Given current contractual expiration patterns, management estimates that approximately 90% of our 2015 revenue is derived from business that will continue through 2016 and about 80% that will continue through 2017. Management believes this revenue pipeline contributes to stable future cash flow generation.

We have a set of specific tender procedures and authorization guidelines in place to ensure that our contracts meet profitability, strategic and other requirements, and that contracts and other transactions are approved at the appropriate level.

In addition, we have deployed specific pricing strategies such that a portion of our revenue is not impacted by reductions in passenger volume. This approach is designed to reduce our exposure to rapid or dramatic fluctuations in airline passenger traffic.

Operational Excellence

gategroup fosters an environment of continuous improvement and innovation, built on the principles of people development, operational development, and infrastructure management. This is the foundation of gategroup's proprietary gateOPEX operational excellence program, which helps strengthen team creativity and ownership for identifying, developing and deploying operational standards and best practices across all functional areas.

135m

grapes served in the U.S. in 2015. This comes in at the same weight as almost 500 hippos.

gategroup brings customers' visions to life, creating distinctive onboard experiences for the most discerning passenger.

Compliance

Safety and security are of paramount importance at gategroup, and we have systematic, multi-layered processes in place throughout the operation. gategroup ensures compliance with location- and customer-specific standards and regulations through detailed protocols and procedures, technology, and security and monitoring.

In some locations, gategroup has implemented heightened security standards including extensive camera coverage of production areas or access restrictions within the kitchen itself. Certain Latin American facilities, for example, have been certified by the Business Alliance for Secure Commerce, an international program that promotes secure international trade in cooperation with governments and international organizations.

Food Safety and Quality

Of equal importance within food production and related functions is hygiene. gategroup has expert teams in place to oversee food safety and quality as well as mitigate risk by governing adherence to regulations and policies.

In addition to complying with legal and regulatory requirements in the various jurisdictions in which we operate, gategroup has implemented its own internal food safety control function and system. Our overall quality management system is based on the principles of ISO 22000, with our internal food safety control system based on the World Food Safety Guidelines for Airline Catering (issued in collaboration with industry partners and the International Flight Services Association and Association of European Airlines) as well as the Hazard Analysis

Food is our common ground, a universal experience that brings people together. We believe in continuous improvement through a tasteful passenger experience.

gategroup is proud of its 300+ culinary leaders and innovators whose culinary expertise supports menu design and development in close partnership with our customers.

and Critical Control Point ("HACCP") risk analysis. In HACCP, each process flow is evaluated and based on the risk level, and necessary controls are implemented to assure the highest level of food safety. In addition to these protocols, various preventive measures and control programs are in place to further assure product and service quality.

Furthermore, our operating units are subject to periodic internal and external third-party food safety audits at local, country and corporate levels, and our food handlers undergo annual food safety training. On average, airline catering facilities undergo audits on a monthly basis by our own health and safety experts and twice annually by a third-party auditing firm in addition to government regulatory audits. We also control and conduct food safety audits of our suppliers.

Culinary Excellence

Emerging trends, new textures and exciting flavors mean the culinary landscape is constantly evolving. Passengers also expect more when traveling and have more sophisticated palates today than ever before. This is why airlines look to gategroup's deep capabilities in culinary excellence and innovative menu design, our solid understanding about how a particular menu item will work in the air, and the ability to quickly change menus and update service items.

Our global team of experienced, accredited, and award-winning chefs collaborate with customers to design a complete catering service that will work deliciously at 35,000 feet, ranging from appealing retail on board or complimentary meals for the main cabin, to luxury dining for premium cabins or bespoke private charter service.

Our dedicated local culinary talent and food production teams around the world take equal pride in reliably delivering on the resulting recipes and menu specifications.

Appealing to our customers means that every passenger, in every location, on every flight receives the meal that faithfully reflects the chosen menu, the specified ingredients, the vision of the design chef and the culinary brand of the respective airline.

gategroup's commitment to culinary excellence has been strongly endorsed by customers who seek to differentiate their brands through a higher quality offering.

gategroup took this a step further through its Customer Dedicated Executive Chef program, whereby dedicated chefs are appointed to look after all culinary requirements of a particular key customer, from menu design through food production and delivery, to ensure consistency and top food quality.

gategroup is bringing back the magic of flying with a significantly elevated and innovative retail on board portfolio.

gategroup encourages the importance of a holistic yet individualized approach to providing culinary expertise together with best-in-class products and services. The Group's proprietary program for Sustaining Progress In Culinary Excellence ("SPICE") was created to ensure our chefs possess the most advanced skills and latest trends and techniques to delight passengers, while also making optimum use of operational excellence and continuous improvement processes to streamline services for our customers. The SPICE program provides a platform for chefs to exchange ideas and share best practices. An element of this is cost analysis, and this financial basis is vital because it enables our chefs to offer the most creative culinary support within customers' budget frameworks.

In addition to onboard dining, our culinary teams also design and provide food and beverages for airport lounges that are managed directly by customers or through a partnership with gategroup. We support menu development and delivery of a wide array of hot and cold meals throughout the day for lounge operations.

Retail and Technology

gategroup's sophisticated and structured approach to all components of airline retail is well respected by airlines, suppliers and the travel retail trade. Retail on board continues to be an important part of airlines' revenue streams, and gategroup offers multiple ways to increase sales while surprising and delighting passengers.

At gategroup, there is no "one size fits all" approach to retail on board. Passengers aboard different airlines seek a varied line of products and services. gategroup makes use of in-depth research of consumer and retail trends and powerful end-customer data to help better understand what passengers appreciate. Each element of a dynamic onboard experience is tailored accordingly.

At our core, gategroup is consumer centric. We understand the importance of customer lifetime value and believe that the passenger experience can be significantly enhanced by offering an innovative and consumer-centric inflight retail portfolio. The passenger is at the heart of what we do – in a central position to support both a long-term vision as well as the day-to-day business – and we focus on products and services from that viewpoint to cultivate loyalty and improve overall customer satisfaction.

gategroup has the business intelligence and know-how to customize an airline's onboard offering to maximize revenue and reduce costs. Our established Centres of Excellence teams in Innovation, Culinary, Retail and Technology work in close collaboration with colleagues and customers globally to help bring all the components together for a successful program. We offer customers an end-to-end value chain that includes the full spectrum of retail, from identifying new brands and experiences, through determination of best boarding ratios, to efficient transactions and back-office reconciliation. Combining our resources for product innovation and rigorous data analysis with a robust supplier network and operational excellence makes for a sophisticated program.

gategroup helps airlines define their retail strategy; manage sales concepts and related services; maximize passenger satisfaction; and deliver brand value and profitability. For some of its customers gategroup also manages the entire physical supply chain – suppliers, warehouses, logistics providers and catering and loading operations at all airports across the entire network of the airline.

Once a retail program is established, gategroup supports driving ancillary revenues and positive passenger interactions through the creation of appealing menu cards, catalogues, or marketing materials for publication in the airline's inflight reading materials or inflight entertainment platforms.

The Group recently substantially increased its retail portfolio by acquiring Inflight Service Group, marking another milestone in the Gateway 2020 strategy. The transaction, which closed in February 2016, combines efficiency, cost-improvement initiatives and growth while establishing gategroup as the leading world class airline retailer globally.

Underpinning gategroup's established retail competence is our market-leading technology. gategroup offers a comprehensive Total Sales ("TS™") retail management product that centralizes back office products, promotions and onboard Point of Sale transactions to enable informed business decisions. Our focus on technology is based on our drive to ensure real-time information and data flow to enhance communication at all points.

The Group also launched an end-to-end, fully automated pre-order and pre-selection product ("POPS™") in 2015, enabling airlines to deliver a modern onboard shopping experience to passengers. The POPS™ solution supports a full retail approach to onboard services while also simplifying the complexities of the entire process.

Suppliers and Raw Materials

gategroup purchases raw materials essential to the operation of our business principally through regional and national food distributors in each of the geographical regions in which we operate. Through the principles of our global procurement strategy, we drive strong alignment of our supplier partnerships ensuring total quality, innovation and flexibility underpinned by competitive pricing.

Our responsive and sustainable supply chain enables us to quickly respond to changes in customer demand and requirements. We are not substantially dependent on any one supplier and could obtain comparably priced alternative products or services from other suppliers should a supply contract be terminated or not be renewed. However, at some local airports we may depend on one or a few key suppliers.

In North America, our customers generally nominate the supplier and negotiate the price of a substantial portion of the food products and other supply items that we use, which is characteristic for this market. In these cases, although the airline has nominated the products, we are responsible for the acquisition. In the rest of the world, we are accountable to identify and fulfill supply needs through competitive negotiations for all terms. In 2015, roughly one third of our total raw materials and other supply purchases were for customer-nominated products.

Because of the relatively short storage life of food inventories, especially perishables, and our customers' requirements for freshness, we maintain a minimum amount of inventory at any given time. We manage our supply chain using the same systems that we provide to our customers, giving us the opportunity to leverage our strengths and "just-in-time" supply chain management.

gategroup also acquires commodity raw materials and it has a number of non-food raw materials suppliers with no reliance on any one supplier. The business does engage in forward buying purchases from time to time.

Our Employees

Our 28,000+ talented employees across the globe are gategroup's strength. People make it possible for us to produce and provision quality food; design and source products; develop and deploy leading technologies; safely operate efficient facilities; and a host of other activities that round out gategroup's product and service offering.

The table below presents the average annual full-time equivalent ("FTE") number of employees in each regional business segment for the 2014/2015 years ended December 31.

Segment

	2015	2014
EMEA	8,345	8,169
North America	11,846	11,149
Latin America	3,821	3,534
Asia Pacific	4,774	4,734
Corporate	79	176
Total	**28,865**	**27,761**

Direct and Indirect Labor

The employee base is split into direct and indirect labor. Direct labor refers to those employees whose jobs entail the production and delivery of goods and services to customers. Indirect labor comprises management and corporate functions, supervisors and support staff.

The direct labor group makes up the largest component of gategroup's staff and may include temporary workers to give greater flexibility when matching workforce to sometimes rapidly changing business volume.

The majority of our direct labor is covered under union contracts of one to three years in duration, depending on the location. Management has generally a good working relationship with the unions that represent employees and is in frequent communication with union representatives.

Investor Relations

gategroup Holding AG began public trading in May 2009 when it listed on the SIX Swiss Exchange under the trading symbol "GATE."

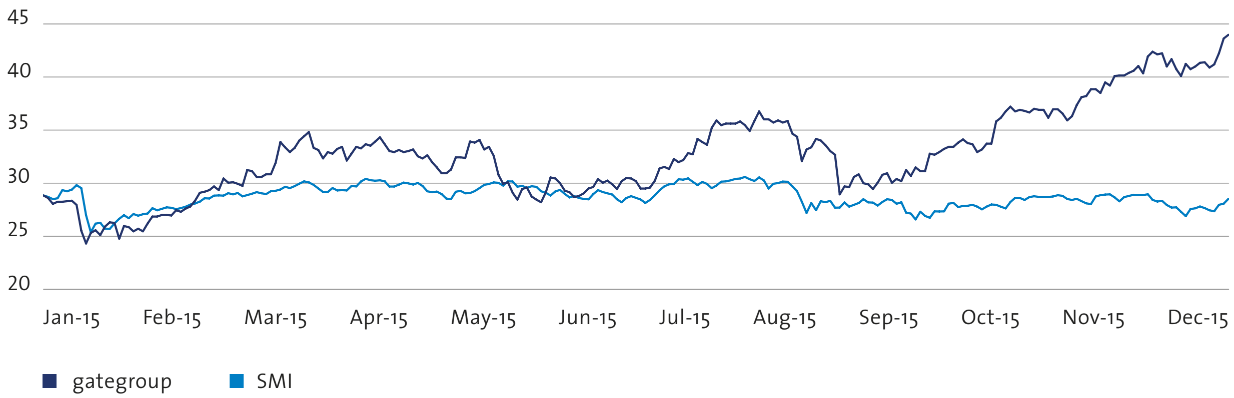
gategroup's long-term strategy is designed to create sustainable value for its shareholders. Senior management and the Investor Relations ("IR") team keep close interaction with analysts and institutional investors worldwide and support them from our offices in Zurich. The Company regularly organizes one-on-one meetings throughout the year, schedules equity road shows and holds results presentations as well as attends and presents at equity conferences. Investor meetings are always attended by the Head of IR and, if possible, senior management.

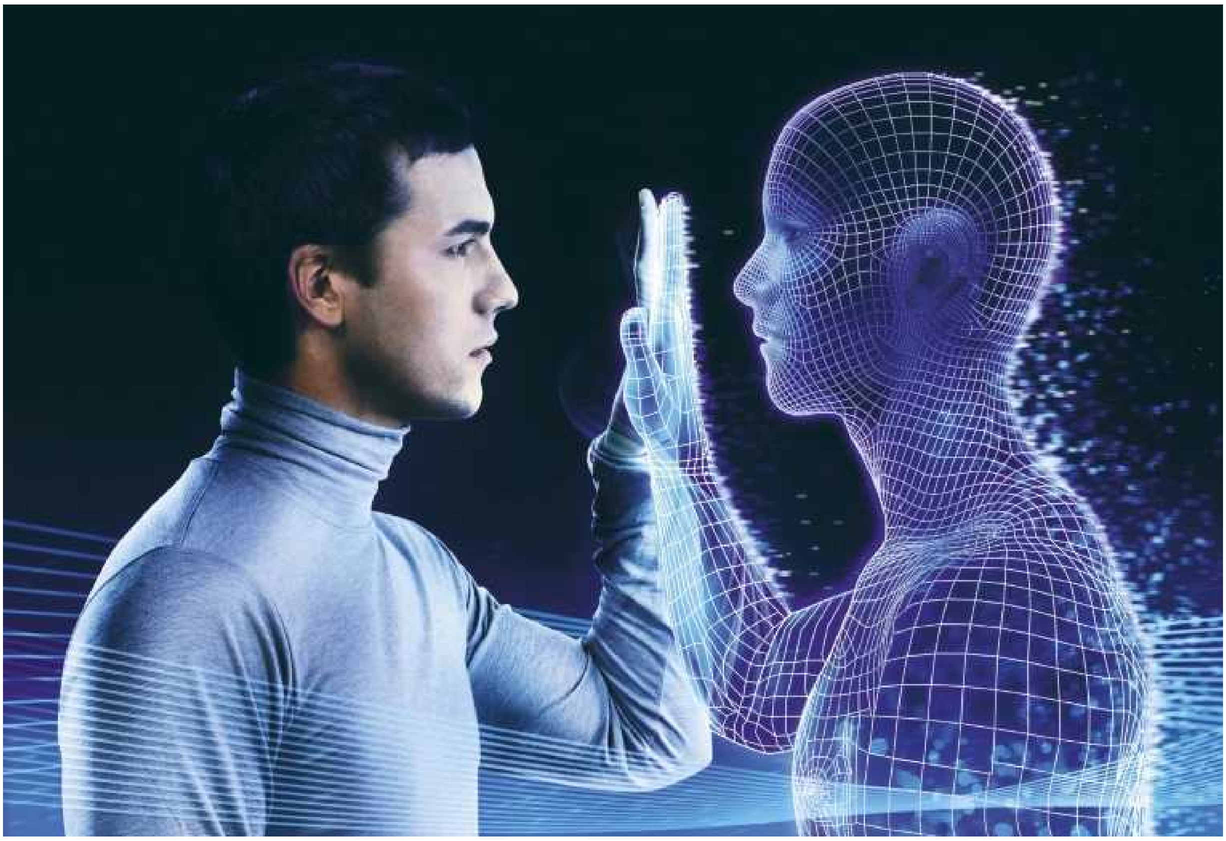
The IR website at www.gategroup.com/investors provides the following information: financial information (incl. reports and presentations), strategy, corporate governance and share information as well as corporate events. Information is available in English.

Our share price in 2015 significantly increased from the first trading day in January to the last trading day in December 2015, from CHF 28.9 to CHF 44.1 (increase of 52.6%), with an average trading volume of 119,845 shares per day. Market capitalization reached CHF 1.2 billion.

gategroup is currently covered by 8 research analysts, including Bank Vontobel, Credit Suisse, Helvea-Baader, Kepler Cheuvreux, Mirabaud and Zurcher Kantonalbank, with UBS and Bank am Bellevue initiating their coverage in July 2015 and October 2015, respectively.

2015 share price performance





gategroup's people work closely with customers globally to offer innovative and consumer-centric products and services to create a truly dynamic passenger experience.

Long-term financing supports growth strategy

In line with its Gateway 2020 strategy, gategroup refinanced its Revolving Credit Facility ("RCF") as well as its EUR 350 million 6.75% coupon bearing senior notes. The new financing structure of gategroup now consists of a EUR 240 million RCF and a EUR 250 million Term Loan.

This successful refinancing further reinforced gategroup's ability to access the financial markets, and substantially decreased financial costs (total annual interest cost of about CHF 10 million at year-end utilization levels versus previous annual costs of about CHF 26 million).

3.5m

Cups of coffee

… served on easyJet in 2015 via gategroup retail on board

That's like serving coffee to the entire population of Berlin!

corporate social responsibility

Every day, gategroup makes a difference for our people, our partners and our planet.

Our Corporate Social Responsibility ("CSR") program demonstrates gategroup's commitment to being a socially responsible corporation. In other words, the way we do business is as important as the results we achieve. We therefore foster an environment focused on operating in an ethical manner, treating our employees and suppliers fairly, managing and minimizing our environmental impact, and playing our part in the community.

By operating in a socially, environmentally and economically sustainable manner, supporting our Code of Business Conduct and Ethics, we reinforce the trust our stakeholders place in us.

We have built our CSR efforts around four core areas that relate to our business activities:

Our workplace – Attracting and retaining talented and diverse individuals, encouraging their growth and development, and fostering a safe and healthy workplace.

Our marketplace – Deploying and improving global procurement standards throughout our supply chain to optimize value and reduce waste, keeping the needs of our customers and their clients at the forefront of our decision-making.

Our environment – Reducing our environmental impact through increased environmental controls, investment in clean technologies and innovative product design that reduces our total environmental impact, as well as having a strong position on waste reduction and optimization, whereby waste is converted to revenue through recycling.

Our community – Contributing positively to the communities where we operate, across our network of businesses around the world.

Here are just some of the countless ways that gategroup is making a difference around the world to deliver on the very tangible benefits of CSR:

- Deploying a software tool in the operation for improved emissions information collection to better measure and reduce our carbon and non-carbon footprint.
- Transitioning highloaders in certain locations from petrol to compressed natural gas, which emits fewer pollutants (e.g., carbon dioxide, unburned hydrocarbons, carbon monoxide, nitrogen oxides, sulfur oxides, etc.) and is safer and more efficient.
- Recycling organic wastes from food preparation, where feasible and in compliance with regulations. For example, our Ecuador team recycles an average of 180 liters of used cooking oil each month to sell to local farmers as pig feed.
- Contributing man-hours and donating proceeds from recycling, in partnership with airline customers, to build homes and generally improve living conditions for people in need.
- Implementing gategroup's online Supplier Management System tool in Europe, developed in collaboration with longtime partner Food with a Conscience and initially deployed in North America, to streamline and centralize vendor management and systematically prequalify suppliers that have demonstrated standards of quality, safety, and compliance.

1.1m+

kilos of fat waste recycled and reused for electricity in the UK. This is the weight equivalent of about 100 city buses!

1,550+

metric tonnes of domestic waste diverted annually from the landfill in Vancouver. This is the same weight as about 3,000 polar bears!

500k+

pieces of paper saved annually by using 50+ online forms in any 24-hour period globally. That's time, money, and trees saved!

50+

kilos of football equipment sent to Gilcock Football Academy for kids in Banjul, Gambia

- Hiring and retaining talented people.
- Enhancing quality and consistency of training and professional development programs, customized regionally as well as locally to advance gategroup's people and career plans to support sustained business growth.
- Blending training, accreditation and quality assessments where possible through online modules and in-person activities to enhance employee engagement.
- Promoting volunteerism.
- Contributing time, expertise and resources to charitable and community-based organizations around the world that support important areas such as education, the arts, medical advancements, and general humanitarian efforts.
- Improving transportation benefits for employees through various programs, ranging from public transportation subsidies to an enhanced shuttle service that reduces employee wait time and thereby optimizes productive time.
- Buying local to support the communities where we operate.

Being socially responsible is key to our business. We understand how important it is to invest not only in our future but the future of our people, our partners and our planet. That's why gategroup is committed to continued progress in conserving resources, driving long-term sustainability and encouraging community involvement.

regional overview

gategroup offers integrated solutions on a global scale to meet the fast-changing needs of customers around the world

350m+
Passengers served

3.2m+
flights served per year

126
Locations

6
Continents

165
Facilities

33 Number of countries where gategroup operates

28.9k Average annual FTEs

17% Revenue contribution from emerging markets

82% Contract renewal rate across all regions

emea

EMEA reported total revenue of CHF 1,447.2 million, or CHF 1,529.3 million at constant currency, stable compared to total revenue of CHF 1,530.7 million in 2014. The reduction in reported revenue is largely due to optimization of gategroup's contract portfolio in 2014 and foreign exchange effects.

The region reported EBITDA of CHF 79.9 million (5.5% of revenue), compared to CHF 96.2 million for 2014 (6.3% of revenue). Excluding adjustments of CHF 7.2 million, EMEA reported EBITDA of CHF 87.1 million (6.0% of revenue).

The core catering business within the EMEA region performed well and sustained profitability despite having incurred some one-off expenses, primarily related to startup costs. From an industry standpoint, most European airlines experienced a better year-over-year performance in 2015, with continued growth in passenger volume and load factor, most notably within the IAG network as well as Swiss International Air Lines and easyJet.

In 2015, gategroup and SAS announced an agreement combining a renewal of existing business originally due to expire in April 2016 with new partnership terms mutually focused on efficiency and cost-savings. The new contract entails catering and provisioning services for SAS at seven Scandinavian airports – including Copenhagen, Stockholm/Arlanda and Oslo – and broader responsibility for the airline's entire inflight supply chain. The total value of the business over the life of the seven-year contract is more than CHF 650 million.

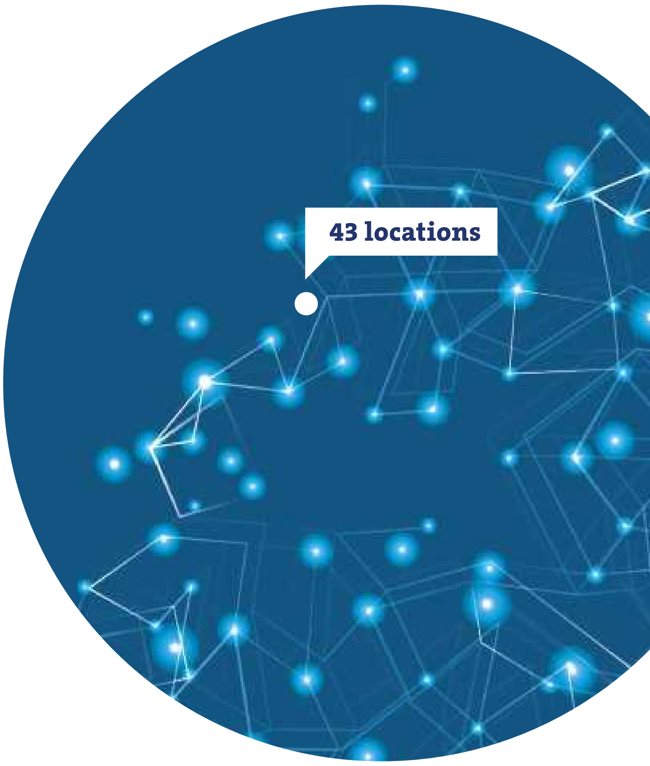
The UK & Ireland catering market experienced high revenue growth due to increased menu spend by British Airways' and Norwegian's growth in London Gatwick and increased volumes through the Manchester facility. In Amsterdam, the team confirmed gategroup's status as the preferred service provider for several U.S. carriers by renewing business with Delta Air Lines, US Airways (now American Airlines) and, in January 2016, United Airlines.

In the Commonwealth of Independent States, gategroup entered the Kazakhstan market in partnership with the Airport Management Group at Astana International Airport, establishing a foothold in an attractive and growing market and offering a comprehensive lineup of services, in particular to Air Astana.

The EMEA region is also seeing significant growth in retail and technology. With the acquisition of Inflight Service Group ("IFS"), gategroup is taking a major step forward in reinforcing its leadership position in retail on board. IFS serves about 80 million passengers traveling between the Nordics and Baltic countries annually. Complementing the transaction is TUI Group's five-year contract with gategroup announced in early 2016.

gategroup also enhanced its onboard technology solution through a partnership with UK-based Vodafone. The team provides global data connectivity to deliver the fastest onboard data to suppliers and to give airlines the ability to make real-time decisions that improve efficiencies and the total travel experience.

gategroup saw growth in the retail foodservice market, too, securing contracts with Hessing and Subway and incremental business with Duni. After experiencing its strongest year ever in revenue in 2014, the in-flight equipment business saw a slight decline due to lower overall volumes and lower raw material costs, which

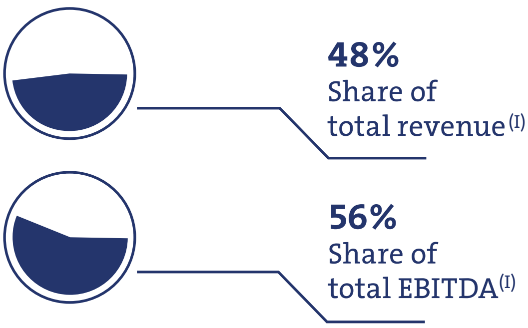


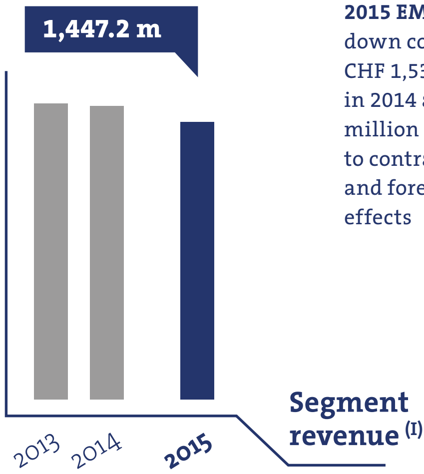
masked gains from business wins. The region earned new business with British Airways with respect to refreshing items such as hot towels, and expanded volumes with KLM. Equipment contract extensions included designing tableware for SAS, Economy Class and Business Class equipment for Brussels Airlines and rotable equipment for Emirates.

The Group further grew its Emirates service through inflight catering as well as lounge business in Zurich and expanded lounge business in Hamburg. The Dublin market also benefited from the full-year impact of business with Emirates and the start of the airline's second frequency to Dubai. Additionally, the Group secured a contract renewal with Qatar Airways in Geneva for catering services.

gategroup also saw growth with amenity kits and onboard comfort solutions, including expanded business with Emirates, a contract renewal with Saudi Arabian Airlines, and the full-year impact of Business Class items for Qatar. gategroup has local warehousing and assembly in Dubai to support the growing Middle East business. Separately, gategroup secured new business with lifestyle brand Rituals for retail kits.

Across all activities, the EMEA team is focused on advancing gategroup's Gateway 2020 strategy.





2015 EMEA revenue down compared to CHF 1,530.7 million in 2014 and CHF 1,543.9 million in 2013, due to contract optimization and foreign exchange effects

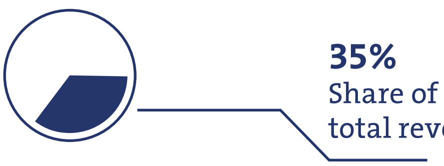
(I) All figures before corporate costs and eliminations

north america

The North America region reported strong revenue growth in 2015, with total revenue for 2015 of CHF 1,045.4 million, or CHF 1,016.2 million at constant currency. Compared to total revenue of CHF 954.8 million in 2014, this is an increase of 9.5% (6.4% at constant currency).

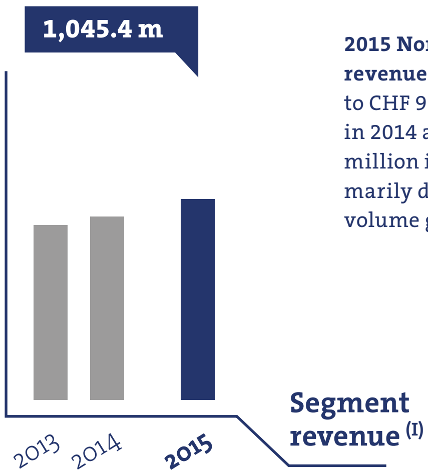
EBITDA was at CHF 27.0 million (2.6% of revenue), compared to EBITDA of CHF 36.2 million in 2014 (3.8% of revenue). Excluding adjustments of CHF 15.4 million, of which CHF 10.3 million is attributable to the ratified U.S. labor agreement, EBITDA was at CHF 42.4 million (4.1% of revenue).

Positive revenue drivers in 2015 included an increase in the number of flights serviced, with organic volume growth most notably by America Airlines, Delta Air Lines, United Express, and Air China in the U.S., as well as Air Canada in Canada. The U.S. also benefited from expanded business with Emirates in Boston and Orlando; Japan Airlines in Dallas-Fort Worth; Aeromexico in New York JFK; and Air China in Newark. With Virgin Atlantic, gategroup saw a volume increase in Los Angeles and San Francisco adding to service expansion in Atlanta and Detroit, which partially offset the loss of business transitioned to another provider at certain U.S. locations as previously reported. Canada revenue was negatively im-



35%
Share of total revenue (I)

19%
Share of total EBITDA (I)



2015 North America revenue up compared to CHF 954.8 million in 2014 and CHF 910.1 million in 2013, primarily due to organic volume growth

(I) All figures before corporate costs and eliminations

pacted by the loss of its Jazz business to another provider as of January 2015 at all cities except Vancouver. 2015 EBITDA was impacted by the increasing costs of direct labor in the U.S. and the run rate effects of net business loss from 2014, offset by growing business volume and customer price increases. Canada faced increased energy and food costs and the addition of two new competitors to the Canadian airline catering market, creating downward pressure on margins. The U.S. separately experienced increasing labor market cost pressures to attract and retain operations talent in the context of minimum wage increases and living wage trends throughout the country. The region made significant adjustments to mitigate the impact of these events through Continuous Improvement projects, procurement efforts, and initiatives to streamline operations and back office functions. The region also ratified major labor agreements in the U.S. and Toronto, leading to core catering performance improvement and increased employee retention rates.

The region achieved important business renewals with key customers in 2015. The Group entered into multiple contract extensions with Delta Air Lines covering airline catering and provisioning services, including the airline's major Atlanta hub, as well as global distribution services and security services at numerous U.S. locations. In total the renewals with Delta represent an average annual revenue of approximately CHF 200 million through 2018.

In Canada, gategroup renewed its agreement with Air Canada for domestic locations. The award includes a three-year extension of all catering and provisioning services as well as the end-to-end solutions for distribution and product innovation. The renewal represents total revenue of more than CHF 100 million per year. The region also successfully reached a five-year agreement with British Airways for all Canadian locations where the airline operates, and retained business with KLM in Edmonton and Air France in Vancouver, which partially offset the loss of KLM / Air France in Toronto and Calgary.

gategroup won a three-year contract with Avianca/TACA to provide the airline's economy class pre-packaged food and beverage product solution for outbound U.S. flights, and expanded its Norwegian food and beverage offering from five to six stations in the U.S.

In early 2016, gategroup announced that it reached a multi-year renewal with American Airlines for catering and provisioning services at the carrier's Los Angeles hub and at 5 other key international gateway locations. Total

Securing multi-year agreements through innovation and focused catering performance.

revenue over the life of the extension is estimated to exceed CHF 100 million, a sizeable portion of gategroup's global business with this airline partner.

gategroup also extended catering and provisioning business with United Airlines across multiple international locations, including Washington Dulles and San Francisco hubs. Total revenue over the life of the agreement is expected to exceed CHF 500 million. gategroup lost with effect from January 2016 the Chicago business with United which is expected to have an annual revenue impact of more than CHF 60 million. Separately, the Air Transat business in Canada is transitioning to another provider at all cities except Vancouver, effective April 2016.

gategroup's retail and technology solutions gained additional traction in 2015. The Group launched an end-to-end, fully automated pre-order and pre-selection product ("POPS™"), which enables airlines to deliver a modern onboard shopping experience to passengers, while simplifying the complexities of the entire process.

JetBlue selected gategroup's Near Field Communication-enabled TS™ product as part of a broader technology upgrade that offers customers the ability to make purchases with Apple Pay. For the use of these latest mobile technologies to empower flight attendants and simplify the in-flight passenger experience, JetBlue won the "Best Up in the Air Initiative" award from the 5th annual Future Travel Experience Awards.

gategroup's catering screening and security services also experienced stability and growth in 2015. The business delivered strong performance, with productivity and cost improvement across the operation. The team also secured or renewed multi-year agreements with major customers.

The region regularly seeks opportunities to leverage gategroup's expertise in beneficial growth areas to boost revenue and profitability.

latin america

The Latin America region reported increased total revenue of CHF 219.1 million for 2015, a 3.2% increase over total revenue of CHF 212.3 million for 2014. At constant currency, the region had a 19.3% jump in revenue at CHF 253.3 million.

The region had EBITDA of CHF 20.8 million (9.5% of revenue), compared to CHF 22.8 million for 2014 (10.7% of revenue). EBITDA was heavily impacted by adverse currency movement against the Swiss Franc of over 30% in some of the major countries in the region. This adverse impact was mostly mitigated by new business won, organic volume growth and strong cost management. At constant currency, EBITDA was up CHF 2.8 million (a 12.3% increase) to CHF 25.6 million (10.1% of revenue). Excluding adjustments of CHF 2.1 million, EBITDA was at CHF 22.9 million (10.5% of revenue), stable with prior year.

19.3%

increase in revenue at constant currency

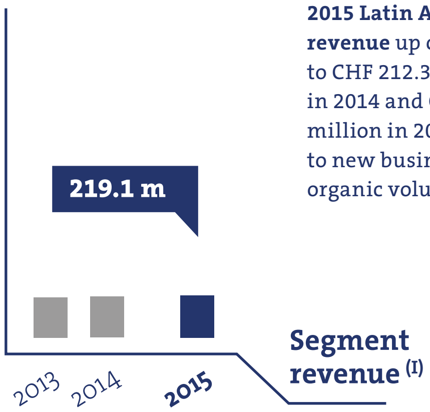
The region outperformed considering very challenging market conditions.

The region outperformed considering very challenging market conditions. During 2015, some units were adversely affected by high inflation as well as social unrest from civil aviation authority employees' forcing numerous flight cancellations. However, the region continued to focus on achieving productivity improvements to generate additional savings and synergies as well as cost cutting initiatives, to continue providing customers a competitive offering for onboard catering needs.

The team secured a significant number of contract extensions; gategroup retained all of its customer contracts that were being tendered. Contract renewals included TAME in Ecuador, Emirates in Brazil, Air Canada in Lima and Swiss International Air Lines in Sao Paulo, among others. The region also won new business including an onboard provisioning and trucking contract for LATAM Airlines in Santiago, GOL at Rio, United Airlines at Lima, and Edelweiss Air in Rio.

As part the numerous recognitions received in the region, the team in Guayaquil, Ecuador, was the Gold winner of the 2015 Quality & Safety Alliance In-flight Services Excellence Award for the Americas, presented in Montreal, Canada.

The Latin America region is committed to the growth in the countries where gategroup currently operates while also constantly evaluating opportunities to support the Group's network expansion in the region. As such, there is a solid pipeline of business development opportunities to secure future growth.



2015 Latin America revenue up compared to CHF 212.3 million in 2014 and CHF 208.8 million in 2013, due to new business and organic volume growth

(I) All figures before corporate costs and eliminations

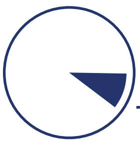
asia pacific

The Asia Pacific segment had total revenue of CHF 296.6 million for 2015, down from CHF 322.8 million for the prior year reflecting the deconsolidation of Shanghai operations in 2014 as well as foreign exchange impacts. At constant exchange rates, the region had revenue of CHF 320.8 million.

