

## **World Duty Free S.p.A. accepts resignation and approves the resolution of relationships with CEO José María Palencia**

**Milan, Italy, 2 October 2014** – World Duty Free S.p.A.'s Board of Directors, meeting today and taking into account the agreement of the Human Resources Committee and the Committee for Operations with Related Parties, has approved the termination of all labour and Administration relationships with Mr. José María Palencia.

Mr. Palencia will remain in his position as CEO of the Company until 31<sup>st</sup> December 2014 unless the Company, being authorised to bring the date forward, decides otherwise. Mr. Palencia has stepped down, effective immediately, from his position as CEO of World Duty Free Group S.A.U. and World Duty Free Group España S.A., as well as from all Companies of the group controlled by World Duty Free Group S.A.U. where he has held the position of Director.

As CEO of WDF S.p.A., Mr. Palencia will be entitled to receive pay until 31<sup>st</sup> December 2014 amounting to a gross total of 150,000 euros per annum, as well as an annual variable pay for 2014 amounting to a gross total of 100,000.00 euros, due in January 2015.

The labour relationship established through contracts for services and contracts of employment will end on 31<sup>st</sup> December 2014, unless otherwise decided by World Duty Free Group S.A.U., being authorised to bring this date forward. Mr. Palencia will receive a total gross amount of 2,172,357.00 euros for the extinguishment of the abovementioned contracts. Mr. Palencia will also be entitled to an annual variable pay corresponding to 2014 as established in the aforementioned contract for services, amounting to a gross total of 50,913.00 euros. These amounts will be due by World Duty Free Group S.A.U. in January 2015.

The above amounts have been set, consistently with the Remuneration Policy, as submitted to a consultative vote of the Company's Stockholders' Meeting on 14<sup>th</sup> May 2014 and taking into account provisions contained in the abovementioned contracts.

In line with practice applied in similar agreements, this agreement also includes the prohibition to induce the extinguishment of contracts of employees and colleagues, as well as a non-competition clause with regard to other institutions operating in the duty free sector for a term of 24 months starting on the date on which the contract of services with World Duty Free Group S.A.U. terminates. For this, a gross total amount of 354,280.00 euros will be due in January 2015.

It has also been established that Mr. Palencia will be entitled to the incentive plans L-LTIP 2010-2012 – Wave 2 (vesting in April 2015) and the Phantom Stock Option 2014 Plan (which covers the period July 2014 – July 2016) in which he is taking part, in the terms and according to the criteria relevant to the regulations thereof. He will also be entitled to any bonus pay earned, in the case of objectives being met,

and any other conditions established by each plan or programme, and proportional to the activity carried out in the reference period (pro-rata temporis).

The agreement, which may be considered to be an operation with a related party of lesser relevance pursuant to the procedure adopted by the Company on operations with related parties, has been analysed by the Company's Committee for Operations with Related Parties which is made up exclusively by independent administrators, and they have expressed their approval of the agreement. Similarly, the Company's Human Resources Committee is also in favour of the Board's agreements.

As part of the agreement, payment of the options accrued by Mr. Palencia until April 2014 according to the Stock Option Plan 2010 has been agreed, amounting to a gross total of 708,560.00 euros which must be paid before 16<sup>th</sup> October 2014.

- Ends -

**For further information:**

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**About World Duty Free Group**

**World Duty Free S.p.A.**, is the holding company of **World Duty Free Group**, one of the world's leading travel retailers, operating mainly in airports and with a broad geographical reach. It has operations in **19 countries** through **102 locations** with over **490 stores**, from its heartland in Western Europe, to the Americas, the Middle East and Asia. In 2013, the company posted a **turnover** of more than **2,078 million Euros**.

World Duty Free Group's core business is tax and duty free shopping and its proposition covers the complete spectrum of airport shopping including Beauty, Wines & Spirits, Food & Confectionery, Tobacco, Sunglasses, Watches & Jewellery and Souvenirs. World Duty Free Group operates some of the most exciting and engaging airport shops in the world, with focus on the customer and innovative marketing programmes, including multi channel digital and live in-store interactive promotions.

World Duty Free S.p.A. is listed on the Italian FTSE MIB 40 since 1 October 2013 with the ticker symbol WDF:IM. World Duty Free Group was named Airport Retailer of the Year in the 2013 Frontier Awards. For more information, please visit [www.worlddutyfreegroup.com](http://www.worlddutyfreegroup.com)