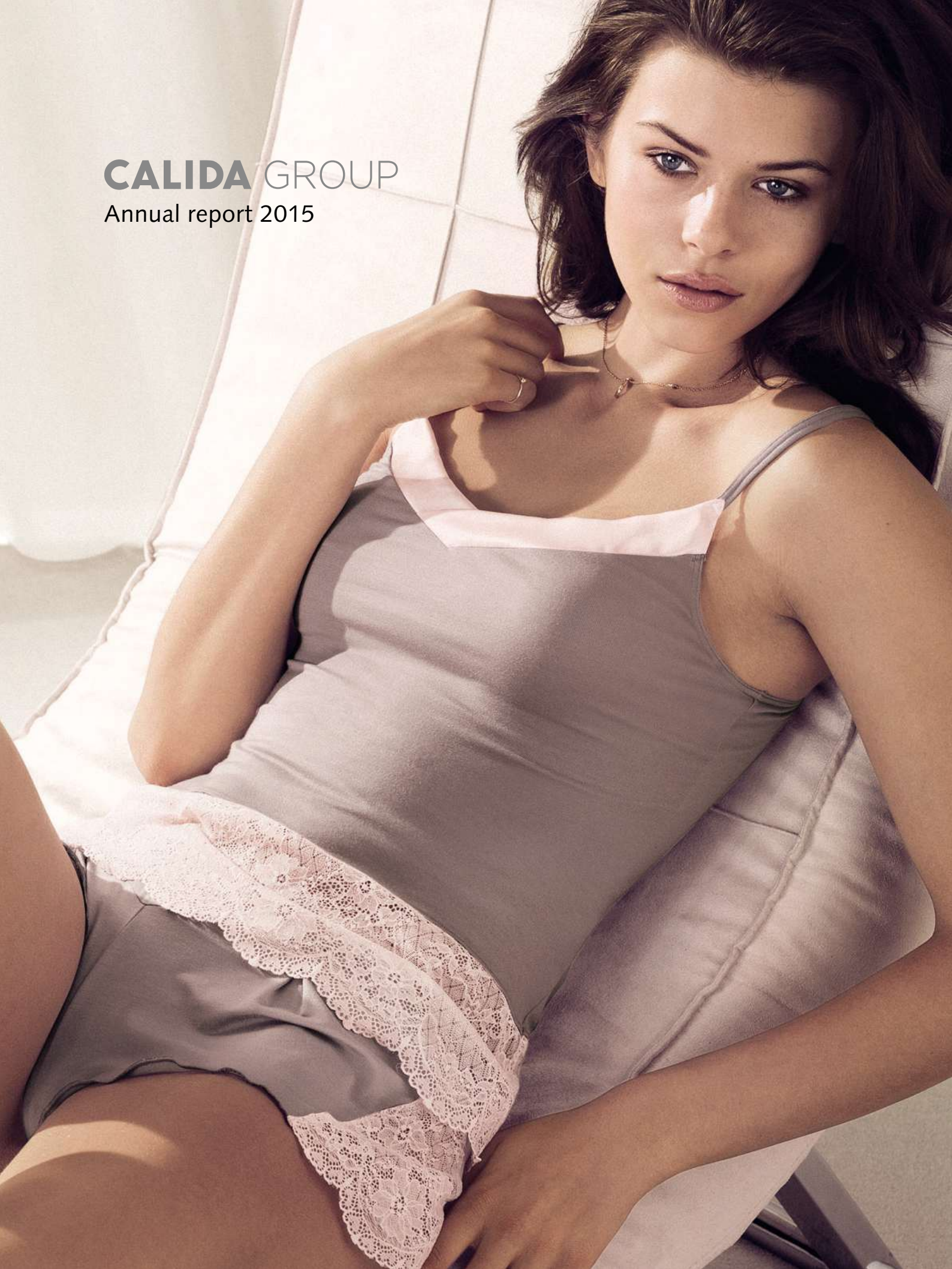


CALIDA GROUP

Annual report 2015



CALIDA GROUP

CALIDA Aubade



EIDER

Lafuma



Lafuma
MOBILIER

MILLET



OXBOW

This annual report may include forward-looking statements based on current assumptions and forecasts of Executive Management of CALIDA Holding AG. Various known or unknown risks, uncertainty or other factors mean that the actual results, financial position, development or performance of the Company may differ significantly from the estimates made here. CALIDA Holding AG assumes no obligation of any kind to update forward-looking statements or to adjust them to reflect future events or developments.

CALIDA Holding AG publishes its annual report in German and English.
The German version is binding.



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CALIDA in the reporting period

Dear Shareholders,

The CALIDA Group performed well and achieved a solid result in 2015, which was a difficult year for the apparel industry.

The Company's business model, with its portfolio of strong, operationally independent brands in the apparel and sports/outdoor sectors, proved its worth. On the one hand the different currency risks, cyclical risks and seasonalities of the different segments and sales markets provide a natural hedge. On the other, the broadening of the portfolio facilitates growth in a generally stagnant market.

The key financial figures for 2015 were as follows:

- Owing to the sharp appreciation of the Swiss franc, net sales fell 12.9 percent from CHF 412.4 million to CHF 359.0 million. After adjusting for currency effects the fall was 2.7 percent.
- The operating result fell by 20.8 percent from CHF 27.2 million to CHF 21.5 million. This CHF 5.7 million decline in earnings is completely due to negative trends in the euro-Swiss franc and euro-US dollar exchange rates. The return on sales fell from 6.6 percent to 6.0 percent.
- Net income declined by 28.1 percent from CHF 23.6 million to CHF 17.0 million.
- Cash flow from operating activities, at CHF 18.3 million (prior year CHF 19.5 million), and net liquidity, at CHF 32.4 million (prior year CHF 31.2 million), were more or less unchanged despite the lower operating result.
- The Company's equity ratio rose from 53.8 percent to 59.3 percent.
- Group headcount remained practically unchanged at 2,953 (previous year 3,007).

Despite the difficult environment, the CALIDA Group continued to invest in its brands in 2015 and is in a very good position to succeed in an ever more intense competitive environment and in an industry that continues to consolidate and globalize.

CALIDA Group's performance in 2015 was influenced by the following events:

- The Swiss National Bank's decision on 15 January 2015 to stop defending the CHF 1.20 exchange rate against the euro had a major impact on the Group. Since the CALIDA Group generates three-quarters of its net sales in the Eurozone, an appreciation of the Swiss franc of more than 12 percent meant a nominal reduction in net sales of more than 10 percent, which obviously affected income.

- The US dollar's rise in value against the euro of more than 16 percent made production and sourcing in the dollar area more expensive. However, in the year under review this latter exchange rate movement only had a limited effect on the CALIDA Group, as around 80 percent of the Group's dollar requirement was hedged in advance at a rate of 1.24.
- The Swiss market, which accounts for 17 percent of CALIDA Group's net sales suffered during the year under review from "shopping tourism". Many Swiss consumers, particularly those living in border regions, made the most of the lower euro exchange rate by doing their shopping across the border.
- Throughout the Eurozone, 2015 was marked by generally weak consumption. Consumers were made cautious mainly by the uncertainties caused by political, economic and social events. The most significant of these were:
 - o The terrorist attacks in January and November in Paris, which had a substantial impact particularly in France, the CALIDA Group's most important sales market
 - o The debt crisis in Greece in the first half of 2015
 - o The refugee situation, which affected consumer sentiment in most European markets
- The shift in consumption from stationary retail towards online shopping led to strong growth in direct and indirect sales through e-commerce sales channels. This growth resulted in quite stagnant, or even declining net sales through stationary sales channels.

CALIDA Group's divisions were affected differently by these events:

CALIDA Division

The CALIDA brand, with its strong Swiss home market, was particularly affected by the appreciation of the Swiss franc. Prices in the Eurozone were only partially adjusted to the new exchange rate, and only after some delay, which had a negative effect on CALIDA's earnings.

However, in operational terms the CALIDA Division performed very well in this environment and achieved virtually the same level of currency adjusted net sales as in 2014 (-0.2 percent). It also made another strong contribution to operating profit of CHF 35.6 million, giving a contribution margin of 27.7 percent – only 0.8 percentage points lower than in 2014 (28.5 percent).

During the year under review, intensive work was done on projects at the CALIDA brand in order to keep the brand competitive and take it forward. The key focuses of these

CALIDA in the reporting period

projects were strengthening the brand at key accounts in the Swiss home market, optimizing the brand's store network, which now covers 130 CALIDA stores, continuing to develop e-commerce, and the ongoing modernization and optimization of the collections.

AUBADE Division

The AUBADE brand was practically unaffected by the currency turbulence because more than 90 percent of sales, cost structures and production/sourcing are in the Eurozone. However, with two-thirds of its sales in France, AUBADE did suffer as a result of the weak consumer activity in its home market.

After a rather weak first half-year, when net sales slipped by 2.0 percent, AUBADE had a much stronger second half. The decline in annual net sales was thus reduced to 1.0 percent; at EUR 14.4 million the contribution to operating profit only fell slightly from the prior year's 27.6 percent to 26.9 percent. AUBADE thus remains very profitable.

Since the turnaround in 2009 the brand has regularly increased its net sales and profitability. However, this positive trend is mainly based on the French home market; the brand has only made slow progress in international markets. A comprehensive strategy review was carried out during the year under review with the aim of ensuring the sustainable long-term development of the AUBADE brand. This led to significant changes in the focus of the collection, brand management and organization in the middle of 2015. The goal is to increase the appeal of the AUBADE brand in foreign markets.

MILLET Mountain Group

The MILLET Mountain Group with its mountain sports brand MILLET, outdoor brand LAFUMA and ski-wear brand EIDER, suffered from the generally unfavourable weather conditions during the year under review. It also suffered from the strength of the US dollar against the euro because two thirds of its sourcing is in the dollar zone (Asia) while its sales are mainly in euros. The consequences of the restructuring and repositioning of outdoor brand LAFUMA were also still evident in the first half of the year, leading as expected to a 21.8 percent reduction in net sales.

Thanks to currency hedging, much improved operational efficiency and the integration of the three brands MILLET, EIDER and LAFUMA at the Annecy site, negative effects

were kept well under control during the year under review. The operating profit contribution declined to EUR 19.3 million, or 19.5 percent of net sales (previous year 23.1 percent). Although this means the MILLET Mountain Group did not meet its targets, it still made a solid contribution to the CALIDA Group's result.

Alongside the CALIDA Division, the MILLET Mountain Group and its three brands form the CALIDA Group's largest division. The MILLET brand in particular has the potential to be successful globally.

The MILLET Mountain Group was still very much affected by integration and refocusing measures during the year under review. The three brands brought together under one roof in Annecy as part of LAFUMA Group's restructuring had to align their organizational processes with each other in order to realize synergies. The centralization of the European sales organization was completed during the year under review and new appointments were made to management positions in brand management, finance and operations.

At the same time the focus in 2015 was placed more on MILLET Mountain Group's activities in its subsidiaries in the USA, Japan, Hong Kong and China.

The organization in the USA was restructured. Logistics were outsourced and the administrative structure adapted to the sales volume.

The subsidiary in Hong Kong was reorganized and realigned. In Japan, the largest sales organization outside France, a new management team was appointed and in China the firm's own pure production operation was reorganized into a combined production and distribution operation.

Other focal points were the retail, outlet and e-commerce businesses. These three areas contribute 22.1 percent of MILLET Mountain Group's net sales, which is considerably less than the equivalent contribution to the CALIDA and AUBADE brands.

In the coming year, therefore, the focus will remain on developing these sales channels with regard to both net sales and profitability.

FURNITURE Division

The FURNITURE Division, which manufactures and sells garden furniture under the LAFUMA brand, had an extremely successful 2015.

CALIDA in the reporting period

In the second financial year since the reorganization of the LAFUMA Group, when the garden furniture business was made a separate division and spun off into a new company, it posted organic growth of 8.3 percent to EUR 35.3 million. At the same time its operating contribution went up slightly to EUR 10.3 million, or 29.3 percent of net sales (previous year 31.1 percent).

The FURNITURE Division thus remained CALIDA Group's most profitable division. Based on the positive performance and the development potential identified especially in international markets, the division's operational structures were strengthened during the year under review. Investments were also made in sales, marketing and product development.

The FURNITURE Division is positioned in a very interesting niche of the garden furniture industry. As a brand product in the premium segment, it manufactures foldable, and therefore space-saving, products exclusively in Europe.

The aim now is to trade up by gradually expanding the premium segment and carefully developing in international markets, especially Germany, Switzerland, Austria, Benelux and the USA.

In 2015, the FURNITURE Division benefited from favourable weather conditions (hot and long summer) while avoiding the effects of currency turbulence.

OXBOW Division

The OXBOW brand had to assert itself in the still very difficult surfwear market. In 2014 the world's second largest surf brand, Billabong, came under severe financial pressure, and during the year under review the world's number one brand, Quiksilver of the USA, went into receivership. This reflects just how tough the global surfwear market continues to be. What is more, OXBOW buys its products in Asia, i.e. in US dollars, but makes its sales exclusively in the Eurozone, with 90 percent generated in France.

Given this situation, the result achieved – a 12.0 percent decline in net sales and a positive earnings contribution of EUR 4.6 million, or 17.7 percent (prior year 22.0 percent) – can be seen as a success.

OXBOW thus remains CALIDA Group's least profitable brand, but its results are still just positive.

The surfwear market as a whole and the OXBOW brand in particular have had to cope with sales declines of between 20 - 30 percent for several years, but we believe that the market is now beginning to stabilize at a low level.

Thanks to name recognition and an autonomous brand profile, brands like OXBOW have the potential to reassert themselves. This requires above all a clearly defined sales concept and an appropriate organizational structure.

Group Management

Following its acquisition of the majority stake in LAFUMA Group, CALIDA Group systematically built up Group Management between 2013 and 2015 and adapted it to meet the new requirements.

The Group is managed in a matrix organization. The five operating divisions – CALIDA, AUBADE, MILLET Mountain Group, FURNITURE and OXBOW are managed directly by the General Managers of the divisions. At the same time the functional areas of the divisions are supported by functional Group Managers. During the year under review Group Management, consisting of the Chief Operations Officer, the Chief Financial Officer and the Head of Group Human Resources, was enhanced by the addition of a Head of Group Retail. Together with the Chief Executive Officer (CEO), this gives the Group a small but efficient team that supports the General Managers of the brands in strategic and operational matters.

Risk assessment and strategic development

The CALIDA Group, with its five operating divisions, is solidly positioned in its various segments and markets. Its identified risks (currency, sales channels and customer structure, production and sourcing, product development) are continuously analyzed at regular Group Management meetings, which also proactively search for any areas where action is required.

Group Management ensures that synergies are utilized and that Group-wide activities are well coordinated.

During the year under review the Board of Directors decided to place the Group's strategic focus more strongly on the organic development of the five divisions and to de-prioritize external growth opportunities until further notice. Another strategic priority is to strengthen the profitability of the acquired divisions of the LAFUMA Group. While the

CALIDA in the reporting period

FURNITURE Division has met its profitability target, this is not the case at the MILLET Mountain Group or OXBOW. Strengthening the profitability of these two divisions remains a top priority for the coming years.

The acquisition of the remaining minority interests in Lafuma SA, which is listed on Euronext in Paris, is another medium-term goal. The complete takeover and subsequent delisting of the LAFUMA Group from the stock exchange would greatly simplify matters on the administrative side and thus reduce costs.

Outlook

The 2016 financial year began positively, with solid sales growth in the first few weeks of the year. Order books for the pre-order business of spring/summer are slightly below the year-back level in the wholesale sector at CALIDA, AUBADE and OXBOW, but we expect this to be more than offset by rising turnover in at-once business and by sales campaigns in our own retail, outlet and e-commerce channels. Order books for the spring/summer collection at the MILLET Mountain Group and the FURNITURE Division are higher than last year.

The pre-order business for autumn/winter, which has just begun, shows a similar trend, though the last winter was weak for the MILLET Mountain Group, leaving large stocks at retailers. Pre-orders are thus likely to be a little weaker for this division.

With the currency situation stabilizing, despite the continuing negative influence of the strong US dollar caused by advantageous hedging transactions during the year under review, we believe business will trend slightly positively in 2016.

New CEO

As already announced, Felix Sulzberger, the long-time CEO of CALIDA Group, is stepping down from the role on 1 April 2016. The Board of Directors praised the exceptional contribution of Felix Sulzberger, who took over leadership of the Group 14 years ago when the firm was in a difficult situation, and developed it from a traditional production operation into a market-focused international apparel group. During his time in office, net sales were tripled and the Company consistently achieved above-average profitability as it pursued the goal of long-term value creation. The succession arrangements made by the Board of Directors ensure continuity in CALIDA Group's management. CALIDA is very pleased to have secured Reiner Pichler as its new CEO. He is

a proven expert with great experience and a first class track record in the international apparel industry.

The Board of Directors will provide close support during the transition from outgoing CEO Felix Sulzberger to designated CEO Reiner Pichler.

We would like to thank you, our valued shareholders, for your confidence.

Dr Thomas Lustenberger
Chairman of the Board

Felix Sulzberger
Chief Executive Officer

Aubade

PARIS



CALIDA at a glance

Selected KPIs (in CHF million except employees)	2015	2014	2013	2012	2011
Gross sales as a % of prior-year figures	368.5 86.9%	423.9 200.9%	211.0 103.9%	203.1 98.5%	206.2 96.6%
Net sales as a % of prior-year figures	359.0 87.1%	412.4 199.8%	206.4 103.8%	198.9 99.6%	193.6 96.0%
Operating result (EBIT) before exceptional items as a % of net sales	21.5 6.0%	27.2 6.6%	23.4 11.3%	22.2 11.2%	24.7 12.7%
Operating result (EBIT) as a % of net sales	21.5 6.0%	27.2 6.6%	21.0 10.2%	27.2 13.7%	24.7 12.7%
Net income as a % of net sales	17.0 4.7%	23.6 5.7%	10.6 5.1%	20.6 10.4%	22.9 11.8%
Liquidity	56.4	63.2	75.2	73.9	43.1
Current financial liabilities	-11.0	-10.7	-23.3	-	-0.3
Non-current financial liabilities	-13.0	-21.3	-17.2	-	-5.5
Gross debt	-24.0	-32.0	-40.5	-	-5.8
Net liquidity	32.4	31.2	34.7	73.9	37.3
Operating cash flow as a % of net sales	18.3 5.1%	19.5 4.7%	19.7 9.5%	28.6 14.4%	22.8 11.8%
Free cash flow as a % of net sales	1.5 0.4%	-5.2 -1.3%	-16.7 -8.1%	37.9 19.1%	-3.5 -1.8%
Investments in Group companies and associates	-	7.0	21.2	-	-
Investments in property, plant and equipment	7.3	8.8	4.6	6.2	16.7
Investments in intangible assets	3.1	3.1	1.5	3.8	5.5
Depreciation, amortisation and impairment	10.6	13.4	8.0	7.6	6.0
Shareholders' equity (including non-controlling interests)	179.3	181.8	166.8 ¹⁾	133.1	119.2
Total assets	302.7	337.8	338.9	173.4	163.8
Equity ratio	59.3%	53.8%	49.2%	76.8%	72.8%
Return on equity	9.4%	13.6%	7.0%	16.3%	20.9%
Headcount as at 31 December	2'953	3'007	3'116	1'586	1'490

¹⁾ Non-controlling interests adjusted to reflect their 40.1% shareholding in LAFUMA following completion of the mandatory takeover bid in January 2014.

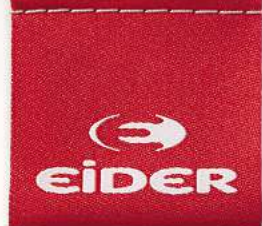
CALIDA at a glance

Key share figures		2015	2014	2013	2012	2011
Number of registered shares with a par value of CHF 2.10 each		8'091'848	8'053'437	7'995'380	7'945'380	7'920'380
Less treasury shares as at 31 December		-2'200	-2'200	-2'200	-2'200	-3'956
Shares with dividend rights as per 31 December		8'089'648	8'051'237	7'993'180	7'943'180	7'916'424
Outstanding options		213'532	153'943	144'000	164'000	154'000
Nominal capital (in CHF)		16'992'881	16'912'218	16'790'298	16'685'298	16'632'798
Key figures per registered share (average number in CHF)						
Gross sales		45.61	52.85	26.89	25.59	26.20
Net sales		44.44	51.41	26.33	25.06	24.60
Operating result (EBIT)						
before exceptional items	basic	2.67	3.39	2.93	2.79	3.13
	diluted	2.66	3.38	2.92	2.78	3.12
Operating result (EBIT)	basic	2.67	3.39	2.63	3.43	3.13
	diluted	2.66	3.38	2.63	3.41	3.12
Net income	basic	1.97	2.74	1.36	2.59	2.91
	diluted	1.97	2.74	1.36	2.58	2.90
Equity (book value per share)		18.25	18.41	17.46	16.77	15.15
Dividend per registered share ¹⁾		0.80	0.80	0.80	0.80	0.80
Stock market prices (in CHF)	Highest	42.50	39.15	29.95	29.95	32.50
	Lowest	31.20	28.40	22.30	22.70	23.50
	Year-end	32.10	36.85	28.15	25.45	27.95
Market capitalisation (in CHF)	Highest	343.1	315.2	238.0	237.2	257.2
	Lowest	252.5	227.1	178.3	180.4	186.0
	Year-end	259.7	296.8	225.0	202.2	221.4
Price/earnings ratio		16.3	13.4	21.6	9.8	9.6
Price/book value ratio		1.8	1.6	1.4	1.5	1.8
Price/sales ratio		0.7	0.7	1.0	1.0	1.1
Dividen yield	Highest	1.9%	2.0%	2.7%	2.7%	2.5%
	Lowest	2.6%	2.8%	3.6%	3.5%	3.4%
	Year-end	2.5%	2.2%	2.8%	3.1%	2.9%
Dividend payout ratio		41.5%	29.2%	58.8%	30.8%	27.5%

¹⁾ 2015: Proposal of the Board of Directors to the General Meeting (consisting of dividend and repayment of par value)..