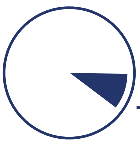
EBITDA was at CHF 14.7 million (5.0% of revenue), up from EBITDA of CHF 13.4 million (4.2% of revenue) for the prior year. Excluding adjustments of CHF 2.3 million, EBITDA was at CHF 17.0 million (5.7% of revenue), a significant increase over prior year. On a constant currency basis, EBITDA was up at year-end by CHF 2.9 million, a 21.6% increase, to CHF 16.3 million (5.1% of revenue).

The region experienced economic challenges throughout the year including increased material and labor costs, with margins negatively impacted by raw material cost escalation. These were countered by productivity and efficiency measures, process optimization, and streamlining and improving operational flexibility.

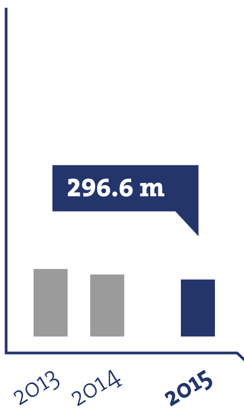
Oceania had a slight reduction in revenue yet saw EBITDA improvement due to Continuous Improvement and cost optimization programs. On the commercial side, gategroup retained business with tigerair Australia to provide the complete end-to-end retail program. Oceania benefited from investment in its new asset-light facility in Melbourne with the addition of Air India, offsetting the loss of China Southern in Sydney in late 2014 and Auckland from January 2016, as well as the exit of cabin cleaning business in Adelaide. The team is now building an asset-light facility in Brisbane, due for completion in 2016. The Group's broad offering of prepackaged food solutions and network logistics also led to a strengthened partnership with Virgin Australia, which launched



10%
Share of
total revenue [I]



10%
Share of
total EBITDA [I]



Segment revenue [I]

2015 Asia Pacific revenue down compared to CHF 322.8 million in 2014 and CHF 350.6 million in 2013, primarily due to deconsolidation of Shanghai operations and foreign exchange impacts

[I] All figures before corporate costs and eliminations

a new Café Pax economy class meal box. gategroup also reached a labor agreement in Sydney, mitigating industrial action and improving employee retention and operational performance.

North East Asia experienced stable overall performance during a time of increased competition, with double-catering initiatives by airlines to trim costs, substantial growth of LCCs, and service level changes among traditional carriers. Despite a decline in revenue year over year, EBITDA increased due to improvements in the overhead cost structure, specifically productivity and cost control initiatives implemented in Hong Kong and Japan. Revenues in Japan dipped, largely due to price pressures from the Tokyo market transferring more flights from Narita to Haneda, intensifying competition among airline caterers. A subsequent overhaul of the Japan organization has now resulted in improved run rates. gategroup secured numerous customers in Japan, including Qantas and Hainan Airlines, offsetting the loss of Delta Air Lines and China Southern. Hong Kong saw a revenue increase, driven by increased volumes for hub carrier Hong Kong Airlines as well as organic growth with international customers such as Air France and Delta. The Hong Kong team also won Etihad Airways and Scandinavian Airlines business, offsetting business lost with Swiss International Air Lines.

In India, the team handled numerous challenges – ranging from a changing regulatory and political environment to union-led industrial action – while furthering the operational and commercial turnaround of the business. Operational performance in India improved in 2015 due to better efficiencies and favorable business mix, with targeted turnaround activities leading to better productivity and improved processes, especially in Hyderabad and Mumbai.

Productivity and efficiency measures to streamline and enhance the operation are driving improved EBITDA.

The onboard equipment business line saw a slight decline in revenue, largely due to decreased volumes offsetting business wins and renewals. The business extended its partnership with Cathay Pacific Airways for economy class tableware and won business with Singapore Airlines for chinaware and disposable cups; Air New Zealand for C-pet casseroles; and with Thai for disposable cups. Notable business development included expanding the thermoforming operation in Prachinburi for greater capacity and flexibility.

For food and beverage product solutions, gategroup secured several new deals, including a water contract with Cathay Pacific and agreements with Hong Kong Express and Jetstar Singapore for retail on board programs.

The Asia Pacific region will continue to seek opportunities for growth, aligned with gategroup's Gateway 2020 strategy.

highlights

Renew

Strengthening partnerships

gategroup renewed agreements in 2015 with key customers covering catering and provisioning services and distribution and logistics. Contracts were extended with SAS, Air Canada for domestic locations in Canada, and Delta Air Lines. gategroup in early 2016 renewed business with United Airlines and American Airlines and secured new business with TUI Group for inflight retail and duty free items as well as pre-order sales in the UK and Nordics.

270+

airline customers served globally by gategroup

Unify

Integrating the business

ONE gategroup™

To simplify the business, gategroup is integrating the organization under a streamlined and more focused Executive Management Board. The new structure paved the way to advance gategroup's Gateway 2020 strategy: To focus on the core business, strengthen commercial capabilities and innovation, target geographic expansion and drive standardization and efficiency. This approach unifies all of our people in all of our regions acting as 'one gategroup'.

Design

Redefining onboard equipment

gategroup reinvented the paper cup for onboard use. Through optimized stacking, the cup allows for 40% space savings compared to similar products in the market, The cup is made of FSC-certified, lightweight, high-stiffness inner paper to minimize material use and overall carbon footprint, while also having a high quality feel. It features a heat insulation air bridge of 1mm for a comfortable hold for the passenger and easy handling by the crew.

Grow

Acquiring Inflight Service Group

With the Inflight Service Group ("IFS") acquisition completed in February 2016, gategroup creates the basis for the best retail on board offering in the industry, expanding the Group's leadership position in terms of size, number of customers, business intelligence and onboard technology.

80m

number of passengers served by IFS

250m

annual revenue increase with IFS

13.4m

annual EBITDA increase pre-synergies

Expand

Focusing on Emerging Markets

gategroup established its presence in Kazakhstan in partnership with the Airport Management Group at Astana International Airport. In doing so, gategroup established a foothold in a fast-growing, attractive market and now offers airlines operating at Astana access to gategroup's comprehensive lineup of services.

Win

Earning top awards

The GVK Lounge, managed by gategroup and Travel Food Services in partnership with Chhatrapati Shivaji International Airport in Mumbai, was voted by travel and tourism professionals worldwide as the World's Leading Airport Lounge – First Class 2015 as part of the annual World Travel Awards™ program. The lounge was nominated for this distinguished honor after being voted Asia's Leading Airport Lounge for the year 2015.

financial review

2015 was a year of significant change, with solid performance setting the foundation for future growth and improved profitability.

Christoph Schmitz, *Chief Financial Officer*

2015 was a year of significant change. In addition to our Gateway 2020 strategy implementation, Inflight Service Group ("IFS") acquisition completed in February 2016 and full refinancing of the debt structure, we delivered solid financial performance, setting the foundation for future growth and improved profitability.

Revenue

On a reported basis, total revenue amounted to CHF 2,996.4 million in 2015, compared to CHF 3,009.2 million in 2014. The Group saw organic revenue growth at 4.8%, offset by a net win/loss ratio (1.2)% and disposals (0.3)%, as well as negative currency movements of (3.7)%. At constant currency ("@CC"), total revenue in 2015 increased by 3.3% to CHF 3,107.7 million.

gategroup realigned its business in 2015 into a regional structure, and the information below is reporting performance by the four regional segments: Europe, Middle East, Africa and the Commonwealth of Independent States ("EMEA"), North America, Latin America, and Asia Pacific.

EMEA reported total revenue of CHF 1,447.2 million (CHF 1,529.3 million @CC), compared to total revenue of CHF 1,530.7 million in 2014. The North America region reported total revenue of CHF 1,045.4 million for the period under review (CHF 1,016.2 million @CC), compared to total revenue of CHF 954.8 million in 2014, an increase of 9.5% (6.4% @CC). The Latin America region reported total revenue of CHF 219.1 million for 2015 (CHF 253.3 million @CC), compared to total revenue of CHF 212.3 million for 2014, an increase of 3.2% (19.3% @CC). The Asia Pacific segment had total revenue of CHF 296.6 million for 2015 (CHF 320.8 million @CC), compared to total revenue of CHF 322.8 million for the prior year.

EBITDA

Reported EBITDA was CHF 142.4 million in 2015 (4.8% EBITDA margin), down from CHF 168.6 million in the prior year. The reported EBITDA includes adjustments of CHF 27.0 million for a provision for the newly ratified U.S. labor agreement, a charge associated with addressing shareholding activism, as well as other provisions. Adjusted EBITDA amounted to CHF 169.4 million in 2015, slightly up from CHF 168.6 million in the prior year, with a stable margin of 5.7%. Excluding those one-time charges and the currency effects of CHF 12.2 million, the adjusted EBITDA was at CHF 180.8 million with a 5.8% EBITDA margin. This is an improvement to prior year of 7.2% and 0.2 percentage points, respectively.

2,996.4

Total revenue, in CHF m (2014: 3,009.2 m)

5.8 %

Adjusted EBITDA margin @CC (2014: 5.6 %)

180.8

Adjusted EBITDA @CC, in CHF m (2014: 168.6 m)

EBITDA benefited from strong growth in Latin America and Asia Pacific, offset by weaker results in EMEA and North America. EMEA reported EBITDA of CHF 79.9 million and a margin of 5.5% (CHF 86.3 million and 5.6% margin @CC), compared to CHF 96.2 million for 2014. Excluding adjustments of CHF 7.2 million, EMEA reported EBITDA of CHF 87.1 million (6.0% margin). The North America region reported EBITDA of CHF 27.0 million and a 2.6% margin (CHF 26.4 million and 2.6% margin @CC), compared to total EBITDA of CHF 36.2 million in 2014. Excluding adjustments of CHF 15.4 million of which CHF 10.3 million is attributable to the newly ratified U.S. labor agreement, EBITDA was at CHF 42.4 million (4.1% margin). The Latin America region reported EBITDA of CHF 20.8 million and a margin of 9.5% (CHF 25.6 million and 10.1% margin @CC), compared to CHF 22.8 million for 2014. Excluding adjustments of CHF 2.1 million, EBITDA was at CHF 22.9 million (10.5% margin). The Asia Pacific segment had EBITDA of CHF 14.7 million and 5.0% margin (CHF 16.3 million and 5.1% margin @CC), up from EBITDA of CHF 13.4 million for 2014. Excluding adjustments of CHF 2.3 million, EBITDA was at CHF 17.0 million (5.7% margin).

Other Key Financials

gategroup reported a decrease in operating profit, down from CHF 102.8 million in 2014 to CHF 40.0 million in 2015. This was principally due to adjustments above EBITDA and significant restructuring costs.

Consequently, net profit for the year attributable to shareholders of the Company decreased from CHF 38.9 million to a net loss of CHF (63.4) million, also impacted by higher finance costs incurred by the fully refinanced debt structure as well as foreign exchange losses.

Cash generated from operations in 2015 of CHF 116.1 million remained on par with CHF 119.2 million in the previous year due to positive working capital. Additionally, through reduced capex, gategroup reported free cash flow of CHF 67.1 million compared to CHF 65.8 million in 2014.

Net debt improved by CHF 3.0 million, while the net debt to EBITDA ratio increased to 1.69 times.

16m

annual interest cost savings, in CHF, through refinancing

Successful refinancing another key step in a healthier cost structure

Triggering an equivalent increase of cash flow and net profit

Equity attributable to shareholders of the Company decreased from CHF 287.7 million in 2014 to CHF 230.3 million in 2015 due principally to the reported CHF (63.4) million loss attributable to shareholders. Foreign exchange losses of CHF 23.8 million, in combination with additional finance costs for early repayment fees of CHF 19.0 million incurred from refinancing activity, and restructuring charges of CHF 33.6 million were the primary factors driving this difference, masking additional contribution through revenue gains and cost savings.

Dividend

As stated in the Chairman's Letter, the Board of Directors proposes to the 2016 Annual General Meeting of Shareholders to distribute a dividend of CHF 0.30 per share in line with stated policy.

Gateway 2020

The Gateway 2020 strategy remains a prime focus for the Group. Target areas include organization efficiency, standardization and direct and indirect cost optimization.

gategroup is well on track with the overhead reduction of ~300 managerial positions, planned for by the end of 2016. Already in 2015, gategroup has reached about half of the target. Support functions were consolidated across brands as part of gategroup's new regional structure. gategroup has introduced a simplified structure for the global Finance team to enhance performance and provide increased transparency as well as greater controls. The Commercial team has been reorganized, with a clearer focus on gategroup's customers and the needs of the end passenger. Consolidation and enhancements within Human Resources, Legal, Procurement and other Group functions also occurred.

Further, standardization activities are well under way with the goal to simplify operations and to integrate the organization as 'one gategroup.' Implementation takes place across our global facilities for better alignment with customers' needs and to further capture synergies across similar operating units.

Finally, Zero Based Budgeting was integrated in the business. Across the Group, savings opportunities for sustainable cost containment and efficiency improvements were identified and incorporated into operating budgets for 2016. We expect a reduction in operating costs (SG&A) at the midpoint of the indicated 10-25% range of the addressable operational spend. We will begin to see the positive impact of this initiative from first quarter 2016 onwards.

IFS Acquisition

In December 2015, gategroup successfully acquired IFS, contributing annual revenue and EBITDA of CHF 240 million and CHF 13.4 million, respectively, as of the time of close in February 2016. The IFS acquisition represents the biggest transaction for gategroup to date and clearly positions us at the leadership position in retail on board globally and in the LCC and charter markets in Europe. Through the integration, we expect to generate significant synergies. gategroup financed the IFS acquisition fully through its existing facilities.

Successful Refinancing

A new five-year EUR 240 million unsecured multi-currency Revolving Credit Facility ("RCF") was signed at lower interest rates, replacing the existing EUR 100 million RCF that had been due to mature in June 2016. Additionally, the existing 6.75% coupon bearing EUR 350 million senior notes were fully redeemed, while a new five-year EUR 250 million unsecured Term Loan was signed. At the company's current leverage level, the annual interest cost of the new Term Loan is at below 3%, substantially decreasing financial costs (total annual interest cost of about CHF 10 million at year-end utilization levels, compared to previous annual costs of about CHF 26 million). The sizeable annual reduction in interest costs will trigger an equivalent increase of cash flow and net profit.

2015 was also marked by a major review of gategroup's transfer pricing structure with the objective to significantly reduce the Group's tax rate. The new system has been developed in 2015 and will be implemented in 2016.

"Superior cash generation remains a primary objective."

Christoph Schmitz

In summary, we are pleased with gategroup's solid performance in a challenging restructuring context. We have introduced new efficiency initiatives and a simplified organization. The IFS acquisition enhanced our global retail on board market share. The successful refinancing was another key step in a healthier cost structure – it reinforced gategroup's capital structure and substantially increased the Group's financial flexibility to fund future growth. We will remain focused on Gateway 2020 and believe we are well set to strengthen gategroup's position as the most innovative and largest airline caterer and retail on board provider worldwide.

financial report

Consolidated Financial Statements

Consolidated Financial Statements

Consolidated Income Statement

in CHF m	Notes	2015	2014
Total revenue	6	**2,996.4**	**3,009.2**
Materials and service expenses		(1,231.3)	(1,255.8)
Personnel expenses	7	(1,174.2)	(1,155.3)
Other operating income and expenses, net	8	(491.0)	(447.9)
Impairment charges, net of reversals	18, 19	(1.5)	0.9
Depreciation and amortization	18, 19	(58.9)	(56.7)
Other gains and (losses), net	9	0.5	8.4
Total operating expenses, net		**(2,956.4)**	**(2,906.4)**
Operating profit		**40.0**	**102.8**
Finance costs, net	10	(86.5)	(44.7)
Share of result of associates and joint ventures	11	2.0	2.8
(Loss)/profit before tax		**(44.5)**	**60.9**
Income tax expenses	12	(17.6)	(20.1)
(Loss)/profit for the year		**(62.1)**	**40.8**
thereof attributable to shareholders of the Company		(63.4)	38.9
thereof attributable to non-controlling interests		1.3	1.9
Earnings per share attributable to shareholders of the Company			
Basic earnings per share in CHF	13	(2.43)	1.49
Diluted earnings per share in CHF	13	(2.43)	1.48

Consolidated Statement of Comprehensive Income

in CHF m	Notes	2015	2014
(Loss)/profit for the year		**(62.1)**	**40.8**
Items that will not be reclassified to profit or loss			
Actuarial losses net, on defined benefit schemes, net of taxes		(2.1)	(61.5)
Items that may be reclassified subsequently to profit or loss			
Currency translation differences arising during the year		18.6	35.0
Reclassification adjustment relating to disposal of subsidiaries	30	–	(2.5)
Reclassification relating to change in non-controlling interests		–	(0.6)
Other comprehensive income		**16.5**	**(29.6)**
Total comprehensive income		**(45.6)**	**11.2**
thereof attributable to shareholders of the Company		(46.5)	9.3
thereof attributable to non-controlling interests		0.9	1.9

The accompanying notes form an integral part of these Consolidated Financial Statements.

Consolidated Balance Sheet

in CHF m	*Notes*	**December 31, 2015**	**December 31, 2014**
Cash and cash equivalents	*14*	102.6	183.8
Trade receivables	*15*	284.7	291.7
Other current receivables and prepayments	*16*	94.5	105.3
Inventories	*17*	101.9	97.5
Current income tax assets		10.4	11.5
Total current assets		**594.1**	**689.8**
Property, plant and equipment	*18*	284.4	309.8
Intangible assets	*19*	412.1	431.1
Investments in associates and joint ventures	*11*	15.0	14.1
Other non-current receivables		34.8	43.0
Deferred income tax assets	*20*	45.9	47.0
Retirement benefit assets	*21*	–	3.6
Total non-current assets		**792.2**	**848.6**
Total assets		**1,386.3**	**1,538.4**
Short-term debt	*22*	65.3	3.1
Trade and other payables	*23*	217.3	252.1
Current income tax liabilities		14.7	21.7
Short-term provisions	*24*	36.6	23.5
Other current liabilities	*25*	298.9	277.5
Total current liabilities		**632.8**	**577.9**
Long-term debt	*22*	277.4	423.8
Deferred income tax liabilities	*20*	13.9	13.5
Retirement benefit obligations	*21*	192.4	196.8
Long-term provisions	*24*	33.0	29.7
Other non-current liabilities		3.5	6.0
Total non-current liabilities		**520.2**	**669.8**
Total liabilities		**1,153.0**	**1,247.7**
Equity attributable to shareholders of the Company		230.3	287.7
Non-controlling interests		3.0	3.0
Total equity		**233.3**	**290.7**
Total liabilities and equity		**1,386.3**	**1,538.4**

The accompanying notes form an integral part of these Consolidated Financial Statements.

Consolidated Statement of Changes in Equity

in CHF m	Attributable to shareholders of the Company						
	Share capital	Treasury shares	Retained earnings and other reserves	Currency translation	Total	Non-controlling interests	Total equity
At January 1, 2015	**134.0**	**(20.4)**	**167.6**	**6.5**	**287.7**	**3.0**	**290.7**
(Loss)/profit for the year	–	–	(63.4)	–	(63.4)	1.3	(62.1)
Other comprehensive income	–	–	(2.1)	19.0	16.9	(0.4)	16.5
Total comprehensive income	**–**	**–**	**(65.5)**	**19.0**	**(46.5)**	**0.9**	**(45.6)**
Equity-settled share-based payments	–	–	0.8	–	0.8	–	0.8
Issue of treasury shares to employees	–	0.8	(0.8)	–	–	–	–
Capital increase in non-controlling interests	–	–	–	–	–	0.5	0.5
Dividends paid	–	–	(11.7)	–	(11.7)	–	(11.7)
Dividends paid to non-controlling interests	–	–	–	–	–	(1.4)	(1.4)
At December 31, 2015	**134.0**	**(19.6)**	**90.4**	**25.5**	**230.3**	**3.0**	**233.3**
At January 1, 2014	**134.0**	**(20.4)**	**197.0**	**(25.4)**	**285.2**	**9.2**	**294.4**
Profit for the year	–	–	38.9	–	38.9	1.9	40.8
Other comprehensive income	–	–	(61.5)	31.9	(29.6)	–	(29.6)
Total comprehensive income	**–**	**–**	**(22.6)**	**31.9**	**9.3**	**1.9**	**11.2**
Equity-settled share-based payments	–	–	1.0	–	1.0	–	1.0
Capital increase in non-controlling interests	–	–	–	–	–	0.9	0.9
Change in non-controlling interests	–	–	–	–	–	(5.8)	(5.8)
Dividends paid	–	–	(7.8)	–	(7.8)	–	(7.8)
Dividends paid to non-controlling interests	–	–	–	–	–	(3.2)	(3.2)
At December 31, 2014	**134.0**	**(20.4)**	**167.6**	**6.5**	**287.7**	**3.0**	**290.7**

The accompanying notes form an integral part of these Consolidated Financial Statements.

Consolidated Cash Flow Statement

in CHF m	Notes	2015	2014
(Loss)/profit before tax		**(44.5)**	**60.9**
Adjustments for:			
Finance costs, net	10	86.5	44.7
Share-based payments	27	0.8	1.0
Share of result of associates and joint ventures	11	(2.0)	(2.8)
Depreciation and amortization	18, 19	58.9	56.7
Impairment charges, net of reversals	18, 19	1.5	(0.9)
Other (gains) and losses, net	9	(0.5)	(8.4)
Net cash flow before working capital and provision changes		100.7	151.2
Changes in working capital		2.8	(12.9)
Changes in provisions and retirement benefit obligations		12.6	(19.1)
Cash generated from operations		116.1	119.2
Interest paid		(30.2)	(30.3)
Early repayment fee	10	(19.0)	–
Interest received		0.9	0.9
Income taxes paid, net		(18.5)	(14.9)
Net cash flow generated from operating activities		**49.3**	**74.9**
Acquisition of subsidiaries, net of cash acquired		(1.6)	(2.7)
Purchase of property, plant and equipment		(43.4)	(46.3)
Purchase of intangible assets	19	(7.6)	(9.4)
Disposal of subsidiaries, net of cash disposed	30	–	(0.7)
Proceeds from sale of assets		2.0	2.3
Proceeds from sale of associates and joint ventures		–	0.3
Dividends from associates and joint ventures		0.5	2.2
Capital increase in associate		(0.2)	–
Net cash flow used in investing activities		**(50.3)**	**(54.3)**
Proceeds from debt		412.1	6.1
Repayments of debt and other financing costs		(466.3)	(8.3)
Dividends paid	26	(11.7)	(7.8)
Dividends paid to non-controlling interests		(1.4)	(3.2)
Capital increase in non-controlling interests		0.5	0.9
Net cash flow used in financing activities		**(66.8)**	**(12.3)**
(Decrease)/increase in cash and cash equivalents		**(67.8)**	**8.3**
Movement in cash and cash equivalents			
At start of the year		183.8	174.2
(Decrease)/increase in cash and cash equivalents		(67.8)	8.3
Effects of exchange rate changes		(13.4)	1.3
At end of the year	14	**102.6**	**183.8**

The accompanying notes form an integral part of these Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

1 General Information

gategroup Holding AG (the "Company") and its subsidiaries (together the "Group") are primarily engaged in the operation of airline catering and provisioning services worldwide. The majority of the Group's operations are located in Europe and the United States. The Company has its registered office at Balz-Zimmermannstrasse 7, CH-8302 Kloten, Switzerland and its shares are listed on the SIX Swiss Exchange.

These consolidated financial statements were authorized for issue by the Board of Directors of the Company (the "Board") on March 9, 2016.

2 Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied for all years presented, unless otherwise stated.

2.1 Basis of Preparation

The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 "Critical Accounting Estimates and Judgments".

2.2 Changes in Accounting Policies

Adoption of new IFRS standards and amendments to standards in 2015 that have no material effect on the consolidated financial statements of the Group:

Standard	Effective date
Annual Improvement to IFRSs 2010–2012 and 2011–2013 Cycles	July 1, 2014

Adoption of new or revised IFRS standards and amendments to standards by the Group in 2016 or later:

Standard	Effective date	Relevance for the Group	Planned adoption
Annual Improvements to IFRSs 2012–2014 Cycle **	January 1, 2016	Several standards have been modified on miscellaneous points.	Financial year 2016
IAS 1 (amendment) – Disclosure Initiative **	January 1, 2016	The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports.	Financial year 2016
IAS 7 (amendment) – Disclosure Initiative *	January 1, 2017	The amendments are intended to clarify and improve information provided to users of financial statements about an entity's financing activities.	Financial year 2017
IFRS 7 (amendment) – Disclosures – Initial application of IFRS 9*	January 1, 2018	The amendment requires additional disclosures on transition from IAS 39 to IFRS 9.	Financial year 2018
IFRS 9 – Financial Instruments *	January 1, 2018	IFRS 9 carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. It includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It will replace IAS 39.	Financial year 2018
IFRS 15 – Revenue from Contracts with Customers *	January 1, 2018	IFRS 15 provides a single revenue recognition model based on the transfer of control of goods or services to a customer. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Further, it provides the users of financial statements with more informative, relevant disclosures.	Financial year 2018
IFRS 16 – Leases *	January 1, 2019	IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, ie the customer ('lessee') and the supplier ('lessor'). The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance.	Financial year 2019
IAS 28 and IFRS 10 (amendment) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture *	Deferred	The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.	Deferred

* Impact still to be assessed
** None of these new standards or amendments will have a significant impact on the Group's consolidated financial statements

2.3 Consolidation Accounting

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group 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 existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets paid, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. Goodwill is measured as the excess of the sum of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed (Note 2.15). If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in the consolidated income statement.

All material intercompany transactions and balances, and any unrealized gains or losses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

Gains and losses on transactions with non-controlling interests are recorded in equity.

Associates and Joint Ventures

Associates are those entities in which the Group has significant influence, but not control, over financial and operating policies. Significant influence is presumed to exist when the Group holds, directly or indirectly, between 20% and 50% of the voting rights of the entity.

The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Associates and joint ventures are accounted for using the equity method and are initially recognized at cost. When the Group's share of losses in an associate or joint venture equals or exceeds its interest, no further losses are recognized unless there is a legal or constructive obligation. If the associates or joint ventures subsequently report profits, then they resume recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

Accounting policies of associates and joint ventures are changed where necessary to ensure consistency with the policies adopted by the Group.

2.4 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Management Board ("EMB"), which has been identified as the Group's Chief Operating Decision Maker.

2.5 Foreign Currency Translation

The consolidated financial statements are expressed in Swiss Francs ("CHF"), which is the Group's presentation currency. The functional currency of each of the Group's entities is based on the primary economic environment in which an entity operates.

Transactions in foreign currencies are accounted for at the rates prevailing on the date of the transaction. Any resulting exchange differences are recorded in the local income statements of the Group's entities and included in profit or loss.

Monetary assets and liabilities of the Group's entities which are denominated in foreign currencies are translated using year-end exchange rates. Exchange differences are recorded as an income or expense. Non-monetary assets and liabilities are translated at historical exchange rates.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of the net investment in a foreign operation and are recognized in other comprehensive income, and presented under currency translation in equity.

When translating foreign currency financial statements into CHF, year-end exchange rates are applied to assets and liabilities, while monthly average rates are applied to income statement accounts. Translation differences arising from this process are recorded in other comprehensive income. The cash flow statement is translated at monthly average rates or actual rates for significant transactions. On disposal of a subsidiary, the related cumulative translation adjustment is transferred from equity and included in the profit or loss from the disposal in the income statement.

The principal exchange rates used were as follows:

Swiss Francs per	2015 Closing rate	2015 Annual average rate	2014 Closing rate	2014 Annual average rate
1 US Dollar	1.00	0.96	0.99	0.92
1 Euro	1.09	1.07	1.20	1.21
1 GB Pound	1.47	1.47	1.55	1.51
1 Australian Dollar	0.73	0.72	0.81	0.82

2.6 Recognition of Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated volume rebates and other similar allowances. Once revenue is recognized, any subsequent uncertainty regarding collectability is recognized as an expense and adjustment to the net amount receivable, rather than as an adjustment to revenue.

The Group recognizes revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the entity, and when the significant risks and rewards of ownership are transferred to the customer. This is mainly upon delivery of product and customer acceptance, or performance of services.

The Group reports revenue in the categories catering and retail on board, handling, equipment and other .

Revenue from the sale of goods and products (such as on-airport food production, retail on board, production of food contact items, duty free sales, comfort items and other in-flight equipment) is recognized upon delivery of product and customer acceptance. Revenue from services (such as logistic services, laundry, aircraft cleaning, lounge and security services and asset management) is recognized in the accounting period in which the service is rendered.

2.7 Fair Value Measurement

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.8 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in the balance sheet within short-term debt.

2.9 Trade and Other Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Trade and other receivables are further classified as either current or non-current depending on whether these are expected to be realized within 12 months of the balance sheet date.

2.10 Financial Assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and reclassifies them whenever its intention changes. All purchases and sales are recognized on the settlement date.

Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss are assets held for trading, being acquired for the purpose of generating a profit from short-term fluctuations in price. Financial assets held for trading are measured at their fair value and transaction costs are expensed in the income statement. Fair value changes on a financial asset held for trading are included in profit or loss for the period in which they arise. Assets in this category are classified as current assets if they are either held for trading or are expected to be realized within 12 months

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities of more than 12 months which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet and are measured at amortized cost. Amortized cost is the amount at which the financial asset is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method for any difference between the initial amount and the maturity amount, minus any reduction for impairment or uncollectibility. The effective interest method calculates the amortized cost of a financial asset, allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset.

Impairment of Financial Assets

A financial asset is impaired if its carrying amount is greater than the present value of its estimated future cash flows. The Group assesses, at each balance sheet date, whether there is any objective evidence that a financial asset may be impaired. If any such evidence exists, the Group estimates the present value of estimated future cash flows of that asset and recognizes an impairment loss in the income statement. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be objectively related to an event occurring after the write-down, the write-down of the financial asset is reversed. Any reversal will not result in a carrying amount that exceeds the level amortized cost would have been, had the impairment not been recognized, at the date the write-down of the financial asset is reversed. The amount of the reversal is included in the income statement for the financial year. An impairment loss for goodwill shall not be reversed in a subsequent period (Note 2.15).

Offsetting Financial Assets and Liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.11 Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost is determined using the standard cost method, the average cost method, or the first-in first-out method. The cost of inventory comprises the purchase cost of raw materials and traded goods, as well as transport and other direct costs. Inventories primarily consist of food, beverages, food contact items (such as cutlery, cups, glasses and plates), comfort items (such as headsets, blankets and amenity kits) and materials used in the production process (such as various plastics and coatings).

2.12 Up-front Contract Payments

From time to time the Group enters into service contracts whereby, in some cases, an up-front contract payment is made to customers as an integral part of a long-term agreement. These up-front payments are recognized in “other prepayments and accrued income” and “other non-current receivables”. They are amortized over the life of the related contract. The amortization charge is recorded as a reduction of revenue.

2.13 Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. The carrying amount of any replaced asset is derecognized. All other repairs and maintenance costs are charged to the income statement during the financial year in which they are incurred.

Land is not depreciated. Capitalized leased assets are depreciated over the shorter of the useful life and the lease term (Note 2.14). Depreciation on other assets is calculated using the straight-line method to allocate cost less any residual value over their estimated useful lives, as follows:

- Buildings 10–40 years
- Catering and other equipment 3–10 years
- Fixture and fittings 5–15 years
- Vehicles 3–10 years

The assets’ residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is immediately written down to its recoverable amount (Note 2.16).

Gains or losses on the sale of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in the income statement.

2.14 Leases

Leases of property, plant and equipment, where the Group bears substantially all the risks and rewards associated with ownership, are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum future lease payments. Each lease payment is allocated between the liability and finance charges so as to produce a constant periodic rate of interest over the life of the lease. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

2.15 Intangible Assets

Goodwill

Goodwill is measured as the excess of the sum of the fair value of the consideration, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill arising on the acquisition of subsidiaries is included in intangible assets. Goodwill arising from acquisitions of associates and joint ventures is included in the carrying value of the investment and is tested for impairment as part of the Group's impairment testing. Separately recognized goodwill is tested at least annually for impairment or whenever there are indications of potential impairment, and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. On disposal of a cash generating unit ("CGU") or an operation forming part of a CGU, the related goodwill is included in the determination of profit or loss on disposal. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the CGU retained. The Group identifies CGUs consistently with its segments.

Intellectual Property

Intellectual property comprises trademarks acquired in a business combination. The cost of intellectual property represents the fair value at acquisition. The useful lives of these trademarks are assessed to be either finite or indefinite. Trademarks with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Trademarks are considered to have an indefinite life if they arise from contractual or other legal rights that can be renewed without significant cost, are subject to continuous marketing support and if there is no foreseeable limit to their useful economic life. Trademarks with indefinite useful lives are not amortized but are tested for impairment at least annually or whenever there is an indicator of potential impairment. The useful life of a trademark with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, any changes are made on a prospective basis.

Customer Relationships

Customer relationship assets as identified in a business combination are recorded at fair value at the acquisition date. This is then amortized on a straight-line basis over the lifetime of the relationship. Customer relationship assets are tested for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Capitalized Software

Costs that are directly associated with the purchase or internal development of identifiable software products controlled by the Group and that are designed to generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. The costs that are capitalized include purchase consideration, employee and consultant costs and an appropriate portion of relevant overheads. Costs recognized as assets are amortized on a straight-line basis over their estimated useful lives (between two and five years) and are carried at cost less accumulated amortization and impairment losses.

2.16 Impairment of Non-financial Assets

Assets that have an indefinite useful life are not subject to amortization and are tested at least annually for impairment or whenever there are impairment indicators. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs 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 flows. Non-financial assets other than goodwill that previously suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.17 Employee Benefits

Wages, salaries, social security contributions, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where the Group provides long-term employee benefits, the cost is accrued to match the rendering of the services by the employee concerned.

Retirement Benefit Obligations

Group companies operate various pension schemes. The plans are generally funded through payments to independent pension or insurance funds, the level of which is determined by regular actuarial calculations. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The asset or liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

Employee contributions are recognized as a reduction to service cost in the year of service.

Past service costs are recognized immediately in the income statement, as well as gains or losses on curtailments or settlements of a defined benefit plan as an event occurs. The gain or loss on a curtailment or settlement comprises any resulting change in the present value of the defined benefit obligation and any resulting change in the fair value of the plan assets.

When the fair value of the plan assets exceeds the present value of the defined benefit obligation, the Group's management assesses whether this surplus is fully recoverable through refunds or reductions in future contributions. Any portion of the surplus which is not fully recoverable is not recognized.

Remeasurements of the net defined benefit liability arising from actuarial gains and losses, return on plan assets and any change in the effect of an asset ceiling, are reported through the consolidated statement of comprehensive income in the period in which they arise.

Defined contribution and state administered plans may require employees to make contributions and enable employees to earn matching or other contributions from the Group. The funding of these plans is in accordance with statutory funding and tax requirements. Obligations for contributions to defined contribution and state administered plans are recognized as an expense in the income statement as incurred.

Termination Benefits

Termination benefits are recognized on the date on which the Group can no longer rescind the offer of this type of benefit or when restructuring provisions are recorded.

Share-based Compensation

The Group provides equity participation plans to key employees in the form of share plans. These plans are accounted for as equity-settled share-based payment transactions.

The fair values of share awards with non-market performance conditions are determined at grant date based on the market price less expected future dividends to which the holder of the award or option is not entitled. The fair values of share awards with performance conditions are determined at grant date by using the Geometric Brownian Motion model.

The cost of equity participation plans are recognized as personnel expense in the income statement with a corresponding increase in equity over the vesting period taking into account the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date for awards with non-market performance conditions the Group revises its estimate of the number of equity instruments expected to vest. An expense is recognized for awards with a market condition irrespective of whether the market condition is expected to be met, provided that all other vesting conditions are satisfied. The Group has available treasury shares to meet its commitments.

2.18 Taxation

Income tax expense in the income statement is comprised of current and deferred income taxes. To the extent that transactions are recognized in other comprehensive income, any related tax effects are also recognized in other comprehensive income.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date together with any adjustments to tax payable in respect of previous years.

Deferred income tax is recognized based on the balance sheet liability method, which measures temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred income tax recognized is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. At each balance sheet date, the Group assesses the recoverability of its deferred income tax assets.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset only when the enterprise has a legally enforceable right of offset.

