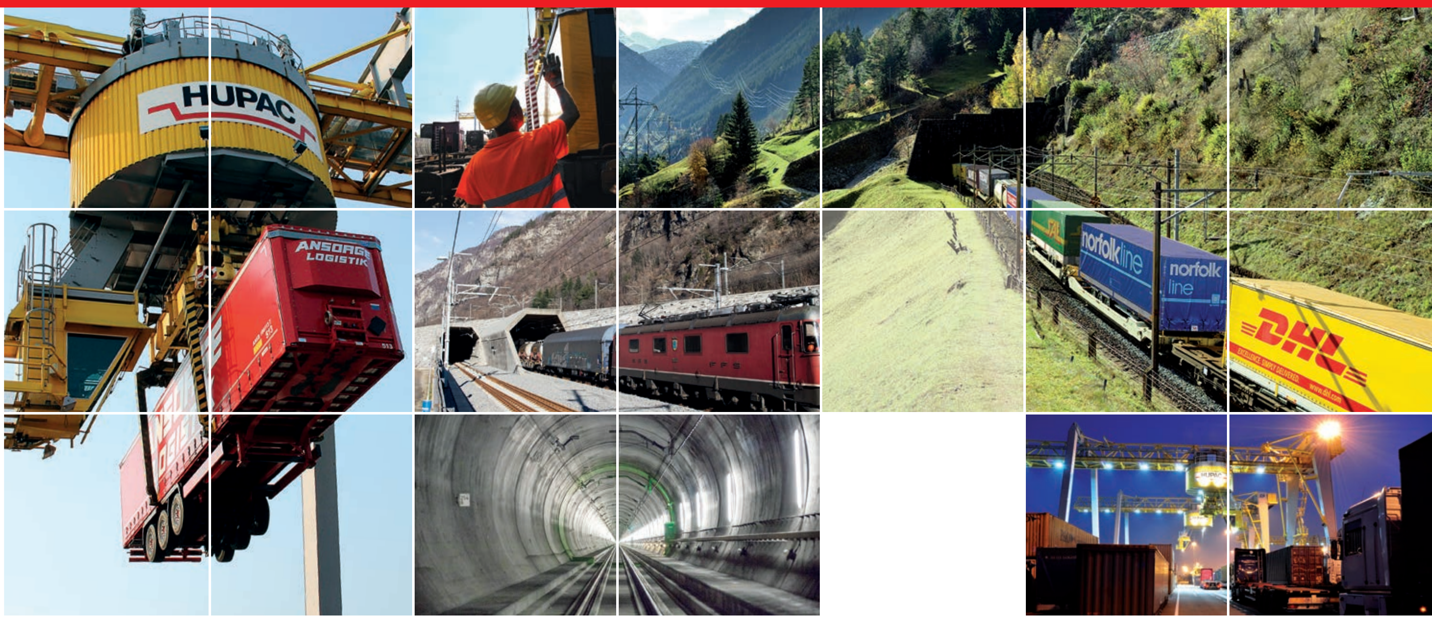
Annual Report 2015



HUPAC

Profile of the Hupac Group

Hupac at a glance

Profile

Hupac is the leading combined transport operator through Switzerland and one of the market leaders in Europe. The company works to ensure that an increasing volume of goods can be transported by rail and not by road, thus making an important contribution to modal shift and environment protection.

Hupac operates 100 trains each day between Europe's main economic areas and as far away as Russia and the Far East. In 2015, the traffic volume was around 662,000 road consignments.

The Hupac Group is composed of 15 companies with locations in Switzerland, Italy, Germany, the Netherlands, Belgium, Poland and Russia and employs around 400 persons.

Hupac was founded in 1967 in Chiasso. The company has around 100 shareholders. The share capital amounts to CHF 20 million; 72% belongs to logistics and transport companies while 28% is held by rail companies, thus guaranteeing closeness to the market and independence from the railway companies.

Business model

Hupac has around 5,200 rail platforms and bundles the consignments of transport companies into whole trains as a neutral, independent combined transport operator. The trains run back and forth between transhipment terminals on long and mostly international routes. The traction is provided by external rail companies. The pre-carriage from the origin to the terminal and the onward carriage form the terminal to the final destination are carried out by transport companies. Hupac is committed to railway liberalisation and offers its services to all transport companies.

Business units

Hupac's presence in the market consists of two business units offering services for different customer requirements:

- The business unit Shuttle Net manages the network for intermodal transport in west Europe, east Europe and Far East. It is designed for flexible use by the customers based on their needs. Hupac bears the capacity utilisation risk for the trains.
- The business unit Company Shuttle focuses on point-to-point transports in Europe. Freight forwarders preferring to ship large volumes in dedicated train compositions find a strong business partner in Hupac.

Traffic development

In 2015 Hupac shipped approximately 662,000 road consignments by rail, representing a growth rate of 0.2% compared to the prior year. Once again, non-transalpine traffic was the growth driver with an increase of around 6%. The transalpine traffic through Switzerland declined slightly by 0.6%, as a consequence of the slowdown of Swiss economy related to the abolition of the minimum exchange rate CHF/EUR. A connection in the transalpine traffic via the Brenner Pass had to be discontinued, resulting in a decrease of nearly 20%.

Transport volumes

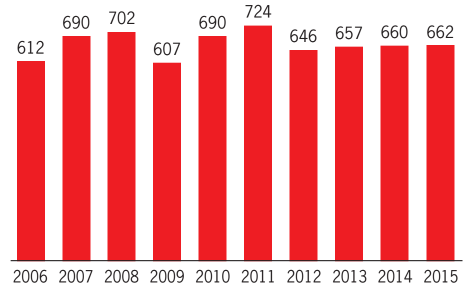
	Road consignments			Net weight in tonnes		
	2015	2014	%	2015	2014	%
Transalpine via CH	377,675	379,944	- 0.6	7,151,000	7,195,000	- 0.6
Transalpine via A	38,603	48,091	- 19.7	722,000	877,000	- 17.7
Transalpine via F	3,168	3,804	- 8.8	76,000	86,000	- 11.6
Non-transalpin	241,794	228,270	5.9	4,055,000	3,797,000	6.8
Total	661,540	660,109	0.2	12,004,000	11,955,000	0.4

Road consignment: number of loading units that would equate to one HGV in road haulage, i.e. one semi-trailer or two swap bodies 7.15 metres long or one heavy tank container or two light 20-foot containers
Net weight: weight of the goods carried

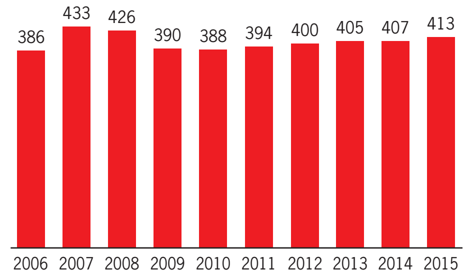
Facts & Figures

Year of incorporation	1967
Share capital	CHF 20 million
Shareholders	around 100
Capital structure	72% logistics and transport companies 28% rail companies
Headquarters	Chiasso
Operational branches/ Representative office	Basel, Busto Arsizio, Piacenza, Singen, Cologne, Duisburg, Rotterdam, Antwerp, Warsaw, Moscow
Business profile	Independent intermodal transport operator
Business units	Shuttle Net: intermodal network in west Europe, east Europe and Far East Company Shuttle: point-to-point transports for large volumes
Customers	Transport and logistics companies
Traffic volume	661,540 road consignments
Employees	413 natural persons 404 persons in full time equivalent
Rolling stock	5,216 rail platforms 10 main-line and/or shunting locomotives
Terminal management	Busto Arsizio, Novara, Piacenza, Aarau, Basel, Chiasso, Lugano, Singen, Antwerp
Information technology	Goal, integrated software solution for intermodal transport Cesar, web-based customer information system Ediges, XML-based data exchange system
Certifications	Quality management system ISO 9001:2008 Environmental management system ISO 14001:2004 ECM – Entity in Charge of Maintenance according to Directive EU 445/2011
Financial data	Annual turnover CHF 427.5 million (EUR 394.1 million) Profit for the year CHF 6.1 million (EUR 5.6 million) Cash flow CHF 41.3 million (EUR 38.2 million)
Dated 31.12.2015	

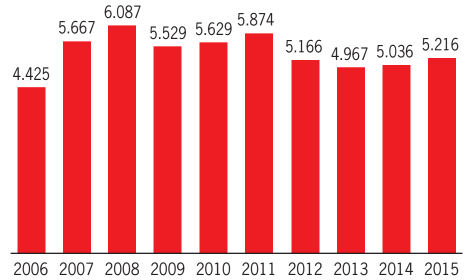
Traffic volume
Road consignments in 1000s



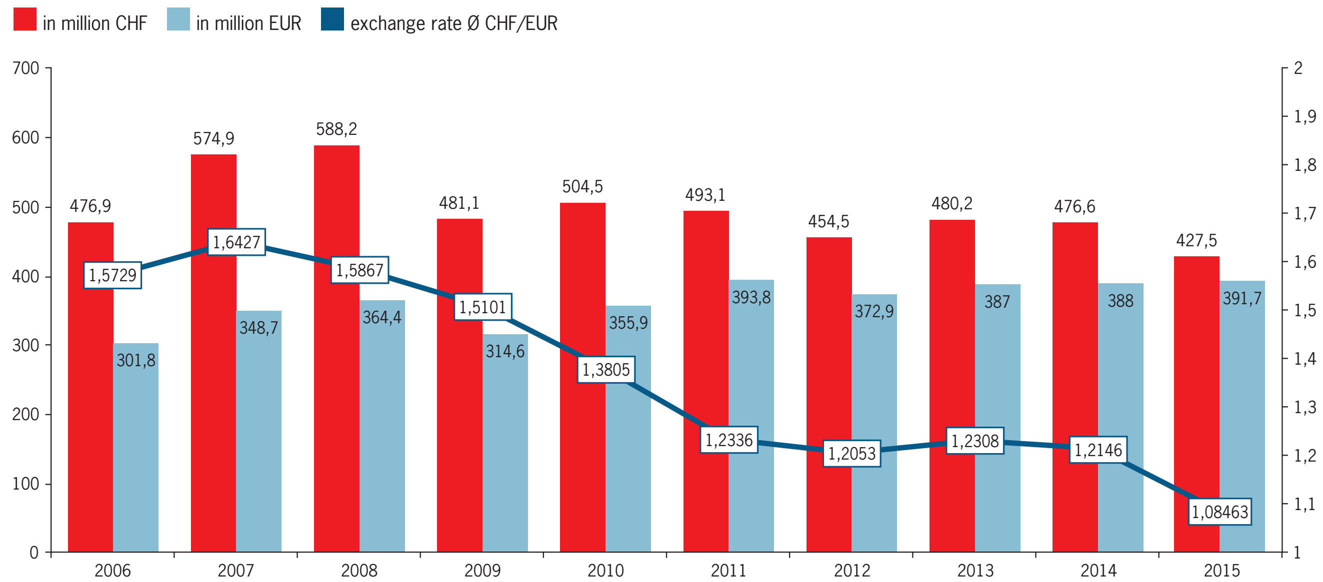
Employees
Number of natural persons



Rolling stock
Number of rail platforms



Tunover



Comment
Revenue of the Hupac Group is reported in Swiss francs, but arises almost exclusively in euro. The graphic shows the turnover in both currencies, as well as the development of the exchange rate. While in 2015 the revenue in euro slightly rises in line with the traffic development, a decline in Swiss francs is observed due to the weakening of the euro.