CALIDA at a glance

Consolidated income statement in accordance with the cost of sales method	2015	2014	Variance
Gross sales	368'458	423'936	-13.1%
Net sales	358'979	412'381	-12.9%
Gross Profit	201'131	228'052	-11.8%
as a % of net sales	56.0%	55.3%	
Operating contribution	88'459	107'777	-17.9%
as a % of net sales	24.6%	26.1%	
Non-allocated operating costs	-66'921	-80'572	-16.9%
as a % of net sales	-18.6%	-19.5%	
Operating result (EBIT)	21'538	27'205	-20.8%
as a % of net sales	6.0%	6.6%	
Financial result, net	-783	718	
Earnings before tax	20'755	27'923	
as a % of net sales	5.8%	6.8%	
Income taxes	-3'766	-4'291	
Net income	16'989	23'632	
as a % of net sales	4.7%	5.7%	



Consolidated financial statements 2015

CALIDA Group

Group statement of financial position

in CHF 1'000

As at 31 December	Note	2015	2014
Cash and cash equivalents	1	56'368	63'224
Trade accounts receivable	2	38'590	47'543
Other current receivables	3	11'232	18'225
Current financial assets	7	1'655	1'957
Inventories	4	79'230	86'003
Current tax assets		6'309	4'346
Prepaid expenses and accrued income		4'551	3'894
Current assets		197'935	225'192
Property, plan and equipment	5	22'730	25'383
Intangible assets	6	67'318	73'786
Non-current financial assets	7	6'210	6'193
Other non-current assets	19	447	366
Deferred tax assets	13	8'052	6'848
Non-current assets		104'757	112'576
ASSETS		302'692	337'768
Current financial liabilities	8	11'119	10'732
Trade accounts payable	9	20'659	36'169
Other current liabilities	10	15'789	31'303
Current tax liabilities		1'491	3'421
Current provisions	12	7'294	12'389
Accrued expenses and deferred income	11	31'057	15'586
Current liabilities		87'409	109'600
Non-current financial liabilities	8	13'046	21'318
Other non-current liabilities	19	8'892	9'664
Non-current provisions	12	3'673	6'387
Deferred tax liabilities	13	10'324	9'034
Non-current liabilities		35'935	46'403
Liabilities		123'344	156'003
Share capital		16'993	16'912
Treasury shares		-53	-53
Reserves		130'510	130'814
Equity held by the shareholders of CALIDA Holding AG		147'450	147'673
Non-controlling interests	15	31'898	34'092
Shareholders' equity	14	179'348	181'765
SHAREHOLDERS' EQUITY AND LIABILITIES		302'692	337'768

The accounting policies and notes on pages 19 to 51 are an integral component of these consolidated financial statements.

Consolidated financial statements 2015

CALIDA Group

Group income statement

in CHF 1'000

1 January - 31 December	Note	2015	2014
Net sales	18	358'979	412'381
Gain on the disposal of non-current assets		14	64
Other operating income		3'300	3'102
Operating income		362'293	415'547
Cost of goods sold and third-party services		-133'532	-163'008
Personnel expenses	19	-109'068	-119'674
Other operating expenses	21	-87'422	-91'977
Depreciation, amortisation and impairment	22	-10'605	-13'412
Loss on disposal of non-current assets		-128	-271
Operating expenses		-340'755	-388'342
Operating result		21'538	27'205
Financial income	23	45	117
Financial expenses	23	-973	-1'236
Exchange differences	23	145	1'837
Financial result, net		-783	718
Earnings before tax		20'755	27'923
Income taxes	13	-3'766	-4'291
Net income		16'989	23'632
Attributable to:			
Shareholders of CALIDA Holding AG		15'916	21'999
Non-controlling interests		1'073	1'633
Earnings per registered share in CHF	24	1.97	2.74
Diluted earnings per registered share in CHF	24	1.97	2.74

Consolidated financial statements 2015

CALIDA Group

Statement of comprehensive income

in CHF 1'000

	2015	2014
	16'989	23'632
Net income		
Items that might be reclassified to profit and loss, after tax		
Exchange differences recognised in other comprehensive income	-15'605	-3'369
Hedge accounting	462	2'260
Items that cannot be reclassified to profit and loss, after tax		
Remeasurements of the net defined benefit liability (asset)	581	-7'610
Total other comprehensive income	-14'562	-8'719
Total comprehensive income	2'427	14'913
Attributable to:		
Shareholders of CALIDA Holding AG	4'621	13'209
Non-controlling interests	-2'194	1'704

Consolidated financial statements 2015

CALIDA Group

Group statement of changes in shareholders' equity

in CHF 1'000

	Share capital	Treasury shares	Capital reserves	Retained earnings	Exchange differences	Reserves	Equity held by the shareholders of CALIDA Holding AG	Non-controlling interests	Shareholders' equity
1 January 2014	16'790	-53	12'004	126'474	-15'894	122'584	139'321	18'735	158'056
<i>Net income</i>	-	-	-	21'999	-	21'999	21'999	1'633	23'632
<i>Other comprehensive income</i>	-	-	-	-6'029	-2'761	-8'790	-8'790	71	-8'719
<i>Comprehensive income</i>	-	-	-	15'970	-2'761	13'209	13'209	1'704	14'913
Dividend from capital contribution reserves	-	-	-6'417	-	-	-6'417	-6'417	-	-6'417
Capital increase ¹⁾	122	-	1'219	-	-	1'219	1'341	-	1'341
Capital contribution from non-controlling interests	-	-	-	-	-	-	-	4'965	4'965
Change in non-controlling interests	-	-	-	-	-	-	-	8'688	8'688
Share-based payments ²⁾	-	-	372	-	-	372	372	-	372
Tax effect of share-based payments ³⁾	-	-	-153	-	-	-153	-153	-	-153
31 December 2014	16'912	-53	7'025	142'444	-18'655	130'814	147'673	34'092	181'765
<i>Net income</i>	-	-	-	15'916	-	15'916	15'916	1'073	16'989
<i>Other comprehensive income</i>	-	-	-	994	-12'289	-11'295	-11'295	-3'267	-14'562
<i>Comprehensive income</i>	-	-	-	16'910	-12'289	4'621	4'621	-2'194	2'427
Dividend from capital contribution reserves	-	-	-6'465	-	-	-6'465	-6'465	-	-6'465
Capital increase ¹⁾	81	-	938	-	-	938	1'019	-	1'019
Share-based payments ²⁾	-	-	587	-	-	587	587	-	587
Tax effect of share-based payments ³⁾	-	-	15	-	-	15	15	-	15
31 December 2015	16'993	-53	2'100	159'354	-30'944	130'510	147'450	31'898	179'348

¹⁾ see note 14

²⁾ see note 20

³⁾ see note 13

Reserves include legal reserves of CHF 13'847 (2014: CHF 13'798) which cannot be distributed to shareholders.

Consolidated financial statements 2015

CALIDA Group

Group statement of cash flows

in CHF 1'000

	Note	2015	2014
Net income		16'989	23'632
Adjustments for non-cash items			
– Income taxes	13	3'766	4'291
– Depreciation, amortisation and impairment	22	10'605	13'412
– Share-based payments	20	587	372
– Adjustment to defined benefit cost		89	–17
– Loss on disposal of non-current assets		114	271
– Financial result, net	23	783	–762
Change in net working capital and provisions			
– Restructuring provisions		–1'570	–10'234
– Other provisions		–4'831	1'461
– Net working capital		–2'515	–9'663
Taxes paid		–5'690	–3'312
Cash flow from operating activities (A)		18'327	19'451
Interest received		44	141
Acquisition of Group companies		–	–7'039
Investments in property, plant and equipment ¹⁾	5	–7'646	–8'803
Investments in intangible assets	6	–3'141	–3'126
Sale of non-current assets		95	867
Loans granted		–303	–637
Repayment of loans granted		543	384
Cash flow from investing activities (B)		–10'408	–18'213
Interest paid		–581	–1'159
Proceeds from borrowings from banks		1'370	11'185
Repayment of borrowings from banks/bonds		–6'277	–13'016
Repayment of borrowings from non-controlling interests		–	–5'595
Dividend from capital contribution reserves (C)	14	–6'465	–6'417
Options exercised from share-based payments plans		1'019	1'341
Capital contributions from non-controlling interests		–	1'343
Cash flows from financing activities		–10'934	–12'318
Impact of exchange rate fluctuations on cash and cash equivalents		–3'841	–853
Change in cash and cash equivalents		–6'856	–11'933
Cash and cash equivalents at the beginning of the year		63'224	75'157
Cash and cash equivalents at the end of the year	1	56'368	63'224
Free cash flow (A + B + C)		1'454	–5'179

¹⁾ CHF 7'326 refer to investments in the reporting period and CHF 320 to payments made for investments in 2014.



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Notes to the consolidated financial statements

The figures in the notes to the consolidated financial statements are presented in thousand Swiss francs (CHF k) unless indicated otherwise (information on share and option prices, dividends and earnings per share are presented in CHF).

Business

The CALIDA Group is a global player specialising in apparel with its brands CALIDA, AUBADE, MILLET, EIDER, LAFUMA Outdoor, LAFUMA Mobilier and OXBOW.

The CALIDA and AUBADE brands make the CALIDA Group one of the world's leading providers of high-quality underwear, nightwear and luxury lingerie. CALIDA and AUBADE apparel is sold in around 70 countries via high-end specialty retailers, up-market department stores and our own CALIDA stores and AUBADE boutiques.

The CALIDA Group's specialist brands for quality outdoor equipment are MILLET, EIDER, LAFUMA Outdoor, LAFUMA Mobilier and OXBOW. Drawing on their rich tradition, the companies behind these brands develop products for ambitious alpinists and mountaineers, discerning hikers and excursionists and style-conscious garden enthusiasts.

The CALIDA Group is headquartered in Oberkirch (Switzerland) and has around 3'000 employees in total.

Accounting policies

General

These consolidated financial statements of the CALIDA Group were prepared in accordance with the International Financial Reporting Standards (IFRS) and Swiss law. The historical cost principle is applied, except for derivative financial instruments which are measured at fair value.

Changes in accounting policies

The International Accounting Standard Board (IASB) revised or amended various existing standards.

The following changes, amendments and revisions are applicable for the CALIDA Group from the reporting period 2015 onwards:

IAS 19	Defined Benefit Plans: Employee Contributions / Amendments
Annual improvements	Collective standards (two cycles) with amendments to various IFRS standards with the primary goal of eliminating process inconsistencies and clarifying terminology

The individual changes did not have any material impact on the consolidated financial statements of the CALIDA Group.

The IASB has published new and amended standards and interpretations. The following changes are potentially relevant and applicable for reporting periods from 2016 onwards:

Standard	Description	Effective date	Adoption planned
Annual improvements	Collective standard with amendments to various IFRS standards with the primary goal of eliminating process inconsistencies and clarifying terminology		2016 ¹⁾
IFRS 15	Revenue from Contracts with Customers	1 January 2018	2018 ²⁾
IFRS 9	Financial instruments	1 January 2018	2018 ³⁾
IFRS 16	Leases	1 January 2019	2019 ⁴⁾

¹⁾ No material impact is expected on the financial position or performance of the CALIDA Group.

²⁾ First analysis revealed possible impacts in the areas of loyalty programmes and returned goods.

³⁾ The impact on the consolidated financial statements cannot yet be accurately determined.

⁴⁾ It is expected that the adoption of this standard will increase the amounts of assets and liabilities by the discounted value disclosed in note 25 "lease obligations".

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Consolidation principles

The consolidated financial statements are prepared based on the financial statements of CALIDA Holding AG and its subsidiaries, all of which are prepared in accordance with uniform accounting principles.

The consolidated financial statements of the CALIDA Group include all companies in which the Group holds more than 50% of voting rights, or which it controls in some other way. Newly acquired companies are consolidated from the date that control is obtained. The acquisition method is applied.

For each business combination, the non-controlling interest in the acquiree is measured either at fair value or at the proportionate share of the acquiree's identifiable net assets.

In business combinations, the identifiable assets, liabilities and contingent liabilities of a subsidiary are measured at fair value on the acquisition date. The acquisition method requires goodwill to be measured, recognised and subsequently tested for impairment. An impairment loss is recognised for any permanent impairment. A bargain purchase, which arises when the fair value of the identified net assets exceeds the consideration transferred on the acquisition date, is recorded directly in the income statement.

All intercompany transactions, profits and balances are eliminated for consolidation purposes.

Measurement principles

Foreign currency translations

The annual financial statements of foreign subsidiaries are prepared in the respective local currency, which is also the functional currency of the subsidiary in question. They are translated into Swiss francs for consolidation purposes as follows: statement of financial position at year-end rates, income statement and statement of cash flows at average rates over the reporting period. Exchange differences resulting from this principle, as well as those arising from the translation of intercompany equity-like loans, are recorded in other comprehensive income. Once the Group loses control over a subsidiary, the cumulative currency translation differences are recycled from other comprehensive income to profit or loss.

Other exchange differences, including those from foreign currency positions and transactions relating to normal business activities, are posted through the income statement.

Goodwill and fair value adjustments of assets and liabilities in connection with acquisitions of foreign subsidiaries are treated as assets and liabilities of this foreign operation and translated into Swiss francs at the rate prevailing on the reporting date.

Exchange rates at year-end	Unit	2015	2014
EUR	1	1.0826	1.2029
USD	1	0.9908	0.9896
HUF	100	0.3400	0.3937
GBP	1	1.4688	1.5372
TND	1	0.4877	0.5325
JPY	100	0.8200	0.8251
HKD	1	0.1278	0.1276
CNY	1	0.1526	0.1612

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Average exchange rates for the year	Unit	2015	2014
EUR	1	1.0676	1.2148
USD	1	0.9619	0.9154
HUF	100	0.3400	0.4060
GBP	1	1.4700	1.5071
TND	1	0.4892	0.5411
JPY	100	0.7900	0.8660
HKD	1	0.1241	0.1181
CNY	1	0.1542	0.1490

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value is determined based on observable market prices or on using generally accepted valuation methods such as option price models or the discounted cash flow method.

Statement of financial position

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances, time deposits and sight funds which are held at banks or similar institutions and have an original term to maturity of less than three months. Positions are measured at nominal values.

Trade accounts receivable and other current receivables

Trade accounts receivable and other current receivables are measured at the original invoice amount less any necessary allowances. Besides specific valuation allowances for known risks to the receivables, general allowances are recognised based on past experience and on the receivables' ageing structure.

The allowance account for receivables is carried separately and reflects the difference between the carrying amount of the receivables and the present value of the future expected cash flows from the transaction. A receivable is offset against the allowance amount only if it is no longer recoverable. Changes in the allowance account are recorded within sales and marketing expenses.

Inventories

Inventories comprise raw materials, semi-finished and finished goods and merchandise. Inventories are measured at the lower of cost and net realisable value.

Raw materials are measured at cost price using the weighted average cost method. Semi-finished and finished goods produced internally are measured at production cost and merchandise at cost price. Production cost includes the entire cost of material, manufacturing costs and the proportional share of fixed production overheads.

Outmoded and unsaleable goods are written down to their net realisable value, i.e. the estimated selling price less the costs of completion and the costs necessary to make the sale. It is calculated using a range of coverage analyses for standard products. Seasonal effects are considered for fashion items.

Unrealised profits from intercompany transactions are eliminated.

Property, plant and equipment

Land is recognised at cost. Buildings, machines, vehicles and plant facilities are recorded at cost less accumulated depreciation and impairment. Depreciation is recognised on a straight-line basis over the estimated useful lives of the assets as follows:

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	Useful life in years
Buildings	5–40
Fixtures and fittings	5–12
Machinery	5–10
IT equipment and operating software	3–5
Vehicles	4–5
Furniture	3–10
Store fittings	3

Residual values, useful lives and the depreciation method used are reviewed and adjusted as necessary at year-end. Impairment losses are recorded where necessary.

The Group has not entered into any finance leases. Maintenance and repair costs are expensed immediately unless they increase the value of the asset. Gains or losses on the disposal of property, plant and equipment are disclosed separately in the income statement.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for the non-controlling interest over the net identifiable assets acquired and liabilities assumed. Goodwill is recognised as an asset with an indefinite useful life. It is not amortised but subject to an impairment test annually and whenever there are indications of possible impairment.

Intangible assets

Licences, software and customer lists are recognised at cost less any accumulated amortisation and any accumulated impairment losses. They are amortised on a straight-line basis over their useful lives as follows:

	Useful life in years
Customer lists	5–10
Licences	3–5
Software	3–5

Costs for development projects or software are capitalised if they will yield measurable benefits for the entity over several years.

Trademarks

Trademarks are treated as intangible assets with an indefinite useful life provided there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. Intangible assets with indefinite useful lives are not amortised but subject to an annual impairment test.

Key money

Provided there is an active market and legal basis, key money for retail stores is not amortised but subject to an annual impairment test. Key money that is not repayable or only payable in certain circumstances is amortised over the term of the lease agreement, including any options to extend.

Impairment of assets

Items of property, plant and equipment and intangible assets are tested for impairment at each reporting date. If there are indications of impairment, an impairment test is carried out to determine the recoverable amount of the asset. The recoverable amount is determined for the cash-generating unit to which the asset belongs if the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The recoverable amount is the higher of the fair value less costs to sell and the value in use. An asset is impaired when its carrying amount exceeds its recoverable amount. Goodwill and intangible assets with an indefinite useful life are tested for impairment annually and whenever there is an indication that it may be impaired.

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With the exception of goodwill, assets are reviewed on each reporting date for any indications that a previously recorded impairment loss no longer exists or has decreased. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

Financial assets

Financial assets are designated to the following two categories:

- Financial assets held for trading and derivative financial instruments
- Loans and receivables

Regular way purchases or sales of financial assets are recognised on the date the Group makes a commitment to buy or sell the asset.

Financial assets are derecognised when the rights to the cash flows have expired or if the right to receive the cash flows has been transferred and the CALIDA Group has substantially transferred all risks and rewards incidental to ownership.

Derivative financial instruments

The CALIDA Group uses hedging instruments such as forward exchange contracts or currency options to hedge against the exchange rate risk from firm commitments or highly probable forecast transactions (cash flow hedge).

Derivative financial instruments are measured at fair value on the date they are entered into and then subsequently as at each reporting date. If the fair value is positive, they are recorded as an asset and if it is negative, as a liability.

All fair value changes in derivative financial instruments are recorded through profit or loss unless the criteria for hedge accounting are fulfilled. If so, the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income, while any ineffective portion is recognised immediately in the income statement. Amounts recorded in other comprehensive income are reclassified to cost of goods sold when the hedged transaction affects profit or loss. If the forecast transaction is no longer expected to occur, the cumulative gains or losses previously recorded in other comprehensive income are recycled to the financial result.

Loans and receivables

Loans and receivables are non-derivative assets with determinable payments that are not quoted in an active market. They are shown as current assets if they are due within twelve months after the reporting date. Otherwise they count as non-current assets.

After initial recognition, loans and receivables are subsequently measured at amortised cost using the effective interest rate method.

Financial assets are tested for impairment as at each reporting date. An impairment loss is recorded if there is objective evidence of impairment. Examples include insolvency, default or other significant financial difficulty of the issuer or borrower. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The reversal is limited so that the carrying amount of the asset does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Financial liabilities

Financial liabilities are designated to the following two categories:

- Financial liabilities held for trading and derivative financial instruments
- Other financial liabilities

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Derivative financial instruments

Refer to the detailed description in the section "Financial assets".

Other financial liabilities

Other financial liabilities comprise loans and borrowings. They are initially measured at fair value, which is generally determined as the amount needed to settle the liability less transaction costs. Other financial liabilities are subsequently measured at amortised cost; any difference between the amount received (after deducting transaction costs) and the amount repayable is recorded in financial expense over the term of the liability using the effective interest method.

Any amount or portion due in the next twelve months is recognised as current liabilities. If there are provisions permitting an extension of the contractual term, the new term is used to classify the liability as current or non-current.

Trade accounts payable

Trade accounts payable are initially recognised at fair value and subsequently at amortised cost.