2.19 Trade Payables and Other Liabilities

Trade payables and other liabilities are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.20 Debt

Debt is recognized initially at fair value, net of transaction costs incurred and subsequently carried at amortized cost. It is classified as a current liability unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

2.21 Provisions

Provisions for legal claims, tax disputes, onerous contracts, property disputes, restructuring costs and other cases are recognized when the Group has a present or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. A contract is onerous when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it and a provision is then recognized at the present value of the obligation. Restructuring provisions principally comprise employee termination benefits, legal, property and other related costs. Provisions are not recognized for future operating losses.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. In the income statement, the expense relating to a provision may be presented net of the amount recognized for a reimbursement.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.22 Share Capital

Ordinary shares are classified as equity. Dividends on ordinary shares are recorded in equity in the period in which they are approved by the Company's shareholders.

Where the Group purchases shares of the Company, the consideration paid is recognized as treasury shares and presented as a deduction from equity unless these shares are cancelled or sold. Any consideration received from the sale of these shares is recognized in equity.

3 Financial Risk Management

3.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Board has put in place appropriate structures to ensure risk governance and monitoring across the Group.

The Group's overall financial risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group may use derivative financial instruments to hedge certain risk exposures.

Financial risk management is carried out by a central treasury department which identifies, evaluates and hedges financial risks where appropriate. The principles for overall financial risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, the use of both derivative and non-derivative financial instruments and the investment of excess liquidity exist and are formally documented.

Foreign Exchange Risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations including third party financing transactions, as well as intercompany transactions.

Foreign exchange risks are reduced by matching income and expenditure whenever possible in the same currency and negotiating terms with suppliers that include invoicing Group companies in their local reporting currency.

The Group invests in foreign subsidiaries, whose net assets are exposed to currency translation risk. Generally, the intention is that currency exposure of the net assets of subsidiaries is primarily managed through borrowings denominated in the relevant foreign currencies. When appropriate, the Group enters into foreign exchange forward contracts. In 2014 no such transactions were entered into. At December 31, 2015, the Group entered into a GBP 5.0m foreign exchange spot contract against the Euro due to mature on January 4, 2016. No material gain or loss occurred.

The following sensitivity analysis illustrates the foreign currency risk of the material currency exposures on profit after tax as well as equity, net of tax, for the year. If there had been a change of 5% in the underlying currency with all other variables held constant, the result from the shift in exchange rates related to financial instruments held in the balance sheet can be summarized as follows:

in CHF m	Impact on (loss)/profit after tax				Impact on equity, net of tax			
	2015		2014		2015		2014	
Movement against all currencies	5%	–5%	5%	–5%	5%	–5%	5%	–5%
US Dollar	0.5	(0.5)	1.5	(1.5)	–	–	–	–
Euro	3.7	(3.7)	2.9	(2.9)	–	–	–	–
GB Pound	0.9	(0.9)	0.3	(0.3)	–	–	–	–
Australian Dollar	1.1	(1.1)	0.7	(0.7)	0.6	(0.6)	0.6	(0.6)
Danish Kroner	0.7	(0.7)	–	–	1.3	(1.3)	1.4	(1.4)

Cash Flow and Fair Value Interest Rate Risk

As the Group has no significant interest-bearing assets, the Group's income and associated operating cash inflows are substantially independent of changes in market interest rates.

Generally, cash flow interest rate risk arises from borrowings at variable rates. In 2015 the 6.75% senior unsecured notes were refinanced by a new five-year EUR 250.0m unsecured Term Loan ("Loan"). The Group also renewed its Revolving Credit Facility ("RCF"), now being EUR 240.0m for five years (Note 22).

The Group analyzes its interest rate exposure on a regular basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the interest-bearing positions.

Based on the simulations performed, at December 31, 2015, if there had been an interest rate change of 50 basis points with all other variables held constant, (loss)/profit after tax for the year would have been CHF 1.1m higher/lower (2014: materially unchanged). At December 31, 2015 and 2014, other components of equity would not have been impacted.

Credit Risk

Credit risk reflects the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group.

It is the Group's policy that customers who trade on credit terms are subject to credit verification procedures. The assessment of the credit quality of the Group's customers is reflected in the Group's internal rating system which takes into account the financial position, past experience, ownership structure, specific market conditions and other factors. In addition, receivable balances per customer are monitored, at least monthly, on a consolidated basis. The credit exposure by customer is regularly reviewed and approved by management. In cases where management assesses the trend of the exposure to any customer as unsatisfactory or in cases where the credit quality of any customer deteriorates, the Group enforces measures to reduce the exposure and might revise the payment and credit terms. The total outstanding trade balances of the Group's five largest receivable positions at December 31, 2015 constitute 24.3% (2014: 24.0%) of the total gross trade receivable amount and individually they accounted for between 3.7% and 7.6% (2014: 3.1% and 6.7%) of the total gross trade receivables. Due to appropriate provisioning, management does not expect any additional losses from non-performance by customers.

The credit risk arising from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions are limited because the counterparties are banks and financial institutions which, as far as operationally possible, have an investment grade rating assigned by international credit-rating agencies and which are monitored regularly.

Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from an adequate level of committed credit facilities. The Group's central treasury department achieves flexibility in funding by maintaining availability under committed credit lines. The Group monitors its risk to a shortage of funds by reviewing short-term cash forecasts twice a month and undertaking mid-term forecasts during the year.

The following table details the contractual maturity of the Group's financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities at the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

2015 in CHF m	**1–3 months**	**3 months–1 year**	**1–5 years**	**More than 5 years**	**Total**
Trade and other payables	(181.9)	(4.6)	–	–	(186.5)
Short-term debt	(1.2)	(3.7)	–	–	(4.9)
Other current liabilities	(174.6)	(84.6)	–	–	(259.2)
Long-term debt	–	–	(375.8)	(1.7)	(377.5)
Unpaid purchase price consideration	(154.3)	–	–	–	(154.3)
Balance at December 31	**(512.0)**	**(92.9)**	**(375.8)**	**(1.7)**	**(982.4)**

2014 in CHF m					
Trade and other payables	(207.7)	(12.5)	–	–	(220.2)
Short-term debt	(2.1)	(1.0)	–	–	(3.1)
Other current liabilities	(166.1)	(58.9)	–	–	(225.0)
Long-term debt	–	–	(592.5)	(2.9)	(595.4)
Unpaid purchase price consideration	(0.7)	(0.9)	(0.7)	–	(2.3)
Balance at December 31	**(376.6)**	**(73.3)**	**(593.2)**	**(2.9)**	**(1,046.0)**

At the end of the reporting period, the Group had drawn CHF 61.1m of the RCF. The RCF may be drawn at any time to meet short-term financing needs. It is subject to a bi-annual Compliance Certificate review.

3.2 Capital Risk Management

The Group's objectives when managing capital are to safeguard its status as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain a capital structure focused on reducing the cost of capital. In order to maintain or adjust the capital structure, the Group may distribute dividends, issue new shares or adjust the level of debt.

The Group's existing committed credit facilities are available to the Company and certain of its subsidiaries (Note 22). The RCF and the Loan contain certain covenants with respect to the net leverage and interest coverage ratio.

3.3 Fair Value Estimation

In 2015 and 2014 no significant financial instruments at fair value were held by the Group. Where fair values are disclosed in the notes to the consolidated financial statements, the fair value hierarchy as outlined in the accounting policies are provided. No transfers from one level of the fair value hierarchy to another occurred.

Management assessed that cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

4 Critical Accounting Estimates and Judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under foreseeable circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related final outcome. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are described in the following table.

Note 12/20	Provisions for income taxes require significant judgment as these are based on transactions and calculations for which the ultimate tax determination is uncertain. Deferred tax assets are based on anticipated results for the relevant taxable entity over a period of several years into the future.
Note 15	Allowance for doubtful accounts requires assessment on the recoverability of accounts receivable which involves estimation as to the financial condition of customers and their ability to subsequently make payments.
Note 19	The goodwill impairment testing is based on value in use calculations requiring cash flow projections and an appropriate discount rate. The intellectual property impairment testing is based on value in use calculations which requires the estimation of future sales and an appropriate discount rate.
Note 21	Defined benefit plan obligations require estimation of discount rates, inflation and life expectancy.
Note 24	Legal and tax provisions may be recorded for matters over which there is uncertainty, therefore requiring a significant degree of assumption and estimation when determining the probable future outflow of resources.

5 Segment Information

The Group realigned its business with effect from June 22, 2015, now reporting four regional segments EMEA (Europe, Middle East, Africa and the Commonwealth of Independent States), North America, Latin America and Asia Pacific. For the year ended December 31, 2014, the Group was organized and managed on the basis of two businesses, Airline Solutions and Product and Supply Chain Solutions. The prior year segment reporting presented below has been restated to be in accordance with the new structure.

5.1 Reportable Segment Information

2015 in CHF m	**EMEA**	**North America**	**Latin America**	**Asia Pacific**	**Eliminations**	**Total reportable segments**
Catering and retail on board	779.2	530.6	160.2	192.4	–	1,662.4
Handling	300.1	392.5	39.3	64.9	–	796.8
Equipment	251.9	7.7	–	0.4	–	260.0
Other	109.5	109.7	19.6	38.4	–	277.2
Intersegment	6.5	4.9	–	0.5	(11.9)	–
Total revenue	**1,447.2**	**1,045.4**	**219.1**	**296.6**	**(11.9)**	**2,996.4**
Segment EBITDA	**79.9**	**27.0**	**20.8**	**14.7**	**–**	**142.4**
Additions to non-current assets [I]	18.6	22.0	8.6	2.1	–	51.3
2014 in CHF m						
Catering and retail on board	831.1	487.9	154.1	198.7	–	1,671.8
Handling	311.8	357.1	36.6	68.4	–	773.9
Equipment	269.2	4.8	–	0.5	–	274.5
Other	111.6	100.6	21.6	55.2	–	289.0
Intersegment	7.0	4.4	–	–	(11.4)	–
Total revenue	**1,530.7**	**954.8**	**212.3**	**322.8**	**(11.4)**	**3,009.2**
Segment EBITDA	**96.2**	**36.2**	**22.8**	**13.4**	**–**	**168.6**
Additions to non-current assets [I]	16.9	27.4	6.1	6.0	–	56.4

[I] Relates to property, plant and equipment and intangible assets

Segment EBITDA is defined as earnings before interest, tax, depreciation, amortization and management fees. Segment EBITDA excludes impairment charges or reversals, operating taxes (non-income taxes), restructuring costs, other gains and (losses), net and share-based payments. Segment assets are defined as total assets of the segments less investments in subsidiaries and receivables due from Group companies.

The EMB assesses the performance of operating segments based on Segment EBITDA. The reconciliation to operating profit as reported in the consolidated income statement is presented below.

5.2 Reconciliation

Reconciliation of Segment EBITDA to operating profit

in CHF m	2015	2014
Segment EBITDA – reportable segments	142.4	168.6
Share-based payments (Notes 7, 27)	(0.8)	(1.0)
Restructuring costs (Notes 7, 8)	(33.6)	(10.9)
Operating taxes (non-income taxes)	(9.2)	(7.2)
Depreciation (Note 18)	(49.5)	(44.5)
Amortization (Note 19)	(9.4)	(12.2)
Impairment charges, net of reversals (Notes 18, 19)	(1.5)	0.9
Other gains and (losses), net (Note 9)	0.5	8.4
Management fees, net	1.1	0.7
Operating profit	**40.0**	**102.8**

5.3 Entity Wide Disclosures

Geographic Information

Revenue by country

in CHF m	2015	2014
United States	910.5	803.8
Switzerland [I]	420.5	333.8
United Kingdom	345.1	445.4
Other countries	1,320.3	1,426.2
Total [II]	**2,996.4**	**3,009.2**

[I] Country of domicile of the Company
[II] Relates to revenue from external customers

No other country represented more than 10% of revenue from external customers in 2015 or 2014.

Non-current assets by country

in CHF m	2015	2014
United States	218.6	214.8
Switzerland [I]	124.4	124.6
Other countries	353.5	401.5
Total non-current assets [II]	**696.5**	**740.9**

[I] Country of domicile of the Company
[II] Relates to property, plant and equipment and intangible assets

No other country represented more than 10% of non-current assets as per December 31, 2015 or 2014.

Major Customers

The two major customers accounted for 13% and 12% of 2015’s total revenue (2014: 12% and 11%). These revenues are attributable across all reportable segments.

6 Revenue

in CHF m	2015	2014
Catering and retail on board	1,662.4	1,671.8
Handling	796.8	773.9
Equipment	260.0	274.5
Other	277.2	289.0
Total	**2,996.4**	**3,009.2**

Catering and retail on board revenue includes revenue from food, beverage and retail on board sales, and logistics services. Handling revenue includes revenue from equipment packing, bar-packing and transportation. Equipment revenue includes revenue from the sale of food contact items (such as cutlery, cups, glasses and plates), and comfort items (such as headsets, blankets and amenity kits). Other revenue includes revenue for other services, such as laundry, aircraft cleaning, lounge and security services and asset management.

7 Personnel Expenses

in CHF m	2015	2014
Wages and salaries	948.0	939.8
Social security costs	55.9	57.5
Pension costs (Note 21)	29.5	30.4
Share-based payments (Note 27)	0.8	1.0
Restructuring costs	21.5	10.6
Other personnel costs and benefits	118.5	116.0
Total	**1,174.2**	**1,155.3**

8 Other Operating Income and Expenses, Net

in CHF m	2015	2014
Rental, utility and other property costs	167.8	165.8
Maintenance and lease of equipment costs	65.3	64.4
Operating fees and deductions	53.9	48.5
Communication costs	45.1	42.0
Audit, consulting and legal fees	41.0	30.0
Administrative and operative costs	33.1	32.0
Transport and travel costs	21.4	21.9
Restructuring costs	12.1	0.3
Other operating costs	60.3	52.3
Other operating income	(9.0)	(9.3)
Total	**491.0**	**447.9**

9 Other Gains and Losses, Net

in CHF m	2015	2014
Gain on sale of assets, net	0.5	2.1
Loss on sale of investments in associates and joint ventures	–	(0.3)
Gain from disposal of subsidiary (Note 30)	–	6.6
Total	**0.5**	**8.4**

Net gains on sale of assets arise from the sale of property, plant and equipment, intangible assets and other assets.

10 Finance Costs, Net

in CHF m	2015	2014
Interest income	1.0	0.9
Other finance income	0.2	0.6
Total financial income	**1.2**	**1.5**
Interest expense	(33.7)	(35.2)
Early repayment fee	(19.0)	–
Other finance costs	(5.3)	(5.3)
Total financial expenses	**(58.0)**	**(40.5)**
Net interest on defined benefit schemes (Note 21)	**(5.9)**	**(5.4)**
Foreign exchange losses, net	**(23.8)**	**(0.3)**
Total	**(86.5)**	**(44.7)**

The net foreign exchange loss of CHF 23.8m as of December 31, 2015, is primarily due to the Swiss National Bank's removal, on January 15, 2015, of the currency ceiling against the Euro which resulted in a significant strengthening of the Swiss Franc against most major currencies in which the Group operates.

In conjunction with the repayment of the senior unsecured notes of EUR 100.0m on April 30, 2015, together with EUR 250.0m on November 23, 2015, early repayment fees of CHF 19.0m were paid and CHF 7.7m of previously capitalized transaction costs written off. The latter are reported in interest expense.

11 Investments in Associates and Joint Ventures

The Group has interests in a number of individually immaterial associates and joint ventures.

2015 in CHF m	Associates	Joint Ventures	Total
Aggregated carrying amount	**12.1**	**2.9**	**15.0**
Share of result of associates and joint ventures	1.0	1.0	2.0
Share of other comprehensive income	(0.3)	(0.3)	(0.6)
Share of total comprehensive income	**0.7**	**0.7**	**1.4**
2014 in CHF m			
Aggregated carrying amount	**11.4**	**2.7**	**14.1**
Share of result of associates and joint ventures	0.4	2.4	2.8
Share of other comprehensive income	0.7	–	0.7
Share of total comprehensive income	**1.1**	**2.4**	**3.5**

12 Income Tax Expenses

in CHF m	2015	2014
Current income tax charge	15.8	17.6
Deferred tax charge (Note 20)	1.8	2.5
Total	**17.6**	**20.1**

Reconciliation of tax expense

in CHF m	2015	2014
(Loss)/profit before tax	(44.5)	60.9
Tax at Swiss tax rate of 21.2%	**(9.4)**	**12.9**

+/– effects of

Foreign tax rates differing from Swiss tax rate	6.3	7.0
Income not subject to tax	(3.6)	(3.1)
Expenses not deductible for tax purposes	4.7	2.1
Prior year unrecognized tax losses, tax credits or deductible temporary differences	(4.3)	(10.4)
Deferred tax assets not recognized in the current year	24.4	15.2
Adjustments for the current tax of prior years	(0.1)	(1.4)
Others	(0.4)	(2.2)
Total tax expense	**17.6**	**20.1**
Weighted average effective tax rate	(39.6%)	33.0%

The above table shows the expected tax expense at the Swiss tax rate of 21.2% applied to the Group (loss)/profit before tax and the reconciliation to the actual income tax expense.

Deferred tax assets not recognized in the current year consist of tax losses, tax credits or deductible temporary differences in a number of locations.

13 Earnings per Share

Basic Earnings per Share

Basic earnings per share is calculated by dividing profit or loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the year. Treasury shares are not considered as outstanding shares.

	2015	2014
(Loss)/profit for the year attributable to shareholders of the Company (in CHF m)	(63.4)	38.9
Weighted average number of shares outstanding	26,097,185	26,066,799
Basic earnings per share (in CHF)	(2.43)	1.49

Diluted Earnings per Share

Diluted earnings per share is calculated by dividing profit or loss attributable to shareholders of the Company by the weighted average number of shares adjusted for all potentially dilutive shares.

	2015	2014
(Loss)/profit for the year attributable to shareholders of the Company (in CHF m)	(63.4)	38.9
Weighted average number of shares outstanding	26,097,185	26,066,799
Adjustment for share-based payment arrangements, where dilutive	–	184,750
Adjusted weighted average number of shares outstanding	26,097,185	26,251,549
Diluted earnings per share (in CHF)	(2.43)	1.48

14 Cash and Cash Equivalents

in CHF m	2015	2014
Cash and bank balances	98.3	180.0
Short-term bank deposits	4.3	3.8
Balance at December 31	**102.6**	**183.8**

The total of cash and cash equivalents includes amounts of CHF 12.6m (2014: CHF 7.3m) which are not freely transferable outside the relevant country of operation.

15 Trade Receivables

in CHF m	2015	2014
Trade receivables	306.2	310.6
Trade receivables due from related parties (Note 31)	1.1	1.1
	307.3	**311.7**
Provision for impairment of receivables	(22.6)	(20.0)
Balance at December 31	**284.7**	**291.7**

The amount of the provision was CHF 22.6m as of December 31, 2015 (2014: CHF 20.0m). The individually impaired receivables mainly relate to customers who are experiencing difficult financial circumstances and the majority of these amounts are more than two months overdue. It was assessed that a portion of these receivables is expected to be recovered. The maximum credit risk to which the Group is theoretically exposed at December 31, 2015, is represented by the carrying amounts of receivables in the balance sheet.

The aging analysis of the trade receivables is as follows:

in CHF m	2015	2014
Not overdue	215.9	218.5
Less than 1 month overdue	44.5	49.6
1 to 2 months overdue	9.2	10.2
Over 2 months overdue	37.7	33.4
Balance at December 31	**307.3**	**311.7**

Movements on the provision for impairment of trade receivables are as follows:

in CHF m	2015	2014
Balance at January 1	**(20.0)**	**(21.2)**
Provision for receivables impairment	(8.5)	(3.2)
Receivables written off during the year as uncollectible	3.1	2.9
Unused amounts reversed	0.9	2.2
Exchange differences	1.9	(0.7)
Balance at December 31	**(22.6)**	**(20.0)**

Amounts provided against are generally written off when there is no expectation of further recovery. The Group does not hold any significant collaterals as security.

16 Other Current Receivables and Prepayments

in CHF m	2015	2014
Other receivables	10.5	13.0
Other receivables due from related parties (Note 31)	2.8	2.2
Prepaid taxes other than income tax	34.1	34.4
Other prepayments and accrued income	47.1	55.7
Balance at December 31	**94.5**	**105.3**

17 Inventories

in CHF m	2015	2014
Raw materials	38.8	36.0
Catering supplies	31.0	31.6
Work in progress	3.0	3.4
Finished goods	32.1	29.3
Provision for obsolescence	(3.0)	(2.8)
Balance at December 31	**101.9**	**97.5**

18 Property, Plant and Equipment

2015 in CHF m	Land and buildings	Fixtures and fittings in rented buildings	Assets under construction	Catering and other equipment	Vehicles	Total
Cost						
Balance at January 1, 2015	**184.3**	**195.1**	**11.1**	**195.2**	**181.7**	**767.4**
Additions	0.9	3.2	11.7	12.8	15.1	43.7
Reclassification	(0.4)	2.9	(11.4)	2.4	5.5	(1.0)
Acquisition of subsidiary	–	–	–	0.1	–	0.1
Disposals	(13.2)	(0.5)	–	(4.7)	(5.9)	(24.3)
Exchange differences	(16.8)	(3.2)	(1.0)	(12.3)	(4.0)	(37.3)
Balance at December 31, 2015	**154.8**	**197.5**	**10.4**	**193.5**	**192.4**	**748.6**
Accumulated depreciation and impairments						
Balance at January 1, 2015	**(89.1)**	**(131.5)**	**–**	**(135.1)**	**(101.9)**	**(457.6)**
Depreciation charge for the year	(9.8)	(9.7)	–	(14.1)	(15.9)	(49.5)
Impairment charges	(3.4)	(1.9)	–	(0.1)	–	(5.4)
Reversal of impairment charges	0.6	3.3	–	0.1	0.5	4.5
Disposals	13.2	0.4	–	4.6	5.7	23.9
Exchange differences	8.5	1.5	–	7.8	2.1	19.9
Balance at December 31, 2015	**(80.0)**	**(137.9)**	**–**	**(136.8)**	**(109.5)**	**(464.2)**
Net book value						
Balance at January 1, 2015	95.2	63.6	11.1	60.1	79.8	309.8
Balance at December 31, 2015	**74.8**	**59.6**	**10.4**	**56.7**	**82.9**	**284.4**

2014 in CHF m	Land and buildings	Fixtures and fittings in rented buildings	Assets under construction	Catering and other equipment	Vehicles	Total
Cost						
Balance at January 1, 2014	**184.7**	**174.3**	**6.9**	**176.2**	**162.8**	**704.9**
Additions	0.8	4.2	18.7	14.3	9.0	47.0
Reclassification	0.7	4.7	(14.8)	4.0	5.2	(0.2)
Disposal of subsidiary (Note 30)	(3.7)	(0.2)	–	(1.7)	(1.8)	(7.4)
Disposals	(0.1)	(3.1)	–	(5.4)	(1.3)	(9.9)
Exchange differences	1.9	15.2	0.3	7.8	7.8	33.0
Balance at December 31, 2014	**184.3**	**195.1**	**11.1**	**195.2**	**181.7**	**767.4**
Accumulated depreciation and impairments						
Balance at January 1, 2014	**(85.1)**	**(115.7)**	**–**	**(123.5)**	**(84.6)**	**(408.9)**
Depreciation charge for the year	(6.7)	(9.9)	–	(12.9)	(15.0)	(44.5)
Impairment charges	(0.3)	(0.4)	–	(0.1)	(0.4)	(1.2)
Reversal of impairment charges	–	1.8	–	0.1	0.2	2.1
Disposal of subsidiary (Note 30)	2.5	0.2	–	1.7	1.1	5.5
Disposals	0.1	3.0	–	5.3	1.1	9.5
Exchange differences	0.4	(10.5)	–	(5.7)	(4.3)	(20.1)
Balance at December 31, 2014	**(89.1)**	**(131.5)**	**–**	**(135.1)**	**(101.9)**	**(457.6)**
Net book value						
Balance at January 1, 2014	99.6	58.6	6.9	52.7	78.2	296.0
Balance at December 31, 2014	**95.2**	**63.6**	**11.1**	**60.1**	**79.8**	**309.8**

The carrying amount of land recorded under land and buildings at December 31, 2015 is CHF 21.4m (2014: CHF 24.2m). Within property, plant and equipment, assets pledged for mortgages amount to CHF 5.7m (2014: CHF 6.5m).

In 2015 the impairments and impairment reversals were recorded in both the North America and Asia Pacific regions, reflecting business and customer developments. The impairment and impairment reversals in 2014 relate to locations and equipment in the North America region, and reflect customer developments.

The CHF 1.0m reclassification of cost during 2015 related to land and buildings transferred to assets available for sale prior to disposal during the year.

Assets recorded under finance leases consist of:

in CHF m	Land and buildings	Catering and other equipment	Vehicles	Total
Cost				
Balance at December 31, 2015	8.2	1.6	4.0	13.8
Balance at December 31, 2014	8.0	1.6	4.7	14.3
Accumulated depreciation				
Balance at December 31, 2015	(6.6)	(1.6)	(1.8)	(10.0)
Balance at December 31, 2014	(6.9)	(1.6)	(1.7)	(10.2)
Net book value				
Balance at December 31, 2015	1.6	–	2.2	3.8
Balance at December 31, 2014	1.1	–	3.0	4.1

Depreciation expense included in the consolidated income statement for property, plant and equipment held under finance leases was CHF 0.7m (2014: CHF 0.8m). Obligations under finance leases are disclosed in Note 22.

19 Intangible Assets

2015 in CHF m	Goodwill	Intellectual property	Customer relationships	Capitalized software	Other	Total
Cost						
Balance at January 1, 2015	**523.9**	**143.8**	**77.3**	**67.3**	**11.0**	**823.3**
Additions	–	–	–	7.6	–	7.6
Acquisition of subsidiary	0.2	–	–	–	–	0.2
Disposals	(2.7)	–	–	(0.1)	–	(2.8)
Exchange differences	(17.3)	0.1	(5.8)	(0.4)	(0.7)	(24.1)
Balance at December 31, 2015	**504.1**	**143.9**	**71.5**	**74.4**	**10.3**	**804.2**
Accumulated amortization and impairments						
Balance at January 1, 2015	**(224.6)**	**(41.2)**	**(62.8)**	**(54.2)**	**(9.4)**	**(392.2)**
Amortization charge for the year	–	–	(4.4)	(4.7)	(0.3)	(9.4)
Impairment charges	–	–	–	(0.5)	(0.1)	(0.6)
Disposals	2.7	–	–	0.1	–	2.8
Exchange differences	1.4	–	4.8	0.6	0.5	7.3
Balance at December 31, 2015	**(220.5)**	**(41.2)**	**(62.4)**	**(58.7)**	**(9.3)**	**(392.1)**
Net book value						
Balance at January 1, 2015	299.3	102.6	14.5	13.1	1.6	431.1
Balance at December 31, 2015	**283.6**	**102.7**	**9.1**	**15.7**	**1.0**	**412.1**

2014 in CHF m						
Cost						
Balance at January 1, 2014	**501.0**	**138.5**	**76.7**	**56.1**	**10.7**	**783.0**
Additions	–	–	–	9.1	0.3	9.4
Disposal of subsidiary (Note 30)	(1.8)	–	–	–	–	(1.8)
Disposals	–	–	–	(2.5)	–	(2.5)
Reclassification	–	–	–	0.2	–	0.2
Exchange differences	24.7	5.3	0.6	4.4	–	35.0
Balance at December 31, 2014	**523.9**	**143.8**	**77.3**	**67.3**	**11.0**	**823.3**
Accumulated amortization						
Balance at January 1, 2014	**(211.9)**	**(38.0)**	**(54.2)**	**(49.6)**	**(9.3)**	**(363.0)**
Amortization charge for the year	–	–	(8.3)	(3.8)	(0.1)	(12.2)
Disposals	–	–	–	2.5	–	2.5
Exchange differences	(12.7)	(3.2)	(0.3)	(3.3)	–	(19.5)
Balance at December 31, 2014	**(224.6)**	**(41.2)**	**(62.8)**	**(54.2)**	**(9.4)**	**(392.2)**
Net book value						
Balance at January 1, 2014	289.1	100.5	22.5	6.5	1.4	420.0
Balance at December 31, 2014	**299.3**	**102.6**	**14.5**	**13.1**	**1.6**	**431.1**

Within capitalized software is internally developed software at cost of CHF 37.9m (2014: CHF 28.3m). The 2015 additions to internally developed software amounted to CHF 6.8m (2014: CHF 2.4m). As of December 31, 2015, this internally developed software was recorded at a net book value of CHF 12.1m (2014: CHF 3.4m).

In 2015 the impairment charges relate to business and customer developments in EMEA and North America.

Indefinite life intangibles are allocated to the Group's cash generating units ("CGUs") as follows:

2015 in CHF m	**Goodwill**	**Intellectual property**
EMEA	147.8	58.5
North America	83.0	29.6
Latin America	4.4	6.2
Asia Pacific	48.4	8.4
Balance at December 31	**283.6**	**102.7**

2014 in CHF m		
Airline Solutions	194.6	85.1
Product and Supply Chain Solutions	104.7	17.5
Balance at December 31	**299.3**	**102.6**

Impairment Tests for Goodwill and Intellectual Property

For the purpose of impairment testing, goodwill and intellectual property were allocated to the CGUs Airline Solutions and Product and Supply Chain Solutions for the reporting year 2014. The Group realigned its business in 2015 and now goodwill and intellectual property are allocated to the CGUs EMEA, North America, Latin America and Asia Pacific, these being expected to benefit from the synergies of the relevant business combinations. The CGUs reflect the reportable segments, being the level at which management monitors goodwill and intellectual property.

The recoverable amounts of goodwill and intellectual property are based on value in use calculations. Neither a market price, nor any information about transactions for similar companies in the same industry exist. As a result, the fair value of the CGUs was calculated using the discounted cash flow method. These calculations use the cash flow projections based on the financial budget, approved by the Board, included as the first year of a three-year business plan as well as the discount rate, which represents the weighted average cost of capital ("WACC").

The key assumptions are as follows:

2015	**Revenue growth rate**	**Discount rate Post-tax**	**Discount rate Pre-tax**
EMEA	4.6%–6.9%	7.8%	9.8%
North America	4.6%–7.8%	7.9%	12.9%
Latin America	7.8%–12.0%	14.3%	19.0%
Asia Pacific	17.9%–23.2%	8.4%	11.7%
2014			
Airline Solutions	2.4%–5.9%	7.8%	10.7%
Product and Supply Chain Solutions	1.7%–6.7%	7.0%	9.6%

The terminal value beyond the business plan period was calculated by extrapolating the year three cash flows at constant exchange rates using an eternal growth rate of 2.0% for Asia Pacific and 1.5% for the remaining CGUs (2014 all CGUs: 1.5%). This does not exceed the long-term average growth rate for the respective markets in which the CGUs operate. Revenue growth rates are based on industry research published by the International Air Transport Association with respect to volume growth, adjusted for impacts from inflation and market-related price changes expected by management. Management determined projected margins based on past performance and its expectations of market developments. The discount rates reflect specific risk and market characteristics relating to the relevant CGUs.

As in the prior year, the impairment test did not lead to any impairment of goodwill or intellectual property. The recoverable amounts exceed the carrying values. The key sensitivities in the impairment test are the discount rate, revenue growth as well as the terminal growth rate. Therefore, the Group has carried out a sensitivity analysis, considering various scenarios. Taking reasonable possible changes in key assumptions into account, no impairment losses were indicated.

20 Deferred Income Tax

in CHF m	2015	2014
Deferred income tax assets	45.9	47.0
Deferred income tax liabilities	(13.9)	(13.5)
Balance at December 31	**32.0**	**33.5**

Movements in deferred taxes

in CHF m	Property, plant and equipment	Intangible assets	Other assets	Retirement benefit obligations, other liabilities, provisions and accruals	Tax losses carry forwards	Total
Balance at January 1, 2015	**(8.1)**	**(15.4)**	**0.1**	**39.4**	**17.5**	**33.5**
Deferred tax credit/(charge) in the income statement (Note 12)	2.7	(1.1)	0.8	9.3	(13.5)	(1.8)
Deferred tax credit in other comprehensive income	–	–	–	0.7	–	0.7
Exchange differences	0.7	0.6	0.3	(3.1)	1.1	(0.4)
Balance at December 31, 2015	**(4.7)**	**(15.9)**	**1.2**	**46.3**	**5.1**	**32.0**
Balance at January 1, 2014	**(4.7)**	**(19.8)**	**(0.2)**	**27.7**	**27.0**	**30.0**
Deferred tax credit/(charge) in the income statement (Note 12)	(1.9)	3.9	0.1	7.3	(11.9)	(2.5)
Disposal of subsidiaries	(1.8)	–	–	–	–	(1.8)
Deferred tax credit in other comprehensive income	–	–	–	3.3	–	3.3
Exchange differences	0.3	0.5	0.2	1.1	2.4	4.5
Balance at December 31, 2014	**(8.1)**	**(15.4)**	**0.1**	**39.4**	**17.5**	**33.5**

A deferred tax credit of CHF 0.7m (2014: a credit of CHF 3.3m) in the statement of other comprehensive income relates to actuarial gains and losses on defined benefit schemes.

Composition of deferred tax assets and liabilities

in CHF m	Assets December 31		Liabilities December 31		Net December 31	
	2015	2014	2015	2014	2015	2014
Temporary differences						
Property, plant and equipment	4.7	3.7	(9.4)	(11.8)	(4.7)	(8.1)
Intangible assets	–	–	(15.9)	(15.4)	(15.9)	(15.4)
Other assets	2.0	1.8	(0.8)	(1.7)	1.2	0.1
Retirement benefit obligations, other liabilities, provisions and accruals	47.3	41.4	(1.0)	(2.0)	46.3	39.4
Tax losses	5.1	17.5	–	–	5.1	17.5
	59.1	**64.4**	**(27.1)**	**(30.9)**	**32.0**	**33.5**
Offset of deferred tax assets and liabilities	(13.2)	(17.4)	13.2	17.4	–	–
Deferred tax assets/(liabilities)	**45.9**	**47.0**	**(13.9)**	**(13.5)**	**32.0**	**33.5**

Tax Loss carry forwards

Tax loss carry forwards which are not recognized are summarized by year of expiry as follows:

in CHF m	2015	2014
2015	–	–
2016	4.7	1.7
2017	–	–
2018	10.4	3.6
2019	28.8	27.0
2020	8.3	8.5
2021	17.8	17.2
2022	18.6	5.2
After 2022	59.3	59.4
No expiry	506.3	591.8
Total	**654.2**	**714.4**

The countries with significant unrecognized tax loss carry forwards include Luxembourg (CHF 371.9m at a tax rate of 29.2%), Switzerland (CHF 55.5m at a tax rate of 21.2%), India (CHF 52.0m at a tax rate of 30.9%), the US (CHF 40.1m at a tax rate of 40.1%), and Norway (CHF 32.4m at a tax rate of 25.0%).

21 Retirement Benefit Obligations

The Group provides retirement benefits through a variety of arrangements comprised principally of stand-alone defined benefit and defined contribution plans and 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, and around 90% of the present value of obligations accrued to date come from six defined benefit plans in Switzerland, the UK and the US.

Switzerland

The Group operates two company sponsored pension funds in Switzerland that provide contribution-based cash balance retirement and risk benefits to employees to meet its obligations under Switzerland's mandatory company provided pension. Each pension fund is established within a foundation which is a legal entity separate from the Group. Each pension fund is governed by a board that is legally responsible for the operation of the pension fund and empowered to decide on such fundamental aspects as the level and structure of the benefits and the fund's investment strategy. One half of the board of each fund consists of employee representatives elected by the members while the other half are appointed by the employer.