Annual Report 2015

Introduction

Management report

Financial statements

New strategy 2016-2020

Ladies and gentlemen, dear friends of our company

Every five years Hupac reviews and analyses its positioning in the transport market. Last year time had come again: the Board of Directors and the Management Board jointly developed a strategy in order to position the company successfully for the future.

Hupac continues to aim for a leading role in the market for intermodal transport in Europe – in terms of quality as well as quantity. The chances of achieving this goal are excellent: goods transport is a growth market, and railways have an interesting potential for development in the long-haul traffic segment.

We aim to step up penetration of our core markets in the coming years. The objectives are to win back market share through Switzerland and to acquire new traffic, especially in the trailer transport and consumer goods segments.

In addition, we intend to expand our geographical scope. We were able to open a branch in Shanghai at the start of 2016. This will establish our presence in the Eurasian market and play its part in enabling Hupac to produce end-to-end intermodal transport of high quality between China and Europe. Additional target markets include south-east Europe with transport to Turkey, the Iberian peninsula and France.

The Company Shuttle business unit, set up at the start of 2015, can already report some initial successes. Several new trains have been launched on the market. In the maritime transport sector, we identify several opportunities that we are currently examining and intend to take up in the future.

Hupac's growth strategy is supported by a large number of terminal projects. Noteworthy examples include the projects Basel North, Milan, Piacenza, Brescia and Düsseldorf-Holthausen in conjunction with partners, while the terminal project Brwinów near Warsaw is managed by ourselves. Completion of the terminals is scheduled within the 2018-2020 timeframe.

However, physical resources such as rolling stock and terminals are not the only factors that determine Hupac's success. The digital revolution is surging ahead and will very soon bring about changes to markets, production processes and distribution channels. Hupac's strategy is therefore geared to digitization. The aim is to improve train capacity utilization by means of standardized and automated planning and production processes. End-to-end data integration, transparent shipment tracking and automated information exchange shall become the standard for our customers. Preparations for Logistics 4.0 – i.e. the interlinkage of data and processes for all partners in the logistics chain – is a top priority at Hupac. This also involves us advocating the availability and transparency of rail freight transport data at political level, with the aim of improving the entire transport chain.

Hupac's future is shaped by our employees – individuals who focus consistently on customers' requirements and devote their efforts to ensuring that the company can continue to grow and invest profitably. Right from the beginning, flexibility and innovative strength have been the hallmarks of the Hupac team. In order to meet the challenges of the coming years, we are continuing to develop our employees' skills across all levels of the hierarchy. The logistics of the future call for new, interdisciplinary and intercultural thinking and behaviour patterns. Hupac is excellently equipped in this respect, thanks to its history stretching back almost fifty years and its strong corporate culture.

On behalf of the Board of Directors, I would like to thank you for your confidence. I look forward to continuing our journey together.

Dr. Hans-Jörg Bertschi
Chairman of the Board of Directors

Chiasso, April 2016

Alptransit for European logistics

"The inauguration of the Gotthard Base Tunnel, the world's longest rail tunnel, will mark a new era."

Dear shareholders, customers, partners and employees

Just a few years ago, the commissioning of the Gotthard Base Tunnel seemed a long way off. We were given a foretaste when the Lötschberg Base Tunnel opened in 2007. Across the Gotthard, however, we still operate triple traction through loop tunnels and over steep ramps in rain and snow – always hoping that nature has no surprises in store for us in the form of rockfalls and avalanches that entail route closures lasting days.

But 1 June 2016 will be a red-letter day: the inauguration of the Gotthard Base Tunnel, the world's longest rail tunnel, will mark a new era. The first test runs by our trains passed off successfully. On 11 December 2016, we shall be allowed to start operational services through the 57-kilometer tunnel. For the first time, our shuttle trains will pass below the Alps at base level, providing a safer and more reliable link between the economic regions of Lombardy and northern Europe. Day-to-day operational business will benefit in many respects:

- More stable route reliability regardless of weather conditions
- The route will be 30 kilometers shorter
- Fewer intermediate stops to change locomotives and to deploy bank engines
- Less energy consumption
- Less rolling stock maintenance thanks to the elimination of the mountain route
- New operating methods with ETCS for greater timetable stability and punctuality
- Adequate capacity for future growth.

Nevertheless, some important pieces still need to be added before the Alptransit puzzle is complete. By the end of 2020, the Ceneri Base Tunnel and the 4-meter corridor between Basel and northern Italy should be completed. This will allow train lengths of 750 meters, profile heights of up to 4 meters and train weights of up to 1600 tonnes with one locomotive. All these improvements are necessary in order to boost efficiency and compensate for the reduction in operating subsidies.

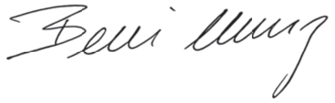
Initially, however, we have to adjust to a phase of intensive construction activity that will last several years. The greatest challenge is a 6-month total closure of the Luino line in 2017. We are currently working with our partners among the infrastructure operators and rail companies to develop alternatives and detours so that the infrastructures of the future can be built with the minimum of impact on today's operational activities.

The terminals in northern Italy represent another piece in the jigsaw. Together with our Italian partner, FS, we are developing the Milan Smistamento, Brescia and Piacenza terminal projects, and we anticipate completion in stages from 2019 onwards.

The implementation of a viable goods transport corridor between Rotterdam and Genoa calls for additional measures, such as the major Emmerich-Oberhausen and Basel-Offenburg projects. The market hopes that trains with a length of 750 meters will already be able to operate throughout the corridor by the end of 2020. In the competition against road transport, every meter of goods train payload counts.

Even though progress is only gradual, the investment of billions in the Gotthard Base Tunnel is the first cornerstone of efforts to support freight transport by rail and to achieve the modal shift goals. Hupac will celebrate its 50th anniversary in 2017. Thanks to cutting-edge infrastructure, we are well equipped to embark on the next phase in our company's history.

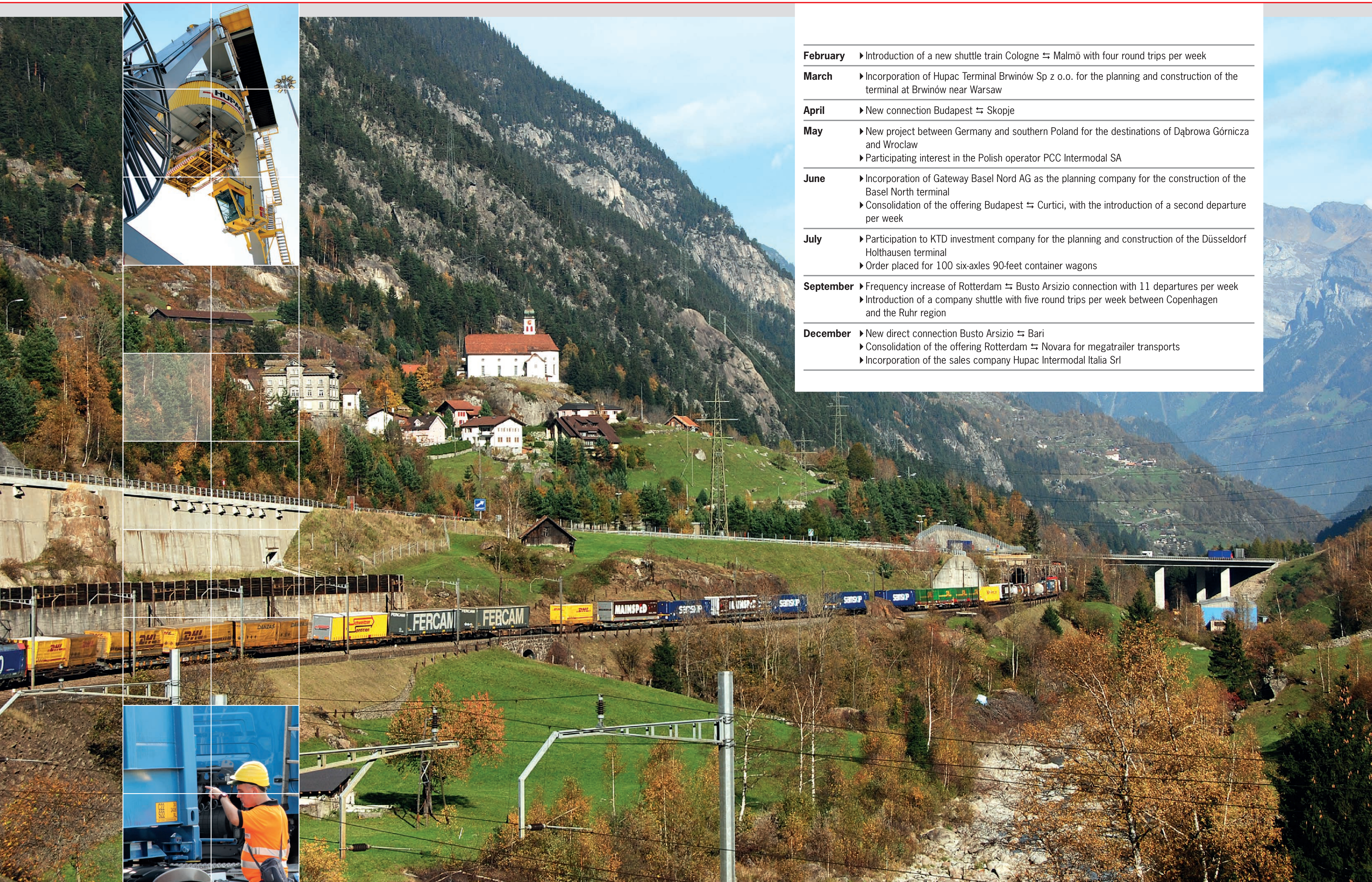
I would like to thank our shareholders, customers and partners for the trust they have shown in us, and our employees for their daily commitment; I wish all of them much success.