Provisions

Provisions are set up if the Group has a legal or constructive obligation from a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated.

Share capital

Share capital equals the nominal value of all issued shares.

Capital reserves

Paid-in capital exceeding the nominal share value (less transaction costs) and allocations of share options from share-based payments are recognised in the capital reserves.

Treasury shares

Treasury shares are measured at cost and deducted from shareholders' equity. Gains or losses from the disposal of treasury shares are recognised directly in the capital reserves.

Income statement

Net sales and revenue recognition

Net sales comprise all invoiced sales to third parties after deduction of any value-added tax, volume discounts or other reductions. Revenue is recognised when the risk and rewards are substantially transferred to the customer, the sales price can be estimated reliably and payment is probable (e.g. handover of merchandise in the shop or upon delivery).

Employee benefits and other defined benefit plans

The CALIDA Group maintains both defined contribution and defined benefit plans.

Employees in Group companies outside of Switzerland are mainly insured via state pension funds or independent savings institutions. These plans are classified as defined contribution plans. Under these defined contribution plans, the CALIDA Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation relating to employee service in prior periods. The contributions are recognised as personnel expenses in the period in which they are made.

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Pension plans in Switzerland and some in France qualify as defined benefit plans. The net defined benefit liability or asset is calculated based on actuarial valuations, which are prepared annually. The defined benefit obligation is determined using the projected unit credit method, taking into account the service rendered by employees up to the reporting date as well as assumptions as to future salary trends, employee turnover and mortality. The actuarial valuations use the most recent generational tables to consider expected mortality.

The present value of the defined benefit obligation (DBO) is compared to the fair value of the plan assets for each plan and recognised as a net defined benefit liability or asset. The carrying amount of any asset is limited so that it does not exceed the economic benefits available to the CALIDA Group in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of defined benefit plans are recorded as follows:

- Service cost (current and past service costs from plan amendments): through profit and loss, within personnel expenses
- Net interest on the net defined benefit liability or asset: through profit and loss, within financial result
- Remeasurements of the net defined benefit liability (asset) comprising actuarial gains and losses, the return on plan assets (less interest at the discount rate, which is included in net interest) as well as the effects of the asset ceiling: in other comprehensive income

Executive participation plan

Certain members of the Board of Directors, Executive Management and other executive employees receive equity-settled share-based payments. These are measured at fair value on the grant date using the binomial model. The amount is recorded in personnel expenses on a straight-line basis over the vesting period based on the number of equity instruments that management estimates will actually become vested.

Borrowing costs

Interest costs and other borrowing costs are expensed directly and only capitalised if they are directly related to the acquisition or production of a qualifying asset.

Income taxes

Provisions are recognised for taxes on profits regardless of when they fall due for payment.

Deferred taxes are the result of temporary differences arising when measuring items in the financial statements according to uniform Group principles compared to measurements for tax purposes. They are calculated using the balance sheet liability method. Expected tax rates are relevant. Deferred tax assets on tax losses carried forward are only recognised if it is probable that they can be realised by offsetting against future profits.

Current and deferred tax assets and liabilities are netted if there is a legally enforceable right to do so and the income taxes were levied by the same tax authority. No deferred taxes are recognised for taxes that would be payable upon distribution of subsidiaries' profits unless the distribution is planned to take place in the foreseeable future.

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Estimates and assumptions

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period, and the amount of income and expenses during the reporting period. Assets and liabilities are recognised when it is probable that any future economic benefit associated with the item will flow to or from the entity and value or cost can be measured reliably. If these estimates and assumptions – made by management to the best of their knowledge as at the reporting date – prove to differ significantly from the actual circumstances at a later point in time, the original estimates and assumptions are adjusted in the reporting period in which the circumstances changed. In the following, the key assumptions as to future developments are set out together with details of the main sources of estimation uncertainty that could trigger adjustments to assets and liabilities over the next twelve months.

Inventories

Inventories are written down to reflect losses in value of unsaleable, slow-moving or defective raw materials, semi-finished and finished goods and merchandise. The allowances are determined based on assumptions as to the resaleability of the goods. Management relies on past experience but also considers trends in future sales as well as differences in the resaleability of raw materials compared to seasonal and standard articles within the range. Write-downs totalling CHF 25'522 (2014: CHF 23'610) were recorded as at 31 December 2015. Inventories were recognised at a net carrying amount of CHF 79'230 (2014: CHF 86'003) as at 31 December 2015. The actual outcome may differ from the assumptions due to changes in the market conditions or economic environment. Such differences would impact the subsequent reporting period.

Key money

Key money is recognised at cost. Provided there is an active market and legal basis, key money is not amortised but subject to an annual impairment test. The impairment test involves making estimates and assumptions about the expected future cash flows associated with the use of key money. The actual cash flows may differ from the discounted future cash flows based on these estimates. Key money, which has an indefinite useful life, is carried at CHF 19'370 (2014: CHF 22'556).

Trademarks/goodwill

Estimates as to the future development and cash flows have to be made to determine the fair value of the trademarks and goodwill acquired. In making these estimates, management considers all of the information available as at the acquisition date. Subsequently testing trademarks and goodwill for impairment again involves making estimates and assumptions about the expected future cash flows. The actual cash flows may differ from the discounted future cash flows based on these estimates. Trademarks and goodwill are carried at CHF 41'805 (2014: CHF 46'451).

Net defined liability or asset

In accordance with IAS 19, the net defined benefit liability or asset is calculated based on various assumptions about financial and demographic variables. These assumptions are reviewed annually and adjusted if necessary. Changes in assumptions, e.g. the discount rate of future salaries, or circumstances can materially impact the amount of future cost of a defined benefit plan as reported in the income statement or other comprehensive income, and the net defined benefit liability (asset) reported. The defined benefit asset recorded in the statement of financial position as at 31 December 2015 came to CHF 447 (2014: CHF 366) and the defined benefit liability to CHF 8'892 (2014: CHF 9'664).

Provisions

The provisions were determined based on a best estimate, i.e. the amount that the Company would rationally pay to settle the obligation at the end of the reporting period. The provisions are reviewed at the end of each reporting period. Expenses incurred may vary depending on developments in potential proceedings, including legal rulings. Such changes would affect the subsequent reporting period. The provisions amounted to CHF 10'967 as at 31 December 2015 (2014: CHF 18'776).

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Deferred tax assets from tax losses carried forward

Various CALIDA Group companies carry forward substantial tax losses. These lapse after seven years in Switzerland. In some other countries there is no limitation period. Deferred taxes are calculated based on the assumption that temporary differences will be recovered before the tax loss carryforward lapses and can therefore be offset against tax loss carryforwards. Tax effects on tax losses carried forward are also capitalised based on future expected earnings. If there is uncertainty as to the future development of earnings at a given Group company, no deferred tax assets are recognised. Deferred tax assets of CHF 5'155 are recognised on tax loss carryforwards as at 31 December 2015 (2014: CHF 2'155).

Scope of consolidation

Scope of consolidation as at 31 December 2015

Company ¹⁾	Registered office	Activity	Share capital in local currency	Capital share / voting rights in %
CALIDA AG	Oberkirch/Sursee, Switzerland	Sales / Logistics	CHF 10'000'000	100%
CALIDA Austria GmbH	Vienna, Austria	Sales	EUR 100'000	100%
CALIDA Belgium SPRL	Forest, Belgium	Sales	EUR 18'550	100%
CALIDA Finance AG	Sursee, Switzerland	Financial services	CHF 100'000	100%
CALIDA France SAS	Paris, France	Sales	EUR 16'639'200	100%
CALIDA GmbH	Lörrach, Germany	Sales	EUR 102'258	100%
CALIDA Handels GmbH	Lörrach, Germany	Sales	EUR 100'000	100%
CALIDA Management AG	Oberkirch, Switzerland	Management services	CHF 100'000	100%
CALIDA Netherlands BV	Rotterdam, Netherlands	Sales	EUR 18'000	100%
CALIDA Ungarn Produktionsgesellschaft mbH	Rajka, Hungary	Production	HUF 477'300'000	100%
AUBADE SA	Oberkirch, Switzerland	Sales	CHF 500'000	100%
AUBADE Paris SAS	Paris, France	Sales / Logistics	EUR 15'754'230	100%
AUBADE Denmark ApS	Hellerup, Denmark	Sales	DKK 80'000	100%
AUBADE Handels GmbH	Lörrach, Germany	Sales	EUR 100'000	100%
AUBADE Paris (UK) Ltd.	Hemel Hempstead, England	Sales	GBP 100	100%
AUBADE Paris & Cie SCS	Monte Carlo, Monaco	Sales	EUR 100'000	100%
BELAUBADE SA	Forest, Belgium	Sales	EUR 362'000	100%
Société de Lingerie Azur	Monastir, Tunisia	Production	TND 10'000	100%
SOLAUBADE SURL	Madrid, Spain	Sales	EUR 300'000	100%
SPTF AZUR SA	Sursee, Switzerland	Holding	CHF 100'000	100%
LAFUMA SA	Annecy-le-Vieux, France	Holding	EUR 56'885'352	59.9%
KANION Sp. z o.o.	Warsaw, Poland	Sales	PLN 697'900	30.5%
BIG PACK New Technology Co., Ltd.	Nanjing, China	Production	CNY 15'029'780	59.9%
L.M.O. SRL.	Montebelluna, Italy	Sales	EUR 10'000	59.9%
L.W.A. SA	Wavre, Belgium	Sales	EUR 66'931	59.9%
LAFPROM HK Ltd.	Kwun Tong, Hong Kong	Logistics	HKD 10'000	58.7%
LAFPROM Tunisie	Sousse, Tunisia	Production	TND 100'000	59.9%
LAFUMA America Inc.	Lafayette, USA	Sales	USD 24'500	59.9%
LAFUMA BV	Leusden, Netherlands	Sales	EUR 113'445	59.9%
LAFUMA Group GmbH	Bissingen / Teck, Germany	Sales	EUR 285'000	59.9%
LAFUMA Group SL	Barcelona, Spain	Sales	EUR 475'000	59.9%
LAFUMA Hong Kong Ltd.	Kwun Tong, Hong Kong	Sales	HKD 10'000	59.3%
LAFUMA Hungaria KFT	Sarvar, Hungary	Production	HUF 51'350'000	59.9%

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LAFUMA MILLET KK	Tokyo, Japan	Sales	JPY	10'000'000	59.9%
LAFUMA Mobilier SAS	Anneyron, France	Sales / Production	EUR	9'262'561	59.9%
LALLEMAND SAS	Vieux d'Izenave, France	Sales / Production	EUR	925'540	59.9%
MILLET Mountain Group (Switzerland) Ltd.	Oberkirch, Switzerland	Sales	CHF	100'000	59.9%
MILLET Mountain Group SAS (ex MILLET SAS) ²⁾	Annecy-le-Vieux, France	Sales	EUR	3'921'068	59.9%
OXBOW Distribution SAS	Mérignac, France	Sales	EUR	2'777'761	59.9%
OXBOW SAS	Mérignac, France	Sales	EUR	50'000	59.9%
SHERPA Logistique SAS	Saint-Rambert d'Albon, France	Logistics	EUR	373'570	59.9%

¹⁾ Only active companies are listed.

²⁾ Name changed in fiscal year 2015.

Companies merged in 2015:

- EIDER SAS, Annecy-le-Vieux, France, absorbed by MILLET Mountain Group SAS
- PACCARD Diffusion SARL, Chamonix, France, absorbed by MILLET Mountain Group SAS

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The figures in the notes to the consolidated financial statements are presented in thousand Swiss francs (CHF k) unless indicated otherwise (information on share and option prices, dividends and earnings per share are presented in CHF).

1. Cash and cash equivalents	2015	2014
Cash on hand and bank balances	56'368	63'224
Total	56'368	63'224

The effective interest rate for bank balances and current bank deposits was between 0.0% and 0.1% (2014: 0.0% and 0.1%).

2. Trade accounts receivable	2015	2014
Trade accounts receivable from third parties	44'284	54'130
Trade accounts receivable from related parties	18	20
Allowances	-5'712	-6'607
Total, net	38'590	47'543

The receivables are carried at fair value. No interest is charged for the first 80 to 120 days after the invoice date. Thereafter, interest is charged on the amount outstanding at a rate of between 5% and 10% p.a. Trade accounts receivable can be broken down into those that are past due and those that are not past due based on the individual terms agreed with the customer.

The ageing analysis is as follows:

	2015	2014
Not past due	29'079	34'355
Past due by 1–60 days	6'141	7'771
Past due by 61–120 days	1'762	2'285
Past due by more than 120 days	1'608	3'132
Total, net	38'590	47'543

Allowances for trade accounts receivable are made based on individual assessment and recent experience.

Bad debt allowances:

	2015	2014
Balance as at 1 January	-6'607	-2'440
Additions	-1'476	-4'670
Utilisation	1'401	162
Reversals	370	311
Exchange rate differences	600	30
Balance as at 31 December	-5'712	-6'607

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Currencies of relevance for trade accounts receivable:

	2015	2014
CHF	1'560	1'799
EUR	30'265	36'573
USD	2'307	3'775
JPY	2'130	2'080
HKD	1'562	1'688
GBP	227	573
Other	539	1'055
Total, netto	38'590	47'543

3. Other current receivables

	2015	2014
Receivables from government authorities	6'665	10'493
Receivables from pension funds	18	21
Prepayments to suppliers	1'489	5'480
Other receivables	3'060	2'231
Total, net	11'232	18'225

4. Inventories

	2015	2014
Raw materials	7'892	7'978
Semi-finished goods	6'261	6'790
Finished goods	65'077	71'235
Total	79'230	86'003

Inventories include allowances of CHF 25'522 (2014: CHF 23'610) for outmoded and unsaleable goods.

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5. Property, plant and equipment

	Land and buildings	Machinery	Fixtures and fittings	IT equipment and operating software	Furniture and store fittings	Vehicles	Assets under construction	Total
Historical cost								
1 January 2014	50'241	13'701	14'228	4'409	32'127	824	12	115'542
Additions	1'365	1'201	80	265	5'149	187	556	8'803
Disposals	-377	-39	-	-40	-726	-120	-	-1'302
Exchange rate differences	-613	-813	-9	-59	-496	-9	-4	-2'003
31 December 2014	50'616	14'050	14'299	4'575	36'054	882	564	121'040
Additions	1'130	1'188	247	660	3'652	87	362	7'326
Disposals	-277	-304	-	-732	-2'055	-62	-	-3'430
Reclassifications	227	-	115	11	137	-	-490	-
Exchange rate differences	-2'050	-2'282	-48	-334	-3'653	-28	-45	-8'440
31 December 2015	49'646	12'652	14'613	4'180	34'135	879	391	116'496
Accumulated depreciation and impairment								
1 January 2014	38'398	8'998	13'806	3'272	22'706	462	-	87'642
Depreciation	1'948	1'390	159	481	6'065	121	-	10'164
Disposals	-	-	-	-4	-480	-87	-	-571
Exchange rate differences	-296	-765	-26	-59	-428	-4	-	-1'578
31 December 2014	40'050	9'623	13'939	3'690	27'863	492	-	95'657
Depreciation	1'564	1'297	183	610	4'087	136	-	7'877
Disposals	-202	-292	-	-731	-2'014	-47	-	-3'286
Exchange rate differences	-1'208	-1'891	-109	-306	-2'905	-63	-	-6'482
31 December 2015	40'204	8'737	14'013	3'263	27'031	518	-	93'766
Net carrying amount as at 31 December 2015	9'442	3'915	600	917	7'104	361	391	22'730
Net carrying amount as at 31 December 2014	10'566	4'427	360	885	8'191	390	564	25'383

Property, plant and equipment of CHF 2'523 (2014: CHF 2'929) has been pledged (refer to note 26).

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6. Intangible assets

	Goodwill	Brands, licences and patents	Customer lists	Software	Key money	Other intangible assets	Total
Historical cost							
1 January 2014	46'489	40'980	5'032	10'573	25'399	745	129'218
Additions	–	21	–	1'096	1'306	703	3'126
Change in non-controlling interests	–4'252	–	–	–	–	–	–4'252
Disposals	–	–28	–	–231	–	–5	–264
Exchange rate differences	–993	–769	–94	–198	–288	–33	–2'375
31 December 2014	41'244	40'204	4'938	11'240	26'417	1'410	125'453
Additions	–	27	–	1'349	614	1'151	3'141
Disposals	–	–157	–	–3'217	–	–20	–3'394
Reclassifications	–	–	–	619	–	–619	–
Exchange rate differences	–4'110	–4'021	–494	–1'065	–2'471	–120	–12'281
31 December 2015	37'134	36'053	4'444	8'926	24'560	1'802	112'919
Accumulated depreciation and impairment							
1 January 2014	21'904	13'657	4'252	7'027	2'226	385	49'451
Depreciation	–	32	308	2'589	201	118	3'248
Disposals	–	–28	–	–	–	–16	–44
Exchange rate differences	–387	–313	–82	–155	–43	–8	–988
31 December 2014	21'517	13'348	4'478	9'461	2'384	479	51'667
Depreciation	–	52	174	1'367	382	27	2'002
Impairment	–	–	–	–	726	–	726
Disposals	–	–153	–	–3'217	–	–20	–3'390
Exchange rate differences	–2'152	–1'436	–446	–1'024	–261	–85	–5'404
31 December 2015	19'365	11'811	4'206	6'587	3'231	401	45'601
Net carrying amount as at 31 December 2015	17'769	24'242	238	2'339	21'329	1'401	67'318
Net carrying amount as at 31 December 2014	19'727	26'856	460	1'779	24'033	931	73'786

Brands

The CALIDA Group owns several brands with indefinite useful lives based on their high degree of recognition and long tradition as well as the marketing strategies aimed at maintaining the position of the brands. These brands are tested for impairment annually at the level of the cash generating units (CGU), which is the respective operating segment.

The main brands are MILLET (CHF 9.2m, 2014: CHF 10.2m), LAFUMA Mobilier (CHF 8.0m, 2014: CHF 8.9m) and AUBADE (CHF 3.4m; 2014: CHF 3.8m). The average growth rates for the planning periods are 6.5%/5.0%/3.2% (2014: 3.3%/4.0%/4.2%), the growth rate for the periods beyond is estimated at 2.0% (2014: 2.0%). The pre-tax discount rates are 13.6%/14.0%/11.5% (2014: 13.7%/13.7%/11.4%).

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Key money

Key money for retail space for AUBADE, CALIDA, LAFUMA Outdoor and OXBOW is recognised as an asset with an indefinite useful life at a carrying amount of CHF 19'370 (2014: CHF 22'556). The recoverable value is determined per store based on a value-in-use calculation which uses cash flow forecasts based on individual business plans per store and assumes that sales will grow at a rate of 2.0% (2014: 2.0%) after the planning period. A pre-tax discount rate of 11.5% – 18.3% (2014: 11.4% – 18.6%) is applied.

In France, the key money usually implies the right for extension of the rental contract. In the reporting period, one contract was cancelled without making use of this right or selling it to a third party. As a result, the key money was fully impaired by its carrying amount of CHF 726. For not making use of the right the Group was indemnified by the landlord with CHF 795, recognised as other operating income.

Goodwill

As at 31 December, goodwill is allocated to the cash-generating units (CGU) as follows:

	2015	2014
MILLET Mountain Group	10'742	11'918
FURNITURE Division	7'027	7'809
Total	17'769	19'727

The recoverable amount of a CGU is derived from the value-in-use calculation. For these calculations, the estimated free cash flows are used based on the business plans. The planning period is five years. For the MILLET Mountain Group/FURNITURE division an average sales growth rate of 6.5%/5.0% (2014: 3.3%/4.0%) and a pre-tax discount rate of 13.6%/14.0% (2014: 13.7%/13.7%) is considered. The pre-tax discount rate applied reflects the specific risks for the operating segments. Cash flows beyond the planning period are projected with a growth rate of 2.0% (2014: 2.0%), which does not exceed the long-term growth rate of the respective market in which the CGU is active.

The recoverable amount exceeds the carrying amounts recorded. Even if the basis data were to change significantly, e.g. zero-growth beyond the planning period, no impairment of goodwill would result.

7. Financial assets

	2015	2014
Derivative financial instruments	1'654	1'944
Loans to third parties	1	13
Total current financial assets	1'655	1'957
Derivative financial instruments	683	–
Loans to third parties	5'527	6'193
Total non-current financial assets, net	6'210	6'193

The derivative financial instruments are exclusively for hedging activities with regard to future cash outflows for USD sourcing.

Loans to third parties mainly relate to security deposits paid for rental agreements. The terms of the loans match the terms of the respective rental agreement. In the reporting period impairments of CHF 0 (2014: CHF 54) were reversed. There were no impairment losses or reversals of impairment in the prior year.

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8. Financial liabilities

Net liquidity – the difference between interest-bearing debt and cash and cash equivalents – increased in the reporting period from CHF 31.2 million to CHF 32.4 million. Financial liabilities break down as follows:

	2015	2014
Current financial liabilities to banks	10'985	10'732
Derivative financial instruments	134	–
Current financial liabilities	11'119	10'732
Non-current financial liabilities to banks	12'954	21'318
Derivative financial instruments	92	–
Non-current financial liabilities	13'046	21'318
Total financial liabilities	24'165	32'050

For partly financing the acquisition of LAFUMA Group, the Group entered into a syndicated loan agreement. This loan is disclosed as a current/non-current financial liability to banks based on the repayment schedule.