There are a number of guarantees provided within the pension funds which expose them to risks of underfunding and may require the Group to help provide refinancing. The main risks that they are exposed to include:

– Investment risk: There is a guaranteed return on account balances of at least 0% per annum on the total account balance, as well as the rate set by the government on the mandatory minimum benefits.
– Asset volatility: The pension funds hold a significant proportion of equities, which are expected to outperform corporate bonds in the long term but give exposure to volatility and risk in the short term. The pension fund boards are responsible for the investment strategy and a reasonable proportion of equity investment is justified, given the time horizon of the pension funds and to provide a reasonable long-term return on members' account balances.
– Changes in bond yields: A decrease in corporate bond yields will increase pension fund liabilities, although this will be partially offset by an increase in the value of the bond holdings and an expectation of lower interest-crediting rates on the cash balance accounts.
– Pensioner longevity and investment risk: The pension funds offer the choice between a lifelong pension and a cash balance lump sum upon retirement. The pension funds have defined rates for converting the lump sum to a pension, and there is the risk that the members live longer than implied by these conversion rates and that the pension assets do not achieve the investment return implied by these conversion rates. There is also a risk that the actual rates of lump sum election differ from the current expectation.

Generally, there is no opportunity for the Group to recover a surplus from the pension funds because under Swiss pension law any surplus that develops technically belongs to a pension fund and therefore the members. A reduction in future contributions is possible only at the discretion of the board of the fund and therefore there is a minimum funding requirement for the Group equal to the employer contributions set out in the pension fund rules. As the contributions are set out in the plan rules, the funding arrangements have limited impact on the future cash flow requirements of the Group (except in the case of underfunding).

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

The following are the principal changes made to the Swiss retirement benefit arrangements in the periods covered by these consolidated financial statements:

– In 2015 the lump sum election assumptions as well as the assumed turnover rates have been updated for both pension funds. These changes led to a gain of CHF 12.0m, comprising CHF 6.1m due to change of turnover rates and CHF 5.9m due to the change of the lump sum election assumption. Both gains are accounted as a demographic assumption change in other comprehensive income.

UK

All of the UK plans are final salary, which provide benefits to members in the form of a guaranteed level of pension payable for life, and all plans are currently closed to future accrual of benefits. Future benefit accruals are provided for through defined contribution plans. The pensions in the defined benefit plans receive inflation-related increases in deferment and once in payment. The benefit payments are from trustee administered funds. Plan assets held in trusts are governed by local regulations and practice, as is the nature of the relationship between the Group and the trustees, and the latter's composition. Responsibility for governance of the plans, including investment decisions and contribution schedules, lies jointly with the Group and the board of trustees. The board of trustees must be composed of representatives of the Group and plan participants in accordance with the plan's regulations and UK pension law.

Through the UK defined benefit pension plans the Group is exposed to a number of risks, the most significant of which are detailed below:

- Asset volatility: The plans hold a significant proportion of equities, which are expected to outperform corporate bonds in the long term, but give exposure to volatility and risk in the short term. Given that the plans are closed, as they mature the Group intends to reduce the level of investment risk by investing more in assets that better match the liabilities. The plans have already begun this process by having a significant portion of assets invested in a liability driven investment vehicle. However, due to the plan run-off liabilities remaining long term at this stage and the strength of the supporting Group, a level of continuing equity investment is an appropriate element of the long-term strategy to manage the plans efficiently.
- Changes in bond yields: A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings and liability-driven investments.
- Inflation risk: The majority of the plans' benefit obligations are linked to inflation and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plans against extreme inflation). The majority of the plans' assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.
- Life expectancy: The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. Furthermore, inflationary increases result in higher sensitivity to changes in life expectancy.

The use of any surplus in the pension plans is governed by the plan rules and may not be in the control of the Group, leading in some cases to restrictions on the level of balance sheet asset that may be reported.

US

The Group operates defined benefit pension plans in the US to provide benefits to members in the form of a guaranteed level of pension payable for life and all plans are currently closed to new entrants and future accrual of benefits. Future pension benefit accruals are provided in defined contribution plans. The pensions in the defined benefit plans generally do not receive inflationary increases once in payment. The majority of benefit payments are from a trustee administered fund; however, there is also a small unfunded non-qualified plan where the Group meets the benefit payment obligation as it becomes due. Plan assets held in trusts are governed by Internal Revenue Service ("IRS") regulations. Responsibility for governance of the plans, including investment decisions and contribution schedules, is also governed by IRS regulations and lies with the Group.

Through its defined benefit pension plans the Group is exposed to a number of risks, the most significant of which are detailed below:

- Asset volatility: The funded plan holds a significant proportion of equities, which are expected to outperform corporate bonds in the long term but give exposure to volatility and risk in the short term. As the plan matures and the funded status improves, through cash contributions and anticipated excess equity returns, the Group intends to reduce the level of investment risk by investing more in fixed income assets that better match the liabilities. However, currently the Group believes that its financial strength and the term of the liabilities mean that a level of continuing equity investment is an appropriate element of the long-term strategy to manage the plan efficiently.
- Changes in bond yields: A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the funded plan's bond holdings.
- Life expectancy: The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities.

For the funded plan as of December 31, 2015, the target asset allocation was 34% corporate bonds, 61% equities and 5% real estate.

The funded defined benefit pension plan is governed by special minimum required funding rules as set forth in IRS regulations for certain airlines and caterers of airlines who sponsor a tax-qualified defined benefit pension plan ("Airline Relief"). Further details about these funding rules are as follows:

– Under Airline Relief, a fixed 8.85% rate is used to discount funding liabilities whereas the funding rate required to be used for most other defined benefit plan sponsors is linked to high grade corporate bond yields. Thus, the higher 8.85% funding rate has significant consequences. It results in decreased minimum funding requirements in the near term, but also sets a higher earnings target for plan investment returns.
– As such, plan underfunding will grow if investment performance falls below the fixed 8.85% Airline Relief rate. In addition, Airline Relief requires "compressed" amortization of the 8.85% funding shortfall as 2023 nears and full amortization of this shortfall by 2023. In 2023, the funding shortfall will be re-determined by replacing the 8.85% funding rate with a corporate bond yield funding rate. This new shortfall will be amortized with a seven year rolling amortization schedule.
– As a result of the above, based on current conditions, plan minimum required contributions are expected to increase significantly by 2023. Voluntary funding in excess of the current minimum required level is being assessed as a potential strategy to mitigate this future funding volatility

Other Plans

In 2015 one pension plan for Ecuador and one plan for Chile, both previously recorded as other current liabilities, were included in the year-end consolidation as defined benefit plans with a combined defined benefit obligation of CHF 0.8m (2014: nil).

Following legislative changes a CHF 4.7m curtailment gain arose in the Netherlands on the replacement of defined benefit plans by multi-employer pension funds. This curtailment gain is included in the total personnel expenses as of year-end 2015.

The Group recognized total retirement benefit costs related to all retirement plans as follows:

in CHF m	2015	2014
Defined contribution plans	21.0	21.8
Defined benefit plans:		
Current service cost (net of employee contributions)	13.2	10.1
Curtailment and negative past service cost	(4.7)	(1.5)
Personnel expenses – pension costs (Note 7)	**29.5**	**30.4**
Net interest on defined benefit schemes (Note 10)	5.9	5.4
Net pension expense	**35.4**	**35.8**

The remeasurement components recognized in the statement of other comprehensive income for the Group's defined benefit plans comprise the following:

in CHF m	2015	2014
Actuarial losses/(gains)		
Based on adjustment of demographic assumptions	(17.1)	14.3
Based on adjustment of financial assumptions	3.7	90.0
Due to liability experience adjustment	2.1	3.5
Due to return on pension assets (excluding amounts in net interest on defined benefit schemes)	15.4	(45.1)
Due to change in effect of the asset ceiling (excluding amounts in net interest on defined benefit schemes)	(1.3)	2.1
Total remeasurements recognized in the statement of other comprehensive income	**2.8**	**64.8**

The following tables show the change in present value of defined benefit obligations, the change in plan assets and the funded status recognized in the consolidated financial statements for the Group's defined benefit plans.

in CHF m	2015	2014
Present value of funded obligations	(710.7)	(734.5)
Fair value of plan assets	529.7	554.0
Funded status	**(181.0)**	**(180.5)**
Present value of unfunded obligations	(7.3)	(7.2)
Irrecoverable surplus (effect of asset ceiling)	(4.1)	(5.5)
Net defined benefit liability at December 31	**(192.4)**	**(193.2)**

Being:		
Retirement benefit assets at December 31	–	3.6
Retirement benefit liabilities at December 31	(192.4)	(196.8)

The movements in the net defined benefit pension liability recognized within the consolidated balance sheet are as follows:

in CHF m	2015	2014
Balance at January 1	**(193.2)**	**(121.9)**
Cost recognized in income statement	(14.4)	(14.0)
Remeasurement losses recognized in other comprehensive income	(2.8)	(64.8)
Actual employer contributions	17.0	18.6
Change in scope	(0.8)	–
Exchange differences	1.8	(11.1)
Balance at December 31	**(192.4)**	**(193.2)**

The change in the present value of defined benefit obligations is as follows:

in CHF m	2015	2014
Balance at January 1	**741.7**	**598.6**
Current service cost	13.2	10.1
Interest cost on the defined benefit obligations	19.2	22.2
Actual benefit payments	(30.7)	(28.8)
Actual employee contributions	4.7	4.6
Curtailment and negative past service cost	(4.7)	(1.5)
Actuarial (gains)/losses – Demographic assumptions	(17.1)	14.3
Actuarial losses – Financial assumptions	3.7	90.0
Actuarial losses – Liability experience	2.1	3.5
Change in scope	0.8	–
Exchange differences	(14.9)	28.7
Balance at December 31	**718.0**	**741.7**

The following table shows the change in the fair value of plan assets:

in CHF m	2015	2014
Balance at January 1	**554.0**	**479.7**
Interest income on plan assets	13.5	17.0
Actual employer contributions	17.0	18.6
Actual employee contributions	4.7	4.6
Actual benefit payments	(30.7)	(28.8)
Actual return on assets (excluding interest income on plan assets)	(15.4)	45.1
Exchange differences	(13.4)	17.8
Balance at December 31	**529.7**	**554.0**

Benefits paid under the pension plans include CHF 1.0m paid from employer assets in 2015 (2014: CHF 1.4m). The Group expects to contribute CHF 19.1m to its defined benefit pension plans in 2016.

The following table shows the change in the irrecoverable surplus:

in CHF m	2015	2014
Irrecoverable surplus at January 1	**5.5**	**3.0**
Interest cost on irrecoverable surplus	0.2	0.2
Change in irrecoverable surplus in excess of interest	(1.3)	2.1
Exchange differences	(0.3)	0.2
Irrecoverable surplus at December 31	**4.1**	**5.5**

Where applicable, the economic benefit available (used in the irrecoverable surplus calculation) as at December 31 is based on the present value of potential reductions in future contributions.

The principal actuarial assumptions used for the defined benefit obligations at December 31 and the following year's pension expense are as follows:

2015	**Switzerland**	**UK**	**US**	**All plans**
Discount rate (weighted average)	0.8%	3.7%	4.3%	2.7%
Rate of compensation increase (weighted average)	2.3%	n/a	n/a	2.4%
Inflation rate (weighted average)	1.3%	3.1%	n/a	2.0%
2014				
Discount rate (weighted average)	1.1%	3.7%	3.9%	2.7%
Rate of compensation increase (weighted average)	2.3%	n/a	n/a	2.4%
Inflation rate (weighted average)	1.3%	3.0%	n/a	1.9%

Mortality rates have been set in accordance with current best practices in the respective countries. Future longevity improvements have been considered and included where appropriate. The average life expectancy in years of a pensioner retiring at age 65 on the balance sheet date is as follows:

Years	2015	2014
Male	21.7	21.9
Female	24.0	24.3

The average life expectancy in years of a pensioner retiring at age 65, 15 years after the balance sheet date is as follows:

Years	**2015**	**2014**
Male	23.0	23.0
Female	25.3	25.4

The major categories of plan assets are as follows:

in CHF m	**2015**	**2014**
Securities with quoted market price in an active market		
Equities	207.7	205.8
Bonds:		
Government – index-linked	38.1	42.1
Corporate	77.0	80.7
Real estate	5.7	5.5
Cash and cash equivalents	28.0	32.2
Other marketable securities	53.4	65.5
Total quoted securities	**409.9**	**431.8**
Other securities		
Equities	1.4	1.7
Bonds:		
Asset-backed securities	3.3	4.1
Insurance contracts	51.6	55.4
Real estate	60.6	58.8
Other	2.9	2.2
Total other securities	**119.8**	**122.2**
Total	**529.7**	**554.0**

Pension plan assets do not contain shares of the Company other than those included in investment manager products that include a benchmark allocation to Swiss equities.

As described earlier, the present value of defined benefit obligations accrued to date in Switzerland, the UK and the US represent around 90% of the total for the Group. A breakdown of the pension related balance sheet amounts at December 31, 2015 and 2014, is shown below.

2015 in CHF m	**Switzerland**	**UK**	**US**	**Other**	**Total**
Present value of funded obligations	(260.4)	(166.3)	(219.1)	(64.9)	(710.7)
Fair value of plan assets	217.3	165.4	95.4	51.6	529.7
Funded status	**(43.1)**	**(0.9)**	**(123.7)**	**(13.3)**	**(181.0)**
Present value of unfunded obligations	(0.8)	–	(4.0)	(2.5)	(7.3)
Irrecoverable surplus (effect of asset ceiling)	–	(4.1)	–	–	(4.1)
Net defined benefit liability at December 31	**(43.9)**	**(5.0)**	**(127.7)**	**(15.8)**	**(192.4)**

2014 in CHF m					
Present value of funded obligations	(259.4)	(167.2)	(232.2)	(75.7)	(734.5)
Fair value of plan assets	221.2	176.3	101.1	55.4	554.0
Funded status	**(38.2)**	**9.1**	**(131.1)**	**(20.3)**	**(180.5)**
Present value of unfunded obligations	(1.5)	–	(4.3)	(1.4)	(7.2)
Irrecoverable surplus (effect of asset ceiling)	–	(5.5)	–	–	(5.5)
Net defined benefit asset/(liability) at December 31	**(39.7)**	**3.6**	**(135.4)**	**(21.7)**	**(193.2)**

The present value of defined benefit obligations by category of members at December 31, 2015 and 2014, is shown below.

in CHF m	2015	2014
Active	(239.8)	(252.6)
Vested	(200.0)	(217.6)
Retired	(278.2)	(271.5)
Balance at December 31	**(718.0)**	**(741.7)**

Present value of funded obligations at December 31	(710.7)	(734.5)
Present value of unfunded obligations at December 31	(7.3)	(7.2)

A feature all plans have in common is that the discount rate has a significant impact on the present value of obligations. The other assumptions have varying impacts on the different plans in different geographic regions. In the breakdown presented below, the varying impact on the balance sheet from changes in the key assumptions is shown for the various countries.

2015 in CHF m	Switzerland	UK	US	Other	Total
Discount rate +0.5% pa	(20.5)	(15.5)	(13.4)	(6.6)	(56.0)
Discount rate –0.5% pa	23.5	17.9	14.9	7.5	63.8
Rate of compensation +0.5% pa	3.7	–	–	2.0	5.7
Rate of compensation –0.5% pa	(3.4)	–	–	(1.9)	(5.3)
Interest credits on retirement assets +0.5% pa	4.1	–	–	–	4.1
Interest credits on retirement assets –0.5% pa	(3.8)	–	–	–	(3.8)
Pension indexation +0.5% pa	14.7	10.2	–	6.1	31.0
Pension indexation –0.5% pa (minimum 0.0%)	–	(9.2)	–	(3.9)	(13.1)
Life expectancy at age 65 +1 year	7.3	4.8	5.7	0.2	18.0
2014 in CHF m					
Discount rate +0.5% pa	(22.5)	(15.3)	(15.3)	(8.0)	(61.1)
Discount rate –0.5% pa	25.9	17.6	17.1	9.1	69.7
Rate of compensation +0.5% pa	4.4	–	–	3.5	7.9
Rate of compensation –0.5% pa	(4.1)	–	–	(3.3)	(7.4)
Interest credits on retirement assets +0.5% pa	5.1	–	–	–	5.1
Interest credits on retirement assets –0.5% pa	(4.7)	–	–	–	(4.7)
Pension indexation +0.5% pa	15.8	10.5	–	6.8	33.1
Pension indexation –0.5% pa (minimum 0.0%)	–	(9.1)	–	(4.5)	(13.6)
Life expectancy at age 65 +1 year	7.4	5.3	6.0	0.3	19.0

The duration of the defined benefit obligations at December 31, 2015 and 2014, are:

2015 Years	Switzerland	UK	US	Other	Average
Weighted duration of the defined benefit obligations	16.6	20.3	13.9	21.0	17.0
2014 Years					
Weighted duration of the defined benefit obligations	18.3	19.9	14.0	21.9	17.6

22 Short-term and Long-term Debt

The carrying amounts of short-term and long-term debt are as follows:

in CHF m	2015	2014
Current		
Revolving credit facility draw down	61.1	–
Mortgages	0.5	0.6
Finance lease liabilities	1.5	1.5
Other loans payable	2.2	1.0
Total current	**65.3**	**3.1**
Non-current		
Term loan	267.0	–
Senior notes	–	410.6
Mortgages	5.2	5.9
Finance lease liabilities	5.2	7.3
Total non-current	**277.4**	**423.8**
Total short-term and long-term debt	**342.7**	**426.9**

The carrying amounts of the Group's borrowings are denominated in the following currencies:

in CHF m	2015	2014
Euro	315.8	419.3
GB Pound	17.7	–
Other currencies	9.2	7.6
Balance at December 31	**342.7**	**426.9**

Senior Notes, Term Loan and Revolving Credit Facility (unsecured)

Refinancing: On March 26, 2015, the Group entered into a five-year EUR 240.0m multicurrency Revolving Credit Facility ("RCF"), replacing the EUR 100.0m RCF which had been due to mature in June 2016. As of December 31, 2015, the Group utilized RCF drawings of CHF 61.1m, being EUR 40.0m and GBP 12.0m (2014: undrawn).

On April 30, 2015, the Group used EUR 100.0m of the RCF to redeem EUR 100.0m of its 6.75% coupon bearing EUR 350.0m senior notes. On November 23, 2015, the Group redeemed the remaining EUR 250.0m 6.75% coupon bearing senior notes with a new five-year EUR 250.0m Term Loan.

Term Loan and RCF: The borrowings under these credit facilities all rank pari passu and they are guaranteed by the Company and certain of its subsidiaries. The credit facilities bear interest at floating rate (EURIBOR or LIBOR equivalents) plus a spread. The spread is determined out of a margin grid depending on the leverage ratio. In 2015 the interest ranged between 1.95% and 2.95%. The financial covenants in both instruments, being net leverage ratio and net interest coverage ratio, have to be complied with on a semi-annual basis. The Company was in compliance with these covenants as at December 31, 2015.

Credit Facilities

Group wide facilities amounting to CHF 145.7m (2014: CHF 108.2m) are in place for the issuance of letters of credit and/or for foreign exchange transactions. As of December 31, 2015, these were utilized in the amount of CHF 39.5m for bank guarantees (2014: CHF 32.6m) which includes CHF 1.5m (2014: CHF 1.3m) on behalf of associates, and for foreign exchange activities CHF 0.4m (2014: CHF 0.6m). Further, the Group has other guarantees in favor of associates amounting to CHF 2.2m (2014: CHF 3.9m).

Mortgages

Outstanding mortgages have interest rates ranging from 2.5% to 4.8% (2014: 2.3% to 4.8%) and are denominated in Danish Kroner and Swiss Francs.

Finance Lease Liabilities

Finance lease liabilities have fixed interest rates ranging from 1.5% to 5.9% (2014: 1.5% to 5.9%) and are denominated mainly in Euro. Obligations under finance leases consist primarily of rentals of catering facilities.

The finance lease liabilities are as follows:

in CHF m	2015	2014
Gross finance lease liabilities – minimum lease payments:		
Not later than 1 year	1.8	1.9
Later than 1 year but not later than 5 years	5.0	6.4
Later than 5 years	0.9	2.0
Total minimum lease payments	**7.7**	**10.3**
Future finance charges on finance lease liabilities	(1.0)	(1.5)
Present value of finance lease liabilities at December 31	**6.7**	**8.8**

23 Trade and Other Payables

in CHF m	2015	2014
Trade payables	162.7	186.5
Other amounts due to third parties	26.1	36.5
Other current payables due to related parties (Note 31)	0.3	–
Sales taxes due	28.2	29.1
Balance at December 31	**217.3**	**252.1**

24 Short-term and Long-term Provisions

in CHF m	Employee benefits (Note 24.1)	Restructuring (Note 24.2)	Legal and tax (Note 24.3)	Onerous contracts (Note 24.4)	Property and other (Note 24.5)	Total
Balance at January 1, 2015	**8.8**	**10.5**	**17.4**	**4.3**	**12.2**	**53.2**
Charged/(credited) to the income statement						
Additional provisions	1.2	35.3	6.1	–	12.8	55.4
Unused amounts reversed	(0.2)	(1.7)	(2.3)	(2.2)	(3.7)	(10.1)
Unwind of discount	–	–	0.2	0.1	0.7	1.0
Utilized during the year	(0.6)	(12.6)	(1.5)	(0.8)	(8.9)	(24.4)
Exchange differences	(0.5)	(1.0)	(2.9)	(0.5)	(0.6)	(5.5)
Balance at December 31, 2015	**8.7**	**30.5**	**17.0**	**0.9**	**12.5**	**69.6**
Analysis of total provisions						
Non-current	8.6	5.6	8.5	0.8	9.5	33.0
Current	0.1	24.9	8.5	0.1	3.0	36.6

24.1 Employee Benefits: Other Post-Employment Benefits and Other Long-term Employee Benefits

In addition to the retirement benefits as described in Note 21, the Group provides other benefits to employees in certain countries. These include long-term service leave or payments in lieu and post-employment benefits. The expected costs of the long-term benefits are accrued over the period of employment, using a methodology similar to that for defined benefit plans.

24.2 Restructuring

The restructuring charges during the year and the provisions remaining at the end of the year relate principally to the introduction of Gateway 2020, a new strategic direction at gategroup. The restructuring initiatives are designed to deliver sustainable benefits. Major projects in all Regions include streamlining back-office functions, as well as realigning operational structures to drive facility standardization based on similar business needs. In addition, following business developments there have been various country specific initiatives during the year.

24.3 Legal and Tax

The Group has recorded provisions for a number of legal and tax issues. In the ordinary course of business, the Group continues to be involved in a number of legal actions and claims, including non-income tax related issues in Brazil and various employment-related matters in North America and Europe. The timing of settlement and/or the amount of cash outflows is uncertain.

24.4 Onerous Contracts

The Group has recorded provisions for ongoing activities where the unavoidable costs of meeting obligations under customer supply or lease contracts exceed the economic benefits expected to be received.

24.5 Property and Other

At December 31, 2015, provisions have been recorded principally for property-related issues and a range of other, individually immaterial, items.

25 Other Current Liabilities

in CHF m	2015	2014
Accrued payroll and related costs	90.2	79.9
Deferred revenue	5.7	3.9
Accrued rent and other property costs	17.2	15.0
Accrued insurance costs	11.7	7.1
Uninvoiced deliveries of inventory	48.4	47.6
Accrued volume rebates	52.6	46.4
Other accrued expenses	73.1	77.6
Balance at December 31	**298.9**	**277.5**

26 Equity

26.1 Issued Share Capital

As at December 31, 2015, the share capital of the Company is CHF 133,931,680 (2014: 133,931,680) and is divided into 26,786,336 (2014: 26,786,336) fully paid-in registered shares with a nominal value of CHF 5.00 each. Every share gives the right to one vote.

26.2 Conditional Share Capital

As at December 31, 2015, the Company has conditional share capital which allows an increase in the aggregate maximum amount of CHF 11,745,885 or 2,349,177 shares. The conditional share capital includes an amount of up to CHF 1,906,775 or 381,355 shares which are reserved for employee equity participation plans and an amount of up to CHF 9,839,110 or 1,967,822 shares which are reserved for convertible debentures, debentures with option rights or other financing instruments.

26.3 Authorized Share Capital

As at December 31, 2015, the Company has authorized share capital of CHF 13,277,065 authorizing the Board to issue up to 2,655,413 fully paid-in registered shares with a nominal value of CHF 5.00 per share by no later than April 16, 2016.

26.4 Treasury Shares

At December 31, 2015, there were 668,190 (2014: 719,537) treasury shares held by the Group.

26.5 Dividend

On April 23, 2015, the Company paid a dividend of CHF 0.45 per share to its shareholders. The total amount of the dividend paid was CHF 11,730,060 (2014: CHF 7,820,040). No dividends were distributed on the 719,537 treasury shares held by the Company and its subsidiaries.

27 Share-based Payments

The following table shows the share-based payment expense recognized in the consolidated income statement due to the Group's equity incentive plans:

in CHF m	2015	2014
Executive Long-term Incentive Plan	0.8	1.0
Total share-based payment expense (Note 7)	**0.8**	**1.0**

27.1 Executive Long-term Incentive Plan

Under this plan key employees have been granted conditional Performance Shares in the Company. The plan is accounted for as equity-settled share-based payment compensation. The fair value of the share grants has been determined at grant date, based on the market price of the share at grant date less the estimated present value of dividend payments up to vesting date.

2012, 2013 and 2014 Grants

Grants will vest subject to the satisfaction of revenue growth and return on invested capital ("ROIC") performance targets and an ongoing employment relationship on the vesting date. The award structure and applicable performance targets are summarized as:

- Revenue growth, accounting for up to 50% of the total award, being determined on the compound annual growth rate achieved. A minimum threshold of 1%, 2% for the 2012 and 2013 grants, per annum revenue growth needs to be achieved for which 12.5% of the total award will vest, rising to a maximum of 50% of the total award where revenue growth of 5% or more per annum has been achieved; and
- The achieved ROIC, which accounts for the other 50% of the total potential award, is then applied as a multiplier to the award determined based on revenue performance. Below a minimum threshold, being an 8.5% for 2014 and 9% for 2012 and 2013, no award will vest. At an 8.5% achievement for 2014, 9% for 2012 and 2013, a multiplier of 1.0 is applied with this rising to a maximum of 2.0 for an ROIC performance of 12.5%, in which case up to 100% of the total award vests.

The table below shows the maximum number of shares that have vested or may vest under the 2012, 2013 and 2014 grants and movements in the number of performance shares during 2015 and 2014:

Vesting date (May 20, in each year)	2015	2016	2017	2018
Fair value at grant date (in CHF)	20.66	20.05	17.68	22.10
Number of performance shares:				
Outstanding at January 1, 2014	**100,000**	**120,000**	**127,000**	**–**
Granted	–	–	–	264,500
Forfeited	(19,000)	(39,000)	(39,000)	(76,500)
Outstanding at December 31, 2014	**81,000**	**81,000**	**88,000**	**188,000**
Outstanding at January 1, 2015	**81,000**	**81,000**	**88,000**	**188,000**
Vested	(51,347)	–	–	–
Forfeited	(29,653)	(40,000)	(40,000)	(86,500)
Outstanding at December 31, 2015	**–**	**41,000**	**48,000**	**101,500**

2015 Grant to Key Employees

The grants will vest subject to the satisfaction of an earnings per share (“EPS”) target and an ongoing employment relationship on the vesting date. The performance target is compound EPS growth for the period 2015-2018 against the actual 2014 baseline. At the minimum threshold of 5% p.a., 25% of the total award will vest, rising on a straight line basis to the maximum of 100% vesting when 15% p.a. EPS growth has been achieved or exceeded.

The table below shows the maximum number of shares that may vest under the 2015 grant:

Vesting date	Number of shares	Average fair value at grant
May 1, 2019	222,500	37.65

2015 Grant to Chief Executive Officer

The Company granted 40,000 share awards to the Chief Executive Officer (“CEO”). The grant will vest on May 1, 2019, subject to the satisfaction of a Total Shareholder Return (“TSR”) target and an ongoing employment relationship on the vesting date.

The performance target is summarized as compound TSR growth comparing 2018 to the three-month average share price of CHF 24.00 before the announcement of the CEO appointment. At the minimum threshold of 5% p.a., 25% of the total award will vest, rising on a straight line basis to the maximum of 100% vesting when 15% p.a. TSR growth has been achieved or exceeded.

The fair value of CHF 28.07 for the share award was determined using a Geometric Brownian Motion simulation. The main parameters used in the model were the measurement period, from May 1, 2015 to December 31, 2018, the (0.76%) risk-free rate of return and an expected volatility of 31.7%. The expected volatility was based on the historically annualized volatility of the Company’s share price over the last three years and the risk-free rate was calculated based on a three-year average of Swiss government bonds.

27.2 Equity Incentive Plan 2007

In 2007 and 2008, members of the Board, key employees and consultants of the Group were granted membership interests and/or options to purchase membership interests in Gate Gourmet Group Holding LLC (“Holding LLC”), the previous holding company, under the Equity Incentive Plan 2007. As part of the legal reorganization in April 2009, grants of membership interests and options to buy membership interests were replaced by grants of options to buy shares in the Company. There were no modifications to the terms and conditions on which the equity instruments were originally granted. The plan is accounted for as equity-settled share-based payment compensation.

Options

When granted, the options vested in installments over a three year period. The main assumptions used were as follows:

Grant date	December 2007
Expiration date	December 2017
Volume-weighted average share price at grant date (in CHF)	51.83
Exercise price (in CHF)	69.04
Volatility (%)	27.87
Expected dividend yield (%)	2.71
Risk-free interest rate (%)	3.12

The expected volatility is based on the historical volatility of a peer group.

The outstanding number of options were as follows:

	2015 Number of options	2014 Number of options
Outstanding at January 1	**1,821**	**1,821**
Outstanding at December 31	**1,821**	**1,821**
of which vested and exercisable	1,821	1,821

28 Commitments and Contingent Liabilities

28.1 Capital Commitments

At December 31, 2015, capital expenditure for property, plant and equipment contracted for at the balance sheet date but not recognized in the consolidated financial statements amounted to CHF 6.6m (2014: CHF 6.7m).

28.2 Operating Lease Payments

Obligations under operating leases consist primarily of long-term rental agreements of catering facilities and equipment which are, in general, renewable. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

in CHF m	**2015**	**2014**
Not later than 1 year	52.9	52.4
Later than 1 year but not later than 5 years	159.4	166.8
Later than 5 years	119.4	134.5
Balance at December 31	**331.7**	**353.7**

The principal operating lease commitments are in the UK, US, Colombia and Switzerland.

At December 31, 2015, the minimum future lease payments expected to be received amount to CHF 6.5m (2014: CHF 7.9m). The lease expenditure charged to the consolidated income statement during the year is included in Note 8.

28.3 Contingent Liabilities

The Group has contingent liabilities arising in the ordinary course of business, principally in respect of legal claims, tax risks, guarantees, customer relationships, pledges, letters of credit and treasury relationships and transactions. It is not anticipated that any material liabilities will arise from such contingent liabilities other than those provided in Note 24.

29 Business Combinations

The Group did not make any significant acquisitions during 2015 or 2014.

30 Disposal Group

30.1 Disposals 2015

The Group did not make any significant disposals during 2015.

30.2 Disposals 2014

The Group completed the disposal of Shanghai Pudong International Airport Gate Gourmet Air Catering Co. Ltd., on July 2, 2014. China Aviation Investment Co. Ltd., an affiliate of the Air China Group acquired a 51% interest, thereby reducing gategroup's participation to 29% with Shanghai Airport Group Co. Ltd. retaining its existing 20% shareholding.

in CHF m	**Shanghai**
Property, plant and equipment (Note 18)	1.9
Cash and cash equivalents	7.2
Trade receivables	3.6
Other receivables	2.6
Other current liabilities	(6.1)
Total assets disposed	9.2
Non-controlling interests disposed	(5.8)
Net assets disposed	**3.4**

Consideration received	6.5
Net assets disposed	(3.4)
Fair value of associate	3.7
Currency translation gain reclassified	2.5
Goodwill disposed (Note 19)	(1.8)
Disposal costs	(0.9)
Gain from disposal of subsidiary (Note 9)	**6.6**

Consideration received in cash and cash equivalents	6.5
Cash and cash equivalents disposed	(7.2)
Net cash outflow from disposal of subsidiary	**(0.7)**

31 Related Party Transactions

31.1 Key Management Personnel

The key management personnel are defined as the Board and the EMB.

Key management compensation, applying IFRS 2 rules for the accounting of share-based payments, consisted of:

in CHF m	2015	2014
Short-term benefits	8.3	9.6
Share-based payments	0.8	0.8
Total key management compensation	**9.1**	**10.4**

31.2 Associated Companies, Joint Ventures and Other Related Parties

in CHF m	2015	2014
Sale of goods and services:		
Sale of goods (I), (II)	1.2	1.5
Management services provided to associates (III)	0.6	0.3
Management services provided to joint ventures (III)	0.7	0.6
Total	**2.5**	**2.4**

(I) The sales to associates and joint ventures are made on terms equivalent to those that prevail in arm's length transactions
(II) The majority of these sales of goods relate to transactions with the Group's associates
(III) The Group performed certain administrative services for related party companies. The respective charges reflect an appropriate allocation of costs incurred

As at December 31, 2015, trade and other receivables amounted to CHF 3.9m (2014: CHF 3.3m) (Notes 15 and 16), where CHF 1.7m (2014: CHF 1.4m) are from joint ventures and CHF 2.2m (2014: CHF 1.9m) from associates. The total other current payables to related parties in 2015 in the amount of CHF 0.3m (Note 23) mainly related to transactions with joint ventures (2014: nil).