Bernhard Kunz
Managing Director

Chiasso, April 2016

The year 2015 in review



February	▸ Introduction of a new shuttle train Cologne ⇆ Malmö with four round trips per week
March	▸ Incorporation of Hupac Terminal Brwinów Sp z o.o. for the planning and construction of the terminal at Brwinów near Warsaw
April	▸ New connection Budapest ⇆ Skopje
May	▸ New project between Germany and southern Poland for the destinations of Dąbrowa Górnicza and Wroclaw ▸ Participating interest in the Polish operator PCC Intermodal SA
June	▸ Incorporation of Gateway Basel Nord AG as the planning company for the construction of the Basel North terminal ▸ Consolidation of the offering Budapest ⇆ Curtici, with the introduction of a second departure per week
July	▸ Participation to KTD investment company for the planning and construction of the Düsseldorf Holthausen terminal ▸ Order placed for 100 six-axles 90-feet container wagons
September	▸ Frequency increase of Rotterdam ⇆ Busto Arsizio connection with 11 departures per week ▸ Introduction of a company shuttle with five round trips per week between Copenhagen and the Ruhr region
December	▸ New direct connection Busto Arsizio ⇆ Bari ▸ Consolidation of the offering Rotterdam ⇆ Novara for megatrailer transports ▸ Incorporation of the sales company Hupac Intermodal Italia Srl

Hupac Ltd
Chiasso

Parent company
Asset Management

Switzerland

- 100% **Hupac Intermodal Ltd**, Chiasso — Sales & Operations, Terminal operations
- 100% **Termi Ltd**, Chiasso — Terminal construction, Facility Management

West Europe

- 97% **Hupac SpA**, Busto Arsizio — Terminal operations, Railway operations; 3% various third parties
- 97% **Fidia SpA**, Milano — Terminal operations, Warehouse logistics; 3% Hupac SpA
- 100% **Centro Intermodale SpA**, Milano — Terminal construction, Facility Management
  - 100% **Terminal Piacenza Intermodale Srl**, Piacenza — Terminal operations
- 5% **Termi SpA**, Busto Arsizio — Terminal construction, Facility Management; 95% Termi Ltd
- 100% **Hupac Intermodal Italia Srl**, Busto Arsizio — Sales
- 100% **Hupac Intermodal NV**, Rotterdam — Service Provider
- 99,94% **Hupac Intermodal BVBA**, Antwerp — Terminal operations, Facility Management; 0,06% Hupac Intermodal NV
- 100% **Hupac GmbH**, Singen — Service Provider

East Europe & Far East

- 100% **Hupac Terminal Brwinów Sp. z o.o.**, Warszawa — Terminal construction
- 75% **Intermodal Express LLC**, Moscow — Sales & Operations; 25% Andrey Munkin
- 98% **Hupac LLC**, Moscow — Rolling stock management; 2% Intermodal Express LLC

Board of Directors of Hupac Ltd

Name	Age	Position	Nationality	First nomination	Expiry of mandate
Dr. Hans-Jörg Bertschi	58	Chairman since 1993	Swiss	1987	2016
Dr. Thomas Baumgartner	61	Member	Italian	1990	2016
Thomas Hoyer	65	Member	German	1988	2016
Ing. Nicolas Perrin	56	Member	Swiss	2008	2016
Nils Planzer	44	Member	Swiss	2008	2016
Peter Hafner	59	Secretary	Swiss	1999	2016

Management Board of the Hupac Group and management of the subsidiaries

Hupac Ltd
Bernhard Kunz — *Managing Director*
Peter Hafner — *Deputy Managing Director and Finance & Administration*

Switzerland

Hupac Intermodal Ltd
Bernhard Kunz — *Managing Director*
Peter Howald — *Deputy Managing Director*

Termi Ltd
Peter Hafner — *Managing Director*

West Europe

Hupac SpA
Francesco Crivelli — *Delegate of the Board of Directors*

Fidia SpA
Francesco Crivelli — *Delegate of the Board of Directors*

Centro Intermodale SpA
Peter Hafner — *Chairman*

Terminal Piacenza Intermodale Srl
Piero Solcà — *Chairman*

Termi SpA
Peter Hafner — *Chairman*
Francesco Crivelli — *Delegate of the Board of Directors*

Hupac Intermodal Italia Srl
Maurizio Bertaso — *Sales Manager*

Hupac Intermodal NV
Mark Jansen — *Operations Director*

Hupac Intermodal BVBA
Dirk Fleerakkers — *Operations Director*

Hupac GmbH
Sascha Altenau — *Managing Director*

East Europe & Far East

Hupac Terminal Brwinów
Alberto Grisone — *Manager*
Peter Hafner — *Manager*
Peter Howald — *Manager*

Intermodal Express LLC
Andrey Munkin — *Managing Director*

Hupac LLC
Andrey Munkin — *Managing Director*

Corporate Governance

Structure of the Hupac Group

At the end of 2015 the Hupac Group consisted of 15 companies based in Switzerland, Italy, Germany, the Netherlands, Belgium, Poland and Russia. Each company operates within its own well-defined remit in order to provide advanced solutions and contribute to the overall efficiency of the Group.

In March 2015, Hupac incorporated Terminal Brwinów Sp. z o.o., a company having its registered office in Warsaw. The company is mandated to plan and construct a new terminal for combined transport at Brwinów near Warsaw.

This was followed in December 2015 by the incorporation of Hupac Intermodal Italia Srl, a company which markets the Hupac Group's intermodal transport in Italy.

Board of Directors

The Board of Directors of Hupac Ltd comprises five members. According to the company's by-laws, the shareholders of Hupac are transport companies who actively contribute to the development of intermodal transport. Consequently the majority of the members of the Board of Hupac Ltd are entrepreneurs or managing directors of companies of this type. The German and Italian markets are represented on the Board as geographical markets of strategic importance. In its current composition the Board of Directors represents more than two thirds of all shareholders' votes. The composition of both Hupac Intermodal Ltd and Termi Ltd's Boards of Directors is identical to that of Hupac Ltd. At the other companies of the Hupac Group, the Boards are composed mainly of members of the management of the parent company.

Capital structure

In the year under review, Hupac Ltd had a share capital of CHF 20 million. The company is owned by around 100 shareholders. Transport companies and forwarding agents from Switzerland, Germany, Italy, France, Austria and the Netherlands hold 72% of the share capital, with the remaining 28% held by railway companies. This takes care of closeness to the market, while independence from the railways remains guaranteed.

Shareholdings

Terminal Singen TSG GmbH with its registered office in Singen should be mentioned as a joint venture company. The shareholders of the company are Hupac Ltd and DB Intermodal Services GmbH.

Terminal Alptransit (Teralp) Srl is a joint venture company whose shareholders are FS Logistica SpA and Hupac Ltd. The company's main purpose is the planning and construction of terminal projects.

Hupac maintains substantial minority shareholdings in various companies within the field of combined transport. These were the combined transport operators Cemat and RAlpin, the terminal operator Combinant, the data processing service provider Cesar Information Service and the rail company SBB Cargo International.

In June 2015, three Swiss logistics and transport enterprises – Contargo, Hupac and SBB Cargo – incorporated Gateway Basel Nord AG as a joint planning company for the construction of the Basel Nord container terminal.

In July 2015, Hupac – together with other partners – acquired stakes in KTD Investitionsgesellschaft mbH. The purpose of this company is to plan and construct a combined terminal at Düsseldorf Holthausen.

Hupac maintains minor shareholdings in the railway operating company Crossrail, the terminal operating companies KTL Kombi-Terminal Ludwigshafen, DIT Duisburg Intermodal Terminal, Eurogateway (Novara) and RSC Rail Service Center (Rotterdam), in the operator Kombiverkehr GmbH & Co. KG, the branch association UIRR and the terminal owner Centro Interportuale Merci (Novara).

To strengthen the network in Poland Hupac acquired stakes in the Polish operator PCC Intermodal SA in May 2015.

Organisational regulations

The Hupac Group's organisational regulations govern the constitution and passing of resolutions as well as the tasks and responsibilities of the Board of Directors, the Chair of the Board of Directors, the Committee of Chair of the Board and Managing Director as well as the Management Board. The document applies not only to the parent company but, for important issues, also to all companies of the Hupac Group.

Certifications

Hupac's quality management system has been certified according to ISO 9001 and 14001 standards. Last recertification was in 2013; it is valid for three years.

In 2013 Hupac was certified as ECM (Entity in Charge of Maintenance) according to EU-Directive 445/2011. The certificate is valid for five years and covers all aspects of wagon management.

Management report

Hupac's economic responsibility

Hupac's economic responsibility is based on the pursuit of efficiency, cost-saving and result-focused management, constantly improved financial results and strategic decisions that generate an ever higher company asset value capable of ensuring Hupac's existence.

Economic development

For the purposes of the new management report, reference must be made to an exceptional event in the year under review: on 15 January 2015, the Swiss National Bank abandoned its defence of the CHF/EUR exchange rate. For Swiss firms such as Hupac that are involved in international business in euro, this development caused far-reaching consequences and additional difficulties.

In financial 2015, the Hupac Group's income from supplies and services declined by 10.3% compared to the previous year to 427.5 million. If the exchange rates had been the same of that at the end of 2014, income would have been CHF 473.5 million. The "other income" item, which includes government financial support, decreased by 10.9% compared to 2014.

Costs of the services decreased by 11.8% compared to the previous year. In the reporting year 2015, this resulted in a gross profit of CHF 100 million, representing a decrease of 4.2% over the year.

The Group's profit for the year under review declined by 19.7% to CHF 6.1 million.

The Group's cash flow according to the simplified calculation method based on annual profit plus depreciation and value adjustments totalled nearly CHF 41.3 million. This corresponds to a decrease of 0.3% compared to 2014.

Investments in tangible fixed assets amounted to CHF 24.6 million in 2015.

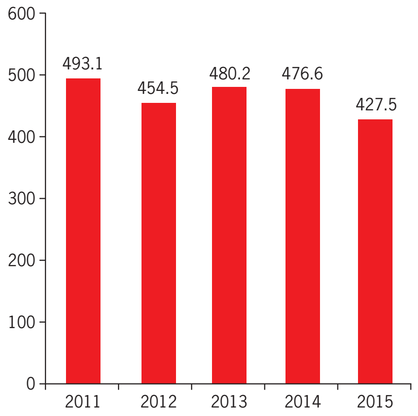
Given that the economic conditions are still difficult due to the exchange rate shock of January 2015, the Hupac Group's development in the reporting year 2015 can be considered as satisfactory.

For the purposes of the company's management report, the Hupac Group's future prospects can be positively assessed. In particular, the growth in the new business units and the Alptransit effect can be positively evaluated. On the other hand, Hupac faces big challenges in the medium term: especially the future reduction of operating contribution payments. Thanks to the new strategic growth alignment, the Hupac Group will be able to handle future challenges.