The CALIDA Group disposed of the following syndicated loan facility as at the reporting date 31 December:

					2015		2014	
					Loan volume	Of which drawn	Loan volume	Of which drawn
Debtor: CALIDA Holding AG/ CALIDA Finance AG / CALIDA AG	Currency	Interest rates	Term					
Acquisition loan	EUR	LIBOR + margin ¹⁾	2013–2018		19'487	19'487	28'870	28'870
Revolving credit facility ²⁾	EUR / CHF	LIBOR + margin ¹⁾	2013–2018		53'652	–	40'058	–
Total syndicated loan					73'139	19'487	68'928	28'870

¹⁾ Depending on leverage.

²⁾ Due to timely contractual amortisation, the limit of the revolving credit facility has increased.

The acquisition loan within the syndicated loan facility was used to finance the acquisition of the LAFUMA Group, the revolving credit facility safeguards CALIDA's long-term financing and was unused as at the reporting date.

Besides other terms and conditions, the facility contains financial covenants relating to leverage (expressed as the ratio of net debt to EBITDA) and the equity ratio (equity as a percentage of total assets). There are other conditions typical for syndicated loan agreements. All covenants and other conditions were met during the reporting period of the current and the prior year.

9. Trade accounts payable

	2015	2014
Trade accounts payable	20'659	36'169
Total	20'659	36'169

Trade accounts payable break down by currency as follow as at reporting date:

	2015	2014
CHF	3'609	3'351
EUR	11'260	26'873
USD	2'288	2'158
JPY	1'598	1'796
Other	1'904	1'991
Total	20'659	36'169

Trade accounts payable do not bear interest and are usually payable within 30 to 60 days.

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10. Other current liabilities	2015	2014
Liabilities to government authorities	8'732	19'848
Liabilities to commercial agents	379	423
Other liabilities	6'678	11'032
Total	15'789	31'303

Other current liabilities do not bear interest and have an average payment term of three months.

11. Accrued expenses and deferred income	2015	2014
Invoices not yet received	13'573	7'823
Accrued personnel expenses	11'079	5'904
Other accrued expenses and deferred income	6'405	1'859
Total	31'057	15'586

12. Current and non-current provisions

	Transfer fees	Restructuring	Personnel provisions	Litigation	Other provisions	Total
1 January 2015	1'443	4'092	3'616	2'694	6'931	18'776
Additions	–	762	1'065	1'258	316	3'401
Utilisation	–	–2'027	–1'240	–800	–829	–4'896
Reversal	–294	–697	–1'153	–835	–1'705	–4'684
Exchange rate differences	–50	–446	–201	–275	–658	–1'630
31 December 2015	1'099	1'684	2'087	2'042	4'055	10'967
Current provisions 2015	366	1'410	261	2'042	3'215	7'294
Non-current provisions 2015	733	274	1'826	–	840	3'673
Provisions 2015	1'099	1'684	2'087	2'042	4'055	10'967
Current provisions 2014	321	4'092	–	2'694	5'282	12'389
Non-current provisions 2014	1'122	–	3'616	–	1'649	6'387
Provisions 2014	1'443	4'092	3'616	2'694	6'931	18'776

Transfer fees

Provisions are recognised for any guaranteed transfer fees to commercial agents upon cancellation of contracts. The amount is determined based on the likelihood of occurrence and expected timing and recognised as an addition to sales provisions. Transfer fees are determined based on the sales generated by the respective commercial agent. An outflow of resources for the non-current portion is expected within the next ten years.

Restructuring

The restructuring provision cover cost for new- or reorganisation of operating sites as well as for changes in within the European network of affiliates.

The restructuring and reorganisation of the acquired LAFUMA Group has further developed. In the reporting period further payments in the amount of CHF 1.6m were made (2014: CHF 10.5m) and provisions of CHF 0.6m remain.

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Personnel provisions

Personnel provisions relate to provisions for a long-term employee profit-sharing plan required under French law ("Participation des salariés") and the long-term participation plans. The "Participation des salariés" plan is determined using a legally prescribed formula based on the local entity's profit in the commercial accounts, reduced by a pre-defined equity discount. The provision for the long-term participation plans contain the potential future claims arising from this plan.

Litigation

The provision for litigation covers risks and legal costs incurred in connection with various pending legal disputes, including those concerning redundancies, consulting as well as commercial matters. Basing on a judgement at first instance in connection with consulting contract, a provision was increased to CHF 812 (2014: CHF 481). An outflow of funds is expected within 12 months.

Other provisions

Other provisions cover various risks to which the Group is exposed in the course of its ordinary business activities. The provisions are generally utilised within one to three years.

13. Income taxes

Deferred tax assets and liabilities relate to the following items of the statement of financial position:

	Deferred tax assets		Deferred tax liabilities	
	2015	2014	2015	2014
Receivables	1'035	1'117	-7'360	-7'437
Inventories	4'498	7'057	-1'209	-1'564
Property, plant and equipment	1'591	1'858	-2'281	-2'483
Intangible assets	64	76	-7'178	-7'854
Other assets	1'553	1'584	-1'403	-1'450
Provisions	3'174	3'325	-1'002	-746
Defined benefit obligation	1'436	1'675	-90	-231
Other liabilities	1'547	1'663	-1'802	-931
Tax losses carried forward	5'155	2'155	-	-
Total deferred tax assets/(liabilities)	20'053	20'510	-22'325	-22'696
Netting	-12'001	-13'662	12'001	13'662
Total deferred tax assets/(liabilities) as disclosed	8'052	6'848	-10'324	-9'034

Unrecognised tax loss carryforwards

Unrecognised tax loss carryforwards lapse:

	2015	2014
in 1 year	164	79
in 2 to 5 years	478	700
in more than 5 years	1'221	1'812
do not lapse	68'248	71'715
Total unrecognised tax loss carryforwards	70'111	74'306

Tax loss carryforwards are only recognised to the extent that it is probable that future taxable profits will be available against which they can be utilised.

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Tax expense recorded in the income statement	2015	2014
Current income taxes	-3'399	-5'610
Deferred income taxes	-367	1'319
Total tax expense recorded in the income statement	-3'766	-4'291
Tax effect recorded in other comprehensive income		
Deferred income taxes from remeasurements of defined benefit obligation	-281	996
Tax effect recorded directly in equity		
Current income taxes from share-based payments	-15	153

Tax expense analysis

The Group operates in various countries with differing tax laws and tax rates. As a result, the expected and actual tax expense each year depends on the specific country to which profits or losses can be attributed. The change in the expected tax rate (2015: 29.6%; 2014: 22.8%) mainly relates to the change in the mix of pre-tax results returned by the individual countries.

The analysis below shows the main factors explaining differences between the expected and actual tax expense (calculated using the weighted average tax rates based on the pre-tax profit or loss of each Group company):

	2015	in %	2014	in %
Earnings before taxes	20'755		27'923	
Tax expense based on expected tax rate	-6'147	29.6	-6'366	22.8
Effect of changes in the tax rates	-258		65	
Non-deductible expenses and/or non-taxable income	1'895		2'276	
Unrecognised tax losses in the current period	-1'908		-1'361	
Utilisation of unrecognised tax loss carryforwards	289		1'351	
Capitalization of loss carryforwards	3'000		-	
Other effects	-637		-256	
Actual tax expense recorded in the income statement	-3'766	18.1	-4'291	15.4

14. Shareholders' equity – Group

Dividend from capital contribution reserve

The Annual General Meeting of 12 May 2015 approved a dividend of CHF 0.80 per registered share to be paid from the capital contribution reserve. The dividend of CHF 6'465 was paid out after 19 May 2015, leading to a CHF 5'024 reduction in the capital contribution reserve including premiums of CHF 1'441 contributed from capital increases (see "Financial statements of CALIDA Holding AG"). Following the distribution, the capital contribution reserves of CALIDA Holding AG amount to CHF 4'631.

The share capital of CALIDA Holding AG breaks down as follows:

	2015	2014
8'091'848 registered shares with a par value of CHF 2.10 each		
(2014: 8'053'437 registered shares with a par value of CHF 2.10 each), issued an fully paid up	16'993	16'912

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Conditional capital

In the reporting period, a conditional capital increase of CHF 81 (2014: CHF 122) or 38'411 registered shares (2014: 58'057 registered shares) was carried out at an average issue price of CHF 26.62 per share (2014: CHF 23.52). The premium, representing the excess over par value after deduction of transaction costs, was allocated to the capital reserves (2015: CHF 938; 2014: CHF 1'219).

Conditional capital of CHF 563 (2014: CHF 644) was available as at 31 December 2015, equivalent to 268'152 registered shares (2014: 306'563 registered shares) with a par value of CHF 2.10 each.

Treasury shares

No treasury shares were sold or purchased in the reporting period (2014: no sales or purchases).

15. Non-controlling interests

The Group company LAFUMA SA in Annecy-le-Vieux (F), and its subsidiaries (LAFUMA Group), which are controlled by the CALIDA Group and operate internationally, have significant non-controlling interests.

The following table provides a breakdown:

	2015	2014
Non-controlling interests ¹⁾	40.1%	40.1%
Share at the net income	1'073	1'633
Share at the shareholders' equity	31'898	34'092

¹⁾ Voting rights equal capital share.

Condensed financial information of the LAFUMA Group, including goodwill and fair values of the identified assets and liabilities but before elimination of intercompany transactions:

	2015	2014
Statement of financial position		
Assets	161'460	189'338
Liabilities	63'098	84'067
Net assets	98'362	105'271
Income statement		
Net sales	173'880	209'141
Net income/(loss)	2'797	2'758
Cash flow statement		
Cash flow from operating activities	-3'326	-10'552
Change in cash and cash equivalents	-5'807	-20'269

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16. Significant shareholders

The following shareholders reported that they held more than 5% (directly and/or indirectly) of CALIDA Holding AG's share capital recorded in the commercial register as at the reporting date:

	2015	2014
Shareholder group of Kellenberger family members	34.5%	34.7%
Micalux S.A., Luxemburg	16.3%	16.4%
Vontobel Fonds Services AG ¹⁾	7.5%	6.4%
Shareholder group of Fondation Ethos, Pictet Funds SA and Vontobel Fonds Services AG	5.7%	5.0%

¹⁾ Includes 454'500 registered shares of the shareholder group of Fondation Ethos, Pictet Funds SA and Vontobel Fonds Services AG.

17. Dividend distribution

The Board of Directors will submit a proposal to the Annual General Meeting of CALIDA Holding AG on 21 April 2016 to issue a dividend for the reporting period 2015 of CHF 0.40 per registered share from the capital contribution reserve (2014: CHF 0.80). Further, a reduction of the par value per share will be proposed, of which CHF 0.40 shall be paid to the shareholders.

18. Segment reporting

As chief operating decision maker, the CALIDA Group Executive Management determines the business activities and monitors internal reporting to assess performance and make decisions about resources to be allocated. Following the integration of the LAFUMA Group, the CALIDA Group has five reporting segments which are organised and managed independently of each other in accordance with their market alignment.

Segments

The brands CALIDA, AUBADE, LAFUMA Mobilier and OXBOW form a reportable segment. The MILLET Mountain Group combines the three mountain sports and outdoor brands MILLET, EIDER and LAFUMA Outdoor.

Other activities

Besides corporate functions, some smaller activities of the LAFUMA Group are not allocated to an operating segment.

Operating reporting

The CALIDA Group monitors segment performance at the level of the operating profit contribution, which shows – in the presentation according to the nature of expense method – the operating profit contribution of each segment after deduction of costs of goods sold and allocated sales and marketing costs (e.g. costs of the sales organisation, rents for sales areas).

The non-allocated operating costs mainly contain costs for product development, logistics, IT, administration and management.

The CALIDA Group's internal reporting is based on International Financial Reporting Standards (IFRS).

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	CALIDA Division	AUBADE Division	MILLET Mountain Group	FURNITURE Division	OXBOW Division	Other activities	CALIDA Group
2015							
Net sales	128'158	57'008	106'064	37'708	27'962	2'079	358'979
Operating profit contribution	35'561	15'340	20'643	11'045	4'961	909	88'459
Non-allocated operating costs							-66'921
Operating result							21'538
Financial result, net							-783
Earnings before tax							20'755
Amortisation and depreciation	-4'119	-2'201	-2'101	-928	-1'145	-111	-10'605
thereof impairment	-	-	-	-	-726	-	-726
Investments	4'568	1'674	2'932	1'101	192	-	10'467

	CALIDA Division	AUBADE Division	MILLET Mountain Group	FURNITURE Division	OXBOW Division	Other activities	CALIDA Gruppe
2014							
Net sales	137'753	65'536	130'371	39'625	36'141	2'955	412'381
Operating profit contribution	39'193	18'077	30'012	12'323	7'952	219	107'776
Non-allocated operating costs							-80'571
Operating profit							27'205
Financial result, net							718
Earnings before tax							27'923
Amortisation and depreciation	-4'994	-3'175	-3'883	-944	-416	-	-13'412
thereof impairment	-	-	-	-	-	-	-
Investments	4'592	3'105	2'551	724	628	330	11'929

Geographical reporting

Net sales	2015	2014
France	143'256	167'287
Germany	64'729	70'024
Switzerland	61'478	62'342
Other Europe	56'098	73'217
Asia	22'996	28'483
USA	6'779	6'728
Other markets	3'643	4'300
Total	358'979	412'381

Net sales are broken down by region according to the customer's location.

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Property, plant and equipment and intangible assets	2015	2014
France	72'023	79'639
Switzerland	10'014	8'962
Hungary	3'618	4'342
Germany	1'874	2'866
Other markets	2'519	3'359
Total	90'048	99'168

Property, plant and equipment and intangible assets are broken down by geographical location. Other markets are mainly the rest of Europe, Asia and the USA.

19. Pension plans and personnel expenses

Personnel expenses of the CALIDA Group break down as follows:

	2015	2014
Wages and salaries	-81'832	-85'888
Social security expenses	-19'721	-22'332
Expenses for defined benefit plans	-1'167	-921
Expenses for defined contribution plans	-960	-1'023
Share-based payments	-587	-372
Other personnel expenses	-4'801	-9'138
Total	-109'068	-119'674

Pension plans in Switzerland and some in France qualify as defined benefit plans under IAS 19. All other plans are defined contribution plans.

Switzerland

Pension plans are governed by the Federal act on Occupational Retirement, Survivors and Disability Pension Plans (BVG/LPP), which requires pension plans to be managed by a separate and legally independent entity. The governing body of the pension plan (Employee Benefit Committee) is responsible for general management, drafting the pension fund regulations, defining the investment strategy and determining how the benefits will be funded. The Employee Benefit Committee comprises employee and employer representatives.

The beneficiaries of the plan are insured against the economic consequences of old age, disability and death. Benefits paid to the beneficiaries are governed by the pension fund regulations but minimum benefits are also prescribed by the law (BVG/LPP). The benefits paid are based on the retirement savings capital of the insured person, which is accrued through annual contributions and interest. Annual contributions are made by the employer and the employee and depend on the insured salary and the age of the plan participant. Upon retirement, plan participants can choose between receiving a life time annuity or a lump sum payment of savings capital.

The major risks of relevance for the pension fund are the investment risk, interest rate risk, invalidity risk and risk of longevity. The pension fund of the Swiss Group companies has taken out reinsurance to cover these risks. The policy is limited to a fixed term, with the first possible termination date for both parties at the end of 2016.

France

Employees in France receive a lump sum retirement indemnity ("indemnité de fin de carrière", IFC). The amount due is based on the number of years of service at the company, the salary and the rank of the retiree. Entitlement lapses if the employee leaves the company before retirement. The plan for AUBADE is funded, while the LAFUMA plan is not.

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The net defined benefit obligation of all defined benefit plans is presented below:

	2015	2014
Breakdown of the net defined benefit liability		
Present value of the DBO	-54'457	-64'226
Fair value of plan assets	46'012	54'928
Net defined benefit asset/(liability)	-8'445	-9'298
of which recorded in other non-current assets	447	366
of which recorded in other non-current liabilities	-8'892	-9'664
The net defined benefit liability developed as follows:		
As at 1 January	-9'298	-769
Cost of defined benefit plans, through profit and loss	-1'275	-965
Remeasurements, in other comprehensive income	862	-8'611
Employer contributions	1'121	1'035
Exchange rate differences	145	12
As at 31 December	-8'445	-9'298
Present value of the DBO		
As at 1 January	64'226	54'267
Service cost	1'550	1'045
Past service cost	-383	-124
Interest expense	716	1'263
Employee contributions	1'071	988
Benefit payments	-1'877	-1'811
Actuarial (gains)/loss	-19	8'629
Derecognition retirees	-10'579	-
Exchange rate differences	-248	-31
As at 31 december	54'457	64'226
of which relating to Switzerland:		
Present value of the DBO	52'116	61'546
Active employees	76%	62%
Pensioners	24%	38%
Average duration in years	18.1	16.4

The past service costs are due to adjustments to the commutation rate annually as per 1 January in the non-mandatory parts of the Swiss plans.

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Fair value of plan assets	2015	2014
As at 1 January	54'928	53'498
Interest income at discount rate	609	1'219
Employer contributions	1'121	1'035
Employee contributions	1'071	988
Benefits paid	-1'877	-1'811
Actuarial gains/(losses)	843	18
Derecognition retirees	-10'579	-
Exchange rate differences	-104	-19
As at 31 December	46'012	54'928

The CALIDA Group recognised expenses for defined benefit plans within the following income statement line items in the reporting period:

	2015	2014
Service cost in personnel expenses	-1'167	-921
Net interest in financial expenses	-108	-44
Total	-1'275	-965

Remeasurements of the net defined benefit liability recorded in other comprehensive income break down as follows:

	2015	2014
Remeasurement of the net defined benefit liability		
– Changes in financial assumptions	-1'944	-8'798
– Experience adjustments	1'963	169
Return on plan assets (excluding the interest income discount rate)	843	18
Total remeasurement of the net defined benefit liability, before tax	862	-8'611

The following weighted actuarial assumptions were applied in determining the defined benefit obligation (DBO):

	2015	2014
Discount rate	0.80%	1.13%
Estimated future salary increases	1.03%	1.38%

The reinsurance contract of the Swiss pension fund foresees that the retirees remain with the insurance also in case of a contract cancellation. Therefore, the Group has no risks coming from the pension liabilities for the retirees and the corresponding assets. The Group has taken this into account in the valuation method of the pension liabilities. As a result of this valuation, in 2015 the Group has derecognised the respective pension assets and pension liabilities in the amount of CHF 10'579 (disclosed in the line item "derecognition retirees").

Sensitivity

A change in these significant actuarial assumptions would have the following (weighted) impact on the DBO: an increase/decrease of 0.5% in the discount rate would lead to a decrease/increase of -8.2%/+9.4% (2014: -7.2%/+8.2%) in the DBO. A decrease/increase of 0.5% in the salary increase would lead to an increase/decrease of +0.5%/-0.6% (2014: +0.4%/-0.4%) in the DBO.

The sensitivity analysis was performed separately for each assumption and reflects changes that were reasonably possible at the reporting date. Interdependencies were not taken into account. The actual effects may differ from these estimates.

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The table below provides a breakdown by investment category of the fair value of plan assets from all plans:

	2015	2014
Shares	11.9%	10.0%
Bonds	14.6%	12.8%
Real estate	5.3%	3.7%
Receivables from an insurance company (collective foundation)	68.2%	73.5%
Total	100.0%	100.0%

Shares and bonds are all securities traded in an active market. The fair market value of real estate relates exclusively to indirect investments in listed securities. The pension funds do not hold any CALIDA shares and none of the Group companies have access to assets of the pension funds.

The CALIDA Group expects to make employer contributions of CHF 1'195 for the fiscal year 2016.

20. Share-based payments

Call options on registered shares in CALIDA Holding AG are granted as part of the performance-related variable compensation for members of the Board of Directors, Executive Management and certain executive employees. Each option is associated with the right to call one share. The options are American style. The fair value of the options is recorded in personnel expenses over the individual vesting periods.

31 December 2015

Number of options	Term	Exercise in CHF	Settlement date
9'400	01.03.2012–31.03.2017	28.05	vested
14'000	01.03.2012–31.03.2018	28.05	01.04.2016
6'565	01.04.2013–31.03.2018	26.65	vested
8'800	01.04.2013–31.03.2018	26.65	01.04.2016
14'000	01.04.2013–31.03.2019	26.65	01.04.2017
9'367	01.04.2014–31.03.2019	30.75	vested
14'600	01.04.2014–31.03.2019	30.75	01.04.2016
14'800	01.04.2014–31.03.2019	30.75	01.04.2017
24'000	01.04.2014–31.03.2020	30.75	01.04.2018
17'900	01.04.2015–31.03.2020	36.65	01.04.2016
17'900	01.04.2015–31.03.2020	36.65	01.04.2017
18'200	01.04.2015–31.03.2020	36.65	01.04.2018
44'000	01.04.2015–31.03.2021	36.65	01.04.2019
213'532	Total		

The CALIDA Group recorded personnel expenses of CHF 587 in connection with stock option plans in 2015 (2014: CHF 372).