32 Group Companies

The principal subsidiaries of the Company as of December 31, 2015, are the following:

Country	Company	% capital shareholding [1]	Currency	Share capital
Argentina	Gate Gourmet Argentina S.r.L., Buenos Aires	100	ARS	5,750,000
Australia	Gate Gourmet Cairns Pty Ltd, Mascot, NSW	100	AUD	3,104,002
	Gate Gourmet (Holdings) Pty Ltd, Mascot, NSW	100	AUD	39,299,111
	Gate Gourmet Services Pty Ltd, Mascot, NSW	100	AUD	44,330,100
	Pourshins Australia Pty Ltd, Alexandria, NSW	100	AUD	2
Belgium	deSter BVBA, Hoogstraten	100	EUR	22,600,000
Brazil	Gate Gourmet Ltda, São Paulo	100	BRL	83,033,911
Canada	Gate Gourmet Canada Inc., Toronto	100	CAD	17,500,000
	Pourshins Canada Inc., Toronto	100	CAD	300,000
Chile	Gate Gourmet Catering Chile Ltda, Santiago	100	CLP	1,968,062,000
China	Gate Gourmet Hong Kong Ltd, Hong Kong	100	HKD	372,657,350
	gategroup Trading Hong Kong Ltd, Hong Kong	100	USD	162
Colombia	Gate Gourmet Colombia Ltda, Bogotá	75	COP	831,229,851
Denmark	Gate Gourmet Denmark ApS, Tårnby	100	DKK	301,200
	Gate Gourmet Northern Europe ApS, Tårnby	100	DKK	52,301,000
Ecuador	Gate Gourmet del Ecuador Cia Ltda, Quito	60	USD	2,278,400
France	Gate Gourmet Aéroport de Bâle–Mulhouse SAS, St. Louis	100	EUR	337,000
Germany	Gate Gourmet GmbH Deutschland, Neu-Isenburg	100	EUR	7,670,000
	Gate Gourmet GmbH Holding Deutschland, Neu-Isenburg	100	EUR	51,129
	Gate Gourmet GmbH Mitte, Neu-Isenburg	100	EUR	25,000
	Gate Gourmet GmbH West, Düsseldorf	100	EUR	1,534,000
	Performa Deutschland GmbH, Neu-Isenburg	100	EUR	25,000
India	Gate Gourmet India Private Ltd, Mumbai	100	INR	329,402,000
	Skygourmet Catering Private Ltd, Mumbai	100	INR	14,337,111
Ireland	Gate Gourmet Ireland Ltd, Dublin	100	EUR	4,500,000
Japan	Gate Gourmet Japan YK, Chiba-ken	100	JPY	80,000,000
Kazakhstan	Gate Gourmet Central Asia LLP, Astana	51	KZT	271,975,720
Luxembourg	Gate Gourmet Holding I S.à r.l., Luxembourg	100	EUR	42,782,100
	Gate Gourmet Luxembourg III S.à r.l., Luxembourg	100	EUR	15,946,100
	Gate Gourmet Luxembourg IIIA S.à r.l., Luxembourg	100	EUR	31,959,307
	Gate Gourmet Luxembourg IV S.à r.l., Luxembourg	100	EUR	1,174,000
	gategroup Finance (Luxembourg) S.A., Luxembourg	100	EUR	31,000
	gategroup Financial Services S.à r.l., Luxembourg	100	EUR	40,562,600
Mexico	Gate Retail Onboard Mexico S.A.P.I. de C.V., Mexico City	51	MXN	6,100,000
Netherlands	deSter Holding B.V., Amsterdam	100	EUR	3,359,990
	Gate Gourmet Amsterdam B.V., Schiphol	100	EUR	2,291,590
	Helios Market, Product & Production Development B.V., Amsterdam	100	EUR	1,117,294
	Supplair B.V., Amsterdam	100	EUR	18,000
New Zealand	Gate Gourmet New Zealand Ltd, Auckland	100	NZD	4,000,100
Norway	Gate Gourmet Norway AS, Oslo	100	NOK	8,002,071
Pakistan	Gate Gourmet Pakistan (Private) Ltd, Karachi	100	PKR	9,007,610
Peru	Gate Gourmet Peru S.r.L., Lima	100	PEN	1,599,558
Singapore	Gate Gourmet Singapore Pte Ltd, Singapore	100	SGD	8,702,977
	gategroup Investments Singapore Pte Ltd, Singapore	100	USD	144,128,348
Spain	Gate Gourmet España S.L., Madrid	100	EUR	3,005,061
	Gate Gourmet Holding España S.L., Madrid	100	EUR	798,260
	Gate Gourmet Participations España S.L., Madrid	100	EUR	60,803,006
Sweden	Gate Gourmet Sweden AB, Stockholm	100	SEK	100,000
Switzerland	Gate Gourmet Switzerland GmbH, Kloten	100	CHF	2,000,000
	gategroup Financial Services S.à r.l., Luxembourg, Swiss Branch, Kloten	100	EUR	1
	gategroup GmbH, Freienbach	100	CHF	40,000

Country	Company	% capital shareholding [1]	Currency	Share capital
Thailand	deSter Co. Ltd, Prachinburi	100	THB	135,000,000
UAE	deSter General Trading FZE, Dubai	100	USD	272,241
United Kingdom	Fernley (Heathrow) Ltd, Middlesex	100	GBP	85,100
	Gate Gourmet Finance UK Ltd, Middlesex	100	CHF	1
	Gate Gourmet Holdings UK Ltd, Middlesex	100	GBP	96,230,003
	Gate Gourmet London Ltd, Middlesex	100	GBP	20,000,002
	Pourshins Ltd, Middlesex	100	GBP	854,350
	Supplair UK Ltd, Middlesex	100	GBP	3
USA	deSter Corporation, Atlanta, GA	100	USD	2,000
	e-gatematrix llc, Wilmington, DE	100	USD	8,030,366
	Gate Aviation Services Inc., Wilmington, DE	100	USD	10
	Gate Gourmet Inc., Wilmington, DE	100	USD	1,000
	Gate Safe Inc., Wilmington, DE	100	USD	10
	Gate Serve llc, Wilmington, DE	100	USD	1
	gategroup U.S. Finance Inc., Wilmington, DE	100	USD	1,000
	gategroup U.S. Holding Inc., Wilmington, DE	100	USD	1
	Pourshins Inc., Chicago, IL	100	USD	1,000

[1] Rounded to the nearest whole number

33 Post Balance Sheet Events

As at March 9, 2016, the date of approval of these consolidated financial statements by the Board, other than for the below, the Group has no significant subsequent events that warrant disclosure.

On December 2, 2015, the Group announced an agreement with funds advised by Triton and Inflight Service Group ("IFS") Key Management (who were also shareholders) to acquire 100% of IFS. The transaction closed on February 1, 2016. IFS is the leading airline retail on board provider in Europe with a focus on the Nordic and Baltic regions. With the acquisition, the Group becomes the leader in retail on board services in terms of size, number of customers, business intelligence and on board technology. The company is based in Sweden. As of December 31, 2015, the Company had issued a guarantee for part of the purchase price, in the amount of CHF 76.3m, in favor of the seller which was released upon payment of the full consideration on February 1, 2016. The Company is in the process of preparing the initial accounting for the business combination.

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Report of the statutory auditor
to the General Meeting of
gategroup Holding AG
Kloten

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of gategroup Holding AG, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement, and notes (pages 40 to 85) for the year ended December 31, 2015.

Board of Directors' responsibility
The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the 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 and fair presentation 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 as well as the 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 and fair presentation 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 December 31, 2015, give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS) and comply with Swiss law.

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.

PricewaterhouseCoopers AG

Roger Kunz Audit expert Auditor in charge	Kai Mauden

Zurich, March 9, 2016

financial report

gategroup Holding AG

Financial Statements of gategroup Holding AG

Income Statement of gategroup Holding AG

in 1,000 CHF	2015	2014
Management fees	–	260
Total operating income	**–**	**260**
Personnel expenses	(1,322)	(1,239)
Operating expenses	(10,781)	(3,799)
Amortization	(1,905)	(2,287)
Total operating expenses	**(14,008)**	**(7,325)**
Operating loss	**(14,008)**	**(7,065)**
Financial income	6,947	4,774
Financial expenses	(129)	(223)
Loss before tax	**(7,190)**	**(2,514)**
Direct Taxes	–	–
Loss for the year	**(7,190)**	**(2,514)**

Balance Sheet of gategroup Holding AG

in 1,000 CHF	Notes	Dec 31, 2015	Dec 31, 2014
Current assets			
Cash and cash equivalents		121	8
Other current receivables		840	618
Other current receivables from subsidiaries		2,906	3,336
Total current assets		**3,867**	**3,962**
Non-current assets			
Capital raising costs		–	1,905
Non-current loans to subsidiaries		53,321	54,204
Investments in subsidiaries		733,427	731,976
Total non-current assets		**786,748**	**788,085**
Total assets		**790,615**	**792,047**
Current liabilities			
Other current payables		1,178	1,046
Other current payables to subsidiaries		18,185	584
Accruals		4,406	4,999
Total current liabilities		**23,769**	**6,629**
Total liabilities		**23,769**	**6,629**
Share capital		133,932	133,932
Legal capital reserves:			
Reserve from capital contributions *		614,483	624,632
Reserve for treasury shares from capital contributions *		878	3,742
Legal retained earnings:			
General reserve		10,002	10,002
Reserve for treasury shares from free reserve		1,631	–
Earnings brought forward		23,453	25,967
Loss for the year		(7,190)	(2,514)
Treasury shares *	*2.5*	(10,343)	(10,343)
Total shareholders' equity		**766,846**	**785,418**
Total liabilities and shareholders' equity		**790,615**	**792,047**

Notes to the Financial Statements of gategroup Holding AG

1 General Information

The financial statements of gategroup Holding AG, Kloten (the “Company”), are prepared in accordance with the provisions on accounting and financial reporting (Art. 957 to Art. 963b) of the Swiss Code of Obligations (“CO”). The new provisions based on the partial revision of the CO introduced on January 1, 2013, have been implemented. Where necessary prior year data has been restated to conform to the current year’s presentation and has been marked with an asterisk (*).

2 Disclosures Required by Swiss Company Law

2.1 Accounting Policies

Valuation Principles

Financial assets, including investments and non-current loans to subsidiaries, are recognized at cost less appropriate write downs. Investments are in general subject to individual valuation. Certain investments are subject to a group valuation approach due to their homogeneity in nature.

Treasury Shares

Own shares (treasury shares) are recognized at cost. Any gains or losses upon disposal are recognized through profit and loss. Own shares directly held by the company are deducted from equity. A reserve for treasury shares is recognized for own shares held by subsidiaries.

2.2 Significant Shareholders

According to the information available to the Board, the following shareholders held more than 5% of the registered share capital:

	Dec 31, 2015	Dec 31, 2014
RBR Funds SICAV, RBR European Long Short Master Fund, RBR Strategic Value Ltd	11.27%	7.53%
Blackrock Inc.	5.02%	< 5%
Harris Associates Investment Trust	< 5%	6.57%
Pictet Asset Management Ltd	< 5%	5.40%

Please note that the actual shareholdings may differ from the figures indicated above, as the Company must only be notified by its shareholders if one of the thresholds defined in Art. 120 of the Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading is reached or crossed.

2.3 Shareholdings

Shareholdings of non-executive Board members as at December 31, 2015

	Number of shares	Representing % of the share capital of the Company
Andreas Schmid, Chairman	247,067	0.92%
David Barger	–	–
Remo Brunschwiler	3,300	0.01%
Gerard van Kesteren	4,000	0.01%
Frederick Reid	32	0.00%
Julie Southern	–	–
Anthonie Stal	72,500	0.27%
Total shareholdings	**326,899**	**1.21%**

Shareholdings of non-executive Board members as at December 31, 2014 [1]

	Number of shares	Representing % of the share capital of the Company
Andreas Schmid, Chairman	247,067	0.92%
Neil Brown	100,000	0.37%
Remo Brunschwiler	–	–
Ilona De March	–	–
Brian Larcombe	60,000	0.22%
Anthonie Stal	72,500	0.27%
Total shareholdings	**479,567**	**1.78%**

[1] For the shareholdings of the sole executive Board member in 2014 please refer to shareholdings of EMB members as at December 31, 2014.

Shareholdings of Executive Management Board ("EMB") members as at December 31, 2015

	Number of shares	Representing % of the share capital of the Company	ELTIP performance share grants
Xavier Rossinyol, Chief Executive Officer	70,000	0.26%	90,000
Christoph Schmitz, Chief Financial Officer	15,000	0.06%	30,000
Herman Anbeek, President Americas & EMEA	54,437	0.20%	59,000
Jann Fisch, President Asia Pacific	4,437	0.02%	54,000
David de la Torre, Chief Commercial Officer (I)	–	–	–
Total shareholdings	**143,874**	**0.54%**	**233,000**

(I) Effective from June 22, 2015 to January 7, 2016.

Shareholdings of EMB members as at December 31, 2014

	Number of shares	Representing % of the share capital of the Company	EIP 2009–2013 performance share grants (I)	ELTIP performance share grants (II)
Andrew Gibson, Chief Executive Officer	59,308	0.22%	–	80,000
Thomas Bucher, Chief Financial Officer (III)	71,843	0.27%	–	–
Herman Anbeek, Group SVP and President, Airline Solutions (IV)	50,000	0.19%	–	41,000
Kristin Brown, Chief Administrative & Legal Officer (V)	12,945	0.05%	–	36,000
Jann Fisch, Chief Corporate Development Officer (VI)	–	–	–	41,000
Douglas Goeke, Group SVP and President, North America (VII)	9,088	0.03%	–	41,000
Mike Hargett, Group SVP and Deputy Chief Financial Officer (VIII)	46,360	0.17%	–	36,000
Andrew Langdale, Group SVP and President, Product and Supply Chain Solutions (IX)	4,127	0.02%	–	41,000
Drew Niemeyer, Chief Commercial and Corporate Development Officer (X)	7,157	0.03%	–	41,000
Richard Wells, Chief Human Resources Officer (XI)	–	–	–	17,000
Total shareholdings	**260,828**	**0.98%**	**–**	**374,000**

(I) No remaining unvested EIP 2009–2013 performance share grants as at December 31, 2014. Final vesting was due to occur for performance share grants by December 30, 2014. As the relevant volume-weighted average share price ("VWAP") targets were not met, no vesting occurred in December 2014 and all shares were forfeited without any compensation.
(II) Unvested ELTIP performance share grants as at December 31, 2014. Vesting of all ELTIP grants is subject to the satisfaction of relevant Revenue Growth and Return on Invested Capital ("ROIC") performance targets.
(III) Ceased to be an EMB member as of December 31, 2014 and all performance share grants were forfeited without any compensation.
(IV) Until September 1, 2014, served as Group Senior Vice President ("SVP") and President, Emerging Markets.
(V) Change in remit as of October 10, 2014. Until that date, served as Chief Legal Officer.
(VI) Until September 1, 2014, served as Group SVP and President, Europe and Africa.
(VII) Named Deputy President, Airline Solutions, effective January 1, 2015.
(VIII) Named Chief Technology Transformation Officer, effective January 26, 2015.
(IX) Named President, Network and Product Solutions, effective January 22, 2015.
(X) Named President and Managing Director, gategroup Airline Solutions, U.S. Region, effective January 1, 2015.
(XI) Named Chief Human Resources Officer, Airline Solutions, effective January 1, 2015.

Outstanding Options as at December 31, 2015 and as at December 31, 2014(I)

	Date of grant	Number of options	Exercise price	Exercise period	Date of expiry
Andreas Schmid, Chairman	12/31/2007	1,821	CHF 69.04	10 years	12/31/2017

(I) Each option, if exercised, will result in the purchase of one share at the exercise price.

There are no options held by any EMB members.

Loans granted to Board Members and EMB Members

No loans or guarantee commitments have been granted to members of the Board or the EMB.

2.4 Significant Investments

Company name	Domicile	Currency	Share capital (local currency)	Ownership in % Dec 31, 2015	Ownership in % Dec 31, 2014
Direct investments					
Gate Gourmet Holding I S.à r.l., Luxembourg	Luxembourg	EUR	42,782,100	100.00%	100.00%
gategroup Financial Services S.à r.l., Luxembourg	Luxembourg	EUR	40,562,600	0.002%	0.002%
gategroup Finance (Luxembourg) S.A., Luxembourg	Luxembourg	EUR	31,000	100.00%	100.00%
gategroup Investments Singapore Pte Ltd, Singapore	Singapore	USD	144,128,348	100.00%	100.00%
Substantial indirect investments					
Gate Gourmet Argentina S.r.L., Buenos Aires	Argentina	ARS	5,750,000	100.00%	100.00%
Gate Gourmet Cairns Pty Ltd, Mascot, NSW	Australia	AUD	3,104,002	100.00%	100.00%
Gate Gourmet (Holdings) Pty Ltd, Mascot, NSW	Australia	AUD	39,299,111	100.00%	100.00%
Gate Gourmet Services Pty Ltd, Mascot, NSW	Australia	AUD	44,330,100	100.00%	100.00%
Pourshins Australia Pty Ltd, Alexandria, NSW	Australia	AUD	2	100.00%	100.00%
deSter BVBA, Hoogstraten	Belgium	EUR	22,600,000	100.00%	100.00%
Gate Gourmet Ltda, São Paulo	Brazil	BRL	83,033,911	100.00%	100.00%
Gate Gourmet Canada Inc., Toronto	Canada	CAD	17,500,000	100.00%	100.00%
Pourshins Canada Inc., Toronto	Canada	CAD	300,000	100.00%	100.00%
Gate Gourmet Catering Chile Ltda, Santiago	Chile	CLP	1,968,062,000	100.00%	100.00%
Gate Gourmet Hong Kong Ltd, Hong Kong	China	HKD	372,657,350	100.00%	100.00%
gategroup Trading Hong Kong Ltd, Hong Kong	China	USD	162	100.00%	100.00%
Gate Gourmet Colombia Ltda, Bogotá	Colombia	COP	831,229,851	75.00%	75.00%
Gate Gourmet Denmark ApS, Tårnby	Denmark	DKK	301,200	100.00%	100.00%
Gate Gourmet Northern Europe ApS, Tårnby	Denmark	DKK	52,301,000	100.00%	100.00%
Gate Gourmet del Ecuador Cia Ltda, Quito	Ecuador	USD	2,278,400	60.00%	60.00%
Gate Gourmet Aéroport de Bâle–Mulhouse SAS, St. Louis	France	EUR	337,000	100.00%	100.00%
Gate Gourmet GmbH Deutschland, Neu-Isenburg	Germany	EUR	7,670,000	100.00%	100.00%
Gate Gourmet GmbH Holding Deutschland, Neu-Isenburg	Germany	EUR	51,129	100.00%	100.00%
Gate Gourmet GmbH Mitte, Neu-Isenburg	Germany	EUR	25,000	100.00%	100.00%
Gate Gourmet GmbH West, Düsseldorf	Germany	EUR	1,534,000	100.00%	100.00%
Performa Deutschland GmbH, Neu-Isenburg	Germany	EUR	25,000	100.00%	100.00%
Gate Gourmet India Private Ltd, Mumbai	India	INR	329,402,000	100.00%	100.00%
Skygourmet Catering Private Ltd, Mumbai	India	INR	14,337,111	100.00%	100.00%
Gate Gourmet Ireland Ltd, Dublin	Ireland	EUR	4,500,000	100.00%	100.00%
Gate Gourmet Japan YK, Chiba-ken	Japan	JPY	80,000,000	100.00%	100.00%
Gate Gourmet Central Asia LLP, Astana	Kazakhstan	KZT	271,975,720	51.00%	–
Gate Gourmet Luxembourg III S.à r.l., Luxembourg	Luxembourg	EUR	15,946,100	100.00%	100.00%
Gate Gourmet Luxembourg IIIA S.à r.l., Luxembourg	Luxembourg	EUR	31,959,307	100.00%	100.00%
Gate Gourmet Luxembourg IV S.à r.l., Luxembourg	Luxembourg	EUR	1,174,000	100.00%	100.00%
gategroup Financial Services S.à r.l., Luxembourg	Luxembourg	EUR	40,562,600	99.998%	99.998%
Gate Retail Onboard Mexico S.A.P.I. de C.V., Mexico City	Mexico	MXN	6,100,000	51.00%	51.00%
deSter Holding B.V., Amsterdam	Netherlands	EUR	3,359,990	100.00%	100.00%
Gate Gourmet Amsterdam B.V., Schiphol	Netherlands	EUR	2,291,590	100.00%	100.00%
Helios Market, Product & Production Development B.V., Amsterdam	Netherlands	EUR	1,117,294	100.00%	100.00%
Supplair B.V., Amsterdam	Netherlands	EUR	18,000	100.00%	100.00%
Gate Gourmet New Zealand Ltd, Auckland	New Zealand	NZD	4,000,100	100.00%	100.00%
Gate Gourmet Norway AS, Oslo	Norway	NOK	8,002,071	100.00%	100.00%
Gate Gourmet Pakistan (Private) Ltd, Karachi	Pakistan	PKR	9,007,610	100.00%	100.00%
Gate Gourmet Peru S.r.L., Lima	Peru	PEN	1,599,558	100.00%	100.00%
Gate Gourmet Singapore Pte Ltd, Singapore	Singapore	SGD	8,702,977	100.00%	100.00%
Gate Gourmet España S.L., Madrid	Spain	EUR	3,005,061	100.00%	100.00%
Gate Gourmet Holding España S.L., Madrid	Spain	EUR	798,260	100.00%	100.00%
Gate Gourmet Participations España S.L., Madrid	Spain	EUR	60,803,006	100.00%	100.00%

Gate Gourmet Sweden AB, Stockholm	Sweden	SEK	100,000	100.00%	100.00%
Gate Gourmet Switzerland GmbH, Kloten	Switzerland	CHF	2,000,000	100.00%	100.00%
gategroup Financial Services S.à r.l., Luxembourg, Swiss Branch, Kloten	Switzerland	EUR	1	100.00%	100.00%
gategroup GmbH, Freienbach	Switzerland	CHF	40,000	100.00%	100.00%
deSter Co. Ltd, Prachinburi	Thailand	THB	135,000,000	100.00%	100.00%
deSter General Trading FZE, Dubai	UAE	USD	272,241	100.00%	100.00%
Fernley (Heathrow) Ltd, Middlesex	United Kingdom	GBP	85,100	100.00%	100.00%
Gate Gourmet Finance UK Ltd, Middlesex	United Kingdom	CHF	1	100.00%	100.00%
Gate Gourmet Holdings UK Ltd, Middlesex	United Kingdom	GBP	96,230,003	100.00%	100.00%
Gate Gourmet London Ltd, Middlesex	United Kingdom	GBP	20,000,002	100.00%	100.00%
Pourshins Ltd, Middlesex	United Kingdom	GBP	854,350	100.00%	100.00%
Supplair UK Ltd, Middlesex	United Kingdom	GBP	3	100.00%	100.00%
deSter Corporation, Atlanta, GA	USA	USD	2,000	100.00%	100.00%
e-gatematrix llc, Wilmington, DE	USA	USD	8,030,366	100.00%	100.00%
Gate Aviation Services Inc., Wilmington, DE	USA	USD	10	100.00%	100.00%
Gate Gourmet Inc., Wilmington, DE	USA	USD	1,000	100.00%	100.00%
Gate Safe Inc., Wilmington, DE	USA	USD	10	100.00%	100.00%
Gate Serve llc, Wilmington, DE	USA	USD	1	100.00%	100.00%
gategroup U.S. Finance Inc., Wilmington, DE	USA	USD	1,000	100.00%	100.00%
gategroup U.S. Holding Inc., Wilmington, DE	USA	USD	1	100.00%	100.00%
Pourshins Inc., Chicago, IL	USA	USD	1,000	100.00%	100.00%

2.5 Treasury Shares

Treasury shares held by gategroup Holding AG or by companies in which gategroup Holding AG holds a majority interest:

2015	Number of shares	High in CHF	Average in CHF	Low in CHF
Balance at January 1, 2015	**719,537**			
Delivery	51,347	34.92	24.02	14.61
Balance at December 31, 2015	**668,190**			
Number of Treasury shares held by gategroup Holding AG	442,986			

2014	
Balance at January 1, 2014	**719,537**
Balance at December 31, 2014	**719,537**
Number of Treasury shares held by gategroup Holding AG	442,986

2.6 Guarantees

On March 26, 2015, the Group entered into a five-year EUR 240.0m unsecured multicurrency Revolving Credit Facility ("RCF"), replacing the EUR 100.0m RCF which had been due to mature in June 2016. As at December 31, 2015, the Group utilized EUR 40.0m and GBP 12.0m (2014: undrawn).

On April 30, 2015, the Group redeemed EUR 100.0m of its 6.75% coupon bearing EUR 350.0m senior unsecured notes.

On November 23, 2015, the Group redeemed the remaining EUR 250.0m 6.75% coupon bearing senior unsecured notes with a new five-year EUR 250.0m unsecured Term Loan. The unsecured Term Loan as well as the RCF are guaranteed by gategroup Holding AG and other Group companies.

Further, guarantees issued in favor of third parties amount to CHF 283.8m (2014: CHF 144.9m).

2.7 Employees

In 2015, the Company employed on average 7 employees (2014: 6).

2.8 Post Balance Sheet Events

There are no events occurring after the end of the reporting period that warrant disclosure.

Appropriation of Available Earnings and Reserve from Capital Contributions

Proposal of the Board of Directors to the Annual General Meeting of Shareholders of April 14, 2016 for the appropriation of available earnings

in 1,000 CHF	Dec 31, 2015	Dec 31, 2014 [1]
Carried forward from previous year	23,453	25,967
Net loss for the year	(7,190)	(2,514)
Balance to be carried forward	**16,263**	**23,453**

[1] Approved by the Annual General Meeting of Shareholders on April 16, 2015.

Proposal of the Board of Directors for the appropriation of reserve from capital contributions

in 1,000 CHF	Dec 31, 2015	Dec 31, 2014
Opening balance*	612,902	624,632
Adjustment Reserve for treasury shares from capital contributions	1,581	–
Reserve from capital contributions*	**614,483**	**624,632**
Dividend payment of CHF 0.30 (2014: CHF 0.45) per share [1] out of reserve from capital contributions	(7,835)	(11,730)
Balance to be carried forward*	**606,648**	**612,902**

[1] No dividends are distributed on treasury shares held by gategroup Holding AG and its subsidiaries.

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Report of the statutory auditor
to the General Meeting of
gategroup Holding AG
Kloten

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of gategroup Holding AG, which comprise the balance sheet, income statement and notes (pages 90 to 97), for the year ended December 31, 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 December 31, 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.

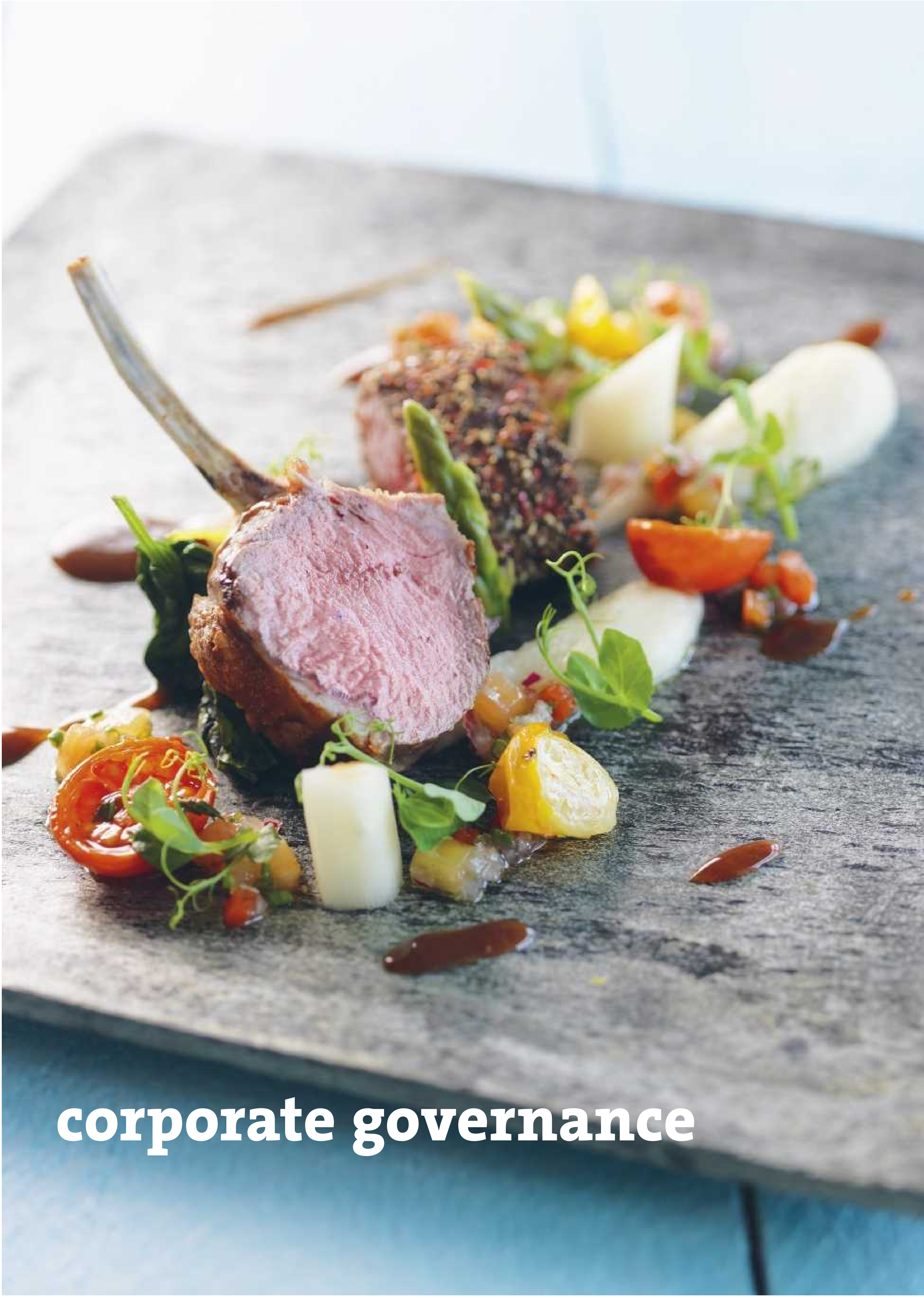
In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of reserves complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Roger Kunz Audit expert Auditor in charge	Kai Mauden

Zurich, March 9, 2016



corporate governance

Corporate Governance

Corporate Governance

Preliminary Remarks

This section of the Annual Report follows the Directive on Information relating to Corporate Governance issued by the SIX Exchange Regulation and the Swiss Federal Council's Ordinance Against Excessive Compensation in Listed Corporations (the "Ordinance"). The Ordinance was issued to implement the so-called Minder Initiative, a constitutional initiative that was approved by the Swiss electorate in March 2013. While the Ordinance focuses on compensation matters, it is bringing about changes to corporate governance matters in general.

In order to avoid duplication, cross reference will be made to the Company (as defined on page 44), the Group (as defined on page 44) and the articles of incorporation of the Company ("Articles of Incorporation") which are included in the Appendix of the Annual Report on pages 142–150, and the 2015 financial report included on pages 38–101.

1 Group Structure and Shareholders

1.1 Group Structure

1.1.1 Description of the Issuer's Operational Group Structure

The Company's management structure is represented in the information in Note 5 of the consolidated financial statements. The Company's operational structure is subject to re-alignment from time to time to ensure that the structure is ideally suited to achieve business objectives.

1.1.2 All listed Companies belonging to the Issuer's Group

The Company is listed on the SIX Swiss Exchange in Zurich, security number 10018595 and ISIN CH0100185955. The Company is domiciled at Balz-Zimmermannstrasse 7, CH-8302 Kloten, Switzerland, and organized in accordance with Swiss law. The Company's stock market capitalization as at December 31, 2015, was CHF 1,181,277,418.

1.1.3 The Non-listed Companies belonging to the Issuer's Consolidated Entities

Information (including the registered office, the share capital and the percentage of shares held) in respect of the Company's subsidiaries are given in Notes 1 and 32 of the consolidated financial statements.

1.2 Significant Shareholders

As of December 31, 2015, the largest Shareholders known to the Company were as follows:

Shareholder	Voting rights (I)	% (II)	Publication date of disclosure
RBR Funds SICAV, RBR European Long Short Master Fund, RBR Strategic Value Ltd	3,018,372	11.27%	Apr 24, 2015
Blackrock Inc.	1,344,984	5.02%	Dec 10, 2015
Credit Suisse Funds AG	1,335,388	4.99%	Sep 10, 2014
Wellington Management Group LLP	1,154,486	4.31%	Jan 6, 2015
Pictet Asset Management SA (III)	1,096,568	4.09%	Oct 27, 2015
Norges Bank	892,932	3.33%	Aug 19, 2015
Deutsche Bank AG	788,369	3.09%	Nov 19, 2010
UBS Fund Management (Switzerland)	605,412	3.08%	Oct 21, 2009

(I) Voting rights held directly or indirectly (shares, purchasing and selling rights)
(II) Percentages of total registered capital as per disclosure.
(III) Effective April 1, 2015 Pictet Funds SA, collective investment scheme, changed its name to Pictet Asset Management SA.

From January 1, 2015 to December 31, 2015, the following changes were disclosed and duly published on the website of SIX Swiss Exchange Regulation: https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html.

Effective January 1, 2015 Wellington Management Company LLP, a registered US investment advisor, changed its name to Wellington Management Group LLP and transferred its United States advisory business to Wellington Management Company LLP, a Delaware limited liability partnership. At the same time Wellington Management Group LLP disclosed its current holding of 4.31% of the registered capital.

In January 2015, Camox Master Fund (Cologny Advisors LLP) crossed the 3% threshold reaching 3.37% of the registered capital. In February 2015, Camox Master Fund announced that it joined the group of investors “RBR Funds SICAV, RBR European Long Short Master Fund and RBR Strategic Value Ltd” (standalone holding of Camox fell below 3% threshold). Joint voting rights of the group increased to 11.71% of the registered capital with 9.31% of registered shares, 1.84% of equity SWAP and 0.56% of mini futures.

Also in February 2015, Pictet CH-Swiss Mid Small Cap (fund within the collective investment scheme of Pictet Funds SA) briefly fell below 3.0% of the registered capital, before increasing to 3.01% of the registered capital later that month.

In March 2015, the holding of the group of investors “RBR Funds SICAV, RBR European Long Short Master Fund and RBR Strategic Value Ltd” fell to 11.35% of the registered capital (11.15% of registered shares, 0.20% of mini futures).

Also in March 2015, Pictet CH-Swiss Mid Small Cap again fell below 3.0% of the registered capital, while the holding of Pictet Asset Management Limited fell below the 5% threshold to 4.96% of the registered capital.

In April 2015, Pictet Funds SA changed its name to Pictet Asset Management SA and notified its holdings of 4.06% of the registered capital, while Pictet CH-Swiss Mid Small Cap, one of its funds, reached 3.01% of registered capital.

Also in April 2015, the group of investors “RBR Funds SICAV, RBR European Long Short Master Fund and RBR Strategic Value Ltd” had a change in group composition, resulting in the group reaching 14.06% of the registered capital (13.95% of registered shares and 0.10% of mini futures), but a further change in group composition that month saw the group’s holding fall to 11.27% of the registered capital. Additionally, the group entered into a series of put options/warrants and several call options/warrants representing 0.64% of registered capital.

Further in April 2015, Blackrock Inc. reached 3.06% of the registered capital and at the same time entered a sell position for 0.74% of CFDs.

In July 2015, Pictet Asset Management SA’s holding changed to 4.09% of the registered capital as Pictet CH-Swiss Mid Small Cap’s holding fell below 3.0% of the registered capital.

In August 2015, Pictet Asset Management Limited fell below the 3% threshold, while Norges Bank reached 3.33% of the registered capital.

In September 2015, Harris Associates Investment Trust decreased its registered capital to 4.72%.

Also in September 2015, Pictet Asset Management SA reached 4.30% of the registered capital as Pictet CH-Swiss Mid Small Cap increased its holding to 3.15% of the registered capital.

Further in September 2015, Blackrock Inc. first increased its holding to 5.09% of the registered capital (4.54% of registered shares and 0.55% of CFDs) and entered a sell position for 0.22% of CFDs. Shortly afterwards in October 2015, Blackrock Inc decreased its holding in gategroup to 4.99% of the registered capital (4.54% of registered shares and 0.45% of CFDs) and entered a sell position for 0.28% of CFDs.

Also in October 2015, Pictet Asset Management SA fell to 4.09% of the registered share capital as the holding of Pictet CH-Swiss Mid Small Cap, one of its funds, fell to 2.95%.

In November 2015, Harris Associates Investment Trust`s holding decreased further to below the 3% threshold.

In December 2015, Blackrock Inc. increased its holding to 5.02% of the registered capital (5.01% of registered shares, together with 0.01% of CFDs) and entered a sell position for 0.41% of CFDs.

For more information regarding all disclosure notifications published by the Company pursuant to Art. 20 of the Swiss Stock Exchange Act in 2015 and in the first weeks of 2016, please refer to the following website of SIX Swiss Exchange Regulation:

https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html.

The Company does not know of any material shareholders agreements or any other significant understandings reached between Shareholders regarding the registered shares they own in the Company, or the execution of their ensuing shareholders rights.

1.3 Cross-shareholdings

The Company is not aware of any cross-shareholdings exceeding 5.0% of the capital or voting rights on both sides.

2 Capital Structure

2.1 Capital

The ordinary share capital of the Company is CHF 133,931,680 and is divided into 26,786,336 fully paid up registered shares with a nominal value of CHF 5.00 each. The conditional share capital is CHF 11,745,885. The authorized share capital is CHF 13,227,065.

2.2 Authorized and Conditional Capital in particular

Authorized capital
The Company has an authorized share capital of CHF 13,277,065 authorizing the Board of Directors of the Company (the “Board”) to issue up to 2,655,413 fully paid up registered shares with a nominal value of CHF 5.00 per share by no later than April 16, 2016. Increases of less than the maximum permitted amount shall be permitted. For a description of the group of beneficiaries and of the terms and conditions of the issue of authorized capital, please refer to art. 3ter of the Articles of Incorporation.

Conditional capital
The Company has a conditional share capital in the aggregate maximum amount of CHF 11,745,885. The Company’s share capital may be increased (i) in an amount not to exceed CHF 1,906,775 by the issuance of up to 381,355 fully paid-up registered shares with a nominal value of CHF 5.00 each through the exercise of options which the employees or members of the Board are granted according to the respective regulations of the Board and (ii) in an amount not to exceed CHF 9,839,110 by the issuance of up to 1,967,822 fully paid-up registered shares with a nominal value of CHF 5.00 each through the exercise of conversion and/or option rights granted in connection with the issuance of newly or already issued convertible debentures, debentures with option rights or other financing instruments by the Company or one of its subsidiaries, and/or by the exercise of options which are granted by the Company or one of its subsidiaries (including in the case of a public offer for shares of the Company). For a description of the group of beneficiaries and of the terms and conditions of the issue of conditional capital, please refer to art. 3bis of the Articles of Incorporation.