Values in 1000 CHF	2015	2014	%
Income from supplies and services	427,540	476,640	- 10.3
Other income	66,699	74,818	- 10.9
Cost of the services	394,197	447,014	- 11.8
Gross profit	100,042	104,444	- 4.2
Group's operating profit	6,058	7,544	- 19.7
Group's cash flow	41,306	41,435	- 0.3

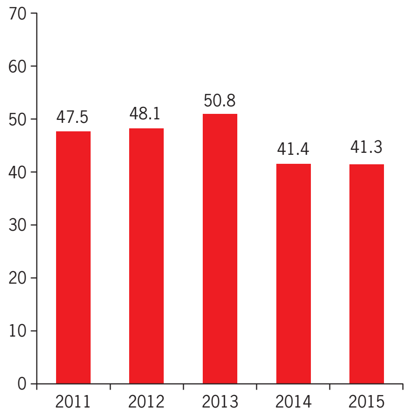
Annual turnover

in million CHF



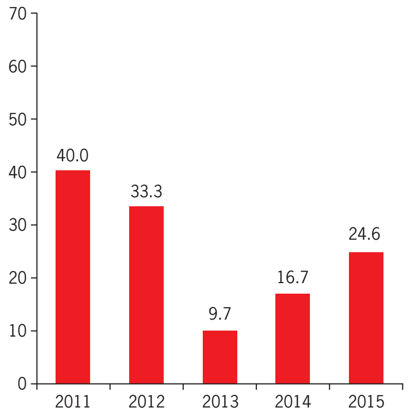
Cash flow

in million CHF



Investments in tangible fixed assets

in million CHF



Risk assessment

Within the framework of risk management, Hupac assesses risks starting with the prior recognition of all hazards, then it identifies and defines consequent risks, with the aim of safeguarding the Group against significant economic losses.

The core of the system is a list of hazards, with indication and evaluation of consequent risks drawn up by department heads and managers responsible for the subsidiaries. The Management Board is responsible for updating the list. Current information about the state of the situation is regularly submitted to the Board of Directors.

The specific objective in this regard is to control, limit and prevent risks in case of significant changes; this is achieved by application of codes of practice, similarity analisis with reference systems and identification of scenarios and associated safety measures.

The Hupac Group makes the necessary resources available for this purpose. We also consider it important that risk identification should comprise the employees who are directly involved, so that to report hazard potentials and future risks to their supervisor.

The Hupac Group's risk structure has not undergone substantial changes compared to previous years. The greatest operational risks lie on terminals and railway lines. They involve accidents that may have an impact on people as well as causing damage to load units, transported goods, terminal and railway equipment and the environment.

In the area of administration and finance, the currency risks represent the greatest challenges. At least two internal audits are conducted each year in order to assess the Internal Control System (ICS).

For the purpose of evaluating and assessing risks, the Hupac Group takes the Commission Implementing Regulation (EU) no. 402/2013 as its basis.

Offer development

Business unit Shuttle Net

Network expansion despite operating difficulties

The market situation of the past year has to be described as extremely difficult. The development of traffic was negatively affected by lack of railways' resources, many days of strikes and traffic interruptions due to construction sites and accidents. Over 600 trains had to be cancelled due to the reasons just mentioned. Nevertheless, the Shuttle Net business unit carried approximately the same number of shipments as in the previous year.

In our core business of transalpine transport through Switzerland, we posted a decrease of 0.6%. The negative trend was particularly evident in Swiss domestic traffic and Switzerland-Italy import/export traffic via the Gotthard. The driving factor was the abolition of the minimum exchange rate for the Swiss franc against the euro in January 2015. This triggered a slowdown in Switzerland's export economy.

The downturn in volume via the Gotthard was compensated by a positive trend for traffic on the 4-meter corridor via the Lötschberg. On this axis, we achieved growth of 13% thanks to our attractive offering for P400-coded megatrailers in the Germany-Italy and Benelux-Italy segments.

In transalpine transport via France and Austria, some products had to be rationalised on account of poor capacity utilisation.

In the non-transalpine transport segment, the Benelux-Germany and Benelux-Eastern Europe corridors were expanded. The introduction of a Cologne ⇆ Malmö train in February allowed to offer transport connections between Sweden and Germany for the first time. Skopje was linked to the Shuttle Net via Budapest in April. In May, together with our partner Kombiverkehr, we introduced a connection between Schwarzheide and southern Poland with the destinations of Dąbrowa Górnicza and Wroclaw; this strengthens our offering on the east-west axis.

Transports to and from south-eastern Europe also trended positively. We launched the second weekly shuttle train for traffic in Romania in June. On the Duisburg ⇆ Vienna route, we were able to react flexibly to market demand with a fourth weekly departure.

Ongoing development and new products in 2016

At the start of the year, numerous new connections were launched in collaboration with major customers. The Venlo ⇆ Busto Arsizio shuttle connection offers five departures per week, connecting the economic region of Limburg in the Netherlands with Hupac's network. The Zeebrugge ⇆ Novara shuttle train operates three round trips per week and is particularly attractive for the megatrailer market segment. For the destination of southern Italy, the Busto ⇆ Bari shuttle was restructured in collaboration with the Italian operator Cemat; the aim here was to offer customers a more attractive schedule without intermediate stops.

It is also worth mentioning the increase in the frequency of the Cologne ⇆ Novara shuttle trains to eight round trips per week, and the remodelling of the Rotterdam ⇆ Novara/Busto concept to consolidate train departures from Busto Arsizio and upgrade the operating concept for trains from Novara.

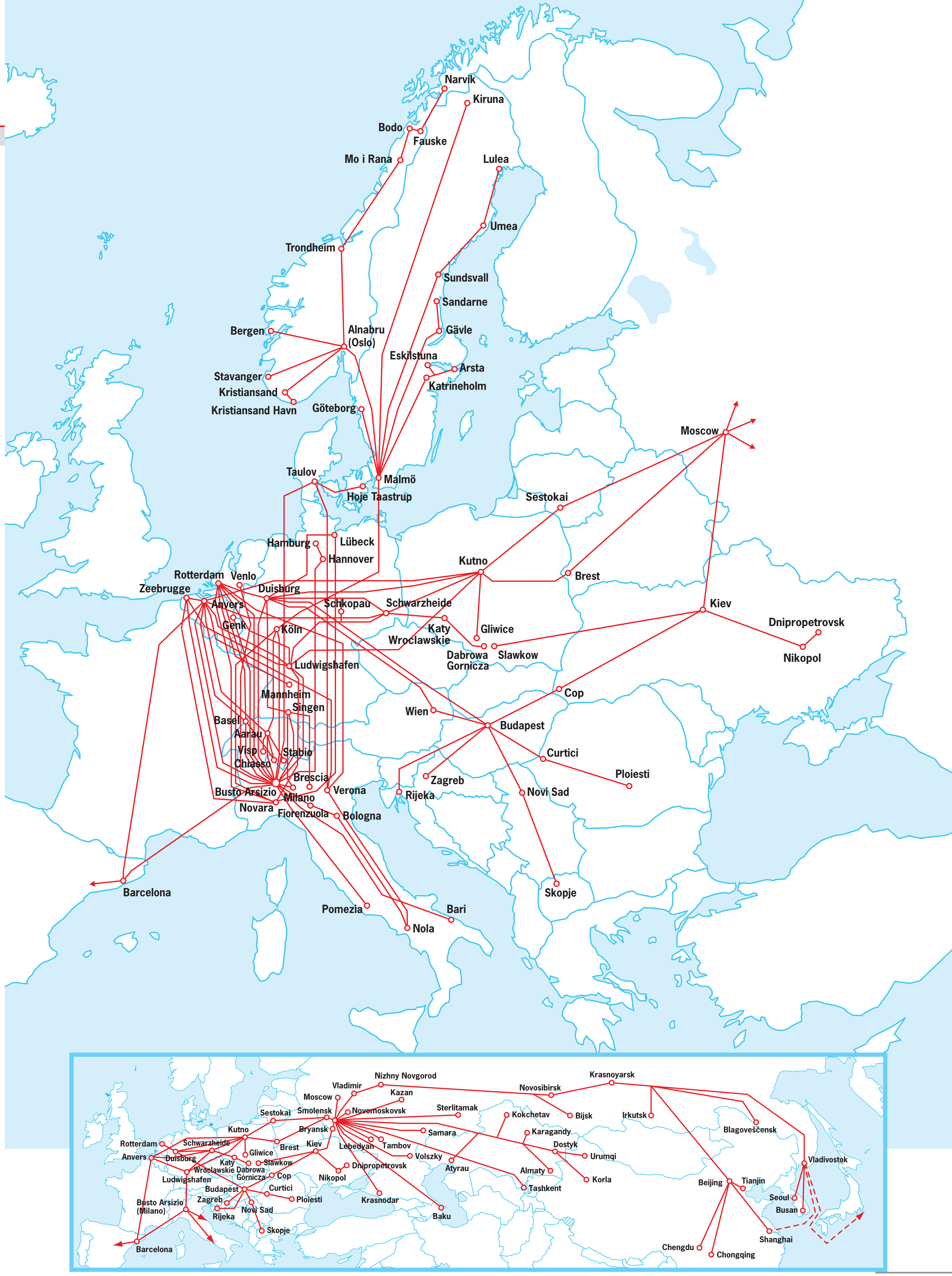
In addition, there are some major new features in transport to and from Poland. Since the start of the year, the Kutno terminal near Warsaw has been the central hub for east-west traffic. This is the arrival point for Hupac's shuttle trains from Ludwigshafen, Schwarzheide and Antwerp, as well as the new shuttle train from Duisburg operated jointly with PCC and Kombiverkehr. Shipments can travel from Kutno on the twice-weekly shuttle to Moscow, from where they can be forwarded as far as Central Asia and the Far East.

Further projects focus on the Netherlands-Italy and France-Germany corridors. The planned connection from Novara to Trieste with three departures per week opens up the possibility of linking the Turkish economic region to Hupac's network via short sea links.

The order and contract situation for the Shuttle Net business unit can be described as good.

Close relationships with customers

Development of the Shuttle Net business unit's organisation continued in order to meet growing requirements for customer support. December 2015 saw the establishment of the Hupac Intermodal Italia Srl sales organisation as the point of contact for customers in Italy. A dedicated team for the new markets in Eastern Europe and the Far East was deployed at the Chiasso operations centre to handle traffic on the east-west axis.



Dated April 2016

Business unit Company Shuttle

A successful start in 2015

The Company Shuttle business unit started operations in January 2015. Hupac was able to win various orders during the tendering season from spring to summer. The first company shuttle was launched in September with five weekly round trips between Copenhagen and the Ruhr region, for a Danish worldwide forwarder. For the first time, traction for the section within Denmark was placed with a private company.

2016: new customers and further expansion

The new year began with the launch of two additional company shuttles and the expansion of the Copenhagen product into the Netherlands, as far as Geleen.

At the start of January, the Rotterdam Europoort ⇆ Novara company shuttle began operating with four round trips per week. In Europoort, the train from Novara connects directly with the ferries to the UK operated by P&O Ferries and Stena Line. This service transports megatrailers as well as time-critical consumer goods in customised high-security wagons.

The Geleen ⇆ Domodossola/Busto Arsizio company shuttle, which operates with six round trips per week, was launched together with a Belgian forwarder and a Swiss specialist in logistics for chemicals. The set-down stop in Domodossola allows consistent utilisation of the rail system's maximum technical parameters. Thanks to the direct link with the Chemelot chemical industry cluster in Geleen, local shippers can be connected to various destinations in northern, central and southern Italy via the Busto Arsizio hub.

The order and contract situation for the Company Shuttle business unit can be described as good. Various projects are in the pipeline and will be implemented in the near future.