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The table below presents the number of options, the weighted average exercise price and changes during the reporting period.

	2015		2014	
	Number of options	Ø Exercise price CHF	Number of option	Ø Exercise price CHF
Outstandings as at 1 January	153'943	28.53	144'000	25.46
Granted in the reporting period	98'000	36.65	68'000	30.75
Lapsed in the reporting period	-38'411	26.62 ¹⁾	-58'057	23.52 ¹⁾
Outstanding at 31 December	213'532	32.60	153'943	28.53
Vested at 31 December	25'332	28.69	15'143	27.08

¹⁾ The weighted average share price on the exercise date of options was CHF 39.64 (2014: 34.82).

The exercise price of options outstanding as at the end of the reporting period was between CHF 26.65 and CHF 36.65 (2014: CHF 25.18 and CHF 30.75), while the average term to maturity was 3.80 years (2014: 3.68 years).

Options granted in the reporting period had an average weighted fair value of CHF 10.33 (2014: CHF 7.47).

The fair value of allocated options was determined on the grant date using the binomial model, taking into account the terms and conditions of the option plans. The table below shows the weighted average measurement parameters for the reporting period:

	2015	2014
Share price in CHF	40.50	33.55
Exercise price in CHF	36.65	30.75
Expected volatility in %	32.6%	28.3%
Expected lifetime in years	5.45	5.35
Risk interest in %	0.0%	0.3%
Expected dividend in CHF	0.80	0.80

The expected volatility is determined based on past price trends for the CALIDA share. The swap rate for the relevant term of the option on the grant date is considered as the risk-free interest rate.

Management's best estimate of the expected life of the options based on past experience is used for the model. For options granted, it is assumed that these are held over the entire term. No other characteristics of the options granted are incorporated in the fair value measurement.

21. Other operating expenses

	2015	2014
Sales and marketing expenses	-19'743	-23'825
Rental expenses	-23'904	-26'252
General administrative expenses	-18'301	-19'475
Other expenses	-25'474	-22'425
Total	-87'422	-91'977

22. Depreciation, amortisation and impairment

	Notes	2015	2014
Depreciation of property, plant and equipment	5	-7'877	-10'164
Amortisation of intangible assets	6	-2'002	-3'248
Impairment of intangible assets	6	-726	-
Total		-10'605	-13'412

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In France, the key money usually implies the right for extension of the rental contract. In the reporting period, one contract was cancelled without making use of this right or selling it to a third party. As a result, the key money was fully impaired by its carrying amount of CHF 726. For not making use of the right the group was indemnified by the landlord with CHF 795, recognised as other operating income.

23. Financial result, net

	2015	2014
Interest income from financial assets	45	117
Total financial income	45	117
Net interest on defined benefit plans	-107	-44
Interest expense from financial liabilities	-817	-873
Bank fees and other financial expenses	-49	-319
Total financial expenses	-973	-1'236
Net gains on exchange differences	145	1'837
Total exchange differences	145	1'837
Total financial result	-783	718

24. Earnings per registered share

	2015	2014
Net income, attributable to the shareholders of CALIDA Holding AG	15'916	21'999
Numbe of shares as at reporting date	8'091'848	8'053'437
Less weight average capital increase	-13'326	-31'483
Average number of shares outstanding	8'078'522	8'021'954
Earnings per registered share in CHF	1.97	2.74
Diluted earnings per registered share in CHF	1.97	2.74

The dilutive effects were calculated based on the average number of outstanding call options and the average share price. The outstanding options with an exercise price below the average share price (determined at daily closing price) are taken into account in determining dilutive effects. The average number of potential registered shares included in the calculation was CHF 17'648 (2014: 15'458).

25. Lease obligations

There are minimum lease payments from fixed-term leases as follows (not including options to extend):

	2015	2014
Due		
in up to 1 year	17'839	20'126
2 to 5 years	44'933	46'659
more than 5 years	14'662	18'528
Total	77'434	85'313

The leases mainly relate to rent obligations for retail stores and vehicles. They generally have a term to maturity of up to nine years, although most agreements include an option to extend.

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26. Pledged assets	2015	2014
Pledged land and buildings at carrying amounts	2'523	2'929
Liens on property	27'000	27'000
Current financial liabilities to banks secured by real estate	6'496	7'217
Non-current financial liabilities to banks secured by real estate	12'991	21'652
Pledged bank balances	5'190	4'734

In connection with the new syndicated loan facility, the Group pledged real estate of CALIDA AG with a carrying amount of CHF 2'523 (2014: CHF 2'929) and shares in LAFUMA SA.

27. Transactions with related parties

Business relationships exist between CALIDA Holding AG and its subsidiaries as well as members of the Board of Directors and Executive Management. Other related parties are significant shareholders, companies controlled by members of the Board of Directors and the pension funds. All business transactions with related parties are carried out at arm's length.

Group Companies

An overview of consolidated subsidiaries is provided in the section "Scope of consolidation". Transactions between CALIDA Holding AG and its subsidiaries as well as between subsidiaries of the Group were eliminated in the consolidated financial statements.

Members of the Board of Directors and Executive Management	2015	2014
Short-term benefits	4'576	4'830
Long-term benefits	-795	451
Post-employment benefits	254	247
Share-based payments	397	283
Total	4'432	5'811

Remuneration (incl. social security contributions of CHF 671) is disclosed as short-term benefits. Long-term benefits relate to changes in the long-term participation plans. Post-employment benefits refer to pension plans. The amounts shown for share-based payments reflect the expenses recorded in the reporting period from options allocated in the years 2011 to 2015 (2014: 2010 to 2014); refer to note 20. For further disclosures according to article 13 et seq. Ordinance against Excessive Compensation at Listed Joint-Stock Companies (OaEC), please refer to the remuneration report of CALIDA Holding AG.

The CALIDA Group draws on the legal advisory services of several law firms, including Meyerlustenberger Lachenal, Zurich, in which Dr Thomas Lustenberger, Chairman of the Board of Directors of CALIDA Holding AG, is a partner. Meyerlustenberger Lachenal rendered services costing CHF 88 (2014: CHF 222) in the reporting period. Of this, CHF 0 (2014: CHF 16) was outstanding as at 31 December 2015.

Significant shareholders

The reported receivables from third parties of CHF 18 (2014: CHF 20) as at 31 December 2015 relate to a company controlled by a significant shareholder; sales of CHF 353 (2014: CHF 415) were generated with this company in the reporting period.

The outstanding amounts are unsecured and will be settled in cash. No guarantees have been received or issued.

28. Financial risk management

The CALIDA Group is exposed to interest rate, currency, credit and liquidity risks in the course of its business operations. Limits have been set for the individual risk categories. These are monitored continuously for compliance and adjusted overall to the risk capacity of the Group.

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Financial instruments

Financial assets are allocated to the following categories:

	2015	2014
Cash and cash equivalents	56'368	63'224
Trade accounts receivable	38'590	47'543
Loans (current and non-current)	5'527	6'206
Other financial assets ¹⁾	3'060	2'231
Total – at amortised cost	103'545	119'204
At fair value through profit and loss (derivate financial instruments – level 2)	2'337	1'944
Total	105'882	121'148

¹⁾ Component of other current receivables (note 3).

Financial liabilities are allocated to the following categories:

	2015	2014
Financial liabilities (current and non-current)	23'939	32'050
Trade accounts payable	20'659	36'169
Accrued liabilities and deferred income ¹⁾	13'573	7'823
Other current liabilities ²⁾	7'057	11'455
Total - at amortised cost	65'228	87'497
At fair value through profit and loss (derivative financial instruments – level 2)	225	–
Total	65'453	87'497

¹⁾ Not including accrued personnel expenses and other accruals of CHF 17'484 (2014: CHF 7'763).

²⁾ Not including liabilities to government authorities of CHF 8'732 (2014: CHF 19'848).

Due to being short term, the carrying amounts of the current financial assets and liabilities are generally equal to their market value (non-discounted amounts). Due to having floating interest rates, the carrying amounts of the non-current financial liabilities approximate their market value.

The derivative financial instruments recognised are based solely on forward exchange contracts concluded with banks as counterparties (OTC) for the purpose of foreign exchange hedging and are measured at fair value. The fair value (market value) is based on observable market data, particularly the spot rates and yield curves of the respective currencies (level 2 of the fair value measurement hierarchy).

Credit risks

Current bank balances and time deposits are held exclusively with banks that enjoy an excellent credit rating. The risk of default is mitigated by maintaining business relationships with a number of banks and other financial institutions and by monitoring the credit risk continuously.

Trade accounts receivable are subject to active risk management. Doubtful accounts are assessed for impairment individually. Indications of possible impairment include significant financial difficulty or insolvency of the customer as well as situations where financial restructuring is probable or the customer has already defaulted. Due to the varied customer structure, there are no generally applicable credit limits across the Group. However, customers' creditworthiness is tested systematically, taking into account the financial situation, past experience and/or other factors. The likelihood of risk concentrations in this area is limited by the fact that the Group's customer base is broad, geographically diversified and spread across five divisions.

The CALIDA Group does not hold any specific collateral for trade accounts receivable as at year-end 2015 (2014: none).

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Management does not expect any material losses from receivables in excess of the allowances recognised. The maximum risk of default is the total carrying amount of the receivables and financial loans set out above. Notes 2 and 7 contain disclosures on maturities of receivables and financial assets.

Liquidity risks

The CALIDA Group monitors the liquidity risk through a liquidity management system designed to ensure that sufficient highly liquid reserves are available to meet liquidity requirements at any time. This includes financing options from an appropriate amount of confirmed credit lines with various financial institutions. Rolling liquidity plans are prepared and regularly updated based on projected cash flows.

Syndicated loan facility

The acquisition loan within the syndicated loan facility was used to finance the mandatory takeover bid and subsequent second capital increase at LAFUMA, which was paid up in mid-February 2014. The revolving credit facility safeguards CALIDA Group's long-term financing and was unused as at the reporting date.

The liquidity situation breaks down as follows as at the reporting date:

	2015	2014
Cash and cash equivalents	56'368	63'224
Confirmed credit lines	86'344	87'634
Credit lines used	-25'140	-32'675
Total	117'572	118'183

The table below provides a maturity analysis of cash flows from financial liabilities as at the reporting date based on the contractually agreed terms to maturity.

	Carring amount	Contractual payments	< 1 year	1–5 years
31 December 2015				
Financial liabilities	23'939	24'897	11'629	13'268
Trade accounts payable	20'659	20'659	20'659	–
Derivative financial instruments				
Cash inflows		-79'451	-49'182	-30'269
Cash outflows		76'874	47'633	29'241
Net	-2'112	-2'577	-1'549	-1'028
Other current liabilities ¹⁾	7'057	7'057	7'057	–
Accrued liabilities and deferred income ²⁾	13'573	13'573	13'573	–
31 December 2014				
Financial liabilities	32'050	33'313	11'292	22'021
Trade accounts payable	36'169	36'169	36'169	–
Derivative financial instruments				
Cash inflows		-29'000	-29'000	–
Cash outflows		27'186	27'186	–
Net	-1'944	-1'814	-1'814	–
Other current liabilities ¹⁾	11'455	11'455	11'455	–
Accrued liabilities and deferred income ²⁾	7'823	7'823	7'823	–

¹⁾ Not including liabilities to government authorities of CHF 8'732 (2014: CHF 19'848).

²⁾ Not including accrued personnel expenses and other accruals of CHF 17'484 (2014: CHF 7'763).

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In the reporting period CHF 6'277 were amortised as due according to the current agreement for the syndicated loan facility (2014: CHF 0).

Interest rate risks

The Group's current liabilities to banks and time deposits bear interest at floating rates. The CALIDA Group is exposed to fluctuations in market interest rates, which can affect income and shareholders' equity.

Interest-bearing liabilities with floating rates expose the Group to a cash flow risk, while changes in interest rates on fixed-rate liabilities can have a material direct impact on the income statement and shareholders' equity.

The sensitivity analysis below shows the impact of a change in interest rates on earnings before tax, assuming that all other variables remain unchanged:

Change in interest rates	Currency	2015	2014
+/-20 basis points	EUR	+/-23	+/-27
+/-15 basis points	CHF	+/-26	+/-26

Currency risks

Due to the CALIDA Group's considerable investment in operations in France, a currency risk (translation risk) is associated with the annual financial statements of the foreign Group companies which are prepared in euro and translated into Swiss francs for the purpose of the consolidated financial statements.

Currency risks are also incurred at transactional level in connection with sales or operating expenses incurred by Group companies in a currency that is not the functional currency of the operating entity. The currency risk is reduced significantly by offsetting operating income and expenses in EUR.

As part of its risk policy, the CALIDA Group also has the option to conclude forward exchange contracts or option contracts in order to hedge against the risks associated with exchange rate movements in the residual foreign currency exposure or when concluding specific transactions.

To hedge goods purchased in USD, the CALIDA Group partially concludes forward exchange contracts and options. Usually, goods purchased for the next four collections are hedged, and the derivatives mature in the next 24 months.

In the reporting period gains from hedging instruments in the amount of CHF 4'460 (2014: CHF 388) were reclassified from other comprehensive income to cost of goods sold and third-party services.

	Fair Value/Carrying amount		Due / Nominal value	
	Positive replacement	Negative replacement	< 1 year	1–2 years
Cash flow hedges (forward exchange contracts)	value	value		
31 December 2015	2'337	-225	49'182	30'269
31 December 2014	1'944	–	29'000	–

A change in the USD/EUR closing rate of +/-10.0% would lead to a change of CHF -7'223/+8'828 (2014: CHF +/-3'114) in the derivatives, which would be recorded in other comprehensive income, assuming the hedge was fully effective.

If the euro were to depreciate by 5.0% against the Swiss franc as at 31 December 2015, but all other parameters remained unchanged, earnings before taxes would have increased by CHF 144 (2014: increase of CHF 341). Vice versa, if it were to appreciate by the same amount, the results would have decreased by the amount of the increase described above.

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Capital management

Sufficient liquidity is available for ordinary business operations in the fiscal year 2016 and thereafter based on the cash inflow from operating activities and confirmed credit lines. The Company can also issue securities if required.

Capital management at the CALIDA Group focuses on safeguarding the Group's ability to continue as a going concern, generating an appropriate return for shareholders and optimising financial ratios while considering cost of capital. The CALIDA Group can adjust the dividend payout, return capital to shareholders or issue new shares to reach these targets. No adjustments or changes were made to the capital management objectives or policies in the reporting periods 2015 or 2014.

The CALIDA Group uses the equity ratio to monitor the capital structure. The equity ratio expresses shareholders' equity as a percentage of total capital. Total capital is the amount stated in the Group statement of financial position. It is a long-term goal of the CALIDA Group to keep the self-financing ratio above 50%.

The equity ratio breaks down as follows as at the reporting dates:

	2015	2014
Shareholder's equity	179'348	181'765
Total capital	302'692	337'768
Equity ratio	59.3%	53.8%

29. Subsequent events

The consolidated financial statements were approved by the Audit & Risk Committee on 25 February 2016 and released for publication by the Board of Directors on 26 February 2016. The consolidated financial statements are subject to approval by the Annual General Meeting scheduled for 21 April 2016.

There were no further events between 31 December 2015 and the date on which these consolidated financial statements were approved by the Board of Directors which would have required disclosure here or an adjustment to the figures in these consolidated financial statements.

Consolidated financial statements 2015

CALIDA Group

Report of the statutory auditors to the General Meeting of shareholder of CALIDA Holding AG, Oberkirch

As statutory auditor, we have audited the consolidated financial statements of CALIDA Holding AG, which comprise the Group statement of financial position, Group income statement, statement of comprehensive income, Group statement of changes in equity, Group statement of cash flows and notes (pages 13–51), for the year ended 31 December 2015.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of these consolidated financial statements in accordance with 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 of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards and International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2015 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with IFRS and comply with Swiss law.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

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

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Christoph Michel
Licensed audit expert
(Auditor in charge)

Lorenz Malär
Licensed audit expert

Zurich, 26 February 2016



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Balance sheet

in CHF 1'000

As at 31 December	Note	2015	2014
Cash and cash equivalents		14'949	8'036
Other current receivables			
from third parties		88	84
from investments		9	–
Accrued income and deferred expenses		7	–
Current assets		15'053	8'120
Loans to Group companies		15'076	9'038
Investments	1.1	147'077	145'777
Non-current assets		162'153	154'815
ASSETS		177'206	162'935
Current interest-bearing liabilities	1.2	6'496	7'217
Other current liabilities			
to third parties		20	13
to investments		1'251	976
Accrued liabilities and deferred income		2'835	455
Current liabilities		10'602	8'661
Non-current interest-bearing liabilities	1.2	12'991	21'652
Non-current liabilities		12'991	21'652
Liabilities		23'593	30'313
Share capital	1.3	16'993	16'912
Capital contribution reserves	1.5	4'631	9'655
General legal reserves		7'500	7'500
Retained earnings		124'542	98'608
Treasury shares	1.6	–53	–53
Shareholders' equity		153'613	132'622
SHAREHOLDERS' EQUITY AND LIABILITIES		177'206	162'935

Financial statements 2015 CALIDA Holding AG

Income statement / Statement of changes in shareholders' equity in CHF 1'000

1 January - 31 December	Note	2015	2014
Dividend income	1.1	26'700	18'700
Reversal of impairment loss recorded on investments	1.1	1'300	–
Other financial income		2'550	729
Other operating income		8	11
Income		30'558	19'440
Administrative expenses		–2'008	–1'802
Financial expenses		–2'616	–1'459
Taxes		–	–
Expenses		–4'624	–3'261
Net income		25'934	16'179

	Share capital	Capital contribution reserves	General legal reserves	Retained earnings	Treasury shares	Shareholders' equity
1 January 2013	16'685	19'362	7'500	44'471	–53	87'965
Capital increase	105	1'223	–	–	–	1'328
Dividend from capital contribution reserves	–	–6'393	–	–	–	–6'393
Net income	–	–	–	37'958	–	37'958
31 December 2013	16'790	14'192	7'500	82'429	–53	120'858
Capital increase	122	1'880	–	–	–	2'002
Dividend from capital contribution reserves	–	–6'417	–	–	–	–6'417
Net income	–	–	–	16'179	–	16'179
31 December 2014	16'912	9'655	7'500	98'608	–53	132'622
Capital increase	81	1'441	–	–	–	1'522
Dividend from capital contribution reserves	–	–6'465	–	–	–	–6'465
Net income	–	–	–	25'934	–	25'934
31 December 2015	16'993	4'631	7'500	124'542	–53	153'613

Financial statements 2015 CALIDA Holding AG

Notes

The figures in the notes to the financial statements are presented in thousand Swiss francs (CHF k) unless indicated otherwise (information on shares and options are presented in CHF).

Accounting principles

The applied accounting principles for the present financial statements are in accordance with Swiss Accounting Law (Title 32 of the Swiss Code of Obligations).

The new accounting law is adopted for the first time with these financial statements. The presentation of the comparable figures has been adapted respectively.

Recognition and measurement principles

Loans to Group companies

Loans granted in foreign currency are measured at the rate prevailing at the balance sheet date, with unrealised losses being recognised while unrealised gains are deferred (principle of parity).

Interest-bearing liabilities

Interest-bearing liabilities are measured at their nominal value. Maturities of less than one year are disclosed as current interest-bearing liabilities, while those of more than one year are disclosed as non-current.

Treasury shares

Treasury shares are recognised as a deduction of shareholders' equity at acquisition cost on the acquisition date. In case of later divestiture, profit or loss is recognised as financial income or expense.

Abstention from presentation of a cash flow statement and additional disclosures in the notes

CALIDA Holding AG prepares consolidated financial statements in accordance with an accepted accounting standard (IFRS). Therefore, and in accordance with the legal requirements, the Group abstains from presenting a cash flow statement and additional disclosures in the notes with regard to interest-bearing liabilities and audit fees.