2.3 Changes in Capital

During the period from January 1, 2012 to December 31, 2012, a conditional capital increase in the amount of CHF 590,890 took place through the exercise of options and the performance of contributions. Thereby, the Company's share capital was increased from CHF 133,340,790 to CHF 133,931,680 through the issuance of 118,178 fully paid up registered shares with a nominal value of CHF 5.00 each for an issue price of CHF 5.00.

During the period of January 1, 2013 to December 31, 2015, no changes in capital occurred.

2.4 Shares and Participation Certificates

Shares
The Company's capital is composed of registered shares only. The shares rank pari passu in all respects to each other, including, in respect of entitlements to dividends, to a share in the liquidation proceeds in the case of a liquidation of the Company and to the pre-emptive rights.

The number of registered shares with a nominal value of CHF 5.00 each, fully paid-up, was 26,786,336 at December 31, 2015. Each share carries one vote at General Meetings of Shareholders. Please also refer to section 2.6.1 below.

Shareholders have the right to receive dividends.

One or more Shareholders with voting rights whose combined holdings represent an aggregate nominal value of at least CHF 1,000,000 or at least 10% of the registered share capital may request that an item be included in the agenda of a General Meeting of Shareholders. Such a request must be made in writing to the Board at the latest 45 days before the General Meeting of Shareholders and shall specify the agenda items and the proposals made.

Participation Certificates
There are no participation certificates (*Partizipationsscheine*).

2.5 Profit Sharing Certificates

There are no profit sharing certificates (*Genussscheine*).

2.6 Limitations on Transferability and Nominee Registrations

2.6.1 Limitations on transferability for each share category, along with an indication of statutory group clauses, if any, and rules for granting exceptions
According to art. 5 para. 3 of the Articles of Incorporation, acquirers of registered shares shall be registered as shareholders with the right to vote, provided that they expressly declare that they acquired the registered shares in their own name and for their own account.

2.6.2 Admissibility of nominee registrations, along with an indication of percent clauses, if any, and registration conditions
Persons who do not explicitly declare holding the registered shares on their own account and who are subject to the control of a recognized bank or financial supervision authority ("Nominees") are according to art. 5 para. 5 of the Articles of Incorporation registered as Shareholders with voting rights, if the Nominee discloses in the registration application the names, addresses and the number of shares of the persons for whose account it holds 0.5% or more of the share capital registered in the commercial register. Legal entities and partnerships which are consolidated among themselves through unified management or similar organization as well as natural persons or legal entities and partnerships which act in concert to circumvent the regulations concerning the Nominees (especially as syndicates), shall be treated as one single Nominee within the meaning of art. 5 para. 5 of the Articles of Incorporation.

The Board may, in particular cases, allow exemptions from the regulation concerning Nominees. Please also refer to art. 5 para. 8 of the Articles of Incorporation. No exemptions from the regulation concerning Nominees were granted in 2015.

2.6.3 Procedure and conditions for cancelling statutory privileges and limitations of transferability

A resolution to amend the provisions of the Articles of Incorporation relating to restrictions on the transfer of registered shares and the removal of such restrictions requires a majority of two thirds of the votes represented and the absolute majority of the nominal value of shares represented at the General Meeting of Shareholders (art. 13 point 3 of the Articles of Incorporation).

2.7 Convertible Bonds and Options

Except as otherwise disclosed in Note 27.2 of the consolidated financial statements, in Note 2.3 of the financial statements of gategroup Holding AG and in section 3 of the compensation report, there are no outstanding convertible bonds, warrants or options issued by the Company or by subsidiaries on shares of the Company.

3 Board of Directors

3.1 Members of the Board of Directors

Name	Birth Year	Position	Committee Membership	Director since [1]	Term expires
Andreas Schmid	1957	Chairman of the Board	No committee memberships	December 2007	2016
Remo Brunschwiler	1958	Vice Chairman of the Board	Member of the Audit Committee	April 2012	2016
David Barger	1958	Member of the Board	Member of the Audit Committee	April 2015	2016
Gerard van Kesteren	1949	Member of the Board	Chairman of the Audit Committee	April 2015	2016
Frederick Reid	1950	Member of the Board	Member of Nomination and Compensation Committee	April 2015	2016
Julie Southern	1959	Member of the Board	Chair of Nomination and Compensation Committee	April 2015	2016
Anthonie Stal	1953	Member of the Board	Member of the Nomination and Compensation Committee	April 2009	2016

[1] Since the Company was only incorporated in 2008 and became the new Group holding company after the dissolution of Gate Gourmet Holding LLC, Wilmington, Delaware, US ("Holding LLC") in April 2009, some dates refer to the taking of office in the corresponding function in Holding LLC. All members of the Board were elected on the date of the Annual General Meeting of Shareholders 2015. All terms end and need to be renewed as per the Annual General Meeting of Shareholders 2016.

Operational management tasks of the members of the Board of Directors

All members of the Board are non-executive Directors.

3.2 Information on Members of the Board of Directors

All non-executive members of the Board are independent, were not members of the Group's management during the three financial years preceding the current reporting period and have no important business connections with the Group.

3.3 Professional Background and other Activities and Functions

Biographies of each Board member follow.

Andreas Schmid

Andreas Schmid has been Chairman of the Board since April 2009. He was a lead independent manager of the Board of Managers of Holding LLC from December 2007 and became Vice Chairman in 2008. Mr. Schmid has been Chairman of the Board of Directors of Oettinger Davidoff AG since December 2007, and Chairman of the Board of Directors of Flughafen Zürich AG since 2000. Since December 2014, he has been a member of the Board of Directors of Barry Callebaut AG, where he previously held the position of Vice Chairman of the Board of Directors from 2006 to 2014. Chairman from 1999 to 2005 and Chief Executive Officer from 1999 to 2002.

Mr. Schmid began his career in 1984 at the Union Bank of Switzerland. Following a position as professional executive assistant to a Swiss industrialist, he was Chief Executive Officer and Managing Director of Kopp Plastics (Pty) Limited in South Africa from 1989 to 1992. He then worked for the Jacobs Group in various positions until 1993, when he became President of the Mövenpick Consumer Goods Division and a member of the worldwide Group Executive Board of Management from 1993 to 1997. Between 1998 and 2000, he served as Chief Executive Officer of Jacobs Holding AG (Adecco SA; Barry Callebaut AG; C.J. Van Houten & Zoon AG; and Brach's Confections Inc.). He was a member of the Board of Directors of Adecco SA from 1999 to 2004 and Sun International Hotels Limited from 1999 to 2003. Mr. Schmid was a member of the Advisory Board of the Credit Suisse Group in the period from 2001 to 2007, before the Advisory Board was dissolved. Between 2002 and 2006 Mr. Schmid chaired the Board of Directors of Kuoni Travel Holding AG and between 2007 and 2011, he chaired the Supervisory Board of Symrise AG. In 2010, Mr. Schmid was appointed a member of the Board of Directors of Wirz Partner Holding AG and the Advisory Board of Allianz Global Corporate Specialty AG. He has also been serving as a board member of Karl Steiner AG since 2008 and was a board member of Badrutt's Palace Hotel AG from 2006 to 2015.

In March 2014 Mr. Schmid became Chairman of the Board of Trustees of Avenir Suisse. And in his function as Chairman of the Avenir Suisse Support Foundation he was a Member of the Board of Trustees of Avenir Suisse from 2010 onwards.

He holds a Master's degree in Law from the University of Zurich, where he also studied Economics. He is a Swiss citizen.

Remo Brunschwiler

Remo Brunschwiler was elected to the Board of Directors in April 2012. Mr. Brunschwiler was appointed Vice Chairman of the Board on 16 April 2015 and is also a member of the Audit Committee.

Between 1996 and 2003, Mr. Brunschwiler headed the Eurocargo division of Danzas. From 1989 to 1996 he was a consultant at McKinsey & Company in Switzerland and Germany for logistics and pharmaceutical companies, and from March 2003 until December 2012 he served as Chief Executive Officer of Swisslog Holding AG. In January 2013, Mr. Brunschwiler became Chief Executive Officer of Selecta Management AG.

Mr. Brunschwiler began his career as a strategic planner with Ciba-Geigy Group. He studied economics at the University of Basel and holds an MBA from INSEAD, Fontainbleau, France. He is a Swiss citizen.

David Barger

David Barger was elected to the Board of Directors in April 2015 and is a member of the Audit Committee.

Mr. Barger was part of the founding leadership team of JetBlue Airways in 1998 and served as the airline's first President and Chief Operating Officer. He held the Chief Executive Officer position from May 2007 until February 2015 and was also a member of the Board of Directors. From 1992 to 1998, Mr. Barger served in various management positions with Continental Airlines, including Vice President, Newark hub. Prior to that he held various director-level positions at Continental Airlines from 1988 to 1992. From 1982 to 1988, he served in various positions with New York Air, including Director of Stations. Mr. Barger is a non-executive Director of AIM Altitude Aviation. He was a Director at IATA International Air Transport Association as well as Airlines for America until 2015 and is president emeritus of The Wings Club. He has also served on the Board of Governors of the Flight Safety Foundation from 2003 to 2015.

Mr. Barger attended the University of Michigan from 1976 to 1981 with studies in Economics and Political Science. He is a United States citizen.

Gerard van Kesteren

Gerard van Kesteren was elected to the Board of Directors in April 2015. He chairs the Audit Committee.

Gerard van Kesteren served as Chief Financial Officer and member of the Management Board of Kuehne + Nagel International AG from July 1999 until July 2014, when he retired from the company after 25 years of service. He joined Kuehne + Nagel in late 1989 as Regional Chief Financial Officer for Western Europe. Under his leadership, the respective financial systems used across the region were converted to Kuehne + Nagel's financial application standard.

Before joining Kuehne + Nagel, Gerard van Kesteren held leading positions in finance at Sara Lee Corporation. During his 18 years with Sara Lee, he served as Financial Director in Great Britain for six years and in Spain for two years. His last position with the company was Director of Financial Planning and Analysis at Sara Lee's corporate head office in Holland.

Gerard van Kesteren is also a member of the supervisory board at Raben Group NV (Netherlands), a member of the supervisory board at Planzer Holding AG (Switzerland), a board member at Janel Group (USA) and a board member at Kaufmann Kapital AG (Switzerland).

Gerard van Kesteren attended the Hogeschool van Arnhem from 1968 to 1972 and studied Economics and Accountancy, becoming a Chartered Accountant. He is a Dutch citizen.

Frederick Reid

Frederick W. Reid was elected to the Board of Directors in April 2015. He is a member of the Nomination and Compensation Committee.

Mr Reid is President of zee.aero, a Californian company developing and building new generation personal aircraft.

Previously, Mr. Reid served as the President of Flexjet, Inc., from 2008 to 2012, and was the founding Chief Executive Officer of Virgin America, Inc., from 2004 to 2008. Mr. Reid was also President and Chief Operating Officer of Delta Air Lines from 2001 to 2004 and, prior to that, was Delta's Chief Marketing Officer from 1998 to 2001 and served as the Chairman of the Board of Directors for Delta Connection Inc. Before joining Delta, Mr. Reid served in executive roles at Lufthansa German Airlines, including as President and Chief Operating Officer from 1996 to 1998, Executive Vice President from 1994 to March 1996 and as Senior Vice President of the Americas from 1991 to 1994. Mr. Reid started his career in the aviation industry at Pan American World Airways, where he served in a variety of positions with increasing responsibility that took him around the globe.

Mr. Reid is a member of the Board of Advisors for Thayer Ventures. He is a non-executive Director of The Commonwealth Club and is Vice Chairman of the Board of Directors for Sonoma Land Trust. He also has been a member of the Advisory Board for the Taub Institute for Research on Alzheimer's Disease & The Aging Brain since 2000.

Mr. Reid holds a BA degree in South Asian Studies from the University of California at Berkeley. He is a United States citizen.

Julie Southern

Julie Southern was elected to the Board of Directors in April 2015. She chairs the Nomination and Compensation Committee.

Ms. Southern was the Chief Commercial Officer of Virgin Atlantic Limited until 2013. As Chief Commercial Officer, she played a key role in leading the airline's commercial activities during a time of growth and expansion and negotiated the equity investment in the business by Delta Air Lines together with the transatlantic joint-venture between the two companies. Prior to this, she was the airline's Chief Financial Officer from 2000 to 2010, providing financial leadership in a period affected by crises such as 9/11, the Iraq War, SARS and the global recession. Before joining Virgin Atlantic, Ms. Southern held various senior financial roles such as Group Finance Director of Porsche Cars Great Britain and Finance & Operations Director at HJ Chapman & Co. She began her career at Mars Confectionery before qualifying as an accountant at Price Waterhouse. She is a non-executive Director and member of the Audit Committee of NXP Semiconductors; a non-executive Director and Chair of the Audit Committee of Rentokil Initial; a non-executive Director and Chair of the Audit Committee of DFS Furniture plc; a non-executive director and chair of the Audit Committee of Cineworld plc; and a director of N&J Properties.

Ms. Southern is a chartered accountant and holds a Bachelor in Economics from Cambridge University. She is a British citizen.

Anthonie Stal

Anthonie Stal has been a Director of the Company since April 2009. He is a member of the Nomination and Compensation Committee.

Prior to joining the Company, Mr. Stal held various senior management positions at Unilever, including Group Vice President of Unilever NV from 2006 to 2008, President Marketing Foods of Unilever from January 2005 to July 2006, Chairman of Unilever Bestfoods in The Netherlands from 2001 to 2005, President of Unilever de Venezuela from 1993 to 1996 and Marketing Sales Director of Unilever NL from 1991 to 1993. Mr. Stal started his career at Langnese-Iglo, Germany in 1991. Mr. Stal is also a non-executive Director at Neumann Kaffee Gruppe AG, Franz Wiltmann GmbH, Koninklijke Verkade bv, VeZet bv, SaladSignature bv, Stichting Pagras, Pagras SL and Grap SL. He is non-executive Chairman at Bakkersland bv and former Chairman of the supervisory board of Kroeller-Mueller Museum, The Netherlands. He is the founder and owner of ALS Consulting, a strategy consulting firm specializing in foods.

Mr. Stal has a degree in Mathematics and Business Administration from the University of Freiburg, Germany. He attended the Harvard University Business School Agribusiness Seminar, the Harvard Executive Innovation Class and the Advanced Management Program at The Wharton School, University of Pennsylvania. He is a Dutch citizen.

3.4 Rules in the articles of incorporation on the number of permitted activities pursuant to art. 12 para. 1 point 1 of the ordinance agains excessive compensation in listed corporations

The number of mandates held in supreme managing or administrative bodies of legal entities which need to be registered with the Swiss Commercial Register or a similar foreign register, outside the Group, is limited for the members of the Board to four in listed and ten in non-listed, larger companies, which are subject to the statutory audit requirements under local company law (cf. Art. 727 para 1 CO [*full audit*] for Swiss company law) and to ten mandates in other legal entities such as smaller companies, dormant companies, foundations and associations. Please refer also to art. 14 para. 5 point a) of the Articles of Incorporation.

3.5 Elections and Terms of Office

Art. 14 of the Articles of Incorporation provides that the Board may consist of a minimum of five Directors and a maximum of 12 Directors. The Company currently has seven Directors on its Board. The members of the Board are (re-)elected annually and individually by the General Meeting of Shareholders for a term of one year. A year means the period running between one Ordinary General Meeting of Shareholders and the next. New members elected during the year shall continue in office until the end of their predecessor's term. The members of the Board may be re-elected without limitation. A member of the Board shall automatically retire after the expiry of the seventieth year of age; the retirement shall become effective on the date of the next Annual General Meeting of Shareholders. The General Meeting of Shareholders may, under special circumstances, grant an exception from this rule and may elect a member of the Board for further terms of office of one year.

For information on the time of the first election for each member of the Board please refer to the table on page 109.

There are no rules in the Articles of Incorporation that differ from the statutory legal provisions with regard to the appointment of the Chairman, the members of the compensation committee and the independent proxy.

3.6 Internal Organizational Structure

The Organizational Regulations of the Company ("Organizational Rules") [1] detail the responsibilities and reporting procedures of the Board, its committees and the Executive Management Board ("EMB").

[1] Available on the Company's website in the Investor Relations section (http://www.gategroup.com/investors/corporate-governance)

3.6.1 Allocation of Tasks within the Board of Directors

The Board is entrusted with the ultimate direction of the Company's business and the supervision of the persons entrusted with the Company's management. It represents the Company towards third parties and manages all matters which have not been delegated to another body of the Company by law, the Articles of Incorporation or by other regulations. The Board constitutes itself to the extent not constituted by the General Meeting of Shareholders. If necessary, it elects one or several Vice Chairmen from its members. It further appoints a Secretary who needs not be a member of the Board. The Company elected Kristin Brown as Company Secretary and Hannah Sutter as Deputy Company Secretary. Both the Company Secretary and Deputy Company Secretary left the Company during financial year 2015. Roland Maurhofer was appointed as Chief Legal Officer and the Company Secretary in November 2015. The Chairman of the Company is elected by the General Meeting of Shareholders. In April 2015, the Annual General Meeting of Shareholders re-elected Andreas Schmid as Chairman. The Chairman establishes the agenda for Board meetings in consultation with other members of the Board and the EMB. The Chairman chairs the Board meetings and the General Meeting of Shareholders, casts decisive vote in case of a tie in a Board meeting and participates in all committee meetings without a voting right.

In accordance with Swiss law, the Articles of Incorporation and the Organizational Rules, the Board has delegated the Company's operational management to the Chief Executive Officer, who is supported by the other members of the EMB. The Chief Executive Officer and members of the EMB regularly update the Board on material issues pertaining to the business and the strategic objectives that the Board has provided to management. In addition, the Board has established the Audit Committee and the Nomination and Compensation Committee as advisory bodies to the Board.

3.6.2 Members List, Tasks and Area of Responsibility for each Committee of the Board of Directors

Audit Committee

The Audit Committee consists of three members of the Board: Gerard van Kesteren (Chairman), David Barger and Remo Brunschwiler. The Audit Committee is governed by art. 4 of the Organizational Rules which requires that at least a majority of the Audit Committee are financially literate and all members of the Audit Committee are independent. The Board elects from its members the Audit Committee's members and chairperson. This takes place each year at the Board's first meeting after the Annual General Meeting of Shareholders. The members of the Audit Committee are appointed, as a rule, for the entire duration of their mandate as Board members and shall be re-eligible to participate in the Audit Committee.

The Audit Committee assists the Board in fulfilling its duties of supervision of the management and organization of the Group's financial controls, financial planning and reporting. It is responsible for assessing the Company's risk management by approving the internal audit strategy; reviewing compliance with applicable laws, rules and internal regulations; reviewing and guiding auditors' audit plans; reviewing annual and interim financial statements; monitoring the quality, performance and independence of external and internal auditors; reviewing audit results; and monitoring the implementation of findings from audit reports by management.

The Audit Committee regularly reports to the Board on its proposals, assessments and findings, and proposes appropriate actions enabling the Board to make informed decisions. The Audit Committee does not have the power to make binding decisions.

Please refer also to art. 4 of the Organizational Rules.

The Chairman of the Audit Committee had at least two telephone conferences with the Lead Auditor during the fiscal year under review.

Nomination and Compensation Committee

The Nomination and Compensation Committee consists of three members of the Board: Julie Southern (Chairman), Frederick Reid and Anthonie Stal. By art. 5 of the Organizational Rules, the Nomination and Compensation Committee shall consist of three to five members of the Board, who shall be non-executive and independent. To the extent they have not been elected by the Annual General Meeting of Shareholders, the Board elects from its members the Nomination and Compensation Committee's members and chairperson. This takes place each year at the Board's first meeting after the Annual General Meeting of Shareholders. The Nomination and Compensation Committee shall be elected for the duration of their mandate as Board members and are eligible to be reappointed. The Nomination and Compensation Committee is required to meet as often as necessary to discharge its duties.

The Nomination and Compensation Committee provides the Board with recommendations on the nomination and compensation of members of the Board and EMB, policies for the nomination and compensation of the EMB and the Company's other employees, and the basic principles of the establishment, amendment and implementation of incentive plans.

For appointments to the Board and the EMB, the Nomination and Compensation Committee works with professional, independent advisors [II] to assist in defining the particular role requirements and identifying an assessing qualified candidates. It follows a structured process of assessments, interviews, appointments of final nominations and reviews.

In addition the Nomination and Compensation Committee plays an active role in reviewing talent and succession planning at the top of the organization. It conducts an annual review of the performance and development of the EMB together with a review of the potential successors for each EMB role.

The Nomination and Compensation Committee regularly reports to the Board on its proposals, assessments and findings. The Nomination and Compensation Committee decides on the terms of the employment or mandate contracts with the members of the EMB and the Board. The Nomination and Compensation Committee does not have the power to make binding decisions.

Please refer also to art. 17 bis of the Articles of Incorporation and art. 5 of the Organizational Rules.

3.6.3 Work Methods of the Board of Directors and its Committees

The Board meets at the invitation of the Chairman of the Company as often as required, but at least four times each year. The Chairman of the Company or the Secretary of the Company on his behalf may convene the meeting.

Each member of the Board can request the Chairman of the Company to convene a meeting. In such an event a meeting must be convened within 14 days after receipt of the respective demand.

Notice of Board meetings shall be given at least ten days in advance of the meeting in writing. In urgent cases, the meeting can also be convened upon shorter notice by any other suitable means. If the Chairman of the Company is not in a position to do so, another member of the Board shall preside over the meeting.

The items of the agenda of the meetings of the Board shall be determined by the Chairman of the Company after consultation with the Chief Executive Officer. Each Board member is entitled to request that further items be put on the agenda provided that such items are submitted to the Chairman of the Company no later than five days before the meeting. In such event, the Chairman of the Company shall communicate the additional items on the agenda to the other Board members before the beginning of the meeting. No resolution shall be taken on items which were not on the agenda of the meeting unless every Board member is present at the meeting and consents to the proposed resolution.

Resolutions of the Board are adopted by a majority of the votes cast by the members present. In case of a tie, the acting Chairman of the Company has the casting vote. The Board passes resolutions when the majority of its members are present. Absent members cannot be represented.

The Board reserves two full days per year to review the strategic plan and direction of the Group. Board meetings, with the exception of specially called sessions by the Chairman, are attended by members of the EMB, specifically the Chief Executive Officer and the Chief Financial Officer. The Chief Legal Officer as Company Secretary also attends. In addition, relevant members of the EMB participate in Board meetings and/or Committee meetings when required by the Board. The Chairman of the Audit Committee and the Chairman of the Nomination and Compensation Committee update the Board on their respective activities and, as necessary, make recommendations for the Board's consideration on a regular basis. Members of the EMB attend the Audit Committee and Nomination and Compensation Committee meetings on request by the respective Chairman, as standing or specific invitees. PricewaterhouseCoopers ("PwC") and Mercer Limited also regularly attend the Audit Committee and Nomination and Compensation Committee meetings respectively, as external auditors/external consultants.

The table below details the meetings held in 2015:

Meetings held in 2015 [I]	Frequency	Average duration in hours
Board of Directors	20	4:00
Audit Committee	7	2:30
Nomination and Compensation Committee	8	2:15

[I] Includes regularly scheduled and extraordinary meetings and calls
[II] Refer to section 2 of the Compensation Report

3.7 Definition of Areas of Responsibility

The governing bodies have responsibilities as follows:

Board of Directors
The Board has the ultimate responsibility for directing, supervising and controlling the management of the Group. The Board may adopt resolutions on all matters that are not expressly reserved or assigned to the General Meeting of Shareholders or to another corporate body by law, the Articles of Incorporation or the Organizational Rules.

The Board has the following main powers and duties:

- to ensure the ultimate management of the Group and to give the directives required for the operation of the business;
- to establish the organization and management of the Group and enact and amend the Organizational Rules and related governance documents;
- to provide strategic direction and oversight of the Group;
- to determine appropriate financial controls and accounting, including the determination of the budget and the annual financial statements of the Group;
- to adopt certain resolutions regarding share capital;
- to appoint and remove key management personnel of the Group (i.e. Chief Executive Officer and other members of the EMB);
- to ensure the ultimate supervision of the members of the EMB of the Group, in particular with respect to their compliance with laws, the Articles of Incorporation, regulations and directives of the Group;
- to determine and grant the signatory powers in the name of the Company;
- to approve the Annual Report and the Compensation Report, and prepare the General Meetings of Shareholders and execute its resolutions;
- to notify the court in the case of over-indebtedness of the Company;
- to determine and supervise any employee incentive plans for members of the Board and EMB, and employees of the Group;
- to determine remuneration and bonuses for the Chief Executive Officer and the other members of the EMB;
- to determine any principles of occupational pension funds of the Group;
- to organize, manage and control the Company's share register;
- to approve matters which have to be submitted to the Board according to the Organizational Rules;
- to authorize the Chief Executive Officer and the other members of the EMB to exercise a public office and act as a director in boards not belonging to the Group in accordance with the Articles of Incorporation;
- other powers and duties reserved to the Board by law, the Articles of Incorporation or the Organizational Rules.

Please refer also to art. 3 of the Organizational Rules [III].

Executive Management Board
The Chief Executive Officer is appointed by the Board and has the primary responsibility for the management of the Group. The Chief Executive Officer has the following main powers and duties:

- to organize, manage and control the day-to-day business of the Company;
- to implement the resolutions passed by the Board;
- to provide all information and documents necessary to the Board;
- to organize the EMB and prepare, call and preside over the meetings of the EMB;
- to propose to the Nomination and Compensation Committee candidates for the nomination of members of the EMB (except the Chief Executive Officer);
- to approve any engagement of employees reporting directly to the Chief Executive Officer or the EMB;
- to propose to the Board the removal of members of the EMB;
- other powers and duties reserved to the Chief Executive Officer by the Organizational Rules.

The members of the EMB attend to the day-to-day business of the Group and report directly to the Chief Executive Officer, who has the sole decision-making power within the EMB.

The Chief Executive Officer, together with the other members of the EMB and under the control of the Board, conducts the operational management of the Group pursuant to the Organizational Rules and reports to the Board on a regular basis.

Please refer also to arts. 6 and 7 of the Organizational Rules.

[III] Available on the Company's website in the Investor Relations section (http://www.gategroup.com/investors/corporate-governance)

3.8 Information and control instruments vis-à-vis the Executive management Board

The Board has control instruments in place in order to monitor the responsibilities that have been delegated to the EMB. These control mechanisms are listed below.

Involvement of Executive Management Board in the Audit Committee and Nomination and Compensation Committee meetings

Relevant members of the EMB attend the Audit Committee and the Nomination and Compensation Committee meetings as requested by the Chairman of the Company or the Chairman of the respective Committee as a standing or specific attendee. Relevant members of the EMB also attend the Audit Committee and Nomination and Compensation Committee meetings as specific attendees when required by the Chairman of the Company or by the Chairman of the respective Committee. Subject matter experts are also invited as attendees when required by the Chairman of the Company or by the Chairman of the respective Committee.

Periodic Reporting

For each Board, Audit Committee, and Nomination and Compensation Committee meeting, the EMB compiles materials that are presented by the Chief Executive Officer, the Chief Financial Officer, the Chief Legal Officer or members of the EMB as relevant to the Board, Audit Committee, and Nomination and Compensation Committee. The materials contain reports, including on the finances and operations of the Group, sales and marketing, human resources issues, corporate and business development, legal issues, investor relations and a market overview, among other materials.

Duty to inform about Extraordinary Events

Each member of the EMB has a duty to report immediately any extraordinary event and change within the Group to the Chief Executive Officer, who in turn informs the Board.

Group Internal Audit

The Group has in place a centralized global internal audit function, led by the Head of Internal Audit based at the Zurich corporate head office. The Head of Internal Audit reports to the Audit Committee and has a dotted reporting line to the Chief Financial Officer. The internal audit function has a global remit covering the Group's entire activities including the businesses, countries of operation and corporate-level functions.

The Head of Internal Audit and his team have unfettered access to the Audit Committee via a direct reporting line to the Audit Committee. The annual internal audit plan and internal audit activities are first drafted by the Head of Internal Audit, together with his team, and subsequently reviewed, discussed and approved by the Audit Committee. The Head of Internal Audit meets on a regular basis with the Group's external auditors and there is mutual cooperation in the development and output from the agreed internal audit plan. Similarly, there is regular contact between the Head of Internal Audit, his team, the EMB, and senior and local management across the business.

Internal audit activities are carried out by appropriately qualified and experienced internal audit team members, whose methods and processes in carrying out the audits are designed to ensure key risk areas for the Group are identified and raised with the Board and management as necessary for further action. The internal audit team can also expand the scope of its activities through the use of experienced external practitioners as necessary to augment the internal team, working upon specified and agreed terms.

The Head of Internal Audit prepares formal reports for the Audit Committee meetings on the activities and key findings of the global internal audit function. Such findings are discussed by the Committee members and the Board.

The global internal audit function uses a standardized internal audit methodology and implements a formal quality assurance and effectiveness program. This program is tested and reviewed annually in a report submitted to and discussed with the Audit Committee in order to assess the effectiveness of the internal audit process. In addition, an external review process of the audit function by third-party consultants will be undertaken when deemed necessary by the Audit Committee.

Management Information Systems

The EMB meets on a monthly basis to discuss key business issues and provide strategic direction that is then cascaded down through the organization in order to manage and guide the business. In addition, a group-wide annual budget is prepared, which is reviewed and approved by the EMB and the Board. The budget is then reviewed against actual performance at Monthly Business Reviews held with the leadership teams. These business reviews focus on performance against budget, as well as strategic and operational issues within the businesses requiring management oversight and direction, including but not limited to employment and labor issues, commercial issues and customer strategy, transactions or opportunities in the marketplace, capital investment plans and requirements, lease and property issues, ongoing operational and culinary performance, program management and other business.

Risk Management

The Board is responsible for ensuring that an adequate risk management system is in place in order to support wider internal control and governance. The Company has adopted a number of reporting mechanisms and governance procedures, which are focused on the identification, appropriate reporting and management of risk within the business. The Company has established a Global Compliance Committee ("GCC") comprising the Chief Legal Officer, Chief Operational Excellence & Compliance Officer, Chief Financial Officer, and Chief Human Resources Officer that, among other things, establishes the areas of compliance needed to address key business risks based on the risk assessment approved and reviewed annually by the Board, and other risks that may be identified from time to time that must be addressed through a cross-functional approach. The GCC also oversees an effective and targeted compliance program and monitoring process for the risks as identified above. Within the business segments, risk management is supported by regional business compliance committees, which include leaders in the legal, compliance, finance and human resources functions, as well as subject matter experts at both the regional and operational level who assist in identification and mitigation of risk. These teams also oversee training and education to Group employees on processes to mitigate risk as well as coordination with regulatory bodies and customers to ensure risk mitigation efforts are consistent across the Group and compliant with regulatory and customer requirements.

In addition, the Company is committed to performing periodic risk assessments supported by third party experts, which are vetted through the EMB and ultimately endorsed by the Board. It is this document that guides risk mitigation by the Company at the macro level. Other mechanisms for risk identification and reporting include the AlertLine, a global service via telephone and intranet for reporting of potential or actual violations of the Group's Code of Business Conduct & Ethics and associated policies, actual or potential violations of law or regulation, or to raise concerns regarding ethics and compliance. Internal Audit serves as another risk management tool to ensure operational and related risks are being adequately addressed and the Company is continuously improving its management and mitigation of risk.

External Auditor

Please refer to section 8.

4 Executive Management Board

4.1 Members of the Executive Management Board

from left to right top row:

Xavier Rossinyol, Christoph Schmitz, Herman Anbeek, Jann Fisch and David de la Torre

The following table summarizes information about the five members of the EMB as at December 31, 2015, followed by a short description of each member's professional background, education and activities.

Name	Birth Year	Nationality	Position
Xavier Rossinyol	1970	Spanish	Chief Executive Officer (I)
Christoph Schmitz	1965	German	Chief Financial Officer (II)
Herman Anbeek	1965	Dutch	President Americas & EMEA (III)
Jann Fisch	1966	Swiss	President Asia Pacific (IV)
David de la Torre	1970	Spanish	Chief Commercial Officer (V)

(I) Effective April 1, 2015.
(II) Effective January 19, 2015.
(III) Effective June 22, 2015. Prior to that date, he served as President, Airline Solutions.
(IV) Effective June 22, 2015. Prior to that date he served as Chief Corporate Development Officer.
(V) Effective from 22 June, 2015 to January 7, 2016.

4.2 Education and Professional Background

Xavier Rossinyol

Xavier Rossinyol was appointed Chief Executive Officer by the Board of Directors effective April 1, 2015.

Mr. Rossinyol has more than 20 years of experience in the airline service industry, including airport contract catering, duty-free and duty-paid shops, licensing activities, and food and beverage management experience. He also has a strong track record when it comes to performing in equity markets. Prior to joining gategroup, Mr. Rossinyol was at Dufry, a leading global travel retailer operating in 60 countries, where he served as Chief Operating Officer EMEA and Asia from 2012 to 2015, and Chief Financial Officer from 2004 to mid-2012. During his time at Dufry, Mr. Rossinyol was accountable for the company's profitability, including material turn-arounds and business restructuring. He led more than 10 post-merger integrations across several continents as well as M&A activities across Europe, the U.S., Latin America and Asia. He also opened close to 15 new markets in Europe, Africa and Asia.

From 1995 to 2004, Mr. Rossinyol worked for Spanish based Grupo Áreas (part of the French publicly traded Group Elior, a world-leading company in both contract and concession catering). There he oversaw new business opportunities in Spain and internationally as well as strategic planning, reporting and controlling.

His professional background is summarized in the table below:

Dufry	2012–2015	Chief Operating Officer EMEA and Asia
	2004–2012	Chief Financial Officer
Grupo Áreas	2003–2004	Corporate Business Development Director
	2000–2003	Planning and Controlling Director

Mr. Rossinyol has a BBA and an MBA in International Management and Finance from ESADE (Barcelona, Canada and Hong Kong) and a Master in Business Law from Universidad Pompeu Fabra, Barcelona. Mr. Rossinyol is a Spanish citizen.

Christoph Schmitz

Christoph Schmitz joined gategroup as Chief Financial Officer on January 19, 2015. He oversees the global financial activity for the Group, encompassing financial strategy and planning, accounting and controlling, treasury and financial management, tax, investor relations and communications, mergers and acquisitions, and information technology.

Mr. Schmitz served most recently as CFO for WILD Flavors, a Swiss-based supplier of ingredients to the food and beverage industry. He was instrumental in substantially increasing the value of WILD Flavors by optimizing organisational structures, executing a robust refinancing strategy, improving profitability, cash generation and facilitating significant growth through key mergers and acquisitions. He has also held the roles of CFO at Pfleiderer for Pergo AG and for the North American region; CFO at Walter Construction Group, where he was responsible for restructuring and refinancing the entire Asian Pacific business; CFO at Lurgi Lentjes Bischoff GmbH; and Managing Director and CFO with Indomag Steel Technology, based in New Delhi. He began his professional career with Mannesmann Demag AG.

His professional background is summarized in the table below:

WILD Flavors/Switzerland	2010–2014	Global Chief Financial Officer
Pergo/Switzerland	2009–2010	Global Chief Financial Officer
Pfleiderer/USA & Canada	2005–2008	Chief Financial Officer & Member of the Executive Committee Canada
Only Natural Foods/Australia	2003–2005	Chief Executive Officer & Owner
Walter Construction Group/Australia	2000–2002	Chief Financial Officer
Lurgi Lentjes Bischoff/Germany	1999–2000	Chief Financial Officer & Deputy Managing Director
Indomag Steel Technology/India	1995–1999	Managing Director & Chief Financial Officer
Mannesmann Demag/Germany	1993–1995	Deputy Head of Commercial Sales
/Canada	1991–1993	Commercial Project & Site Manager
/Germany	1989–1991	Project Manager

Mr. Schmitz holds an MBA from the Rotman School of Management at the University of Toronto and a M.Sc. in Business Management *(Betriebswirt)*. He is a German citizen.

Herman Anbeek

Herman Anbeek was named President, Americas & EMEA on June 22, 2015. He previously held the position of Group Senior Vice President and President Emerging Markets in March 2012 and was promoted to President, Airline Solutions in September 2014. Prior to this, Mr. Anbeek held the position of Chief Commercial Officer from June 2007.