Strengthening the organisation

In parallel with the growth in traffic, we were also able to strengthen the business unit's organisation by recruiting two experienced product managers. They develop the products hand-in-hand with our customers: from schedule design to maximisation of loading parameters, from the selection of optimal wagons to implementation of the necessary IT interfaces, and from agreements with the terminals and rail transport companies through to day-to-day operation.

Optimisation and digitisation

The business unit is focusing not only on expanding its business activities for additional connections, but also on constantly optimising the existing company shuttles, in order to ensure the long-term attractiveness of the product in collaboration with the customers. Digitization is the key factor here. Major steps have already been successfully taken towards seamless digital order processing within the supply chain between the customer, operator, rail transport company and terminal. Additional tools and further measures are being introduced during the current year.

Production

Quality hits new lows

2015 saw a further year-on-year deterioration in quality, measured by train punctuality. This key performance indicator decreased on all transport axes. Trains are deemed punctual if they are ready for unloading no more than 60 minutes after the agreed timetable.

On the Luino route, the on-time performance rate decreased by nine percentage points from 69% to 60%. Via Chiasso, the rate fell seven percentage points (from 85% to 78%) and fifteen percentage points via Domodossola (from 71% to 56%). For traffic via the Brenner, punctuality remained at the same low rate of 62% (prior year: 61%). The rate for non-transalpine traffic also failed to improve (63% as compared to 64% in the prior year).

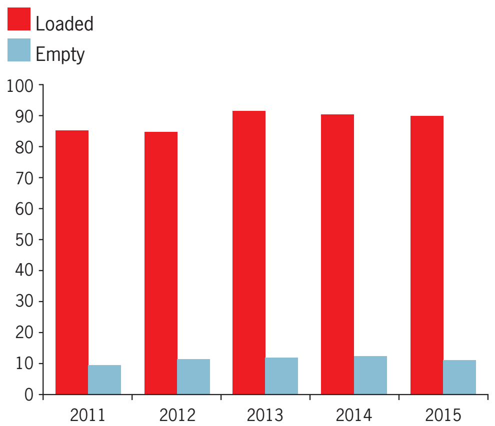
Proactive traffic management

The reasons for this downturn are based on a variety of factors. In terms of infrastructure it is attributable to scheduled construction work, technical defects and isolated capacity bottlenecks. With respect to the railway companies it is primarily due to resource-related problems. Storm damage and strikes also contributed significantly to the delays.

Hupac's production team compensates for this poor quality by engaging intensively in control and coordination activities, twenty-four hours a day. Transport is planned and – especially in case of disruptions – is implemented as well as possible in close collaboration with rail partners and terminal operators. Numerous back-up compositions are ready to be used as needed in order to ensure on-time service.

Running performance of wagons

Average kilometres per Hupac wagon in the normal gauge net, indexed; loaded 2006 = 100



Transparency and investments

In collaboration with railway partners, Hupac has developed a long-term quality improvement project. It includes measures such as daily monitoring of delays in the transport network, clear assignment of responsibilities based on mutual transparency, and an open analysis of the factors causing delays. This provides a foundation for the implementation of targeted measures.

Hupac invests in its own assets to compensate for the scarcity of resources. A pool of locomotives and drivers has been kept available for Hupac since the beginning of 2016. They are available on call and can be deployed at any time to cope with critical situations. Results of the first few months are very promising.

Safety

One of Hupac's primary strategic goals is to ensure operational safety. Avoiding accidents at the terminals and on the railway lines, preventing or mitigating the consequences of operational disruption and protecting the integrity of the loading units in its care are the company's overriding safety objectives.

Hupac supports the zero-error strategy of the rail system and applies a range of precautions and measures to reduce risks and increase safety. All vehicles, load units and rail wagons are subject to systematic checks from departure to destination. The processes are agreed with the terminal and railway partners and periodically reviewed. There were no major accidents to report in the year under review at the terminals or on the railway lines.

Safety management was reviewed and enhanced in the year under review. The main focuses were emergency management, internal and external training as well as safety auditing. The systematic recording and assessment of operational irregularities was also underpinned to support the implementation of preventive measures.

During the year under review, no major accident occurred in Hupac's area of activity.

High productivity of rolling stock

Hupac strives to secure the competitiveness of combined transport by constantly increasing productivity. In the year under review, the running performance of Hupac Ltd's rolling stock, measured by the average mileage per loaded wagon, remained virtually constant at minus 0.5%, while the average unloaded mileage fell by 10.2%.

Operating resources

Rolling stock

At the end of 2015, the Hupac Group had a fleet of 5,216 wagon modules which represents an increase of 1.9%. Leased wagons accounted for 3.9% of the total rolling stock.

In terms of wagon maintenance, Hupac Ltd continued its strategy of securing capacity and increasing productivity. The processes of empty wagon supply, component coordination and maintenance are well-honed. As a result wagon availability rose by four percentage points to 90% thus exceeding the target of 85%.

Partner of the company's own workshops in Busto Arsizio made a major contribution by ensuring wagons' availability. The wheel set re-conditioning centre opened in 2012 overcame its teething troubles and is now operating as planned. The facility is equipped for non-destructive testing and re-profiling and re-conditioning wheel sets.

The company's own workshop for preventative maintenance also recorded problem-free operations. The output volume was able to be increased by various measures.

76 wagons were delivered in the year under review. These comprised 30 90-foot container wagons and 46 type T3000 twin pocket wagons. 14 of the pocket wagons belong to a new series with disc brakes.

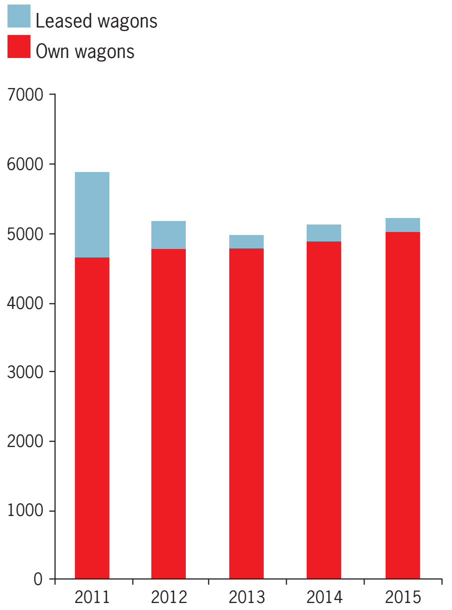
Expansion of the wagon fleet is going on in line with market requirements. For the growing 45-foot containers segment, 100 six-axles 90-foot container wagons were ordered with deliveries in 2015/2016.

Rail traction

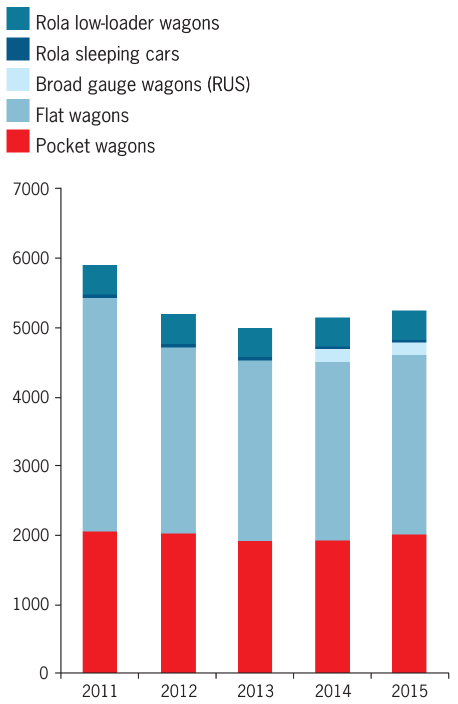
Over 95% of Hupac's transport is conducted in accordance with the principle of integrated international traction responsibility. Markets where the structures only partly allow this business model, are an exception. In the year under review, the main freight carriers of the Hupac trains included SBB Cargo International, DB Schenker Rail, Trenitalia Cargo, BLS Cargo, Crossrail, Captrain, WLB Wiener Lokalbahnen Cargo, SNCF Fret, SNCB Logistics, Rotterdam Rail Feeding, Interporto Servizi Cargo, Rail Cargo Hungaria and TX Logistik.

Hupac's rail transport company handles shunting operations in the Busto Arsizio terminal and wagon transport between the terminal and the workshops. In addition, the company operates feeder transport, for instance between Busto Arsizio and Milano Smistamento.

Rolling stock
Number of rail platforms



Rolling stock by type
Number of rail platforms



Terminals

Hupac's trains serve around 60 transhipment terminals in 16 European countries. Many other terminals can be reached via train connections offered by our partners. During the year covered by the report the transhipment plants at Herne, Kutno and Gliwice were connected to the Hupac network.

There were no major irregularities at Hupac's own terminals in the year under review. Operational services were provided with high quality and reliability.

Information technology

Transport is highly dependent on the coordination of different interfaces within the entire value chain. Information technology is therefore one of Hupac's most important assets.

The company has a centralised system that links the branch offices and around 60 terminals all over Europe. At the heart of the system is Goal (Global Oriented Application for Logistics), a software application developed by Hupac for the coordination of combined transport from booking to billing. A number of terminals and operators have adopted the system. Many customers and partners exchange their data with Hupac via XML using the Ediges (Electronic Data Interchange Goal with External Partners) system.

Uninterrupted tracking of the loading units is an indispensable service for customers. They can access all status reports based on the Goal data via the Cesar web-based customer information system. The integration of the data system also creates added value for the customers, who tend to choose e-booking and e-billing functions with direct data entry into the system, particularly for large transport volumes.

During the year covered by the report the IT specialists developed new management systems for the terminal of Busto Arsizio. Graphic visualisation of all operational elements provides a better overview of the positioning of load units and wagons.

A web-based platform for customer service was also prepared. Administrative and operating services will go live in this password-protected area during the current year.

Development of operative shareholdings

SBB Cargo International Ltd, Olten
Since the start of 2011, Hupac has held a minority interest of 25% in the Swiss carrier for international block-trains and combined transport on the North-South axis. The aim is to establish SBB Cargo International as a strong, lean freight railway by integrating logistical know-how from the private sector. This stimulates the market and creates additional incentives for modal shift.

Cooperation with SBB Cargo International was successful. It was possible to expand the transport undertaken for Hupac. The existing quality problems have been recognised and are being processed systematically. A focus of strategic collaboration is the preparation for the opening of the Gotthard base tunnel and the phasing out of operating subsidies for transalpine combined transport by the end of 2023.

Crossrail Ltd, Muttenz
Crossrail is one of the few private railways still in existence after the period of consolidation in recent years. Hupac's shareholding in Crossrail was at 13,44% at the end of 2015; since April 2016 Hupac no longer owns shares of the company.

Cemat SpA, Milan
Hupac has worked closely with Cemat since the seventies and has been one of the Italian combined transport operator's shareholders for decades. At the end of the year under review, Hupac's capital share remained unchanged at 34.48%.

Hupac was able to intensify its cooperation with Cemat in the year under review. There was a positive development in jointly operated traffic.