1. Notes to the financial statements

1.1 Investments

As a parent company, CALIDA Holding AG, Oberkirch holds the following investments

Company ¹⁾ directly:	Registered office	Activity	Capital in local currency	Capital- and voting interest		
				31.12.2015	31.12.2014	
CALIDA AG	Oberkirch / Sursee, Switzerland	Sales / Logistics	CHF	10'000'000	100.0%	100.0%
CALIDA Austria GmbH	Vienna, Austria	Sales	EUR	100'000	100.0%	100.0%
CALIDA Belgium SPRL	Forest, Belgium	Sales	EUR	18'550	100.0%	100.0%
CALIDA Finance AG	Sursee, Switzerland	Financial services	CHF	100'000	100.0%	100.0%
CALIDA France SAS	Paris, France	Sales	EUR	16'639'200	100.0%	100.0%
CALIDA GmbH	Lörrach, Germany	Sales	EUR	102'258	100.0%	100.0%
CALIDA Handels GmbH	Lörrach, Germany	Sales	EUR	100'000	100.0%	100.0%
CALIDA Management AG	Oberkirch, Switzerland	Management services	CHF	100'000	100.0%	100.0%
CALIDA Netherlands B.V.	Rotterdam, Netherlands	Sales	EUR	18'000	100.0%	100.0%

Financial statements 2015 CALIDA Holding AG

Notes

in CHF 1'000

CALIDA Ungarn Produktionsgesellschaft mbH	Rajka, Hungary	Production	HUF	477'300'000	100.0%	100.0%
AUBADE SA	Oberkirch, Switzerland	Sales	CHF	500'000	100.0%	100.0%
AUBADE Denmark ApS	Hellerup, Denmark	Sales	DKK	80'000	100.0%	100.0%
AUBADE Handels GmbH	Lörrach, Germany	Sales	EUR	100'000	100.0%	100.0%
SPTF AZUR SA	Sursee, Switzerland	Holding	CHF	100'000	100.0%	100.0%
LAFUMA SA	Annecy-le-Vieux, France	Holding	EUR	56'885'352	59.9%	59.9%
<i>indirectly:</i>						
AUBADE Paris SAS	Paris, France	Sales / Logistics	EUR	15'754'230	100.0%	100.0%
AUBADE Paris (UK) Ltd.	Hemel Hempstead, England	Sales	GBP	100	100.0%	100.0%
AUBADE Paris & Cie SCS	Monte Carlo, Monaco	Sales	EUR	100'000	100.0%	100.0%
BELAUBADE SA	Forest, Belgium	Sales	EUR	362'000	100.0%	100.0%
Société de Lingerie Azur	Monastir, Tunisia	Production	TND	10'000	100.0%	100.0%
SOLAUBADE SURL	Madrid, Spain	Sales	EUR	300'000	100.0%	100.0%
KANION Sp. z o.o.	Warsaw, Poland	Sales	PLN	697'900	30.5%	30.5%
BIG PACK New Technology Co., Ltd.	Nanjing, China	Production	CNY	15'029'780	59.9%	59.9%
L.M.O. SRL	Montebelluna, Italy	Sales	EUR	10'000	59.9%	59.9%
L.W.A. SA	Wavre, Belgium	Sales	EUR	66'931	59.9%	59.9%
LAFPROM HK Ltd.	Kwun Tong, Hong Kong	Logistics	HKD	10'000	58.7%	58.7%
LAFPROM Tunisie	Sousse, Tunisia	Production	TND	100'000	59.9%	59.9%
LAFUMA America Inc.	Lafayette, USA	Sales	USD	24'500	59.9%	59.9%
LAFUMA B.V.	Leusden, Netherlands	Sales	EUR	113'445	59.9%	59.9%
LAFUMA Group GmbH	Bissingen / Teck, Germany	Sales	EUR	285'000	59.9%	59.9%
LAFUMA Group SL	Barcelona, Spain	Sales	EUR	475'000	59.9%	59.9%
LAFUMA Hong Kong Ltd.	Kwun Tong, Hong Kong	Sales	HKD	10'000	59.3%	59.3%
LAFUMA Hungaria KFT	Sarvar, Hungary	Production	HUF	51'350'000	59.9%	59.9%
LAFUMA MILLET KK	Tokyo, Japan	Sales	JPY	10'000'000	59.9%	59.9%
LAFUMA Mobilier SAS	Anneyron, France	Production / Sales	EUR	9'262'561	59.9%	59.9%
LALLEMAND SAS	Vieux d'Izenave, France	Production / Sales	EUR	925'540	59.9%	59.9%
MILLET Mountain Group (Switzerland) Ltd.	Oberkirch, Switzerland	Sales	CHF	100'000	59.9%	59.9%
MILLET Mountain Group SAS (ex MILLET SAS) ^{2) 3)}	Annecy-le-Vieux, France	Sales	EUR	3'921'068	59.9%	59.9%
OXBOW Distribution SAS	Mérignac, France	Sales	EUR	2'777'761	59.9%	59.9%
OXBOW SAS	Mérignac, France	Sales	EUR	50'000	59.9%	59.9%
SHERPA Logistique SAS	Saint-Rambert d'Albon, France	Logistics	EUR	373'570	59.9%	59.9%

¹⁾ Only active companies are listed.

²⁾ Name changed in the fiscal year 2015.

³⁾ The company absorbed EIDER SAS and Paccard Diffusion SARL in the reporting period.

Due to a sustainable increase in value, impairment losses of CHF 1'300 were reversed in the reporting period (2014: CHF 0).

Financial statements 2015 CALIDA Holding AG

Notes

in CHF 1'000

1.2 Interest-bearing liabilities

All interest-bearing liabilities arise in full from the syndicated loan agreement. The loan is denominated in euro and the difference to the prior year is due to the amortisation in accordance with the contract and the foreign currency valuation.

1.3 Share capital

The share capital of CHF 16'993 (2014: CHF 16'912) consists of 8'091'848 (2014: 8'053'437) registered shares with a par value of CHF 2.10 (2014: CHF 2.10). As at balance sheet date, 38'411 registered shares (2014: 58'057 registered shares) were not yet registered in the commercial register.

1.4 Conditional capital

The Annual General Meeting held on 13 May 2014 authorised an increase of the existing conditional capital by CHF 630. The increase will take place under exclusion of shareholders' subscription rights by issuing a maximum of 300'000 registered shares to be fully paid up at a par value of CHF 2.10 each.

In the reporting period, a conditional capital increase of CHF 81 (2014: CHF 122) or 38'411 registered shares (2014: 58'057 registered shares) was carried out. A premium of CHF 1'441 (2014: CHF 1'880) from the capital increase was added to the capital contribution reserves.

Conditional capital of CHF 563 (2014: CHF 644) was available as at 31 December 2015, equivalent to 268'152 registered shares (2014: 306'563 registered shares) with a par value of CHF 2.10 each.

1.5 Capital contribution reserves

The capital contribution reserves consist of additional paid-up capital from past capital increases less past dividend distributions. From a tax point of view, the dividend from capital contribution reserves is treated like a repayment from capital reduction. The Swiss Federal Tax Administration (FTA) has acknowledged the disclosed capital contribution reserves in accordance with article 5 para. 1 Withholding Tax Act (VStG).

1.6 Treasury shares

CALIDA Holding AG holds 2'200 treasury shares. The average acquisition price was CHF 23.97 per share. No treasury shares were sold or purchased in the reporting year or in the prior year.

2. Further information

2.1 Full-time equivalents

CALIDA Holding AG does not have any employees (prior year: 0).

2.2 Significant shareholders

The following shareholders reported that they held more than 5% (directly and/or indirectly) of the share capital of CALIDA Holding AG recorded in the commercial register as at the reporting date.

	2015	2014
Shareholder group of Kellenberger family members	34.5%	34.7%
Micalux S.A., Luxembourg	16.3%	16.4%
Vontobel Fonds Services AG ¹⁾	7.5%	6.4%
Shareholder group of Fondation Ethos, Pictet Funds SA and Vontobel Fonds Services AG	5.7%	5.0%

¹⁾ Includes 454'500 registered shares of Fondation Ethos, Pictet Funds SA and Vontobel Fonds Services AG.

Financial statements 2015 CALIDA Holding AG

Notes

in CHF 1'000

2.3 Pledged assets

As at 31 December 2015, shares in LAFUMA SA of CHF 58'362 (2014: CHF 58'362) were pledged to the bank consortium in connection with financing the takeover of the LAFUMA Group.

2.4 Contingent liabilities

Guarantee obligations in favour of third parties of up to CHF 67'139 (2014: CHF 68'928) have been issued for Group companies in connection with bank financing as at 31 December 2015. Claims of CHF 19'487 (2014: CHF 28'870) had been made as at the reporting date 31 December 2015. As at 31 December 2015 and unchanged on the prior year, the Company had also issued rent guarantees in favour of third parties for two AUBADE stores in England.

2.5 Interests held by members of the Board of Directors and Executive Management

Numbers as at 31 December

	2015			2014		
	Registered shares	Employee options	Total	Registered shares	Employee options	Total
Thomas Lustenberger (Chairman)	74'680	–	74'680	74'680	–	74'680
Share of voting rights	0.9 %		0.9 %	0.9 %		0.9 %
Marco Gadola (Vice-Chairman)	–	–	–	–	–	–
Beat Grüning (Member)	34'174	–	34'174	21'174	–	21'174
Share of voting rights	0.4 %		0.4 %	0.3 %		0.3 %
Christian Haas (Member) ¹⁾	n/a	n/a	n/a	1'311'210	–	1'311'210
Share of voting rights				16.4 %		16.4 %
Hans-Kristian Hoejsgaard (Member)	–	–	–	–	–	–
Erich Kellenberger (Member) ²⁾	2'776'245	–	2'776'245	2'772'170	–	2'772'170
Share of voting rights	34.5 %		34.5 %	34.7 %		34.7 %
Marianne Tesler (Member)	–	–	–	–	–	–
Felix Sulzberger (CEO and Member)	75'084	–	75'084	138'780	–	138'780
Share of voting rights	0.9 %		0.9 %	1.7 %		1.7 %
Philippe Bernaud (General Manager AUBADE)	–	44'000	44'000	–	44'000	44'000
(Potential) share of voting rights		0.5 %	0.5 %		0.5 %	0.5 %
Daniel Gemperle (COO)	–	22'067	22'067	–	24'000	24'000
(Potential) share of voting rights		0.3 %	0.3 %		0.3 %	0.3 %
Andreas Lindemann (General Manager CALIDA)	–	33'365	33'365	–	22'100	22'100
(Potential) share of voting rights		0.4 %	0.4 %		0.3 %	0.3 %
Manuela Ottiger (Head of Group HR)	–	6'000	6'000	–	–	–
(Potential) share of voting rights		0.1 %	0.1 %			
Thomas Stöcklin (CFO)	4'000	36'000	40'000	4'000	27'143	31'143
(Potential) share of voting rights	0.0 %	0.5 %	0.5 %	0.0 %	0.3 %	0.3 %

¹⁾ Member until 22 July 2015. Shareholding via Micalux S.A.

²⁾ Shareholder group of Kellenberger family members.

Financial statements 2015 CALIDA Holding AG

Notes

in CHF 1'000

2.6 *Granted employee stock options in the reporting period*

Call options on registered shares of CALIDA Holding AG are granted as part of the performance-related variable compensation for members of Executive Management (with the exception of the CEO). Each option is associated with the right to call one share. The exercise price of the granted options in 2015 is CHF 36.65 (2014: 30.75). The fair value of allocated options was determined on the grant date using the binomial model and the definitive access to the options is depending on vesting conditions (ongoing employment).

	2015		2014	
	Number of options	Fair value	Number of options	Fair value
Employee stock option granted to the members of Executive Management	54'000	543	48'000	353

Profit and loss of the employee stock options granted is recognised in the company that is the contractual employer of the member of Executive Management.

2.7 *Subsequent events*

The financial statements were approved by and released for publication by the Board of Directors on 26 February 2016. The financial statements are subject to approval by the Annual General Meeting scheduled for 21 April 2016.

There were no further events between 31 December 2015 and the date on which these financial statements were approved by the Board of Directors which would have required disclosure here or an adjustment to the figures in these financial statements.

Financial statements 2015 CALIDA Holding AG

Proposal of the Board of Directors for the approbation of available earnings and capital contribution reserves

in CHF 1'000

	2015	2014
Retained earnings		
Balance carried forward from prior year	98'608	82'429
Net income	25'934	16'179
Retained earnings at year-end/balance to be carried forward to new account	124'542	98'608
Capital contribution reserves		
Balance carried forward from prior year	3'190	7'775
Allocation to capital contribution reserves	14'388	1'880
Capital contribution reserves at the disposal of the General Meeting	17'578	9'655
Dividend from capital contribution reserves	-3'237	-6'465
Balance carried forward to new account of the capital contribution reserves	14'341	3'190

The Board of Directors will submit a proposal to the General Meeting of CALIDA Holding AG on 21 April 2016 to issue a dividend for the fiscal year 2015 of CHF 0.40 per registered share from the capital contribution reserves and a repayment from reduction of the par value per share of CHF 0.40. This distribution is equivalent to 38.1% of the par value of the registered share. The remaining CHF 1.60 from the reduction of the par value shall be allocated to the capital contribution reserves.

All shares outstanding as at 31 December 2015 are eligible for the dividend. The exact amount of the dividend may change slightly due to potential new shares issued to employees from conditional capital. Treasury shares held on the date of the dividend payment are not eligible for dividends; as a result, the total dividend amount payable depends on the number of treasury shares held on the distribution date. The dividend can be distributed without withholding tax. Natural persons living in Switzerland are not liable for income tax on the dividend.

Assuming the General Meeting approves the distribution of the dividend, the payment will be made after 28 April 2016.

Assuming the General Meeting approves the reduction of the par value per share, the payment is expected to be made after 13 July 2016.

Financial statements 2015 CALIDA Holding AG

Report of the statutory auditor to the General Meeting of CALIDA Holding AG, Oberkirch

As statutory auditor, we have audited the financial statements of CALIDA Holding AG, which comprise the balance sheet, income statement and notes (pages 54–60), for the year ended 31 December 2015.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2015 comply with Swiss law and the company's articles of incorporation.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

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

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

Ernst & Young Ltd

Christoph Michel
Licensed audit expert
(Auditor in charge)

Lorenz Malär
Licensed audit expert

Zurich, 26 February 2016

Remuneration report 2015 CALIDA Holding AG

Introduction

The CALIDA Holding AG's remuneration report describes the remuneration system applied and provides detailed information on the remuneration of members of the Board of Directors (BoD) and Executive Management for the fiscal years 2015 and 2014.

This report meets the requirements set out in SIX Swiss Exchange's Directive on Information relating to Corporate Governance (DCG) dated 1 September 2014 as well as the requirements of articles 13 to 16 of the Ordinance against Excessive Compensation at Listed Joint-Stock Companies (OaEC), which entered into force on 1 January 2014.

1. Principles

The value and success of the CALIDA Group hinges on the quality and dedication of its employees. The remuneration policy is designed to recruit, motivate and retain qualified individuals for the Group. Performance-based and share-based components of remuneration are included with the aim of encouraging individuals to think and act in the interests of shareholders.

The remuneration system is based on the following principles:

- Remuneration should be fair and in line with the market
- Remuneration should be linked to the Company's success
- The remuneration system should align the Group's long-term strategy with employee interests
- Remuneration should be transparent

2. Remuneration regulations

The Nomination & Compensation Committee (NCC) supports the Board of Directors in fulfilling its duties with regard to defining compensation and designing option and participation plans.

Approval process

Decision on:	CEO	NCC	BoD
Remuneration of Executive Management members (without CEO)	Proposal	Proposal	Decision
Remuneration of the CEO	–	Proposal	Decision
CEO participation plan ¹⁾ / Long-term incentive plan (LTI)	–	Proposal	Decision
Remuneration of the BoD and its committees	–	Proposal	Decision

¹⁾ The CEO participation plan for Felix Sulzberger was agreed in 2001 before the NCC had been set up.

The NCC consisted of Dr Thomas Lustenberger as Chairman and Beat Grüning as member during the reporting period. They were elected at the Annual General Meeting on 12 May 2015.

NCC meetings generally take place prior to meetings of the Board of Directors so that proposals can be defined and approved by the full Board.

As a whole, the NCC and Board of Directors have solid knowledge and comprehensive insights into the textiles and clothing industry as well as the retail (non-food) sector. As a result, they are well placed to evaluate the Company's market position and value. Overall, the rewards package is geared towards responsibility, productivity in the scope of each function and individual performance.

Remuneration report 2015 CALIDA Holding AG

3. Remuneration system

Board of Directors

The members of the Board of Directors generally receive fixed compensation in cash; the exact composition depends on the function and whether the individual serves on any committees of the Board. Some or all members of the Board of Directors may be awarded variable compensation in the form of options on or registered shares in CALIDA Holding AG. When such an allocation is made, the amount of the remuneration corresponds to the value of the participation certificates or rights on the date of allocation; conditions precedent and conditions subsequent do not affect the date of allocation.

The Board of Directors defines allocation conditions, exercise conditions and exercise periods, as well as any vesting periods, forfeiture rules or conditions leading to unconditional and/or early legal claims to acquire the allocated participation certificates.

Both fixed and variable compensation is defined at the discretion of the Board of Directors as a whole based on the recommendation of the NCC, subject to approval by the General Meeting (starting from fiscal year 2016).

The Company is entitled to reimburse members of the Board of Directors for out-of-pocket expenses in the form of actual or lump sum expense payments in accordance with tax provisions. This does not count as remuneration.

No loans or credits are granted to current or former members of the Board of Directors.

Executive Management

The members of Executive Management receive fixed and variable remuneration. The amount depends on qualitative and quantitative targets and parameters set by the Board of Directors. The performance targets take account of the function and level of responsibility of the Executive Management member and may be based, among other things, on the Company's performance, targets against the market, other companies or comparable benchmarks, the share price or agreed personal goals.

Some or all members of Executive Management – with the exception of the CEO – may be allocated employee stock options on registered shares of CALIDA Holding AG. When such an allocation is made, the amount of the remuneration corresponds to the value of the participation certificates or rights on the date of allocation; conditions precedent and conditions subsequent do not affect the date of allocation. The Board of Directors defines allocation conditions, exercise conditions and exercise periods, as well as any vesting periods, forfeiture rules or conditions leading to unconditional and/or early legal claims to acquire the allocated participation certificates.

The Board of Directors as a whole has discretionary powers to define the amount based on a recommendation by the NCC, subject to approval by the General Meeting (starting from fiscal year 2016). The Company's compensation policy is performance-based and in line with the market.

The Company is entitled to reimburse members of Executive Management for out-of-pocket expenses in the form of actual or lump sum expense payments permitted in accordance with tax provisions. This does not count as remuneration.

In the reporting period, operating earnings targets – defined by the Board of Directors during the budgeting process – served as the basis for measuring short-term variable components. The variable components based on short-term targets are capped at CHF 800k (gross) for the CEO, with a minimum value of CHF 0k in accordance with the range set for the earnings targets. The variable components for other members of Executive Management are capped at 52 percent of the fixed component, with a minimum value of 0 percent. Short-term, variable remuneration is generally paid out in the calendar month following publication of the annual report.

For the reporting period, 120 percent (CEO) and on average 118 percent (other members of Executive Management) of operating earnings targets were achieved.

Remuneration report 2015 CALIDA Holding AG

The fixed and variable short-term remuneration for the new CEO is within the same scope as before. The variable short-term remuneration the fiscal year 2016 has been fixed at a target achievement of 100 percent.

The articles of incorporation of CALIDA Holding AG provide for the possibility of a non-compete clause of up to three years for departing members of Executive Management. There were no such contractual clauses in force as at 31 December 2015 or in the past.

CEO participation plan for Felix Sulzberger

When the CEO was appointed in 2001, the Board of Directors arranged an employee participation plan geared towards the long-term development of the Company. The current plan was defined on 21 April 2010 and amended and extended in its modified form on 20 December 2013. Due to the resignation of the CEO, the term of the plan was shortened and will now end on 31 December 2016.

The plan takes the form of a phantom stock plan, entitling the CEO to CHF 375k for each CHF 2.50 increase in the share price. The plan provides for a payment of CHF 375k to be made when the price of the CALIDA Holding AG share exceeds the threshold of CHF 42.50, CHF 45.00, CHF 47.50, etc sustainably. The share price exceeds the threshold sustainably if within a period of 120 consecutive days, the threshold is exceeded on 45 days, which do not have to be consecutive.

The bonus is only due once each time a threshold is exceeded on a sustainable basis, i.e. no second payment is made if the price slips below the threshold before rising again.

Long-term incentive plan

The Board of Directors and the new CEO agreed to a long-term incentive plan that is tied to the long-term development of Group. This plan takes the form of a phantom stock plan.

The plan entitles the new CEO to CHF 200k for each CHF 2.50 increase in the share price. According to the plan, a first payment of CHF 100k becomes due when the share price of CALIDA Holding AG sustainably exceeds a certain threshold. The first threshold shall be the average share price of the first quarter of 2016 plus CHF 2.50, followed by incremental step-ups of CHF 2.50 for subsequent thresholds.

A second payment of CHF 100k becomes due when the share price is still above the threshold two years after the date at which it was sustainably exceeded. Should the share price at that time be below the threshold, the bonus can still be achieved if the share price sustainably exceeds the threshold again. The share price exceeds the threshold sustainably if within a period of 180 consecutive days, the threshold is exceeded on 90 days, which do not have to be consecutive.

The bonus is only due once each time a threshold is exceeded on a sustainable basis, i.e. no second payment is made if the price slips below the threshold before rising again.

Externally contracted member of Executive Management

Manuela Ottiger fulfils her Head of Group HR function based on a service agreement and receives monthly compensation for her activities based on a daily market rate. The agreement also provides for a variable performance-related component based on the same system applicable for other members of Executive Management.

Her fees are disclosed in the line item "Fixed salary (net)".

No loans or credits are granted to current or former members of Executive Management.

Related parties

No remuneration is paid to related parties, nor are loans or credits granted.