His prior experience is detailed below:

LSG Sky Chefs/Frankfurt	2003–2007	Chief Commercial Officer (Member of the International Management Team)
	2001–2003	Senior Vice President Marketing and Sales (Member of the EMEA Management Board)
Pfister/Aarau	1997–2001	Manager Sales and Business Unit Furniture (Member of the Executive Board)
	1996	Manager Product Management Furniture
Coopers and Lybrand, Management Consultants/Utrecht, Amsterdam	1995–1996	Senior Consultant
KLM Royal Dutch Airlines/Amstelveen, Curacao	1988–1995	Special Advisor to the Board at ALM/Antilean Airlines, Curacao, Dutch Antilles (a 50% participation of KLM)
	1993–1994	Manager Material Management/Onboard Services
	1991–1993	Managing Production Support and Purchasing/KLM Catering Services
	1990–1991	Manager Production Support/KLM Catering Services
	1988–1990	Management Trainee

Mr. Anbeek holds a Master of Science in Business Engineering from the University of Technology, Enschede, The Netherlands.

Jann Fisch

Jann Fisch was named President of Asia Pacific on June 22, 2015. Prior to that he served as Chief Corporate Development Officer from September 1, 2014. Mr. Fisch joined the Group in June 2013 as Group Senior Vice President and President Europe and Africa.

Mr. Fisch has more than two decades of experience in leading large, complex operational units in the catering and airline industries, including experience in operational turnarounds and launching innovative service offerings. He previously served as Chief Executive Officer of the Nuance Group, Australia and New Zealand, a role he held since 2007. From 2002 - 2007 he worked at Pick Pay and Compass Group as Chief Executive Officer for Switzerland. From 1993 to 2001, Mr. Fisch held various positions at Swissair Group and at its subsidiaries Gate Gourmet and Swisscargo AG.

The Nuance Group/Sydney Area	2007–2012	Chief Executive Officer Australia & New Zealand
Compass Group/Zurich	2005–2007	Chief Executive Officer
Pick Pay/Zurich	2002–2003	Chief Executive Officer
	2002	Head Corporate Development
Swissair Group/Zurich	2000–2001	Executive Vice President Marketing & Sales Swisscargo
Swissair Group/Frankfurt	1998–2000	General Manager Germany Swissair
Swissair Group/Zurich	1996–1998	Manager Marketing & Sales
	1995–1996	Manager Business Development Gate Gourmet
	1994–1995	Marketing & Sales Manager Gate Gourmet
	1993–1994	Marketing Assistant Gate Gourmet

Mr. Fisch holds a Master in Engineering from the Swiss Federal Institute of Technology (ETH) Zurich. He is a Swiss citizen.

David de la Torre

David de la Torre was the Chief Commercial Officer and a member of the EMB of gategroup between June 22, 2015 and January 7, 2016. As Chief Commercial Officer, he was responsible for managing key global customer relationships and providing leadership for sales and marketing activities at gategroup.

Before being appointed to this role, Mr. de la Torre served as President and Managing Director Western Europe, gategroup Airline Solutions. In this position, he had responsibility for operations in the UK, Ireland and Spain. Prior to that, he held the role of Managing Director, Spain & Portugal.

From 2005 until 2008, Mr. de la Torre led a start-up business outside gategroup, serving as General Manager of Grupo Serhos Food Service. Earlier, from 1997 through 2004, Mr. de la Torre held several management positions at Gate Gourmet and its predecessors: At IBER-SWISS Catering he served as General Manager in Malaga and later also in Barcelona. He then served as General Manager at Gate Gourmet Hatton Cross in London.

Mr. de la Torre's educational degrees include completion of the Senior Management Program at Thunderbird and Instituto de Empresa. He has also been a lecturer in change management at a business school in Spain. He is a Spanish citizen.

4.3 Rules in the articles of incorporation on the number of permitted activities pursuant to art. 12 para. 1 point 1 of the ordinance agains excessive compensation in listed corporations

The number of mandates held in supreme managing or administrative bodies of legal entities which need to be registered with the Swiss Commercial Register or a similar foreign register, outside the Group, is limited for the members of the EMB – upon approval of the Nomination and Compensation Committee – to one in listed and three in non-listed, larger companies and to ten mandates in other legal entities such as smaller companies, dormant companies, foundations and associations. Please refer also to art. 14 para. 5 point b) of the Articles of Incorporation.

4.4 Management Contracts

The Company has not entered into reportable management contracts with any third party.

5 Compensation, Shareholdings and Loans

For information with regard to compensation paid to and shareholdings of the members of the Board and the EMB, as well as loans granted to those individuals, please refer to the compensation report.

6 Shareholders' Participation Rights

6.1 Voting Rights Restrictions and Representation

6.1.1 Voting rights restrictions, along with an indication of statutory group clauses and rules on granting exceptions

Only persons registered as Shareholders or usufructuaries of registered shares in the share register shall be recognized as such by the Company. Acquirers of registered shares shall be registered as Shareholders with the right to vote, provided that they expressly declare that they acquired the registered shares in their own name and for their own account (art. 5 paras. 2 and 3 of the Articles of Incorporation).

There are no voting rights restrictions in the Articles of Incorporation.

6.1.2 Rules on participating in the General Meeting of Shareholders if they differ from applicable legal provisions

After the Ordinance became effective on January 1, 2014, a shareholder may only be represented in the General Meeting of Shareholders by his legal representative, another shareholder with voting right, or the independent proxy representative. All shares held by a shareholder may only be represented by one person (art. 11 para. 2 of the Articles of Incorporation).

6.2 Rules in the articles of incorporation on the issue of instructions to the independent proxy and on the electronic participation in the general meeting of shareholders

The Board shall set forth the rules regarding the participation and representation in the General Meeting of Shareholders and may allow electronic proxies without qualified electronic signatures. A shareholder may only be represented in the General Meeting of Shareholders by his legal representative, another shareholder with voting right or the independent proxy representative. All shares held by a shareholder may only be represented by one person. A general voting instruction to follow the motions of the Board is deemed valid, regardless of whether such motions are made ad hoc or whether they have been set forth in the invitation to the General Meeting of Shareholders (art. 11 para. 2 of the Articles of Incorporation).

6.3 Quorums required by the Articles of Incorporation (statutarische Quoren)

The Company's rules (arts. 8 and 9 of the Articles of Incorporation) do not differ from applicable legal provisions. An extraordinary General Meeting of Shareholders shall be convened by the Board at the written request of one or more shareholders with voting rights representing in the aggregate at least 10% of the share capital as registered in the commercial register (please also refer to art. 8 para. 3 of the Articles of Incorporation).

6.4 Convocation of the General Meeting of Shareholders

The Company's rules (arts. 8 and 9 of the Articles of Incorporation) do not differ from applicable legal provisions. An extraordinary General Meeting of Shareholders shall be convened by the Board at the written request of one or more Shareholders with voting rights representing in the aggregate at least 10% of the share capital as registered in the commercial register (please also refer to art. 8 para. 3 of the Articles of Incorporation).

6.5 Inclusion of Items on the Agenda

One or more shareholders with voting rights whose combined holdings represent an aggregate nominal value of at least CHF 1,000,000 or at least 10% of the share capital may request that an item be included in the agenda of a General Meeting of Shareholders. Such a request must be made in writing to the Board at the latest 45 days before the General Meeting of Shareholders and shall specify the agenda items and motion sought (please also refer to art. 9 para. 5 of the Articles of Incorporation).

6.6 Entries in the Share Register

The relevant date to determine the Shareholders' right to participate in and to vote at the General Meeting of Shareholders on the basis of the registrations appearing in the share register is set by the Board in the invitation to the General Meeting of Shareholders (please also refer to art. 11 para. 3 of the Articles of Incorporation).

7 Changes of Control and Defense Measures

7.1 Duty to make an Offer

The Company does not have a provision on opting-out or opting-up in the Articles of Incorporation. Thus, the provisions regarding the legally prescribed threshold of 33 1/3% of the voting rights for making a public takeover offer set out in Art. 32 of the Swiss Stock Exchange Act are applicable.

7.2 Clauses on Changes of Control

Change of control clauses in agreements and schemes benefitting members of the Board of Directors and/or Executive Management Board as well as other members of the Company's management
Please refer to section 7 of the compensation report.

8 Auditors

8.1 Duration of the Mandate and Term of Office of the Lead Auditor

PricewaterhouseCoopers AG, Zurich, Switzerland, is the auditor for the Group and the Company. PwC assumed the existing auditing mandate on December 6, 2002. The Annual General Meeting of Shareholders elects the auditors for a term of one year, renewable annually. The lead auditor, Mr. Roger Kunz, took up office in respect of this mandate on April 16, 2015.

8.2 Auditing and Additional Fees

The following table shows all costs which PwC charged to the Group during the financial years 2015 and 2014:

in CHF m	**2015**	**2014**
Audit and audit related fees	2.9	3.5
Additional fees for:		
– Tax services	1.2	1.4
– Acquisition related consulting services	–	0.1
– Other consulting services	0.2	0.2
Total additional fees	**1.4**	**1.7**
Total PwC fees for the year	**4.3**	**5.2**

Audit fees are paid to PwC for the standard audit work that needs to be performed each year in order to issue opinions on the consolidated financial statements as well as opinions on the local statutory accounts.

Additional fees are related to services performed by the auditors but not directly in connection with the annual audit. These fees include tax services which consist of tax compliance and other services as well as acquisition-related consulting fees.

8.3 Information Tools pertaining to the External Audit

The Audit Committee monitors and evaluates the activities of the external auditors, PwC, as mandated by the Board. In exercising this duty the members of the Audit Committee use their knowledge and experience, consider documents received from the external auditors and place reliance on verbal statements made by them.

PwC presents to the Audit Committee an overview of issues found during the audit, a detailed report on the financial statements audit and significant findings on financial accounting, reporting and the internal control system. In 2015, PwC participated in five meetings of the Audit Committee. PwC also met with the Chairman of the Audit Committee without the Group's management being present, at least two times via conference calls. The Head of Internal Audit met four times with the Audit Committee during 2015 and he regularly met with the Chairman of the AC for interim updates.

The Audit Committee on a regular basis evaluates the qualification, performance and independence of PwC and, once yearly, based on the performance of PwC, decides on its recommendation to the Board whether PwC should be proposed to the Annual General Meeting of Shareholders for re-election. The Audit Committee considers the compatibility of non-audit services with the auditors' independence. All audit and non-audit services provided by PwC are pre-approved by the Chief Executive Officer and the Chief Financial Officer. Audit and non-audit fees are ultimately approved by the Audit Committee.

PwC monitors its independence throughout the year and confirms its independence to the Audit Committee annually. The lead auditor is rotated every seven years in accordance with Art. 730a para. 2 of the Swiss Code of Obligations.

9 Information Policy

The Company is committed to maintaining a close relationship with Shareholders, potential investors and other interested parties. The Company publishes each year a detailed Annual Report, which provides information on the Group's results and operations. It also provides a half-year report and discloses quarterly financial results. Important corporate news is the object of ad-hoc publicity statements.

The Company pursues an open and active information policy for the benefit of the Shareholders, the financial markets and the general public. All stakeholders are given the same opportunity to follow the Group's developments and publications, which are made available to all stakeholders at the same time. (According to art. 22 para. 1 of the Articles of Incorporation the official means of publication of the Company is the Swiss Official Gazette of Commerce.)

The Investor Relations function of the Company is responsible for managing all contacts with investors and analysts. Meetings are held regularly with institutional investors and analysts to discuss important corporate news or specific topics. The Company's information exchange can also be followed by private investors via telephone conference or on the Company's website in the Investor Relations section (http://www.gategroup.com/investors). In addition, the Company undertakes road shows for institutional investors and participates in the equity conferences on a regular basis.

The Company is strongly committed to treating all investors equally. The Group prevents selective disclosure by observing the ad-hoc publicity rules and maintains a policy of restrictions to prevent insiders from trading during sensitive intervals.

The corporate calendar as well as regularly updated information is available on the Company's website in the Investor Relations section (http://www.gategroup.com/investors/events-calendar). An e-mail subscription service provides news releases (http://www.gategroup.com/press-center/subscriptions).

The Company's Investor Relations department can be contacted, either through the website, or by telephone, fax, e-mail or letter.

Contact:
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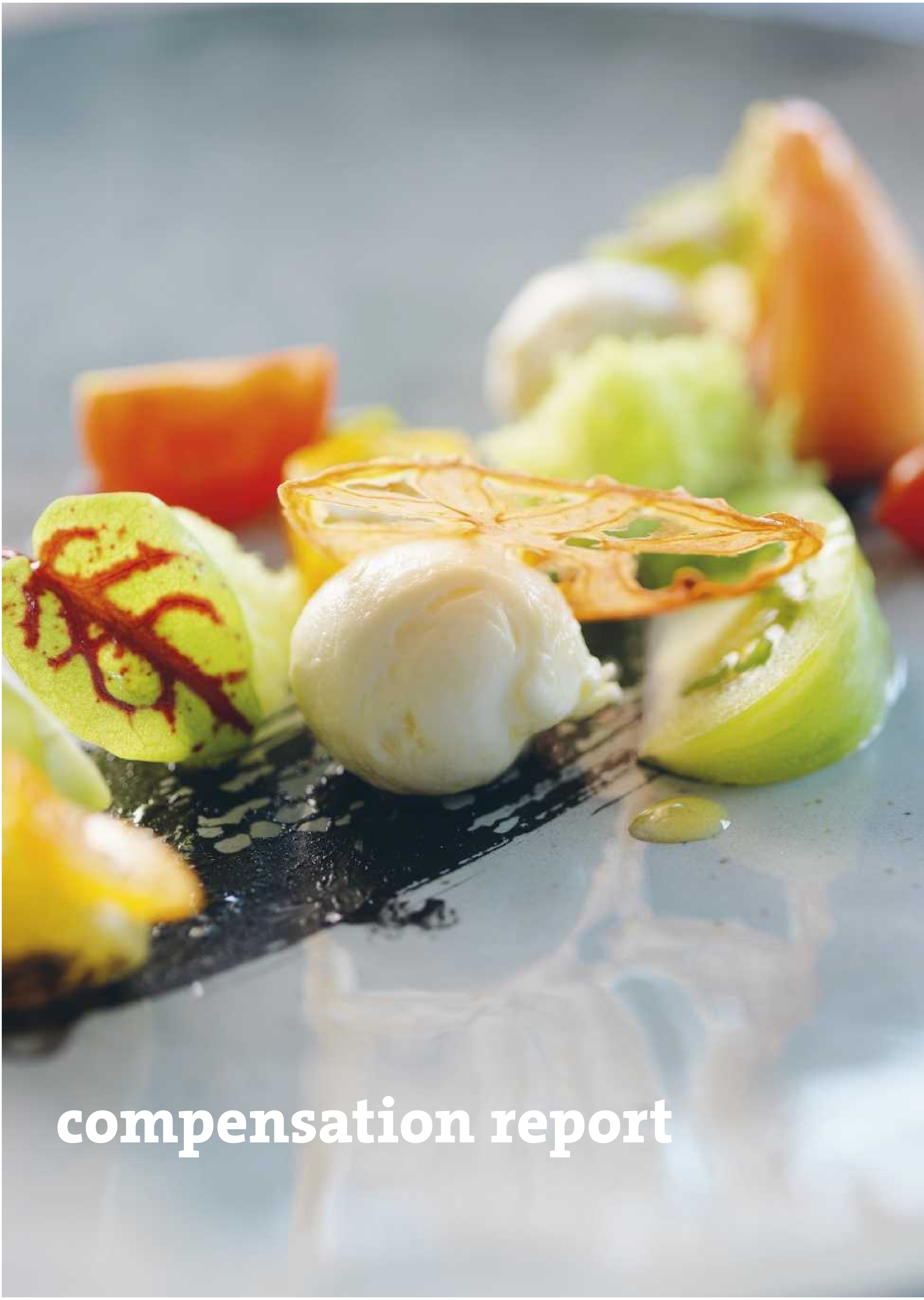


compensation report

Compensation Report

Letter from the Chair of the Nomination and Compensation Committee

Dear Shareholder,

I am pleased to present the Compensation Report for the financial year ended December 31, 2015.

Within this report we detail the Compensation Policy and Philosophy that guides the development of our compensation programs, the Governance and Procedure for Determining Compensation, including the roles and accountabilities of the responsible parties, and details of Board of Directors Compensation and Executive Management Board ("EMB") Compensation for the reported financial year.

Further details with respect to the operation of the Committee and the compensation structure are contained within the company's Articles of Incorporation. Information supplementary to this report is also provided in Note 2.3 of the financial statements of gategroup Holding AG.

During the financial year 2015, the following activities and key decisions were undertaken:

– For clear accountability, the Board of Directors is now comprised of non-executive members only.

– To bring focus to the group of key executives who will drive implementation of the new strategic direction for gategroup, the management structure was simplified and the composition of the EMB was reduced from ten members to five. Led by the CEO, it is comprised of the Chief Financial Officer, President of Americas & EMEA, President of Asia Pacific and the Chief Commercial Officer.

– The launch of the Gateway 2020 strategy provided the foundation for reviewing the compensation structure for the EMB together with the Group's senior management to ensure it both directly supports the achievement of the strategy and is fully aligned with the long-term interests of our shareholders.

- The variable bonus incentive plan ("STIP") was simplified and redesigned to better align the plan and resulting executive cash awards with the strategic direction of the Company. As a result, the plan focuses on achievement of key financial metrics that are central to the success of the Company. For the performance year 2015, targets for all participants were based upon Group performance. The maximum award for all participants is limited to 200% of target.

- The equity incentive plan ("ELTIP") remained materially unchanged in 2015 but the performance target was changed from Return on Invested Capital ("ROIC") and Revenue Growth, to a single measure of Earnings per Share ("EPS") Growth. We believe this modification both simplifies the plan and ensures stronger alignment of executive interests with shareholder interests.

- In 2016 it is intended to build on the changes in 2015. The ELTIP will be further developed to ensure it is simple, reasonable and transparent, based on absolute EPS attributable to shareholders as the performance measure, providing reward for outstanding performance and shortening the vesting period from four to three years to align with the strategic plan and incentivise faster improvement.

- A shareholding requirement will also be introduced to strengthen the alignment of executive and shareholder interests.

Employment contracts for Board and EMB members are all compliant with the Swiss Ordinance Against Excessive Compensation at Public Corporations that entered into force on January 1, 2014 ("the Ordinance").

The above changes will help ensure the success of the Company's new direction. Reducing the size of the EMB ensures a focused and aligned group of capable executives who will lead the Company forward. The new metrics for the executive incentives were selected specifically for their direct impact on our success and alignment with shareholder interests.

The following pages set out in detail our policy and explain its implementation. I trust you find the report informative and clear on how our compensation arrangements align to and support the Company's business strategy.

Yours Sincerely,

Julie Southern
Chair, Nominations and Compensation Committee

INTRODUCTION

The Compensation Report follows the Directive on Information relating to Corporate Governance issued by the SIX Swiss Exchange, Art. 663c paragraph 3 of the Swiss Code of Obligations and the Ordinance, which is fully applicable from 2016.

Pages 132 and 136 of this report are subject to audit.

1. Compensation Policy and Philosophy

Compensation arrangements at gategroup Holding AG (the "Company") and its subsidiaries (together the "Group") are designed to attract, retain and motivate the international talent that is considered critical for the delivery of long-term business results. Key principles that underpin our philosophy are:

Competitive and market-aligned compensation – gategroup provides market-aligned compensation appropriate to the talent requirements of each position. This supports the Group in attracting, retaining and motivating the executive talent required to deliver our strategic objectives.

Pay for performance – Our compensation program structure places a considerable proportion of pay at risk, with an average of 50% of total compensation at target for executives tied to the achievement of annual and long-term performance goals.

Alignment with long-term shareholder interests – Our programs focus on the drivers and delivery of balanced, long-term and sustainable growth.

To ensure that compensation structures continue to support the Group strategy, both the principles and compensation program structures are reviewed annually.

2. Governance and Procedure for Determining Compensation

Nomination and Compensation Committee

The Board is responsible for determining compensation arrangements for members of the Board and the EMB based on recommendations from the Nomination and Compensation Committee ("NCC"). Since 2015, the determination of these compensation arrangements is subject to the approval by the General Meeting of Shareholders (see page 131 "Vote on pay at the General Meeting of Shareholders").

In undertaking its duties, the NCC meets as often as necessary, usually five times per year, with a mandate to review the remuneration system of the Group and provide recommendations to the Board on both compensation structure and individual remuneration packages, including equity grants, for members of the EMB. The Chief Financial Officer and Chief Human Resources Officer are generally present during the NCC meetings and provide additional input and guidance as required. With the exception of the Chief Executive Officer and the Chief Financial Officer, EMB members are not present during discussion and review of EMB compensation arrangements.

The Chief Executive Officer is not present during discussion and review of his own compensation arrangements. Likewise, neither the Chief Financial Officer nor the Chief Human Resources Officer is present for any discussion regarding their own compensation arrangements.

Further details about the composition of the NCC and its responsibilities are provided in the Corporate Governance section of the Annual Report.

Levels of authority (individual compensation, subject to the approval of the aggregate compensation amount by the General Meeting of Shareholders)

	NCC	Board
Chairman's compensation	proposes	approves
Board compensation	proposes	approves
Remuneration of Chief Executive Officer including performance goals, remuneration at target and incentive (short-term and long-term) payouts	proposes	approves
Remuneration of EMB members including performance goals, remuneration at target and incentive (short-term and long-term) payouts	proposes	approves

The determination of the aggregate compensation amount for the Board of Directors and the EMB is proposed by the Board and approved by the General Meeting of Shareholders.

Procedure for determining compensation

To inform its recommendations, the NCC receives independent consulting advice from Mercer Limited and considers competitive market data drawn from published compensation surveys. On occasion Mercer Limited provides other ad-hoc compensation data and reports to the Group. The Group has not awarded Mercer Limited with mandates other than compensation consultancy. For all EMB positions, the NCC reviews compensation data from industry-specific comparators and in key markets from which the Group sources and competes for talent.

The NCC also reviews disclosed proxy information for a group of 17 publicly listed peer companies with close industry comparability to the Group (including Industrial Goods & Services, Travel & Leisure and Retail). This peer group includes ten Swiss-based organizations with four organizations based elsewhere in Europe and three based in the U.S. Furthermore, the selected peer companies operate on a broad geographic spread, comparable to that of the Group.

Vote on pay at the General Meeting of Shareholders

As of 2015, the Board submits to the General Meeting of Shareholders for approval, on an annual basis, prospectively and bindingly for the term until the next Annual General Meeting of Shareholders, the maximum aggregate amount of compensation of the Board (art. 17ter para. 1 of the Articles of Incorporation of the Company ("Articles of Incorporation"), available for download at: http://www.gategroup.com/investors/corporate-governance), and for the next business year, the maximum aggregate amount of compensation of the EMB (art. 17ter para. 1 of the Articles of Incorporation). Accordingly, the General Meeting of Shareholders 2016 will be asked to approve Board compensation until the General Meeting of Shareholders 2017 and EMB compensation for the financial year 2017.

Consistent with the Articles of Incorporation (art. 17ter para. 9), an additional amount expressed as a percentage of the maximum aggregate amount of compensation for the EMB in a given year is available to ensure there is flexibility to manage any unanticipated changes in the EMB following the General Meeting of Shareholders' approval of the total compensation.

3. Board of Directors Compensation

The compensation structure of the non-executive Board members is comprised of two main elements: basic annual fee and additional responsibility fee. For the remuneration of the sole executive Board member in 2015 please refer to section 4. This executive Board member stepped down from the Board on March 31, 2015.

Basic annual fee: A basic fee of CHF 150,000 per annum is provided to each non-executive member of the Board. The Chairman receives an annual fee of CHF 350,000.

Additional responsibility fee: An additional annual fee of CHF 10,000 is paid to the Chairman of the Audit Committee and to the Chair of the NCC in consideration of the additional accountability and time commitment required.

The non-executive members of the Board do not participate in the ELTIP. The Board compensation structure and fees have not been increased since the listing of the Group in 2009.

Specific information concerning actual compensation paid to the Board for period January 2015 to December 2015 can be found below presented with the accrual principle:

Remuneration of non-executive Board members [I] January – December 2015 [II]

in CHF	Gross cash compensation fixed	Other compensation [III]	Total remuneration
Andreas Schmid, Chairman	350,000	47,437	397,437
David Barger [V]	106,250	–	106,250
Neil Brown [IV, VI]	47,111	847	47,958
Remo Brunschwiler, Vice Chairman	150,000	10,940	160,940
Ilona De March [VI]	44,167	3,221	47,388
Gerard van Kesteren, Chairman of the Audit Committee [IV,V]	113,333	6,336	119,669
Brian Larcombe [IV, VI]	47,111	847	47,958
Frederick Reid [V]	106,250	–	106,250
Julie Southern, Chair of the NCC [IV,V]	113,333	14,235	127,568
Anthonie Stal	150,000	10,940	160,940
Total remuneration	**1,227,555**	**94,803**	**1,322,358**

[I] For the 2015 remuneration of the sole executive Board member who stepped down March 31, 2015, please refer to section 4
[II] There were no termination payment or payments to former non-executive board members during the year under review
[III] Includes the value of social security contributions
[IV] Includes additional responsibility fee of CHF 10,000
[V] Appointed to the Board on April 16, 2015
[VI] Ceased to be a Board member as of April 16, 2015

Remuneration of non-executive Board members [I] January to December 2014 [II]

in CHF	Gross cash compensation fixed	Other compensation [III]	Total remuneration
Andreas Schmid, Chairman	350,000	47,719	397,719
Neil Brown [IV]	160,000	20,675	180,675
Remo Brunschwiler	150,000	10,940	160,940
Ilona De March [V]	106,250	7,751	114,001
Brian Larcombe [IV]	160,000	20,675	180,675
David Siegel [VI]	43,750	–	43,750
Anthonie Stal	150,000	10,940	160,940
Total remuneration	**1,120,000**	**118,699**	**1,238,699**

[I] For the remuneration of the sole executive Board member in 2014 please refer to section 4
[II] There were no termination payment or payments to former non-executive members of the Board during the year under review
[III] Includes the value of social security contributions
[IV] Includes additional responsibility fee of CHF 10,000
[V] Appointed to the Board on April 15, 2014
[VI] Ceased to be a Board member as of April 15, 2014

No payments were made to persons closely linked to members of the Board during the year under review. "Persons closely linked" are (i) their spouse, (ii) their children below age 18, (iii) any legal entities that they own or otherwise control, and (iv) any legal or natural person who is acting as their fiduciary.

In addition, no credits and loans were granted to current or former members of the Board or to persons closely linked to them in 2015 and 2014. No such credits and loans were outstanding as of December 31, 2015 and of December 31, 2014.

Shares and options held by the Board of Directors

Specific information concerning the number of shares of the Company held by each non-executive member of the Board and parties related to such persons can be found below (please also refer to Note 2.3 of the financial statements of gategroup Holding AG):

Shareholdings of non-executive Board members as at December 31, 2015

	Number of shares	Representing % of the share capital of the Company
Andreas Schmid, Chairman	247,067	0.92%
David Barger	–	–
Remo Brunschwiler	3,300	0.01%
Gerard van Kesteren	4,000	0.01%
Frederick Reid	32	0.00%
Julie Southern	–	–
Anthonie Stal	72,500	0.27%
Total shareholdings	**326,889**	**1.21%**

Shareholdings of non-executive Board members as at December 31, 2014 [1]

	Number of shares	Representing % of the share capital of the Company
Andreas Schmid, Chairman	247,067	0.92%
Neil Brown	100,000	0.37%
Remo Brunschwiler	–	–
Ilona De March	–	–
Brian Larcombe	60,000	0.22%
Anthonie Stal	72,500	0.27%
Total shareholdings	**479,567**	**1.78%**

[1] For the shareholdings of the sole executive Board member in 2014 please refer to section 4.

Outstanding options as at December 31, 2015 and as at December 31, 2014 [1]

	Date of grant	Number of options	Exercise price	Exercise period	Date of expiry
Andreas Schmid, Chairman	12/31/2007	1,821	CHF 69.04	10 years	12/31/2017

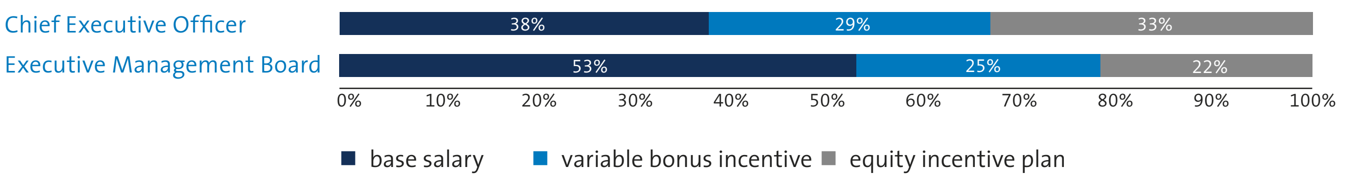
[1] Each option, if exercised, will result in the purchase of one share at the exercise price.

4. Executive Management Board Compensation

The EMB compensation structure is comprised of three main elements: base salary, variable bonus incentive and equity incentive plan. The rules in the Articles of Incorporation on principles applicable to success-based compensation and participation plans are set out in art. 17^{ter} para. 8.

Base salary and benefits		– Set taking into account responsibilities, performance, market practice and benchmark
Variable bonus incentive	Short Term Incentive Plan ("STIP")	– Financial and individual performance goals – Target value (% base salary): CEO 100%, other EMB members 50% – Maximum value (% of target): 200% – Paid annually, subject to the achievement of relevant financial targets determined at a Group level, and subject to individual performance – Fully budgeted and awards taken as cost before determining final payout
Equity incentive plan	Executive Long Term Incentive Plan ("ELTIP")	Annual performance share grants, generally vesting on the fourth anniversary of grant, subject to satisfaction of the following performance conditions: – For grants made in 2012-2014: Revenue Growth and ROIC; and – For grants made in 2015: EPS growth – An additional grant (detailed on page 135) was made to the CEO in 2015 using Total Shareholder Return ("TSR") as the target

2015 Pay Mix at Target Compensation



Base salary and benefits: Base salaries are reviewed annually by the NCC taking into account the responsibilities of the executive; competitive market practice (as specified on pages 130 and 134); and individual performance and potential. As a result of the 2015 review, and in line with the Group's stated compensation principles, compensation for the incoming Chief Executive Officer remained consistent with the compensation of the outgoing Chief Executive Officer. Based on market benchmarking and job duties, other EMB members received a total increase of CHF 93,594 in 2015. Benefits include, but are not limited to, pension, medical insurances and tax advice.

Variable bonus incentive: Target and maximum awards for 2015 are set out in the table on page 134. In 2015, the NCC redesigned the STIP so that payout is based on two important Group financial metrics: EBITDA (weighted 80%), and free cash flow (weighted 20%). The Plan is fully budgeted and awards under the Plan, if any, are taken as a cost before determining final payout. The minimum financial performance required for a payout is 80% of plan, below which no cash bonuses are paid. In order to determine individual bonus awards, the NCC reviews the performance and contribution of each EMB member to the achievement of the financial metrics. The Board retains authority to make appropriate adjustments in the event of extraordinary events or critical project contributions. The maximum award for all participants is limited to 200% of target.

Equity incentive plan: Under the ELTIP, EMB members are eligible to receive performance share grants on an annual basis. The 2015 grants will vest in May 2019, subject to the satisfaction of performance targets based on EPS Growth. The Board retains the discretion to adjust performance targets for subsequent grants.

The grants will vest subject to the satisfaction of an EPS target and an ongoing employment relationship on the vesting date. The performance target for the ELTIP 2015 grants is compound growth in EPS for the period 2015-2018 against the actual 2014 baseline. Where the achievement is 5% per annum for the four year period then 25% of the award will vest, increasing on a straight line basis to where the achievement is 10% per annum then 50% of the award will vest. The maximum award of 100% will vest when 15% or more EPS growth is achieved, with again a straight line basis between 10% and 15% EPS growth.

The award of 40,000 shares was made to the incoming Chief Executive Officer to serve as compensation for direct losses incurred as a result of his change of employer and awarded based on total shareholder return. The grant will vest on May 1, 2019, at a maximum of 40,000 shares, subject to the satisfaction of a TSR target and an ongoing employment relationship on the vesting date.

In addition to the above replacement grant to the Chief Executive Officer, the strong share price performance was largely responsible for the increase in the total value of the 2015 grant.

Specific information concerning actual compensation paid to EMB members and the value of benefits provided for the period of January 2015 to December 2015 can be found below:

Remuneration of EMB members January to December 2015 (I)

in CHF	Cash compensation				The maximum 2015 share grants vesting in 2019		Total remuneration
	Gross cash compensation fixed	Gross cash compensation variable (II)	Variable compensation as a % of fixed compensation	Other compensation (III)	Number of ELTIP share grants (IV)	Value of ELTIP share grants (IV)	
Total remuneration for EMB as a whole (V, VII)	4,978,588	1,778,396	35.72%	2,028,499	165,000	5,037,800	13,823,283
Total remuneration for Active EMB as of December 31, 2015	2,500,933	1,446,637	57.84%	1,268,842	165,000	5,037,800	10,254,212
Xavier Rossinyol Current Chief Executive Officer (VI)	675,000	614,925	91.10%	386,075	50,000 40,000 (VIII)	1,566,000 1,122,800 (VIII)	4,364,800
Andrew Gibson Former Chief Executive Officer & Former Member of Board of Directors	999,971	0	0.00%	133,425	0	0	1,133,396

(I) There were payments to former EMB members during the year under review.
(II) The total includes amounts payable in 2016 for 2015 performance under the short-term incentive plan for meeting certain strategic performance targets as contractually agreed.
(III) Includes the value of employer social security and other statutory employer contributions, employer pension contributions as well as benefits such as school fees, tax advice and medical and other insurances provided to EMB members. Also includes one-off tax reconciliation payments regarding company paid benefits and respective tax gross-ups on these payments in order to comply with contractual arrangements.
(IV) Value of share awards granted under the ELTIP in 2015. Reflects the fair value of share awards at May 1, 2015.
(V) One individual ceased to be an EMB member as of December 31, 2014, and all payments contractually due to this former EMB member were disclosed in 2014 so not included in the above.
(VI) Highest total remuneration for a member of the EMB.
(VII) As part of the strategic review in June 2015, the management structure and the composition of the EMB was simplified, reducing the number of members from 10 to 5 individuals.
(VIII) The one-off replacement grant to the CEO.

Remuneration of EMB members January to December 2014 (I)

in CHF	Cash compensation				The maximum 2014 share grants vesting in 2018		Total remuneration
	Gross cash compensation fixed	Gross cash compensation variable (II)	Variable compensation as a % of fixed compensation	Other compensation (III)	Number of ELTIP share grants (IV)	Value of ELTIP share grants (IV)	
Total remuneration for EMB as a whole (V)	4,705,754	1,055,712	22.43%	2,647,975	200,000	4,420,000	12,829,441
Andrew Gibson, Chief Executive Officer (VI)	900,000	324,000	36.00%	740,517	40,000	884,000	2,848,517

(I) There were no payments to former EMB members during the year under review.
(II) The total includes amounts payable in 2015 for assessed performance against 2014 objectives consistent with the short-term incentive plan.
(III) Includes the value of employer social security and other statutory employer contributions, employer pension contributions as well as benefits such as school fees, tax advice and medical and other insurances provided to EMB members. The value of benefits provided to EMB members in 2014 is 1,261,919 of which 355,564 were benefits provided to the Chief Executive Officer for the year under review as well as one-off reconciliation payments related to benefits that should have been paid out over 2011-2013 to comply with contractual obligations primarily related to tax equalizations.
(IV) Value of share grants made under the ELTIP in 2014. Reflects the fair value of share grants at grant date.
(V) One individual ceased to be an EMB member as of December 31, 2014 and his employment ended effective June 30, 2015. All payments contractually due to the former EMB member are included in the total number and ceased March 31, 2015.
(VI) Highest total remuneration for a member of the EMB.