RAlpin Ltd, Olten
In conjunction with SBB, BLS and Trenitalia, Hupac is a partner of the company established in 2001 to operate combined transport through Switzerland. At the end of the year under review, its capital share remained unchanged at 33.1%.

Hupac handles many tasks on behalf of RAlpin, such as customer service, scheduling and invoicing for the Rolling Highway on the Lötschberg and the Gotthard axis. It also operates the terminal of Lugano, whereas that of Novara is managed by its subsidiary Fidia. In the year under review, Hupac leased 425 low-loader wagons and 9 sleeping cars to RAlpin.

Terminal Singen TSG GmbH, Singen
The joint venture company Terminal Singen TSG GmbH, which was established in 1999, operates the Singen terminal. Approximately 40 trains travel every week via this hub.

Combinant NV, Antwerp
Hupac holds a share of 35% in the Combinant NV terminal operator which was founded in 2009. The other partners are BASF and Hoyer. In the year under review, Hupac handled 60 trains per week via the Combinant terminal.

KTL Kombi-Terminal Ludwigshafen GmbH, Ludwigshafen
Hupac has held a share of 15% in the operator of the Ludwigshafen combined transport terminal since 2005. In Hupac's network, the KTL acts as a central hub for the grouping of consignments between Germany, Italy, Belgium and Poland. Around 80 Hupac trains run via the hub each week.

DIT Duisburg Intermodal Terminal GmbH, Duisburg
The trimodal Duisburg Intermodal Terminal, in which Hupac has held a share of 10% since 2003, serves as an inland hub for the major North Sea ports of Rotterdam and Antwerp. In the year under review, Hupac ran 40 trains per week via this terminal.

RSC Rail Service Center, Rotterdam
Hupac holds a share of 16.33% in RSC terminal in Rotterdam since December 2014. With 70 weekly departures the RSC terminal is the hub for Hupac's Netherlands traffic.

CIS Cesar International Services Scarl, Brussels
Hupac is a founding partner of Cesar International Services, established in 2004, with a capital share of 25.1%. Various other combined transport operators also hold shares in the Brussels-based service company, which manages and develops the Cesar customer information system.

Hupac's environmental responsibility

Hupac fulfils its environmental responsibility by keeping the environmental impact of its operations to a minimum, reviewing and evaluating its environmental services and setting itself objectives for constant improvement. Hupac is committed to noise reduction, to developing efficient operating processes that reduce energy consumption and polluting emissions and to the environmentally friendly transport of all types of goods.

In the year under review, the shift of freight transport from the roads to the Hupac transport network saved around 727,000 tonnes of CO_2 and around 8.8 billion megajoules of energy compared to pure road transport, according to the environmental calculator of www.ecotransit.org.

Hupac is also committed to eco-friendly action in its own field of activity, supported by its ISO 14001 environmental management system. The focus is on transhipment and shunting operations at the terminals, fleet management and administrative areas.

Protection against accidents with harmful effects on the environment

Hupac's production is arranged in such a way from an infrastructure and organisation perspective that the risk of an accident with consequences for people and the environment is as low as possible. The measures applied comply with and in many cases exceed the requirements of the valid provisions.

In the rolling stock sector Hupac emphasises a concept of preventative maintenance. All rail wagons undergo various testing and maintenance steps at defined intervals. This means that safe circulation of the rolling stock is ensured.

Prevention is also the guiding principle in the terminal sector. The operating software Goal is equipped with control functions that prevent misloading of the train. In this way risks for rail traffic are effectively prevented.

The terminals of the Hupac Group have a range of active and passive safety measures:

- Sealing of the floor to protect the ground water
- Lockable waste water system: in the event of a loss of harmful materials during a rainfall, the soiled water is directed to a retention basin to separate it from the remaining water.
- Safe operation in the handling area through electric portal cranes.

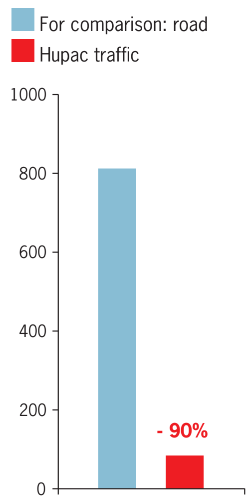
The Busto Arsizio-Gallarate terminal is designed for a high handling volume and has additional preventative safety devices such as electronic signal and operating/control equipment for internal rail traffic and a centralised electronic control of all the safety equipment.

In every sector Hupac emphasises the human factor. The employees are regularly made aware of and trained in safety issues in order to recognise risks at the workplace and deal with them effectively.

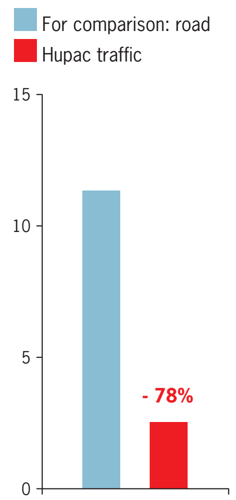
Transportation of hazardous materials

Hazardous goods are an important part of our economy and an indispensable element of many areas of everyday life. Basic commodities for industrial production, heating oil, fuel, medical gases, and pesticides – all of these goods may only be transported if certain safety precautions are observed. Rail is particularly suitable for the transportation of hazardous materials. In com-

CO_2-emissions
Gross tonnes in 1000s

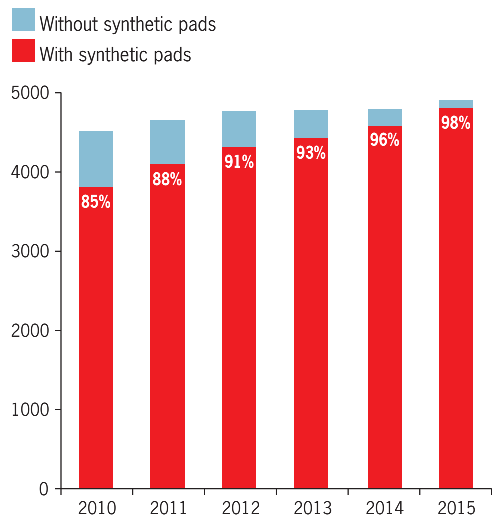


Energy consumption
in billion megajoules



www.ecotransit.org

Wagons fitted for noise reduction
Number of own wagons in the normal gauge net



bined transport, road hauliers, combined transport operators and railway companies apply standard safety regulations and procedures, achieving a high level of safety thanks to this close cooperation.

Hupac takes great care in its handling of this transport segment, which accounts for around 16% of the total traffic volume. The company's own centralised service, headed by a hazardous goods compliance advisor, appointed and trained according to the provisions of EC Directive 96/35, implements the appropriate regulations in all areas of the Group, advises customers and trains the staff.

Hupac's hazardous material management system stipulates that all accidents and incidents are precisely recorded and assessed. In the year under review there were no accidents involving hazardous materials that caused damage to people or property. This means that Hupac's operations with hazardous materials have been free of accidents for decades.

Incidents are defined as minor irregularities that can usually be rectified by the transport companies' specialists, such as leaking containers with odour formation or drops of escaping liquid. Potential irregularities are detected, recorded and assessed during numerous inspections. In the year under review, the number of irregularities remained more or less constant. 59 incidents were reported at the terminals (previous year: 65) and 25 on the rail network (previous year: 16).

Noise abatement of freight wagons

In railway traffic, noise abatement is an important environmental issue. Hupac has been systematically adapting its own wagons according to the directives on noise reduction and is heralding the development and implementation of "whisper brakes".

Hupac has successfully completed the Federally financed noise abatement programme that ran until 2015. A total of 770 wagons have been converted, including 150 during the year under review. 98% of Hupac Ltd's rail wagons were fitted with low-noise brakes by the end of 2015. Brake pads made of a special synthetic resin composite are generally used for this purpose. Unlike the old metal brakes made of grey cast iron, the so-called K-pad does not deform the running surface of the wheels, which remains smooth; as a result, the train runs with up to 10 decibels less noise.

Hupac's wagon fleet still includes about 100 wagons that have not been noise-refurbished. They are at the end of their life cycles, so they could not be incorporated into the noise refurbishment programme.

Hupac started operating a first series of wagons with disc brakes during 2015. This new technology allows the noise level to be reduced by a further 3 decibels.

Consumption and emission reduction

As envisaged in the environmental management system, Hupac invests in new facilities and equipment such as rail wagons, cranes and locomotives which improve the company's environmental performance. Preference is given to the best possible solutions in terms of noise reduction as well as the reduction of polluting emissions and energy consumption.

Efficient processes at the terminals reduce environmental impact. Hupac therefore measures relevant operations such as crane lifts and shunting, and introduces measures to achieve a low environmental impact with high service quality through sensible use of resources.

Biotopes Busto Arsizio-Gallarate and Singen

The environmental compatibility of the Busto Arsizio-Gallarate and Singen terminal facilities was enhanced further in the year under review. The biotopes fed by the rainwater collected in the terminals are regularly maintained.

Hupac's social responsibility

Hupac practises its social responsibility by championing the modal shift policy from road to rail under the appointment and with the support of the Swiss Government. Motivation and training of the staff, which is Hupac's most important resource, together with an open and constructive dialogue with the institutions, are essential processes for the achievement of this objective.

Employees

Composition

At the end of 2015, the Hupac Group employed 404 members of staff (full-time equivalents; prior year: 395) or 413 natural persons (prior year: 407). These individuals were distributed as follows: 176 at Hupac Intermodal in Switzerland, 210 at the subsidiaries in Italy and 27 at the branches in Germany, the Netherlands, Belgium, Poland and Russia. The quota of women remained unchanged at 13%. Average seniority increased slightly to 11.2 years.

Training

Numerous coaching and training courses were held in the year under review. Internal foreign language courses and trainings on safety and rolling stock took place in Chiasso and Busto Arsizio. Other training courses covered IT applications and administrative processes, while a number of employees attended external courses for special training requirements.

Hupac places great importance on practice-oriented education and training. So the employees are made aware of the operational value creation processes. They are trained for practical, operational tasks and can be deployed flexibly. During the year covered by the report 10 employees participated in job-rotation schemes, spending time in branches and subsidiaries. A large number of short-term secondments within the company promoted inter-divisional thinking.

In 2015, Hupac trained five apprentices as commercial employees.

Occupational health and safety

Hupac takes care of healthy and safe workplaces in compliance with applicable regulations. Appropriate infrastructures and equipment as well as continuous training and instruction ensure a high level of occupational safety. In the year under review, 9 occupational injuries were recorded along with 191 lost working days. The number of lost working days per employee thus slightly increased in comparison to the previous year.

