

World Duty Free S.p.A.: adoption of a Phantom Stock Option plan

Press release pursuant to art. 84-bis, clause 3, of the regulation adopted by Consob resolution No. 11971, of 14 May 1999 as subsequently amended (the “Issuers’ Regulation” or “IR”) regarding the adoption of a Phantom Stock Option Plan

Milan, Italy, 3 April 2014 - Meeting today, the Board of Directors of WDF S.p.A. (the “Company”), on a proposal from the Human Resources Committee and, pursuant to art. 2389, c.c. with the favourable opinion of the Board of Statutory Auditors, resolved to submit for approval by the Ordinary Shareholder Meeting a Phantom Stock Option Plan for employees and directors vested with special offices (*“amministratori investiti di particolari cariche”*) of the Company and/or its Subsidiaries as defined by art. 2359, Civil Code (the “Subsidiaries” and, jointly with the Company, the “Group”) called the “2014 Phantom Stock Option Plan” (the “2014 Phantom SOP”).

Scope of Plan

The 2014 Phantom SOP is designed to serve as an incentive and to retain people within the Company and its Subsidiaries who perform important functions for the achievement of business objectives by providing incentives to create value for the shareholders and at the same time a system to promote company loyalty in such people.

Beneficiaries

The beneficiaries of the 2014 Phantom SOP will be identified at the discretion of the Board of Directors among the employees and directors vested with special offices of the Company and its Subsidiaries that perform functions of strategic relevance for the Company and its Subsidiaries and taking into account their respective positions in the Company or Subsidiaries (the “Beneficiaries”).

Identity of such people and other information required under clause 1, Schedule 7, Annex 3A to the Issuers’ Regulations, when applicable, will be provided at the time of implementation of the plan, pursuant to art. 84-bis, clause 5 a), of the Issuers Regulation.

Characteristics of the Options

The 2014 Phantom SOP provides for the free-of-charge grant to the Beneficiaries of Phantom Stock Options (the “Options”) conferring entitlement to the payment of a gross cash amount (the “Bonus”) calculated on the basis of the possible increase in the value of the Company’s ordinary shares (the “Shares”) including dividend payouts in the reference period. In no event the bonus shall exceed the maximum amount (the “cap”) established by the Board of Directors for each beneficiary and for each cycle.

The Options will be allocated in the course of three annual granting cycles, starting in 2014. The plan will expire in 2021. The number of Options granted to each Beneficiary will be established by the Board of Directors with regard to the position held by each Beneficiary under the Company or its Subsidiaries.

The Options granted will vest and therefore become, exercisable depending on achievement of a minimum share price performance target for the 3 year vesting period and under conditions specified in the 2014 Phantom SOP Rules.

Options will be attributed to Beneficiaries on a personal basis and may not be transferred *inter vivos* or be subject to restraints or constitute the subject of any other acts of disposition of any kind.

The 2014 Phantom SOP Rules contains provisions, according to common practice (good / bad leaver clauses), which govern the fate of the options in the event of termination of employment or directorship.

The remuneration plan being based on Phantom Stock Options and therefore not entailing the allocation or acquisition of Shares, the 2014 Phantom SOP Rules provide for a share retention mechanism for "directors" on the basis of which 20% of the net Bonus received by them will have to be reinvested in Shares which must be held on a continuous basis (for the so-called minimum holding period) until the termination date of their office.

The Board of Directors' report and the information document on the 2014 Phantom SOP will be made available to the public within the term of publication of the notice of call of the Shareholders' meeting in accordance to art. 114-bis and 125-ter, clause 1, D. Lgs. 58, 24 February 1998, as subsequently amended, and 84-bis and 84-ter, Issuers' Regulation.

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For further information:

Aurora de Rato
Corporate Communications
& Innovation Director
Email: aurora.rato@wdfg.com
Telephone: +34 91 274 2200

Marina Marini
Global Head of Investor Relations
Email: marina.marini@wdfg.com
Telephone: + 44 208 624 4351

Jorge Muñiz
Head of Financial Communications
Email: jorge.muniz@wdfg.com
Telephone: +34 91 274 2568

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 **21 countries** and more than **130 locations** with over **500 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, Souvenirs, Newsstands and Bookstores. World Duty Free Group operates some of the most exciting and engaging airport shops in the world, with a focus on the customer and innovative marketing programmes, including multi channel digital and live in-store interactive promotions.

World Duty Free S.p.A. has been listed on the Italian FTSE MIB 40 since 1 October 2013 with the ticker symbol WDF:IM. World Duty Free Group has been awarded as Airport Retailer of 2013 by Frontier Magazine. For more information, please visit www.worlddutyfreegroup.com