No payments were made to persons closely linked to EMB members during the year under review. “Persons closely linked” are (i) their spouse, (ii) their children below age 18, (iii) any legal entities that they own or otherwise control, and (iv) any legal or natural person who is acting as their fiduciary.

In addition, no credits and loans were granted to current or former EMB members or to persons closely linked to them in 2015 and 2014. No such credits and loans were outstanding as of December 31, 2015 and of December 31, 2014.

Shares held by the Executive Management Board

Specific information concerning the number of shares of the Company held by each member of the EMB and parties related to such persons can be found below (please also refer to Note 2.3 of the financial statements of gategroup Holding AG):

Shareholdings of EMB members as at December 31, 2015

	Number of shares	Representing % of the share capital of the Company	ELTIP performance share grants
Xavier Rossinyol, Chief Executive Officer	70,000	0.26%	90,000
Christoph Schmitz, Chief Financial Officer	15,000	0.06%	30,000
Herman Anbeek, President Americas & EMEA	54,437	0.20%	59,000
Jann Fisch, President Asia Pacific	4,437	0.02%	54,000
David de la Torre, Chief Commercial Officer (1)	–	–	–
Total shareholdings	**143,874**	**0.54%**	**233,000**

(1) Effective from June 22, 2015 to January 7, 2016

Vesting schedule of ELTIP performance share grants made to EMB members during the period 2013–2015

	Maximum number of ELTIP performance share grants potentially vesting in 2016, 2017, 2018 and 2019				
	2016	2017	2018	2019	Total
Xavier Rossinyol, Chief Executive Officer	–	–	–	90,000	90,000
Christoph Schmitz, Chief Financial Officer	–	–	–	30,000	30,000
Herman Anbeek, President Americas & EMEA	7,000	7,000	20,000	25,000	59,000
Jann Fisch, President Asia Pacific	7,000	7,000	20,000	20,000	54,000
David de la Torre, Chief Commercial Officer (1)	–	–	–	–	–
Total unvested ELTIP performance share grants as at December 31, 2015	**14,000**	**14,000**	**40,000**	**165,000**	**233,000**

(1) Effective from June 22, 2015 to January 7, 2016

There were no options held by any EMB member as at December 31, 2015.

Shareholdings of EMB members as at December 31, 2014

	Number of shares	Representing % of the share capital of the Company	EIP 2009–2013 performance share grants (I)	ELTIP performance share grants (II)
Andrew Gibson, Chief Executive Officer	59,308	0.22%	–	80,000
Thomas Bucher, Chief Financial Officer (III)	71,843	0.27%	–	–
Herman Anbeek, Group SVP and President, Airline Solutions (IV)	50,000	0.19%	–	41,000
Kristin Brown, Chief Administrative & Legal Officer (V)	12,945	0.05%	–	36,000
Jann Fisch, Chief Corporate Development Officer (VI)	–	–	–	41,000
Douglas Goeke, Group SVP and President, North America (VII)	9,088	0.03%	–	41,000
Mike Hargett, Group SVP and Deputy Chief Financial Officer (VIII)	46,360	0.17%	–	36,000
Andrew Langdale, Group SVP and President, Product and Supply Chain Solutions (IX)	4,127	0.02%	–	41,000
Drew Niemeyer, Chief Commercial and Corporate Development Officer (X)	7,157	0.03%	–	41,000
Richard Wells, Chief Human Resources Officer (XI)	–	–	–	17,000
Total shareholdings	**260,828**	**0.98%**	**–**	**374,000**

(I) No remaining unvested EIP 2009–2013 performance share grants as at December 31, 2014. Final vesting was due to occur for performance share grants by December 30, 2014. As the relevant VWAP targets were not met, no vesting occurred in December 2014 and all shares were forfeited without any compensation.
(II) Unvested ELTIP performance share grants as at December 31, 2014. Vesting of all ELTIP grants is subject to the satisfaction of relevant Revenue Growth and ROIC performance targets.
(III) Ceased to be an EMB member as of December 31, 2014, and all performance share grants were forfeited without any compensation.
(IV) Until September 1, 2014, served as Group Senior Vice President ("SVP") and President, Emerging Markets.
(V) Change in remit as of October 10, 2014. Until that date, served as Chief Legal Officer.
(VI) Until September 1, 2014, served as Group SVP and President, Europe and Africa.
(VII) Named Deputy President, Airline Solutions, effective January 1, 2015.
(VIII) Named Chief Technology Transformation Officer, effective January 26, 2015.
(IX) Named President, Network and Product Solutions, effective January 22, 2015.
(X) Named President and Managing Director, gategroup Airline Solutions, U.S. Region, effective January 1, 2015.
(XI) Named Chief Human Resources Officer, Airline Solutions, effective January 1, 2015.

5. Compensation Outlook

To ensure that compensation structures support the new Group strategy, the NCC has continued to review both the principles and compensation program structures for the members of the Board and the EMB taking into particular consideration current market practices and the level of alignment between pay and performance. Based on the findings of the review, the NCC provided recommendations to the Board who decided to introduce the changes as described in the subsequent sections.

Board of Directors Compensation
The Board compensation is periodically reviewed to ensure the structure and quantum of compensation remains appropriate. In 2016, the Board expects to evaluate Board compensation practices of Swiss-based and industry peers as well as guidance from its external compensation advisor to determine suitability of share-based compensation.

Executive Management Board Compensation
The EMB compensation structure is comprised of the following components: base salary, variable bonus incentive and equity incentive (refer to section 4).

For 2016, whilst the principles and compensation program structure for EMB members remain unchanged, adjustments in the following areas have been made to further align compensation with the strategic direction of the company:

- The variable bonus incentive ("STIP") structure for 2016 will continue but the approach to performance measures will be extended to include targets based on business objectives in addition to Group financial performance.

- The equity incentive plan ("ELTIP") has been reviewed to increase simplicity, transparency and alignment with shareholder interests. The key features will be:

  - A single performance target of Earnings Per Share attributable to shareholders.

  - A structure that rewards outperformance but with a cap of any award at 200% of initially granted share units.

  - A performance period of three years to better align with the strategic plan timeframe and the expectation of shareholders in terms of performance delivery.

- The introduction of a shareholding requirement for members of the EMB to strengthen the alignment of executive and shareholder interest.

6. Credit, Loans and Pensions

Credit and loan arrangements in favor of members of the EMB may not exceed the maximum amount of CHF 500,000 per person. The amount of contributions to non-mandatory pension or savings plans in favor of a member of the EMB may not exceed the maximum aggregate amount of compensation available (see art. 17ter Articles of Incorporation).

7. Change of Control

There were no change of control provisions in place for any non-executive member of the Board during the year under review. There were no contractual change of control provisions in place for EMB members during the year under review.

Under the ELTIP, effective with the 2015 grants, the Board amended the plan to fully vest performance share grants upon a change of control event. Performance share grants made under the ELTIP prior to 2015 are subject to assumed mid-point performance for the respective performance share grant and pro-rated for the period from date of grant to change of control for each respective performance share grant.

Performance share grants made in 2012, 2013 and 2014 under the ELTIP, upon a change of control event, will vest subject to assumed mid-point performance for the respective performance share grant, and will be pro-rated for the period from date of grant to change of control for each respective performance share grant.

In addition, for outstanding options in the event of a change of control, consideration will be paid for the expected net gain at the time of transaction.

There is no change of control provision in the variable bonus incentive (“STIP”).

8. Terms of Service

During 2015, the Board revised the terms of service of the Board and the employment contracts of all EMB members to remove any severance provisions to align with the Ordinance. Going forward, terms of service of the Board do not provide any severance and EMB contracts provide 12 months’ notice and no severance.

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Report of the statutory auditor
to the General Meeting of
gategroup Holding AG
Kloten

Report of the statutory auditor to the General Meeting on the compensation report 2015

We have audited the compensation report of gategroup Holding AG for the year ended December 31, 2015. The audit was limited to the information according to articles 14–16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in the tables on pages 132 and 136 of the compensation report.

Board of Directors' responsibility
The Board of Directors is responsible for the preparation and overall fair presentation of the compensation report in accordance with Swiss law and the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance). The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibility
Our responsibility is to express an opinion on the accompanying compensation report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the compensation report complies with Swiss law and articles 14–16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the compensation report with regard to compensation, loans and credits in accordance with articles 14–16 of the Ordinance. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the compensation report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the compensation report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion
In our opinion, the information contained in the tables on pages 132 and 136 of the compensation report of gategroup Holding AG for the year ended December 31, 2015 complies with Swiss law and articles 14–16 of the Ordinance.

PricewaterhouseCoopers AG

Roger Kunz
Audit expert
Auditor in charge

Kai Mauden

Zurich, March 9, 2016

Appendix

Articles of Incorporation of
gategroup Holding AG[I]
(gategroup Holding SA)
(gategroup Holding Ltd)

Translation (II)

I Corporate Name, Domicile, Duration, Purpose of the Corporation

Article 1: Name, Place of Incorporation, Duration

1 Under the name gategroup Holding AG (gategroup Holding SA) (gategroup Holding Ltd) exists a corporation pursuant to the present Articles of incorporation and the provisions of the 26th title of the Swiss Code of Obligations (the CO). The domicile of the company shall be in Kloten, canton Zurich.
2 The duration of the Company shall be unlimited.

Article 2: Purpose

1 The purpose of the Company is to acquire, to hold, to administer continuously and to sell participations in national and international companies, in particular in the areas of catering, hospitality, transportation and related industries.
2 The Company may open branch offices, subsidiaries and agencies in Switzerland and abroad. It may finance the acquisition of participations and it may grant guarantees or other securities in relation to liabilities of affiliated companies. In addition, the Company may engage in any other commercial, financial and other activities which are linked directly or indirectly to the purpose of the Company.
3 The Company may acquire, manage, exploit and sell real estate and intellectual property rights in Switzerland and abroad and finance other companies.

II Capital

Article 3: Share Capital

1 The share capital of the Company is CHF 133,931,680.00 and is divided into 26,786,336 registered shares with a nominal value of CHF 5.00 each. The shares are fully paid-in.
2 The General Meeting of Shareholders may at any time convert registered shares into bearer shares or bearer shares into registered shares.

Article 3bis: Conditional Capital

1 The share capital may be increased in an amount not to exceed CHF 1,906,775.00 by the issuance of up to 381,355 fully paid registered shares with a nominal value of CHF 5.00 each through the exercise of option which the employees or members of the Board of Directors of the Company or a group company are granted according to the respective regulations of the Board of Directors.
2 The share capital may be increased in an amount not to exceed CHF 9,839,110.00 by the issuance of up to 1,967,822 fully paid registered shares with a nominal value of CHF 5.00 each through the exercise of conversion and/or option rights granted in connection with the issuance of newly or already issued convertible debentures, debentures with option rights or other financing instruments by the Company or one of its group companies, and/or by the exercise of options which are granted by the Company or one of its group companies (including in case of a public offer for shares of the Company).
3 The preferential subscription rights of the shareholders shall be excluded in the case of the issuance of convertible debentures, debentures with option rights or other financial market instruments comprising conversion and/or option rights, and in the case of the issuance of option rights. The then current owners of conversion and/or option rights shall be entitled to subscribe for the new shares.

(I) Version of April 15, 2014.
(II) This is an informal English translation. In case of doubt or differences of interpretation, the official German version of the Articles of Incorporation shall prevail over the English text.

4 The acquisition of shares through the exercise of conversion andlor option rights and each subsequent transfer of the shares shall be subject to the restrictions set forth in Article 5 of these Articles of Incorporation.

5 The Board of Directors may (including in case of a public offer for shares of the Company) limit, grant indirectly or withdraw the right of the shareholders to subscribe in priority to convertible debentures, debentures with option rights or similar financial market instruments or option rights when they are issued, if:

a) an issue by firm underwriting by a consortium of banks with subsequent offering to the public without priority subscription rights seems to be the most appropriate form of issue at the time, particularly in terms of the conditions or the time plan of the issue; or
b) the issuance occurs in connection with the financing or refinancing of the acquisition of an enterprise or parts of an enterprise or with participations or new Investments of the Company; or
c) option rights are issued in connection with employee participation programs.

6 If priority subscription rights are denied by the Board of Directors, the following shall apply:

a) conversion rights may be exercised only for up to 15 years, option rights only for up to 7 years from the date of the respective issuance;
b) the respective financial instruments must be issued at the relevant market conditions.

Article 3ter: Authorized Capital

1 The Board of Directors shall be authorized to increase the share capital in an amount not to exceed CHF 13,277,065 through the issuance of up to 2,655,413 fully paid registered shares with a nominal value of CHF 5.00 per share by not later than April 16, 2016. Increases in partial amounts shall be permitted.

2 The subscription and acquisition of the new shares, as well as each subsequent transfer of the shares, shall be subject to the restrictions of Article 5 of these Articles of Incorporation.

3 The Board of Directors shall determine the issue price, the type of payment, the date of issue of new shares, the conditions for the exercise of the preferential subscription rights, and the beginning date for dividend entitlement. In this regard, the Board of Directors may issue new shares by means of a firm underwriting through a banking institution, a syndicate or another third party and a subsequent offer of these shares to the current shareholders. The Board of Directors may permit preferential subscription rights that have not been exercised to expire or it may place these rights and shares as to which preferential subscription rights have been granted but not exercised, at market conditions or use them for other purposes in the interest of the Company.

4 The Board of Directors is further authorized to restrict or deny the preferential subscription rights of shareholders or allocate such rights to third parties if the shares are to be used:

a) for the acquisition of an enterprise, parts of an enterprise, or participations, or for new investments, or, in case of a share placement, for the financing or refinancing of such transactions;
b) for the purpose of the participation of a strategic partner or for the purpose of broadening the shareholder constituency in certain investor markets or in connection with a listing of shares on domestic or foreign stock exchanges, including in connection with the grant of an over-allotment option to a consortium of banks;
c) for the participation of employees or members of the Board of Directors;
d) in order to quickly and flexibly raise equity capital, which would be difficult to achieve with preferential subscription rights.

Article 4: Form of Shares

1 The Company issues its registered shares in the form of single share certificates, global share certificates or uncertificated securities. Within the provisions of the law, the Company may at any time and at its own cost convert registered shares issued in one of the above mentioned forms into another form without the consent of the shareholder.

2 The Company shall keep a register for the issued uncertificated securities (register of uncertificated securities), in which the amount and the denomination of the issued uncertificated securities and the name of the creditors shall be registered. The register of uncertificated securities is not public. The uncertificated securities take effect upon entry into the register of uncertificated securities and exist only to the extend registered.

3 The shareholder has no entitlement to the converting of registered shares issued in a specific form into another form. The shareholder may however at any time request the Company to issue a written statement in respect of the registered shares held by the shareholder pursuant to the share register.

4 Book entry securities based on registered shares of the Company may not be transferred by assignment. Neither can securities be granted on book entry securities by assignment.

Article 5: Share Register, Nominees

1 The Company shall keep a share register for the registered shares, in which the name, first name(s) (the name of the company in case of a legal entity), address and nationality (registered office in case of a legal entity) of the shareholders or usufructuaries shall be registered. If a person registered in the share register changes his/her address, he/she shall inform the Company thereof. As long as such an address change has not been notified, any written information shall validly be notified to the address filed with the share register.

2 Only persons registered as shareholders or usufructuaries of registered shares in the share register shall be recognized as such by the Company.

3 Acquirers of registered shares shall be registered as shareholders with the right to vote, provided that they expressly declare that they acquired the registered shares in their own name and for their own account.

4 [left blank by intention]

5 Persons who do not explicitly declare holding the registered shares on their own account and who are subject to the control of a recognized bank or financial supervision authority (Nominees) are registered as shareholders with voting right, if the Nominee discloses in the registration application the names, addresses and the number of shares of the persons for whose account it holds 0.5 percent or more of the share capital registered in the commercial register. Legal entities and partnerships which are consolidated among themselves through unified management or similar organization as well as natural persons or legal entities and partnerships which act in concert to circumvent the regulations concerning the nominees (especially as syndicates), shall be treated as one single nominee within the meaning of paragraph 5 of this article.

6 After hearing the registered shareholder or Nominee, the Board of Directors may cancel, with retroactive effect as of the date of registration, if appropriate, the registration of shareholders if the registration was effected based on false information or the reason for the registration fall away. The respective shareholder or Nominee shall be informed immediately of the cancellation of the registration.

8 The Board of Directors shall specify the details and give the necessary orders concerning the adherence to the preceding regulations. In particular cases it may allow exemptions from the limitation of registration and/or the regulation concerning Nominees. It may delegate its duties.

9 No entries are made in the share register between the date of publication or mailing of the invitation to a General Meeting of Shareholders and the day following the meeting, unless the Board of Directors informs about a different cut-off date.

III Organization

Article 6: Corporate Bodies

The Corporate Bodies are:

(a) the General Meeting of Shareholders
(b) the Board of Directors
(c) the Auditors

A General Meeting of Shareholders

Article 7: Powers

The General Meeting of Shareholders is the supreme corporate body of the Company. It has the following non delegable powers:

1. to adopt and amend the Articles of Incorporation;
2. to elect and remove the members of the Board of Directors, the Chairman of the Board of Directors, the members of the Compensation Committee, the independent proxy representative and the Auditors;
3. to approve the management report, the annual financial statements and the consolidated financial statements;
4. to determine the allocation of profits as shown on the balance sheets, in particular with regard to dividends;
5. to discharge the members of the Board of Directors and the persons entrusted with the management of the Company (Executive Management Board);
6. to approve the compensation of the Board of Directors and the Executive Management Board pursuant to Art. 17ƒ4£ of these Articles of Incorporation;
7. to pass resolutions concerning all matters which are reserved to the authority of the General Meeting of Shareholders by law or by the Articles of Incorporation or which have been submitted by the Board of Directors.

Article 8: Meetings

1 The Annual General Meeting of Shareholders shall be held within six months after the close of the fiscal year.
2 Extraordinary General Meetings of Shareholders shall be called by the Board of Directors according to need, especially in cases that the law foresees.
3 Furthermore, extraordinary Meetings of Shareholders shall be convened by the Board of Directors upon resolution of a General Meeting of Shareholders or at the written request of one or more shareholders with voting rights representing in the aggregate at least 10 percent of the share capital, specifying the items and proposals to appear on the agenda and, in case of elections, the names of the candidates.

Article 9: Notice, Agenda of Meeting

1 The General Meeting of Shareholders shall be called by the Board of Directors or, if necessary, by the Auditors. The liquidators may also call the General Meeting of Shareholders.
2 The General Meeting of Shareholders shall be convened by notice in the official means of publication of the Company not less than 20 days before the date fixed for the Meeting. Shareholders may also be informed by ordinary mail.
3 The annual report and the Auditor's report must be submitted for examination by the Shareholders at the registered office of the Company at least 20 days prior to the date of the Annual General Meeting of Shareholders. Reference to such availability and the right of the shareholders to demand delivery of these documents shall be included in the invitation to the Meeting.
4 The invitation to a General Meeting of Shareholders shall state besides day, time and place of the General Meeting of Shareholders to be held, the items and the proposals of the Board of Directors and the shareholders who demand that the General Meeting of Shareholders be called or that items be included in the agenda.
5 One or more shareholders with voting rights whose combined holdings represent an aggregate nominal value of at least CHF 1,000,000 or at least 10 percent of the share capital may request that an item be included in the agenda of a General Meeting of Shareholders. Such a request must be made in writing to the Board of Directors at the latest 45 days before the General Meeting of Shareholders and shall specify the agenda items and the proposals made.
6 No resolution shall be passed on items for which no proper notice has been given; this prohibition does not apply to proposals made during a General Meeting of Shareholders to call an extraordinary General Meeting of Shareholders or to initiate a special audit.
7 No prior notice is required for proposals concerning items included in the agenda and deliberations that do not result in the adoption of resolutions.

Article 10: Chairman, Minutes

1 The General Meeting of Shareholders shall be chaired by the Chairman of the Board of Directors, in his absence by the Vice Chairman of the Board of Directors, or by another daily Chairman designated by the General Meeting of Shareholders.
2 The Chairman of the Meeting shall designate the secretary and the scrutineers who need not be shareholders.
3 The Board of Directors shall provide for keeping the minutes, which shall be signed by the Chairman of the General Meeting of Shareholders and the secretary.

Article 11: Voting Rights, Proxies

1 Each share recorded as share with voting rights in the share register confers one vote on its registered holder.
2 The Board of Directors shall set forth the rules regarding the participation and representation in the General Meeting of Shareholders and may allow electronic proxies without qualified electronic signatures. A shareholder may only be represented in the General Meeting of Shareholders by his legal representative, another shareholder with voting right or the independent proxy representative. All shares held by a shareholder may only be represented by one person. A general voting instruction to follow the motions of the Board of Directors is deemed valid, regardless of whether such motions are made ad hoc or whether they have been set forth in the invitation to the General Meeting of Shareholders.
3 Shareholders entered in the share register as shareholders with voting rights on a specific qualifying date designated by the Board of Directors shall be entitled to vote at the General Meeting of Shareholders and to exercise their votes at the General Meeting of Shareholders.

Article 12: Quorum and Decisions

1 The General Meeting of Shareholders shall be duly constituted irrespective of the number of shareholders present or of shares represented.
2 Unless the law or these Articles of Incorporation provide for a qualified majority, an absolute majority of the votes represented at a General Meeting of Shareholders is required for the adoption of resolutions or for elections.
3 Elections and votes shall be taken on a show of hands unless a vote by ballot or electronic voting is ordered by the Chairman of the General Meeting of Shareholders. The Chairman may at any time order that a resolution by show of hands be repeated by vote by ballot if he believes the result of the vote by show of hands not to be conclusive. In this case, the previous election or vote by show of hands shall be deemed not to have taken place.
4 If the first ballot fails to result in an election and more than one candidate is standing for election, the Chairman shall order a second ballot in which a relative majority shall be decisive.
5 Where the General Meeting of Shareholders rejects a motion by the Board of Directors under Article 17[f4£], the Board of Directors may propose one or more new proposals for approval, or call an extraordinary General Meeting of Shareholders, and/or determine the maximum total amount or several maximum partial amounts, taking into consideration all relevant factors, and shall submit this/these to the next General Meeting of Shareholders for approval. Where maximum total or partial amounts have been determined in this manner, the Company or its group companies may make contingent payment of compensation, subject to ratification by the General Meeting of Shareholders.
6 The Company may also make arrangements for electronic voting. Resolutions passed by electronic voting shall have the same effect as elections and votes by ballot.

Article 13: Special Quorums

A resolution of the General Meeting of Shareholders passed by at least two thirds of the votes represented and the absolute majority of the nominal value of shares represented, shall be required for:

1. a modification of the purpose of the Company;
2. the creation of shares with privileged voting right;
3. restrictions on the transfer of registered shares and the removal of such restrictions;
4. an authorized or conditional increase of the share capital;
5. an increase of the share capital through the conversion of capital surplus, through a contribution in kind or in exchange for an acquisition of assets, or a grant of special benefits upon an increase of the share capital;
6. the restriction or denial of pre-emptive rights;
7. a change of the place of incorporation of the Company;
8. the dissolution of the Company;
9. other matters where statutory law provides for a corresponding quorum.

B Board of Directors

Article 14: Election, Constitution

1 The Board of Directors shall consist of at least five and in maximum twelve members.
2 The members of the Board of Directors shall be elected for a term of one year. A year shall mean the period running between one Ordinary General Meeting of Shareholders and the next. New members elected during the year shall continue in office until the end of their predecessor's term.
3 The members of the Board of Directors may be re-elected without limitation.
4 The members of the Board of Directors shall automatically retire after the expiry of the seventieth year of age; the retirement shall become effective on the date of the next Annual General Meeting of Shareholders. The General Meeting of Shareholders may, under special circumstances, grant an exception from this rule and may elect a member of the Board of Directors for further terms of office of one year.
5 The number of mandates held in supreme managing or administrative bodies of legal entities which need to be registered with the Swiss Commercial Register or a similar foreign register, outside the Company's group, is limited:
   a) for the members of the Board of Directors to four in listed and ten in non-listed, larger companies, which are subject to the statutory audit requirements under local company law (cf. Art. 727 para 1 CO [full audit] for Swiss company law) and to ten mandates in other legal entities such as smaller companies, dormant companies, foundations and associations; and
   b) for the members of the Executive Management Board – upon approval of the Compensation Committee – to one in listed and three in non-listed, larger companies and to ten mandates in other legal entities such as smaller companies, dormant companies, foundations and associations.

Mandates held in different legal entities which form part of one and the same single group of companies, or mandates on behalf of such group shall jointly be counted as one mandate for the purpose of this provision and which shall not exceed twenty per group of companies. Exceeding a limit per category set forth in here by one mandate for a period of up to six months is acceptable.

Article 15: Ultimate Direction, Delegation

1 The Board of Directors has the ultimate direction of the business of the Company and the ultimate supervision of Executive Management Board. It represents the Company towards third parties and shall manage all matters which by law, the Articles of Incorporations or by regulation are not delegated to another body of the Company.
2 The Board of Directors may appoint from amongst its members standing or ad hoc committees entrusted with the preparation and execution of its decisions or the supervision of specific parts of the business. The Board of Directors shall ensure that it is kept properly informed.
3 The Board of Directors may delegate its powers and duties, in part or entirely, except for the non-delegable and inalienable duties, to one or several members of the Executive Board or representatives of the Company, to members of the Board of Directors, to committees or third parties, who must be individuals but do not need to be shareholders.

Article 16: Specific Powers of the Board

The Board of Directors has the following non-delegable and inalienable duties:

1. the ultimate direction of the business of the Company and the power to give the necessary directives;
2. the determination of the organization of the Company;
3. the administration of the accounting system, financial control and financial planning;
4. the appointment and removal of the members of the Executive Management Board and other persons entrusted with the representation of the Company, as well as the determination of their signatory power;
5. the ultimate supervision of the members of the Executive Management Board, in particular with respect to their compliance with the law, the Articles of Incorporation, regulations and directives;
6. the preparation of the annual report and the compensation report and the General Meetings of Shareholders and to carry out the resolutions adopted by the General Meeting of Shareholders;
7. notification of the judge in case of over indebtedness;
8. the passing of resolutions regarding the subsequent payment of capital with respect to non-fully paid-in shares;
9. the passing of resolutions confirming increases of the share capital and the respective amendments of the Articles of Incorporation;
10. the examination of the professional qualifications of the Auditors;
11. the non-delegable and inalienable duties and powers of the Board of Directors pursuant to the Swiss Merger Act and any other law.

Article 17: Constitution, Organization, Compensation

1 The Board of Directors shall constitute itself outside of the powers of the General Meeting of Shareholders. If necessary it shall elect from amongst its members one or several Vice Chairmen. The Board of Directors shall further appoint a secretary who does not need to be a member of the Board of Directors.
2 Subject to Article 14 et seq. of the Articles of incorporation, the Board of Directors shall set forth its organization and the adaption of resolutions in organizational regulations.

Article 17bis: Compensation Committee

1 The Compensation Committee shall consist of three to five members of the Board of Directors. Its duties are to prepare and propose to the Board of Directors the compensation policy and the compensations of the Board of Directors and the Executive Management Board, including bonus and participation plans. It decides on the terms of the employment or mandate contracts with the members of the Executive Management Board or the Board of Directors whereby the maximum term or termination period shall be twelve months respectively in line with the term of office. A paid non-compete period shall not exceed twelve months after termination. The Board of Directors may entrust the Compensation Committee with specific tasks relating to the implementation of the approved compensation policy and/or the approved compensation amounts.
2 The Board of Directors defines further detailed terms in the organizational rules or a separate charter. It may grant the Compensation Committee further duties and competences, especially concerning the nominations.

Article 17ter: Compensation

1 The Board of Directors shall submit to the General Meeting of Shareholders for approval, on a yearly basis, prospectively and bindingly for the term until the next Annual General Meeting of Shareholders, the maximum aggregate amount of compensation of the Board of Directors. Should a term be materially shorter or longer, a pro rata adjustment shall be made.
2 The Board of Directors shall submit to the General Meeting of Shareholders for approval, on a yearly basis, prospectively and bindingly for the next financial year, the maximum aggregate amount of compensation of the Executive Management Board.
3 The Board of Directors may submit to the General Meeting of Shareholders for approval motions concerning the maximum aggregate amount of compensation, or individual elements of compensation for other time intervals and/or supplementary amounts for other compensation elements, as well as other contingent motions.
4 The Board of Directors shall submit to the General Meeting of Shareholders the compensation report for the last financial year for approval in a non-binding consultative vote.
5 The maximum aggregate amount of compensation of the Board of Directors shall consist of a fixed compensation including any estimated contributions of the Company or its subsidiaries for social security, additional insurance premiums and other compensation payments. The Board of Directors may decide whether all or a part of the compensation may be paid in shares of the Company; if so, the Board of Directors defines the conditions including the time of grant, the valuation and any blocking period.
6 The annual maximum aggregate amount of compensation of the Executive Management Board shall consist of the base salary, the maximum variable amount under the short-term plans and the fair value of the maximum grants at grant under the long-term plans, all estimated contributions of the employer for social security, pension and savings plans and similar solutions, other insurance premiums and other compensation payments.
7 When determining the maximum aggregate amounts of compensation, all compensation received from the Company or its directly or indirectly controlled subsidiaries shall be taken into consideration. Amounts shall be included in compensation according to the rules that apply to the compensation report; to the extent amounts are yet unknown, valuations and/or estimations are being made. Exceeding a maximum aggregate amount of compensation available due to exchange rate influences is acceptable.
8 The success-based compensations and participation plans can be structured within the following framework:
  a) The short-term elements are defined on a yearly basis on a cash basis and are designed to motivate and reward the Executive Management Board to meet and exceed the Company's financial targets and individual targets which are defined in alignment with the Company's strategy.
  b) The long-term elements are defined on a perennial basis on an equity-settled basis and are designed to offer members of the Executive Management Board an increased incentive to further develop their contribution towards the future success of the Company and the creation of shareholder value. Conditional performance share awards are granted annually and vest on the fourth anniversary of grant subject to achievement of certain targets and ongoing employment.

c) Members of the Executive Management Board whose employment agreement is terminated by the Company without cause within the meaning of Art. 337 CO, may apart from a pro rata compensation of the base salary during a release of work and in accordance with the respective plan provisions and decision of the Compensation Committee receive a pro rata payment under the short-term bonus plan (assuming them meeting their individual targets) and a pro rata vesting under the long-term participation plan for non-vested shares or share entitlements which would have vested during the termination period.
d) The plans may provide for special provisions such as vesting of non-vested shares under certain circumstances in case one shareholder or a group of shareholders acquire(s) a controlling position in the Company.

9 An additional amount of up to 20% per member of the Executive Management Board and 40% in case of the Chief Executive Officer, of the maximum aggregate amount of compensation for the Executive Management Board in a given year is available for the compensation of members of the Executive Management Board who have been promoted or appointed after the General Meeting of Shareholders' approval of the total compensation. This additional amount does not need the approval of the General Meeting of Shareholders and can be used for any type of compensation, including compensation for proven losses resulting from a job change.

Article 17quater: Credits and Loans, Pensions

1 Credit and loan arrangements in favour of members of the Executive Management Board may not exceed the maximum amount of CHF 500,000 per person.
2 The amount of contributions to non-mandatory pension or savings plans in favor of a member of the Executive Management Board may not exceed the maximum aggregate amount of compensation available.

C Auditors

Article 18: Eligibility, Duties

1 The General Meeting of Shareholders shall elect every year one or more accountants as its Auditors, which shall be independent from the Company and meet the special professional standards required by law. The Auditors of the Company may be re-elected.
2 The Auditors shall have the rights and duties according to applicable provisions of the CO. The auditors shall be bound to attend the Annual General Meeting of Shareholders, to which they must report.

IV Financial Statements

Article 19: Financial Year, Business Report

1 The financial year shall commence on January 1 and shall end on December 31.
2 For every financial year the Board of Directors shall prepare an annual report including the annual financial statements (consisting of the profit and loss statements, balance sheet and notes to the financial statements), the management report and the consolidated financial statements.

Article 20: Allocation of Profits

1 Subject to the legal provisions regarding distribution of profits, in particular Art. 671 et seq. CO, the profit as shown on the balance sheet shall be allocated by the General Meeting of Shareholders at its discretion. The Board of Directors shall submit its proposals to the General Meeting of Shareholders.
2 Further reserves may be taken in addition to the reserves required by law.
3 A dividend may not be declared until after the allocations to the legal reserves have been made in accordance with the law. Any dividend not claimed within five years of it becoming due shall be forfeited to the Company.

V Dissolution

Article 21: Dissolution and Liquidation

1 The General Meeting of Shareholders may at any time resolve the dissolution and liquidation of the Company in accordance with the provisions of the law and of the Articles of Incorporation.
2 The liquidation shall be carried out by the Board of Directors to the extent that the General Meeting of Shareholders has not entrusted the same to other persons.
3 The liquidation of the Company shall take place in accordance with Art. 742 et seq. CO. The liquidators are authorized to dispose of the assets (including real estate) by way of private contract.
4 After all debts have been satisfied, the net proceeds shall be distributed among the shareholders in proportion to the amounts paid-in.

VI Communications

Article 22: Notices and Publications

1 The official means of publication of the Company shall be the Swiss Official Gazette of Commerce.
2 To the extent that personal notification is not required by law, all communications to the shareholders shall be deemed valid if published in the Swiss Official Gazette of Commerce. Written communications by the Company to its shareholders shall be sent by ordinary mail to the last address of the shareholder entered in the share register of the Company.

VIa Interim Provision

Article 22bis: Applicability

Existing agreements with members of the Executive Management Board or the Board of Directors will be adapted to the new requirements by January 1, 2016.

VII Contribution in Kind/Acquisition of Assets

Article 23: Contribution in Kind/Acquisition of Assets

1 The Company acquires according to the contribution in kind / acquisition of assets agreement dated April 27, 2009 from Gate Gourmet Group Holding LLC, in Wilmington, Delaware, the following assets: 427,821 shares of Gate Gourmet Holding I S.à.r.l., in Luxembourg, with a nominal value of EUR 100.00 each, with a value of CHF 599,603,699.00, 10 shares of Gate Gourmet Holding S.C.A., in Luxembourg, with a nominal value of EUR 100.00 each, with a value of CHF 396,301.00 as well as a convertible loan claim against Gate Gourmet Holding I S.à.r.l., in Luxembourg, in the amount of EUR 7,102,480.77 (incl. accrued interest), with a value of CHF 10,653,721.16, in exchange for which 19,656,625 registered shares of the Company with a nominal value of CHF 5.00 each created an the occasion of the capital increase dated as of April 27, 2009 are issued to Gate Gourmet Group Holding LLC, in Wilmington, Delaware and in exchange for which the Company assumes from Gate Gourmet Group Holding, LLC, in Wilmington, Delaware the following debts: a loan debt of Gate Gourmet Group Holding LLC, in Wilmington, Delaware towards Gate Gourmet Holding I S.à.r.l., in Luxembourg, in the amount of EUR 33,476,750.68 (incl. accrued interest), with a value of CHF 51,888,963.55, a loan debt of Gate Gourmet Group Holding LLC, in Wilmington, Delaware towards Gate Gourmet Holding S.C.A., in Luxembourg, in the amount of USD 3,982,922.95 (incl. accrued interest), with a value of CHF 4,779,507.54, as well as a loan debt of Gate Gourmet Group Holding LLC, in Wilmington, Delaware, towards Gate Gourmet Holding S.C.A., in Luxembourg, in the amount of USD 9,503,420.00 (incl. accrued interest), with a value of CHF 11,404,104.00.

Kloten, April 15, 2014

information for investors and media

Corporate Information

Information for Investors and Media

Listing	SIX Swiss Exchange
SIX Swiss Exchange	Ticker Symbol GATE
Swiss Security Number (Valorennummer)	10018595
International Securities Identification Number (ISIN)	CH0100185955
Common Code	042595489
Law and Jurisdiction	Swiss law, Kloten, Switzerland
Reuters	GATE.S
Bloomberg	GATE SW

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Anticipated Key Dates in 2016

March 10	Publication of 2015 Annual Results
April 14	Annual General Meeting of Shareholders
May 19	Publication of Q1 2016 Results
September 1	Publication of Half Year 2015 Results
November 17	Publication of Q3 2016 Results

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