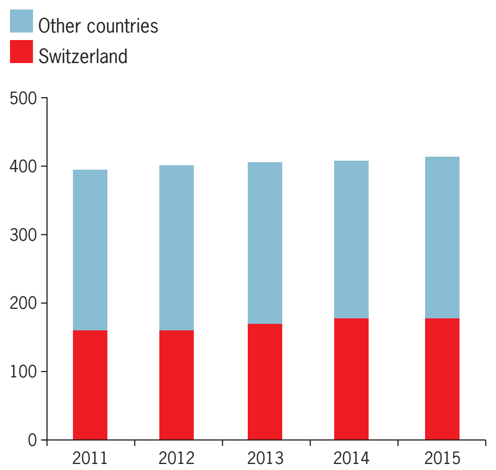
Internal communications

In the year under review, Hupac intensified its internal communications in order to provide all staff with constant, first-hand information about the market, the company's situation and the measures taken. In the course of the year, the senior management organised several meetings with the staff in all subsidies.

Employee satisfaction

Every year Hupac assesses the satisfaction of its staff on the occasion of the meeting with their superior and through a questionnaire with answers on a scale of 1 to 100. At headquarters, the average score rose from 80 to 81. At Hupac SpA, the Italian subsidiary, a score of 78 was attained (previous year: 72).

Workforce of the Hupac Group
Number of employees



Modal shift policy

Responsibility for the mobility of the future

Hupac's focus is on unaccompanied transalpine transport across Switzerland which is strongly affected by the Swiss transport policy, whose constitutional objective is the modal shift of transalpine freight traffic from road to rail.

In 2015 Hupac achieved a volume of 378,000 road consignments or 7.2 million net tonnes in the segment of transalpine traffic through Switzerland alone, thus confirming its role as an important player in the modal shift of traffic. In the years to come the company will further reinforce its position by continuing to develop new infrastructures, thus supporting the Swiss modal shift policy based on sustainability.

Public subsidies

The Swiss Federation has envisaged a series of measures to support modal shift from road to rail. On one hand, revenues originating from the fuel tax provide funds to finance terminal infrastructures, given the fact that investments in transhipment equipment cannot guarantee to be profitable when financed by capital markets. And on the other hand, intermodal transport operators, particularly in transalpine traffic, are unable to cover the costs in full by using their income. Based on a range of laws and decrees, the Swiss Government guarantees financial support to the providers of intermodal transport.

Numerous investment projects for the terminal infrastructure of Termi Ltd, Termi SpA and Hupac Intermodal BVBA were partly subsidised by the Swiss Government.

The following projects are already complete:
- Busto Arsizio terminal
- Gallarate connection sidings
- Singen terminal
- Extension of the Busto Arsizio terminal on the district grounds belonging to Gallarate and Busto Arsizio (as per final accounts of 2006).
- HTA Hupac Terminal Antwerp
- Completion of the Busto Arsizio-Gallarate terminal (as per final accounts of 2012).

The terminals are accessible without discrimination and are used by various operators. During the reporting year these include, beyond Hupac, partners such as Cemat, Kombiverkehr and TX Logistik.

The Hupac Group will have to repay a considerable part of these subsidies, amounting from 2015 to 2040 to around CHF 61.8 million. In the same period, estimated interest of around CHF 3.6 million will be payable to the Swiss Government (see table).

In terms of operating subsidies, the Swiss Government applies a diminishing model. Increasing amounts of traffic are intended to be shifted onto rail with slightly decreasing funds. The operating subsidies per road consignment declined by an average of 9.2% in 2015 compared with 2014.

Repayment of public financial aids and interest: indicative cash flow burden per year
Values in 1000 CHF

Years	2015	2016-2026	2027-2030	2031-2035	2036-2040	2015-2040 Total
Loan repayment	3,798	3,587 - 3,798	2,541 - 2,544	1,470 - 1,551	65	61,764
Interest	338	81 - 456	7 - 50			3,610
Total	4,136	3,668 - 4,177	2,548 - 2,594	1,470 - 1,551	65	65,374

Financial statements

Consolidated income statement 2015 and 2014

Amounts in 1 000 CHF	2015	2014
Net income from supplies and services	427 540	476 640
Other income	66 699	74 818
Cost of the services	(394 197)	(447 014)
Gross profit	100 042	104 444
Payroll expenses	(32 995)	(33 605)
Other operating expenses	(10 272)	(11 231)
Depreciations and value adjustments	(37 466)	(44 572)
Operating result before financial positions	19 309	15 036
Financial income	128	285
Dividend income	55	0
Financial expenses	(1 960)	(2 013)
Result from associates	63	469
Foreign exchange differences	(10 633)	(3 297)
Ordinary operating result	6 962	10 480
Non-operating income	166	184
Non-operating expenses	(26)	0
Extraordinary income	262	6 339
Gain from disposal of fixed assets	118	227
Extraordinary expenses	(172)	(15 988)
Loss from disposal of fixed assets	(46)	(164)
Dissolution of provisions	1 837	10 510
Annual result before taxes	9 101	11 588
Direct taxes	(2 947)	(3 750)
Annual result	6 154	7 838
Minority interest	(96)	(294)
Annual result of the Group	6 058	7 544

Consolidated balance sheet at 31 December 2015 and 2014

Amounts in 1 000 CHF	31.12.2015	31.12.2014
ASSETS		
Cash and cash equivalents	55 271	44 592
Receivables from supplies and services	52 154	58 739
- third parties	39 354	48 919
- shareholders	12 800	9 820
Other short-term receivables	12 366	12 656
- third parties	12 366	12 656
Stocks and services non invoiced	15 683	26 099
- stocks	2 977	3 407
- services not invoiced	12 706	22 692
Accrued income	13 550	10 213
Total current assets	149 024	152 299
Financial fixed assets	237	1 503
- Long-term receivables from third parties	215	1 478
- Other financial fixed assets	22	25
Investments	36 421	34 299
Tangible fixed assets	172 566	186 915
- Advances to suppliers	930	1 903
- Technical equipment	17 482	24 282
- Rolling stock	46 121	48 240
- Plants on third parties' lands	9 888	11 928
- Terminals, buildings and land	93 246	94 721
- Other tangible fixed assets	4 899	5 841
Intangible fixed assets	2 991	3 514
Deferred tax assets	614	449
Total fixed assets	212 829	226 680
Total assets	361 853	378 979

Amounts in 1 000 CHF	31.12.2015	31.12.2014
LIABILITIES AND SHAREHOLDERS' EQUITY		
Account payables from supplies and services	37 030	34 664
- third parties	36 942	34 498
- shareholders	88	166
Onerous short-term debts	3 778	5 000
- third parties	3 778	5 000
Other short-term debts	3 063	4 909
- third parties	3 063	4 909
Accrued expenses	38 983	47 862
Short-term provisions	201	75
Total short-term liabilities	83 055	92 510
Onerous long-term debts	65 044	73 253
- third parties	65 044	73 253
Other long-term debts	59 220	63 747
- third parties	59 220	63 747
Long-term provisions	69 037	61 916
Deferred tax liabilities	1 755	2 208
Total long-term liabilities	195 056	201 124
Total liabilities	278 111	293 634
Minority interests	390	584
Share capital	20 000	20 000
Statutory capital reserves	5 015	4 981
Statutory retained earnings	61 038	46 158
Voluntary retained earnings	17 776	26 861
Translation difference	(17 712)	(11 725)
Treasury shares	(2 765)	(1 514)
Total shareholders' equity	83 352	84 761
Total liabilities and shareholders' equity	361 853	378 979

Notes to the Consolidated Income Statement for 2015

In financial 2015, the Hupac Group's *Net income from supplies and services* fell by 10.3% year on year to well over CHF 427.5 million. This downturn was primarily due to exchange rate developments. Based on the same exchange rates as at the end of 2014, income would have been CHF 473.5 million.

The *Other income* position comprises operating contributions, contributions for upgrading to low-noise rolling stock and contributions for the deployment of low-noise wagons; in the 2015 reporting year, these items amounted to just under CHF 66.7 million, representing a year-on-year decrease of 10.9%.

Cost of the services posted a year-on-year decrease of 11.8% to almost CHF 394.2 million. *Gross profit* declined by 4.2% year on year.

Payroll expenses showed a year-on-year decrease of 1.8% in financial 2015. An even more striking reduction can be reported for the *Other operating expenses* position, with a year-on-year reduction of 8.5% to just under CHF 10.3 million.

Expenditure on *Depreciations and value adjustments* was 15.9% less than for the same period in the prior year, amounting to almost CHF 37.5 million in 2015.

Financial income (which, as a new feature, is now reported without *Dividend income*) fell by 55.1% year on year. *Dividend income* is CHF 55,000. The reduction in debt to banks resulted in a slight year-on-year decrease of 2.6% in *Financial expenses*, bringing the figure to almost CHF 2 million. The *Result from associates* was CHF 63,000 in financial 2015, equivalent to a year-on-year reduction of 86.6%. The *Foreign exchange differences* position shows a substantial loss of well over CHF 10.6 million, due in particular to the trends for the ruble, the złoty and especially the euro. The *Ordinary operating profit* in financial 2015 amounts to almost CHF 7 million, equating to a year-on-year reduction of 33.6%.

After taking account of *Non-operating and Extraordinary income and expenses* and the *Gains and Losses from disposal of fixed assets* and *Dissolution of provisions* positions, the Hupac Group reports *Annual result before taxes* in financial 2015 of well CHF 9.1 million, equivalent to a decrease of 21.5% as compared to 2014.

After deduction of *Direct taxes,* the *Annual result* is almost CHF 6.2 million and after a further deduction for the *Minority interest,* the Hupac reports *Annual result of the Group* of just under CHF 6.1 million for the 2015 reporting year, corresponding to a year-on-year decrease of 19.7%.

Hupac Intermodal Ltd, by far the most important company in the Hupac Group as regards turnover, closed the 2015 financial year with a small loss of CHF 0.3 million (prior year: loss of almost CHF 0.2 million).

Consolidated cash-flow statement 2015 and 2014

Amounts in 1 000 CHF	**2015**	**2014**
Annual result of the Group	6 058	7 544
Depreciation of tangible assets	25 112	28 533
Depreciation of intangible assets	865	6 541
Variation of provisions	7 395	988
Other non monetary items	8 358	767
Net result from sale of tangible assets	(72)	(63)
Income from associated companies	(63)	(469)
Minority interests	(130)	(8)
Variation of inventories	222	1
Variation of short-term receivables	13 035	(4 251)
Variation of short-term liabilities	(7 262)	(11 764)
Cash flows from operating activities	53 518	27 819
Purchase of tangible assets	(24 536)	(16 741)
Proceeds from sale of tangible assets	1 236	1 009
Purchase of intangible assets	(405)	(1 036)
Proceeds from sale of intangible assets	6	325
Purchase of investments	(4 046)	(1 498)
Change in value of investments	1 258	(134)
Cash flows from investing activities	(26 487)	(18 075)
Variation of financial receivables	1 043	3 247
Variation of financial loans	(13 364)	(20 316)
Treasury shares	(1 251)	(46)
Dividends payment	(1 566)	(1 572)
Cash flows from financing activities	(15 138)	(18 687)
Variation	11 893	(8 943)
Cash at beginning of the year	44 592	53 814
Foreign exchange differences on cash	(1 214)	(279)
Cash at end of the year	55 271	44 592

Notes to the consolidated financial statements 2015

Principles applied in these financial statements

These financial statements have been prepared in accordance with the provisions on commercial accounting laid down in articles 957 – 963b Swiss Code of Obligations (CO) (effective 1 January 2013).