Remuneration report 2015 CALIDA Holding AG

4. Remuneration paid to members of the Board of Directors

Current and former members of the Board of Directors

in CHF 1'000

	2015			2014			
	Fixed salary (net)	Pension expenses	Total	Fixed salary (net)	Additional compensation	Pension expenses	Total
Thomas Lustenberger (Chairman) ¹⁾	120	18	138	120	17	18	155
Marco Gadola (Vice-Chairman) ²⁾	81	12	93	78	–	11	89
Alfred M. Niederer (Vice-Chairman) ³⁾	–	–	–	29	–	3	32
Beat Grüning (Member)	71	11	82	71	–	11	82
Christian Haas (Member) ⁴⁾	29	2	31	32	–	3	35
Hans-Kristian Hoejsgaard (Member) ⁵⁾	71	11	82	45	–	7	52
Erich Kellenberger (Member)	51	4	55	51	–	4	55
Marianne Tesler (Member)	51	4	55	51	–	4	55
Non-executive members of the Board of Directors	474	62	536	477	17	61	555
Felix Sulzberger	–	–	–	–	–	–	–
Total	474	62	536	477	17	61	555

¹⁾ The additional compensation awarded to Thomas Lustenberger relates to compensation for his activity as representative of CALIDA Holding AG on the Board of Directors of LAFUMA SA until 11 September 2014.

²⁾ Vice-Chairman from 13 May 2014 and member prior to that.

³⁾ Until the General Meeting on 13 May 2014.

⁴⁾ New since election by the General Meeting on 13 May 2014 until 22 July 2015.

⁵⁾ New since election by the General Meeting on 13 May 2014.

5. Remuneration paid to the members of Executive Management

Current and former members of Executive Management

in CHF 1'000

	2015		2014	
	Felix Sulzberger (CEO)	Total Executive Management	Felix Sulzberger (CEO)	Total Executive Management
Fixed salary (net)	595	1'582	600	1'608
Variable salary (net)	627	1'068	759	1'229
Total salary (net)	1'222	2'650	1'359	2'837
Remuneration paid from the CEO participation plan	750	750	750	750
Options (variable)	–	543 ¹⁾	–	353 ¹⁾
Contributions in kind	7	32	7	32
Pension expenses	362	907	361	903
Total remuneration	2'341	4'882	2'477	4'875

¹⁾ 54'000 (2014: 48'000) call options on registered shares in CALIDA Holding AG with a par value of CHF 2.10 each; 1 option is equivalent to 1 subscription right for a registered share at an exercise price of CHF CHF 36.65 (2014: CHF 30.75); the definitive options purchased depend on vesting conditions being met, e.g. continued employment, measurement using binomial model.

Remuneration report 2015 CALIDA Holding AG

Report of the statutory auditor on the remuneration report of CALIDA Holding AG, Oberkirch

We have audited the remuneration report 2015 of CALIDA Holding AG (page 66) for the year ended 31 December 2015.

Responsibility of the Board of Directors

The Board of Directors is responsible for the preparation and overall fair presentation of the remuneration 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 remuneration 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 remuneration 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 remuneration 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 remuneration 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 remuneration 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 remuneration report for the year ended 31 December 2015 of CALIDA Holding AG complies with Swiss law and articles 14 – 16 of the Ordinance.

Ernst & Young Ltd

Christoph Michel
Licensed audit expert
(Auditor in charge)

Lorenz Malär
Licensed audit expert

Zurich, 26 February 2016



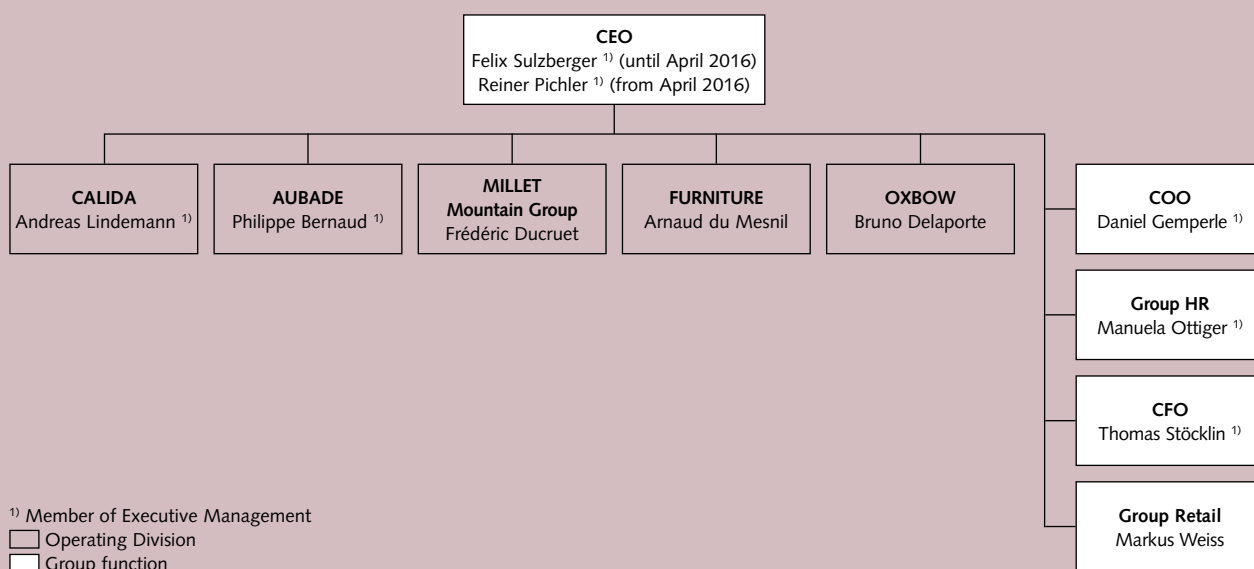
Corporate governance report 2015 CALIDA Group

1. Group structure and shareholders

1.1 Group structure

1.1.1 Overview of the Group's operating structure

The chart below shows the Group's operating structure as at year-end:



1.1.2 Listed companies in the consolidated group

The registered shares of CALIDA Holding AG ("the Company"), with registered offices in Oberkirch (Switzerland), are traded on the international reporting standard of the SIX Swiss Exchange (ISIN CH0126639464, ticker symbol CALN). Market capitalisation came to approx. CHF 259.7m as at the reporting date 31 December 2015.

The registered shares of LAFUMA SA, with registered offices in Annecy-le-Vieux (France), are traded on the Euronext (ISIN FR0000035263, ticker symbol LAF). Market capitalisation came to approx. EUR 141.9m as at the reporting date 31 December 2015.

1.1.3 Unlisted companies in the consolidated group

The annual report provides details of unlisted companies in the consolidated group in the section "Scope of consolidation" in the "Financial statements 2015 of the CALIDA Group".

1.2 Significant shareholders

The following shareholders reported that they held more than 3% (directly and/or indirectly) of the share capital of CALIDA Holding AG recorded in the commercial register as at 31 December 2015.

Shareholder group of Kellenberger family members	34.5%
Micalux S.A., Luxemburg	16.3%
Vontobel Fonds Services AG ¹⁾	7.5%
Shareholder group of Fondation Ethos, Pictet Funds SA and Vontobel Fonds Services AG	5.7%
Swisscanto Fondsleitung AG ²⁾	4.1%

¹⁾ Includes 454'500 registered shares of the shareholder group of Fondation Ethos, Pictet Funds SA and Vontobel Fonds Services AG.

²⁾ In accordance with reporting to SIX Swiss Exchange as at 20 June 2015.

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The Company makes disclosures about significant shareholders if it receives disclosure notifications in the reporting period pursuant to article 20 SESTA. Parties subject to the notification requirement have to disclose shareholdings when their voting rights in CALIDA Holding AG reach, exceed or fall below the thresholds of 3, 5, 10, 15, 20, 25, 33 1/3, 50 or 66 2/3 percent.

All disclosure notifications of shareholdings in CALIDA Holding AG are available on the disclosure office's electronic publication platform at: <https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html?companyId=CALIDA>.

Shareholdings of members of the Board of Directors and Executive Management are presented in detail within the relevant section of the notes to the financial statements 2015 of CALIDA Holding AG, which form part of this annual report. The Company is not aware of any further significant shareholders in the meaning of article 20 SESTA.

1.3 Cross-shareholdings

There are no cross-shareholdings.

2. Capital structure

2.1 Capital as at 31 December 2015

The ordinary share capital of the Company amounts to approx. CHF 17.0m, divided into 8'091'848 registered shares with a par value of CHF 2.10 each. The ordinary share capital entered in the commercial register was approx. CHF 16.9m as at 31 December 2015, corresponding to 8'053'437 registered shares.

The available conditional capital amounts to approx. CHF 0.6m. This equates to 268'152 registered shares with a par value of CHF 2.10 each.

2.2 Authorised and conditional capital in particular

There is no authorised capital. The conditional capital is used for participation plans for employees and members of the Board of Directors of the Company or of Group companies. A subscription right for shareholders is excluded. Options for registered shares of CALIDA Holding AG are issued in accordance with a plan prepared by the Board of Directors. The exercise price of option rights issued can be set below the stock exchange price prevailing on the issue date.

2.3 Changes in capital

The statement of changes in shareholders' equity in the financial statements 2015 of CALIDA Holding AG, which form part of this annual report, contains details of the changes in capital for the last three reporting periods.

2.4 Shares and participation certificates

The number of shares and their par value are shown in section 2.1 above. The Company only has one share class, meaning that the ratio of par value to voting power remains constant. Each registered share has a par value of CHF 2.10 and gives the shareholder unrestricted entitlement to the dividend. The capital is fully paid up. The Company has not issued any participation certificates.

2.5 Dividend-right certificates

The Company has not issued any dividend-right certificates.

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

The articles of incorporation do not provide for any limitations on transferability of registered shares.

2.6.2 Reasons for granting exceptions in the reporting year
The articles of incorporation do not provide for any limitations on transferability of registered shares.

2.6.3 Admissibility of nominee registrations, along with an indication of percent clauses, if any, and registration conditions

The Company does not accept any nominee registrations.

2.6.4 Procedure and conditions for cancelling statutory privileges and limitations on transferability

There are no statutory privileges or limitations on transferability.

2.7 Convertible bonds and options

The Company has not issued any convertible bonds. For details of employee stock options, please refer to the section on share-based payments in the notes to the consolidated financial statements 2015 of the CALIDA Group, which form part of this annual report.

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3. Board of Directors

3.1 Members of the Board of Directors (BoD)

a) Name, nationality, education and professional background

Dr. Thomas Lustenberger

Chairman of the Board of Directors

(non-executive member of the Board of Directors)

Nationality: Swiss

Year of birth: 1951

Joined the BoD: 16 June 2000

Term of office: until the Annual General Meeting for the fiscal year 2015

Committee: Nomination & Compensation Committee, Chairman

Education: University of Berne (Dr. iur.), Harvard Law School (LL.M.)

Professional background:

Partner in the law firm Meyerlustenberger Lachenal, Zurich, since 1987

Other activities and vested interests:

Chairman of the Board of Directors of Allreal Holding AG, Baar; Board member of further non-listed companies.

Marco Gadola

Vice-Chairman of the Board of Directors

(non-executive member of the Board of Directors)

Nationality: Swiss/French

Year of birth: 1963

Joined the BoD: 7 April 2011

Term of office: until the Annual General Meeting for the fiscal year 2015

Committee: Audit & Risk Committee, Chairman

Education: University of Basel (lic. rer. pol; MBA), London School of Economics (Accelerated Management Development Programme)

Professional background:

Since March 2013 CEO and member of Executive Management of the Straumann Group; July 2012 to February 2013 CEO Asia Pacific of the Panalpina Group; 2008 to June 2012 CFO and member of Executive Management of the Panalpina Group; 2005 to 2008 CFO/Chief Operations Officer and member of Executive Management of the Straumann Group; 2001 to 2005 Group CFO and member of Executive Management of the HERO Group; 1992 to 2001 various positions in the Hilti Group, including in the USA, Spain and Germany

Other activities and vested interests:

–

Beat Grüning

(non-executive member of the Board of Directors)

Nationality: Swiss

Year of birth: 1961

Joined the BoD: 4 May 2005

Term of office: until the Annual General Meeting for the fiscal year 2015

Committee: Nomination & Compensation Committee, member

Education: Higher Business and Management College, Berne (Business Economist FH)

Professional background:

Co-owner and CEO of the Tally Weijl Group, Basel, since 1984

Other activities and vested interests:

–

Hans-Kristian Hoejsgaard

(non-executive member of the Board of Directors)

Nationality: Danish

Year of birth: 1958

Joined the BoD: 13 May 2014

Term of office: until the Annual General Meeting for the fiscal year 2015

Committee: Audit & Risk Committee, member

Education: Southern Denmark Business School (HD business graduate); Harvard Business School (Executive Education); INSEAD (Executive Education); The Wharton School of Business, University of Pennsylvania (Executive Education)

Professional background:

Since 2011 Oettinger Davidoff AG, Basel, CEO, member of the Board of Directors since 2014; 2008 to 2009 Timex Group B.V., New York, CEO and Member of the Board of Directors of Timex India; 2003 to 2007 Georg Jensen A/S, Copenhagen, Member of the Board of Directors; 1998 to 2002 Lancaster Group (Coty), Paris, CEO; 1993 to 1998 Guerlain (LVMH) Hong Kong, Regional Managing Director, Asia Pacific; 1986 to 1993 Seagram International, Italy, Hong Kong, Thailand

Other activities and vested interests:

–

Erich Kellenberger

(non-executive member of the Board of Directors)

Nationality: Swiss

Year of birth: 1948

Joined the BoD: 22 September 1986

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Term of office: until the Annual General Meeting for the fiscal year 2015

Education: Leicester Polytechnic (Textil Ing.)

Professional background:

Various operational functions in the CALIDA Group from 1970 to 2001

Other activities and vested interests:

Chairman of the Board of Directors of Blue Lemon AG, Lucerne; Chairman of the Board of Directors of Dama AG, Oberkirch; Board member of further non-listed companies

Felix Sulzberger

(executive member of the Board of Directors)

Chief Executive Officer (CEO) – until April 2016

Nationality: Swiss

Year of birth: 1951

Joined the BoD: 9 April 2008

Term of office: until the Annual General Meeting for the fiscal year 2015

Education: University of Graz / A (Mag. rer. soc. oec.)

Professional background:

1986 to 2001 General Manager / President Europe for three leading, multinational companies in the sports and clothing industry; 1976 to 1986 international marketing and sales positions in the tobacco and food division of a multinational company

Other activities and vested interests:

Chairman of the Advisory Board of Finatem Beteiligungs GmbH, Frankfurt a.M. / D; Président et Directeur Général of LAFUMA SA, Annecy-le-Vieux / F

Marianne Tesler

(non-executive member of the Board of Directors)

Nationality: French

Year of birth: 1946

Eintritt in VR: 10. Mai 2006

Joined the BoD: until the Annual General Meeting for the fiscal year 2015

Education: Université Libre de Bruxelles (degree in Political Science and Administration and Journalism); Université de Paris Dauphine (Graduate of the "Institut d'Administration d'Entreprises")

Professional background:

Since 2008 CEO Art Partner Inc.; 2006 to 2008 CEO Damon Dash Enterprises and Rachel Roy, New York; 2004 to 2006 international development of the multi-brand concept for Antichi Pelletieri; 1999 to 2004 CEO Givenchy Haute Couture and Ready-to-Wear; 1996 to 1999 CEO Nike France;

1995 to 1996 Vice-President Supply Chain Whirlpool Europe; 1994 to 1995 Controller Whirlpool North America; 1990 to 1994 CFO and deputy General Manager Whirlpool France; 1985 to 1990 Philips

Other activities and vested interests:

Trustee of the International House, New York/USA

b) Operational management tasks for the issuer or one of the issuer's subsidiaries

With the exception of Felix Sulzberger, none of the members of the Board of Directors have operational management duties within the Group.

c) Executive Management representation and significant business relationships

None of the non-executive members of the Board of Directors have been represented within the Executive Management of CALIDA Holding AG or any of its subsidiaries for the last four years.

The CALIDA Group draws on the legal advisory services of several law firms, including Meyerlustenberger Lachenal, Zurich, in which Dr Thomas Lustenberger, Chairman of the Board of Directors of CALIDA Holding AG, is a partner. Meyerlustenberger Lachenal invoiced the CALIDA Group for fees totalling CHF 88k in the reporting period.

The shareholder group of the Kellenberger family members, which holds 34.5% of the share capital entered in the commercial register, is represented by Erich Kellenberger on the Board of Directors of CALIDA Holding AG. CALIDA AG generated revenue of CHF 353k with Blue Lemon AG, which is controlled by Erich Kellenberger. The transactions were conducted at arm's length.

There are no other significant business relationships between the CALIDA Group and the non-executive members of the Board of Directors.

3.2 Other activities and vested interests

The other activities and vested interests of individual members of the Board of Directors are set out in section 3.1 a) above.

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3.3 Rules in the articles of incorporation on the number of permitted activities pursuant to article 12 para. 1 point 1 Ordinance against Excessive Compensation at Listed Joint-Stock Companies (OaEC)

The members of the Board of Directors are limited in the number of additional activities they may assume in the supreme management or administrative bodies of other legal entities required to be registered in the commercial register or a comparable foreign register unless these companies control or are controlled by the Company. The limits are as follows:

- 5 mandates for listed companies, with multiple mandates for different companies within the same group counting as a single mandate; and
- 10 paid mandates for other legal entities, with multiple mandates for different companies within the same group counting as a single mandate; and
- 10 non-paid mandates (expense payments do not count as “paid”), with multiple mandates for different companies within the same group counting as a single mandate.

Not in scope of these limitations are mandates assumed by a member of the Board of Directors on behalf of the Company (e.g. for joint-ventures or pension funds of this legal entity or for entities in which this legal entity holds a material (non-consolidated) interest).

3.4 Election and term of office

3.4.1 Principles of the election procedure

The members of the Board of Directors are elected for a term of one year. The members of the Board of Directors are elected individually. Re-election is permissible without restrictions. However, the term-of-office of a member of the Board of Directors ends at the Annual General Meeting for the reporting period in which the member reaches the age of 70.

3.4.2 Initial election and remaining term of office

Section 3.1 a) above shows the date of first election to office and the remaining term of office for the individual members of the Board of Directors.

3.5 Internal organisational structure

3.5.1 Allocation of tasks within the Board of Directors

Details regarding the individual members of the Board of Directors and their functions are shown in section 3.1 a).

The Board of Directors is self-constituting, subject to mandatory competences of the General Meeting. It appoints a Vice-Chairman and a secretary, who does not have to be a member of the Board. The term of office for the responsibilities allocated during constitution is usually identical to the term of office as a member of the Board of Directors. However,

the Board has the right to terminate the assignment to a field of responsibility before expiry of this term where there is a valid reason, subject to mandatory competences of the General Meeting.

3.5.2 Members list, tasks and area of responsibility for each committee of the Board of Directors

Membership of the various committees of the Board of Directors is shown in section 3.1 a) above.

The Board of Directors can at any time make use of standing or ad-hoc committees for the purpose of preparing individual resolutions and fulfilling certain control functions, or for other specific tasks. These committees are not authorised to pass resolutions. The Nomination & Compensation Committee shall be elected by the General Meeting for a term until the conclusion of the following ordinary General Meeting. The members of the other committees, in particular the Audit & Risk Committee, shall be determined by the Board of Directors. As a rule, between two and four members of the Board of Directors sit on each committee. Members who are also part of Executive Management cannot, and the Chairman of the Board of Directors should not, if possible, serve in the Audit & Risk Committee. However, the latter can attend the committee meetings with the permission of its chairman, provided he is not personally affected by one of the agenda items. The Board of Directors elects the committee members on the recommendations of the Nomination & Compensation Committee, except the members of the Nomination & Compensation Committee who are elected by the General Meeting. Re-election is permissible. The Board of Directors also elects the chairman of the committee.

In accordance with the organisational regulations issued by the Board of Directors, the Audit & Risk Committee has the following main duties:

- Examine the design of the accounting system (applicable accounting and reporting regulations, internal and external financial reporting, liquidity and financing management, assessment of valuation and financing principles) with regard to suitability, reliability and effectiveness and, if required, submit change proposals together with the CFO and in coordination with the CEO for the attention of the Board of Directors;
- Examine the annual financial statements and other financial information included in published financial statements of the Group;
- Monitor and assess risks to the organisation and review risk management practices and the effectiveness and efficiency of the internal control system (ICS);

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- Periodically review the insurance coverage available to the Group (including D&O insurance);
- Supervise business activities to monitor compliance with resolutions of the Board of Directors, internal regulations and guidelines, directives, and the relevant legal provisions, including, but not limited to, stock exchange legislation (compliance);
- Review the performance, independence and fees paid to the external auditors and make a recommendation to the Board of Directors and ultimately the General Meeting regarding election;
- Discuss the audit reports in detail; discuss all significant findings and recommendations of the external auditors with Executive Management and the external auditors;
- Monitor implementation of the external auditors' recommendations;
- Monitor the performance of and fees paid for consulting engagements with related parties;
- Perform any other tasks delegated by the Board of Directors.

In accordance with the organisational regulations issued by the Board of Directors, the Nomination & Compensation Committee has the following main duties:

- Manage the selection process and formulate proposals regarding new members of the Board of Directors;
- Manage the selection process and formulate proposals regarding the CEO;
- Examine the selection process for members of Executive Management (including interviews at the final selection stage) as well as the significant terms of their employment contracts;
- Submit proposals regarding the compensation of the Board of Directors and its committees;
- Examine, negotiate and submit proposals regarding the compensation paid to the CEO;
- Examine and submit proposals (together with the CEO) regarding compensation to the members of Executive Management and note secondary activities of members of Executive Management
- Examine, recommend and monitor implementation of option and participation plans for members of the Board, the CEO, the Executive Management and other employees;
- Plan succession at top management level;
- Perform any other tasks in the area of nomination and compensation delegated by the Board of Directors.

3.5.3 Working methods of the Board of Directors and its committees

Ordinary Board meetings are held at least four times each year. One of the meetings is a strategy meeting and a longer session is scheduled accordingly. The meetings usually last for between half a day and one and a half days. The Board of Directors also meets as often as necessary beyond the scope of ordinary meetings. Extraordinary meetings are held at the request of the Chairman or one of the members of the Board of Directors. They are scheduled to enable a majority of Board members to participate. When organising meetings, members who are not able to attend in person can request to participate in the discussions and resolutions by telephone, if necessary. In the reporting period, five ordinary meetings (one as a telephone conference) as well as two extraordinary telephone conferences and two extraordinary meeting were held.

The Board of Directors is quorate when at least half of its members are present at the meeting, with the exception of resolutions in connection with capital increases, for which the quorum requirement does not apply.

Resolutions may also be passed by means of video or telephone conference or electronic media unless a member requests a meeting to discuss the matter. Such requests should be expressed as early as possible.

Resolutions can also be passed by circulation, i.e. by letter, fax, e-mail or comparable means, unless a member requests verbal discussion in a video or telephone conference or at a meeting. The Chairman of the Board of Directors is responsible for managing the process for resolutions passed by circulation. Approval of all Board members, especially those who are absent, is required to pass resolutions on agenda matters which were not formally announced in advance.

Members of the Board of Directors and Executive Management are required to leave the meeting whenever matters are discussed or decisions made which involve their own interests or those of related parties. They should arrange their business affairs to avoid conflicts of interest to the extent possible. The Board of Directors determines whether a conflict of interest exists. The relevant member of Executive Management or the Board of Directors may not take part in discussions or decisions relating to the affected agenda item and must leave the meeting but is permitted to make a personal statement before the discussion begins.

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The Audit & Risk Committee meets as often as business requires but at least twice a year. The committee meets at least once each year with representatives of the external auditors. No members of Executive Management are permitted to attend such meetings. The CFO usually participates in the meetings with the exception of the aforementioned meeting. The committee can request the attendance of other members of the Board of Directors, the CEO, individual members of Executive Management or other specialists. The decision is made by the Chairman of the committee. Three meetings took place in the reporting period and in two of them the representatives of the external auditors were present.

The Nomination & Compensation Committee meets as often as business requires. The Chairman can invite members of Executive Management or third parties to the meetings. Two meetings took place in the reporting period.

The Chairman also assumes special tasks as the contact person for the CEO and Executive Management. Eleven meetings were held in the reporting period in connection with such tasks.

The meetings of the Board of Directors and its committees usually take place at the Company's registered offices or at the registered offices of its subsidiaries but can occasionally also take place at other locations. The members of Executive Management participate in meetings of the Board of Directors and its committees if required.

3.6 Definitions of areas of responsibility

The main duties of the Board of Directors consist of defining and periodically reviewing the corporate strategy, business policies and organisation of the Group; monitoring operational business and risk management; as well as periodically evaluating its own performance, that of the CEO, and together with him, that of the members of Executive Management. Operational business management is delegated to the CEO to the extent permitted by law and based on the organisational regulations issued by the Board of Directors. Operational business management encompasses all management duties which are not reserved for the Board of Directors by law, the articles of incorporation, the organisational regulations and, if applicable, specific Board resolutions and includes the general management of the entire Group, including, but not limited to, the subsidiaries. The non-transferable duties in the meaning of article 716a CO remain the domain of the Board of Directors as a whole. The CEO is the Chairman of the Executive Management, which also includes a CFO and other executives required for general management. The CEO

is responsible for the organisation (including representation arrangements), management and supervision of Executive Management as well as for all subordinated entities within the Group. For this purpose, he draws up an organisational chart and appropriate management regulations (including the regulation of authorities within Executive Management and lower levels of hierarchy), both of which are to be approved by the Board of Directors.

3.7 Information and control instruments vis-à-vis Executive Management

The Board of Directors has various information and control instruments vis-à-vis Executive Management. Besides the duty of the CEO to provide information in accordance with the provisions of the organisational regulations, the various committees (see section 3.5.2) also have defined tasks and reporting duties. Another instrument are the comments and findings of the statutory auditor in the course of the audit engagement. The CALIDA Group does not have its own internal audit function.

The organisational regulations approved by the Board of Directors require the CEO to provide information as follows:

- The CEO shall inform the Board of Directors of the significant events in operational business management, the implementation of resolutions passed by the Board and any other factors of significance for the Board of Directors and its decision making;
- In particular, the CEO and, in his absence, his deputy or the responsible member of Executive Management, must immediately inform the Board of Directors of any events which significantly influence or could influence the business;
- The CEO is responsible for ensuring that the following information is provided to the Board of Directors in a timely manner, i.e. immediately once it is available: consolidated half-year and annual financial statements and reports; consolidated monthly financial statements, including KPIs; interim reports on the business for every meeting of the Board of Directors; information on the development of the business and the market for each meeting of the Board of Directors; information tailored to the relevant level with regard to the ICS and risk management system – as needed but at least half yearly; if necessary, additional information requested by the Board of Directors.

The Board of Directors carries out an annual assessment of the risk management system. Executive Management prepares a risk portfolio containing the risks of relevance for the entire CALIDA Group. The identified risks are categorised by

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area, i.e. environment, sales, distribution, design and development, procurement, administration, finance, organisation and IT, and assessed for the likelihood of occurrence and impact. A risk tracking sheet is prepared each year. The Audit & Risk Committee monitors the risk assessment on behalf of the Board of Directors and reviews risk management practices. The Board of Directors also comments from a strategic perspective. More detailed information about financial risk management is provided in the notes to the financial statements 2015 of the CALIDA Group in the section "Financial risk management".

The organisational regulations also contain provisions entitling every member of the Board of Directors to request information on matters involving the Company from other members and from Executive Management at meetings of the Board of Directors. Beyond the scope of the meetings, every member of the Board is entitled to request information from the CEO and the CFO regarding the course of business and significant transactions.

4. Executive Management

4.1 Members of Executive Management (EM)

Name, nationality, education and professional background

Felix Sulzberger

Chief Executive Officer (CEO) – until April 2016
(executive member of the Board of Directors)

Nationality: Swiss
Year of birth: 1951
Joined EM: 1 November 2001
Education: University of Graz / A (Mag. rer. soc. oec.)

Professional background:

1986 to 2001 General Manager / President Europe for three leading, multinational companies in the sports and clothing industry; 1976 to 1986 international marketing and sales positions in the tobacco and food division of a multinational company

Other activities and vested interests:

Chairman of the Advisory Board of Finatem Beteiligungs GmbH, Frankfurt a.M. / D; Président et Directeur Général of LAFUMA SA, Annecy-le-Vieux / F

Reiner Pichler

Chief Executive Officer (CEO) – from April 2016

Nationality: Swiss/German
Year of birth: 1962
Education: Master Tradesman Munich (Einzelhandelskaufmann)

Professional background:

2014 to 2015 CEO s.Oliver Group; 1994 to 2013 CEO Holy Fashion Group; 1992 to 1994 Managing Director Sales DACH at the Gruppo Finanziario Tessile; 1984 to 1991 div. Management Positions in the Sales Department of Hugo Boss

Other activities and vested interests:

Member of the Board of Directors of Viu Ventures AG, Zurich; Member of the Advisory Board of Hess Natur-Textilien GmbH, Butzbach / D

Philippe Bernaud

General Manager AUBADE

Nationality: France
Year of birth: 1969
Joined EM: 1 March 2010
Education: Diplôme d'Etudes Comptables et Financiers

Professional background:

1995 to 2010 div. positions in the finance department, most recently Head of Finance and Head of Retail of the AUBADE Division; 1993 to 1995 Head of accounting at an energy company; 1992 to 1993 auditor at a marketing company

Other activities and vested interests:

Member of the Board of Directors of LAFUMA SA, Annecy-le-Vieux / F

Daniel Gemperle

Chief Operations Officer (COO)

Nationality: Swiss
Year of birth: 1959
Joined EM: 1 August 2011
Education: University of Applied Sciences, Clothing & Technology, Mönchengladbach / D (Ing. FH)

Professional background:

1999 to 2011 member of Executive Management of the CALIDA Division and responsible for production, logistics, procurement and technical development and some aspects of information technology; 2005 to 2011 additionally responsible for integration projects for AUBADE; 1988 to 1999 member of Executive Management (operations division) and

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the Board of Directors of a Swiss clothing company; 1984 to 1988 responsible for operations at a Swiss clothing group (retail and production)

Other activities and vested interests:

Member of the Board of Directors of LAFUMA SA, Annecy-le-Vieux / F

Andreas Lindemann

General Manager CALIDA

Nationality: Swiss

Year of birth: 1962

Joined EM: 1 Januar 2003

Education: University of Applied Sciences and Arts, Lucerne (Business Economist FH), Swiss Academy of Accounting, Zurich (Swiss Certified Accountant)

Professional background:

2003 to 2010 CFO and member of Executive Management of the CALIDA Group; 1998 to 2002 member of Executive Management (CFO and Head of Management Services) of a Swiss media group; 1995 to 1998 Head of Finance and Accounting in the Duty Free division of a multinational tobacco company; 1989 to 1995 auditor for a global auditing and advisory firm

Other activities and vested interests:

Member of the Board of Directors of Auto AG Holding, Rottenburg

Manuela Ottiger

Head of Group HR

Nationality: Swiss

Year of birth: 1971

Joined EM: 28 March 2014

Education: SIB Schweizerisches Institut für Betriebsökonomie (certified HR Manager)

Professional background:

Since 2012 owner and CEO of Ottiger Consulting; 2003 to 2011 Head of HR and member of Executive Management of the CALIDA Division; 1994 to 2003 Head of HR at a Swiss Media Group

Other activities and vested interests:

Member of the Board of Directors of LAFUMA SA, Annecy-le-Vieux / F; Member of the Board of the foundation "Lebensraum Gebirge"

Thomas Stöcklin

Chief Financial Officer (CFO)

Nationality: Swiss

Year of birth: 1970

Joined EM: 1 February 2011

Education: University of Applied Sciences and Arts, Lucerne (Business Economist FH), Swiss Academy of Accounting, Zurich (Swiss Certified Accountant)

Professional background:

2005 to 2010 Group Controller of the CALIDA Group and then Head of Finance of the CALIDA Division; 2001 to 2005 Audit Manager and 2002 to 2005 Assistant to the Head of Audit Switzerland at a global audit and advisory firm; 1997 to 2001 audit assistant at a global audit and advisory firm; 1985 to 1997 various positions at a major Swiss bank in Lucerne and Lausanne

Other activities and vested interests:

Member of the Board of Directors of LAFUMA SA, Annecy-le-Vieux / F

4.2 Other activities and vested interests

These details are provided in section 4.1.

4.3 Rules in the articles of incorporation on the number of permitted activities pursuant to article 12 para. 1 point 1 OaEC

The members of Executive Management are limited in the number of additional activities they may assume in the supreme management or administrative bodies of other legal entities required to be registered in the commercial register or a comparable foreign register unless these companies control or are controlled by the Company. The limits are as follows:

- 1 mandate for listed companies, with multiple mandates for different companies within the same group counting as a single mandate; and
- 1 paid mandates for other legal entities, with multiple mandates for different companies within the same group counting as a single mandate; and
- 2 non-paid mandates (expense payments do not count as "paid"), with multiple mandates for different companies within the same group counting as a single mandate.

Not in scope of these limitations are mandates assumed by a member of Executive Management on behalf of the Company (e.g. for joint-ventures or pension funds of this legal entity or for entities in which this legal entity holds a material (non-consolidated) interest).

Mandates or employment offers beyond the CALIDA Group are subject to the prior authorisation of the Board of Directors.

4.4 Management contracts

In 2014, Manuela Ottiger was appointed Head of Group HR. A contractual agreement to this end was entered into with Ottiger Consulting GmbH, Eich, a company controlled by Manuela Ottiger.

The contract provides for Manuela Ottiger to personally fulfil the function as member of Executive Management and therefore does not constitute a management contract.

5. Compensation, shareholdings and loans

5.1 Content and method of determining the compensation and shareholding programmes

For details of the content and method of determining the remuneration and shareholding programmes, please refer to the 2015 remuneration report of CALIDA Holding AG (pages 63 to 66 of this annual report).

5.2 Disclosures from issuers subject to the OaEC

5.2.1 Rules in the articles of incorporation on the principles applicable to performance-related pay and to the allocation of equity securities, convertible rights and options, as well as the additional amount for payments to members of Executive Management appointed after the vote on pay at the General Meeting

For details of the principles governing performance-related pay and the allocation of participation certificates, convertible rights and options, please refer to the 2015 remuneration report of CALIDA Holding AG (pages 63 to 66 of this annual report).

An additional amount in accordance with article 19 OaEC is available for members of Executive Management who are appointed after the maximum total remuneration is approved. For a new CEO or CFO, the additional amount may not exceed by more than 30% the maximum total remuneration approved by the General Meeting for the former CEO/CFO for the relevant fiscal year. For any other members of Executive Management, the additional amount may not exceed by more than 30% the average total remuneration of the other members of the Executive Management for the relevant fiscal year. The average total remuneration of an Executive Management member is the maximum amount approved for the members of Executive Management less the amount relating to the CEO and the CFO, divided by the number of Executive Management members (without the CEO and CFO) on the date the amount was approved by the General Meeting.

5.2.2 Rules in the articles of incorporation on loans, credit facilities and post-employment benefits for members of the Board of Directors and Executive Management

No loans, credit facilities and post-employment benefits are granted to members of the Board of Directors and Executive Management.

5.2.3 Rules in the articles of incorporation on the vote on pay at the General Meeting

The General Meeting approves total remuneration of the members of the Board of Directors and Executive Management annually, generally at the Annual General Meeting, for the fiscal year following the General Meeting. The vote of the General Meeting is binding.

The Board of Directors may submit proposals for approval by the General Meeting regarding the maximum total amounts, individual remuneration components for other periods or other matters. The Board can also present the remuneration report for the preceding fiscal year for a non-binding vote by the General Meeting.

If the General Meeting rejects the maximum total remuneration for Executive Management and/or the Board of Directors, the Board of Directors can submit amended proposals for approval by that same meeting or subsequent ordinary or extraordinary General Meetings. The amended proposals can relate to a maximum total amount or several maximum partial amounts, taking into account all relevant factors.

6. Shareholders' participation

6.1 Voting rights restrictions and representation

6.1.1 Rules in the articles of incorporation on restrictions to voting rights, along with an indication of group clauses and rules on granting exceptions, as well as exceptions actually granted during the year under review

The Company's articles of incorporation do not provide for any restrictions on voting rights. They contain provisions allowing a shareholder to be represented by another shareholder with a written power of attorney. The above is subject to legal representation.

6.1.2 Not applicable

6.1.3 Reasons for granting exceptions in the year under review

There are no restrictions on voting rights.

6.1.4 Procedure and conditions for abolishing voting rights restrictions laid down in the articles of incorporation

There are no restrictions on voting rights.

6.1.5 Rules in the articles of incorporation on participation in the General Meeting

The Company's articles of incorporation do not contain any regulations which deviate from the legal stipulations.

6.1.6 Information on any rules which might be laid down in the articles of incorporation on the issue of instructions to the independent proxy

The Annual General Meeting elects an independent proxy, which can be a natural or a legal entity or a partnership. The term ends at the end of the next Annual General Meeting. Re-election is possible.

The General Meeting can dismiss the independent proxy effective as of the end of the General Meeting. If the Company does not have an independent proxy, the Board of Directors appoints one for the next General Meeting.

The independent proxy must follow the voting instructions issued. If no explicit or concluding instructions are received, the independent proxy abstains from voting.

The Board of Directors can determine the requirements relating to representations and instructions. It can also define the criteria for valid instruction of the independent proxy. Furthermore, it can waive the requirement for a qualified electronic signature for electronic representations.

The Board of Directors ensures that the shareholders have the possibility to instruct the independent proxy on each of the proposals presented at the time of the convocation. It also ensures that shareholders have the possibility to issue general instructions i) on new proposals added to the agenda (including those on rejected remuneration proposals in accordance with article 15 para. 3 of the articles of incorporation and (ii) on proposals relating to unannounced agenda items (proposal to convene an Extraordinary General Meeting or conduct a special audit)

6.2 Statutory quorums

The Company's articles of incorporation do not contain any regulations which deviate from the legal stipulations. The General Meeting passes resolutions and carries out elections with the absolute majority of share votes represented, unless defined otherwise by law or the articles of incorporation. In the second round of election, the relative majority decides. In the event of a tie, the Chairman has the casting vote except for elections, where the result is decided by lot.

6.3 Convocation of the General Meeting of shareholders

The Company's articles of incorporation do not contain any regulations which deviate from the legal stipulations. Shareholders recorded in the share register are invited in writing and by publication in the Swiss Official Gazette of Commerce at least 20 days prior to the meeting.

6.4 Inclusion of items on the agenda

Shareholders representing shares with a par value of at least one million Swiss francs or 10% of the share capital can request to add a matter to the agenda for discussion. Agenda items with proposals to the General Meeting must be submitted to the Company in writing, for the attention of the Board of Directors, at least 45 days before the date of the General Meeting.

6.5 Inscription into the share register

The Company only considers shareholders as such if they are entered in the share register. Shareholders are entitled to vote at the General Meeting provided they are recorded in the share register 30 days before the date of the General Meeting.

No changes are made to the share register in the 30 days leading up to or on the date of the General Meeting.

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7. Changes of control

7.1 Duty to make an offer

There are no regulations in the articles of incorporation regarding opting out or opting up (article 22 SESTA).

7.2 Clauses on changes of control

Options granted to the Board of Directors, Executive Management or employees can be converted immediately in the event of a change of control.

8. Auditing body

8.1 Duration of the mandate and term of office of the lead auditor

8.1.1 Date of assumption of the existing auditing mandate Ernst & Young Ltd, Zurich, was first appointed as the Company's statutory auditors for one fiscal year at the General Meeting for the fiscal year 2006 (2 May 2007). The statutory auditors were re-elected for another year at the General Meeting for the fiscal year 2014.

8.1.2 Date on which the lead auditor responsible for the existing auditing mandate took up office

The auditor in charge of the audit engagement took office as engagement partner at the General Meeting for the 2013 fiscal year (13 May 2014). The auditor in charge is rotated every seven years in accordance with the maximum term allowed. The current term will expire at the General Meeting for the fiscal year 2020.

8.2 Audit fees

Audit fees of approx. CHF 525k (allocated to the appropriate period) were payable to the statutory auditors Ernst & Young Ltd for the audit of the separate and consolidated financial statements 2015. The non-recurring audit related fees amount to CHF 14k.

8.3 Additional fees

Additional fees of CHF 10k were payable to Ernst & Young Ltd for advisory services.

8.4 Informational instruments pertaining to the external audit

The Audit & Risk Committee carries out an annual review of the performance, fees and independence of the statutory auditors. It recommends which statutory auditors should be proposed by the Board of Directors to the General Meeting. The Audit & Risk Committee assesses the work and the fees

of the statutory auditors based on the comprehensive reports and audit reports prepared by the auditors, as well as verbal discussions.

The Audit & Risk Committee meets at least once each year with representatives of the external auditors. No members of Executive Management are permitted to attend such meetings. The Audit & Risk Committee held two meetings with representatives of the statutory auditors over the course of the reporting period.

9. Information policy

CALIDA Holding AG updates its stakeholders on the business development in annual and half-year reports. Shareholders recorded in the Company's share register can request a copy of the annual report dated 31 December 2015. Requested reports are sent out with the invitation to the Annual General Meeting. An electronic version is available on our website (see below) from 7 March 2016. Shareholders can request a copy of the half-year report in summer 2016. Annual reports, half-year reports, ad hoc news, press releases, key dates, etc. can all be found online in the "Investors" section of www.calidagroup.com. Interested parties can also sign up to receive ad hoc news electronically.

Printed documents and brochures can be ordered online at www.calidagroup.com, by e-mail from investor.relations@calida.com, or from CALIDA Holding AG, Investor Relations, P.O. Box, 6210 Sursee, +41 41 925 42 42. The Company announces price-sensitive facts in accordance with regulations of the SIX Swiss Exchange.



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