Accounting policies

Consolidation principles
The consolidated financial statements of Hupac Ltd have been prepared using the purchase price method, in line with the following principles and in accordance with the provisions of Swiss company law.

The consolidated financial statements of Hupac Ltd are based on the individual annual accounts of the Group's foreign subsidiaries, which have been prepared in accordance with uniform, generally accepted accounting and valuation principles, as well as on the statutory financial statements of the Swiss subsidiaries. The consolidated financial statements as at 31 December 2015 also include an additional general risk provision of CHF 3.2 million.

Consolidated companies
The consolidated financial statements include the annual results of Hupac Ltd and its Swiss and foreign subsidiary companies in which the parent company has a direct or indirect shareholding of more than 50%, has the voting majority and exercises a predominant influence on the conduct of the company.

Associated companies in which the parent company has more than 20% and up to 50% of the voting rights are consolidated using the equity method. Equity method is also used for joint ventures. Interests of minor significance are not included in the consolidation.

Method of consolidation
Assets and liabilities as well as revenue and expenditure of the consolidated companies are included in full. The purchase method is used for capital consolidation. This involves capitalizing - as goodwill from acquisitions - the difference between the purchase price of a company and the fair market value of the net assets thus acquired, which is amortized on a straight-line basis over a period between five and twenty years.

All balances, transactions and unrealized profits existing between Group companies are eliminated during the consolidation process. Dividends paid by consolidated companies are set off and allocated to the reserves. Minority shareholders' share of equity and profits appear separately on the balance sheet and income statement, respectively.

Equity method consolidation is used for the 50% interest in Terminal Singen TSG and Terminal Alptransit Srl.

The following companies were fully consolidated:

Company		Share or company capital	Interests as % 31.12.2015	31.12.2014
Hupac Ltd, Chiasso	CHF	20 000 000		
Hupac Intermodal Ltd, Chiasso	CHF	250 000	100.00	100.00
Hupac SpA, Milan	EUR	2 040 000	96.99	95.57
Sub-interests of Hupac SpA, Milan:				
- Fidia SpA, Milan	EUR	500 000	3.00	3.00
Hupac GmbH, Singen	EUR	210 000	100.00	100.00
Termi Ltd, Chiasso	CHF	2 000 000	100.00	100.00
Sub-interests of Termi Ltd, Chiasso:				
- Termi SpA, Busto Arsizio	EUR	2 000 000	95.00	95.00
Termi SpA, Busto Arsizio	EUR	2 000 000	5.00	5.00
Fidia SpA, Milan	EUR	500 000	97.00	97.00
Centro Intermodale SpA, Milan	EUR	4 480 000	100.00	100.00
Sub-interests of Centro Intermodale SpA, Milan:				
- Terminal Piacenza Intermodale Srl, Piacenza	EUR	52 000	100.00	100.00
Hupac Intermodal Italia Srl, Busto Arsizio	EUR	100 000	100.00	0
Hupac Intermodal BVBA, Antwerpen	EUR	1 601 000	99.94	99.94
Hupac Intermodal NV, Rotterdam	EUR	200 000	100.00	100.00
Sub-interests of Hupac Intermodal NV, Rotterdam:				
- Hupac Intermodal BVBA, Antwerp	EUR	1 601 000	0.06	0.06
Intermodal Express LLC, Moscow	RUB	3 000 000	75.00	75.00
Sub-interests of Intermodal Express LLC, Moscow:				
- Hupac LLC, Moscow	RUB	60 000 000	2.00	2.00
Hupac LLC, Moscow	RUB	60 000 000	98.00	98.00
Hupac Terminal Brwinów Sp. z o.o., Brwinów	PLN	100 000	100.00	0

The following companies were consolidated using the equity method:

Company	Registered in	Interests as % 31.12.2015	31.12.2014
Cemat SpA	Milan (Italy)	34.48	34.48
Terminal Alptransit Srl	Milan (Italy)	50.00	50.00
RAlpin Ltd	Olten (Switzerland)	33.11	33.11
Crossrail Ltd	Muttenz (Switzerland)	*13.44	25.00
SBB Cargo International Ltd	Olten (Switzerland)	25.00	25.00
Cesar Information Services Scarl	Brussels (Belgium)	25.10	25.10
Combinant NV	Antwerp (Belgium)	35.00	35.00
Terminal Singen TSG GmbH	Singen (Germany)	50.00	50.00
Gateway Basel Nord AG	Basel (Switzerland)	24.50	0

* No more in the position "Investments consolidated using the equity method"

Shareholders' equity movements

Amounts in 1 000 CHF	Share capital	Reserves and Group results	Treasury shares	Translation differences	Total	Minority interests
Balance at 1 January 2014	20 000	72 330	(1 468)	(9 742)	81 120	614
Translation differences				(1 569)	(1 569)	(324)
Translation differences of associated companies				(414)	(414)	
Net equity adjustment		(302)			(302)	
Movement of treasury shares			(46)		(46)	
Parent company dividend		(1 572)			(1 572)	
Consolidated profits 2014		7 544			7 544	294
Balance at 31 December 2014	20 000	78 000	(1 514)	(11 725)	84 761	584
Translation differences				(3 925)	(3 925)	(65)
Translation differences of associated companies				(2 062)	(2 062)	
Net equity adjustment		1 337			1 337	(225)
Movement of treasury shares			(1 251)		(1 251)	
Parent company dividend		(1 566)			(1 566)	
Consolidated profits 2015		6 058			6 058	96
Balance at 31 December 2015	20 000	83 829	(2 765)	(17 712)	83 352	390

Treasury shares

Registered shares	2015	2014
Initial holdings on 01.01.	387	378
- Purchase	329	37
- Sale	(42)	(28)
Final holdings on 31.12.	674	387

The transactions were conducted on market-based condition.

Conversion and transactions in foreign currencies
Transactions in foreign currencies by subsidiaries are converted and booked using the rate of exchange prevailing at the time of the transaction. Exchange rate differences are included in the income statement. Foreign currency balances at the end of the year are converted at the respective year-end exchange rate. Any resulting exchange gains are included in the income statement. A provision is made for unrealized exchange gains.

In the consolidated financial statements the assets and liabilities of foreign subsidiaries are converted into Swiss francs using the year-end exchange rate. The average exchange rate for the respective year is used to convert the income statement. Any translation differences resulting from converting the balance sheet at year-end exchange rates and the income statement at average exchange rates are credited or debited to equity under “Translation differences” and thus do not affect profit.

Revenues from supplies and services
Turnover resulting from supplies and services is booked at the time of performance. Turnover is shown without VAT and after deduction of any discounts and price reductions granted to customers. Revenues from supplies and services comprises sales to customers, UIRR companies and third parties for services performed on the transport network of Hupac, as well as for the hiring-out of wagons outside this transport network, logistics services and miscellaneous.

Other income
In this position are disclosed the governmental grants.

Cost of supplies and services
The cost of supplies and services is made up of the charges invoiced to Hupac for the provision of the necessary supplies and services (including freight charges, leasing of wagons, maintenance, terminal charges, operational insurance premiums and miscellaneous) for achieving the turnover with customers, UIRR companies and third parties.

Table of currency conversion

	Balance sheet		Income statement	
	31.12.2015	31.12.2014	2015	2014
CHF/EUR	1.08169	1.2025	1.08463	1.2146
CHF/RUB	0.0134	0.01741	0.015028	0.02420
CHF/PLN	0.2538	0	0.254491	0

	2015	2014
Personnel - average number of full-time equivalents	404	395

Amounts in 1 000 CHF	**31.12.2015**	**31.12.2014**
Extraordinary expenses	172	15 988
The most significant items are: In year 2015 Assumption of costs correlated with the sale of shares and tax costs In year 2014 Tax costs		
Extraordinary income	262	6 339
The most significant items are: In year 2015 Reimbursement of other tax costs In year 2014 Refund for rolling stock		
Other information in accordance with legal requirements		
Dissolution of hidden reserves	0	11 045
Debts towards personnel foundations	477	453
Total amount of collateral pledged for liabilities of third parties	7 992	9 002
Pledges on assets to secure own liabilities	66 608	75 834
Onerous long-term debts		
- 1 - 5 years	27 073	28 033
- > 5 years	37 971	45 220
Auditor’s fees		
Audit services	135	142

Report of the statutory auditor to the General Meeting on the consolidated financial statements 2015

As statutory auditor, we have audited the consolidated financial statements of Hupac Ltd, which comprise the balance sheet, income statement, cash flow statement and notes (pages 30 to 36), for the year ended 31 December 2015.

Board of Directors’ responsibility
The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with the requirements of Swiss law and the consolidation and valuation principles as set out in the notes. 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. 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 comply with Swiss law and the consolidation and valuation principles as set out in the notes.

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 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

Alessandro Miolo   Claudio Cereghetti

Lugano, 21 April 2016

Financial statements of Hupac Ltd

Income statement 2015 and 2014

Amounts in 1 000 CHF	2015	2014
Net income from supplies and services	67 852	72 484
Other income	4 242	4 520
Cost of the services	(26 317)	(31 193)
Gross profit	45 777	45 811
Other operating expenses	(2 342)	(1 547)
Depreciation of tangible fixed assets	(16 500)	(19 188)
Depreciation of intangible fixed assets	(1 343)	(1 431)
Provisions and value adjustments	(11 793)	(12 900)
Operating result before financial positions	13 799	10 745
Financial income	1 039	1 033
Dividend income	440	336
Financial expenses	(1 610)	(1 455)
Foreign exchange differences	(5 022)	(2 126)
Ordinary operating profit	8 646	8 533
Extraordinary income	0	6 000
Gain from disposal of fixed assets	116	42
Extraordinary expenses	(43)	(6 000)
Loss from disposal of fixed assets	0	(59)
Annual result before taxes	8 719	8 516
Direct taxes	(2 016)	(1 968)
Annual result	6 703	6 548

Balance sheet at 31 December 2015 and 2014

Amounts in 1 000 CHF	31.12.2015	31.12.2014
ASSETS		
Cash and cash equivalents	30 487	19 577
Receivables from supplies and services	15 250	12 189
- third parties	406	1 443
- group companies	15 087	10 989
- shareholders	23	23
- Provision for doubtful debts	(266)	(266)
Other short-term receivables	2 190	2 083
- third parties	2 190	2 083
Stocks and services non invoiced	7 450	13 741
- stocks	1 233	1 338
- services not invoiced	6 217	12 403
Prepayments and accrued income	991	1 087
Total current assets	56 368	48 677
Financial fixed assets	32 000	40 066
- Long-term receivables from third parties	207	230
- Long-term receivables from group companies	31 787	39 832
- Other financial fixed assets	6	4
Investments	89 461	74 553
Tangible fixed assets	45 932	49 129
Intangible fixed assets	4 572	5 593
Total fixed assets	171 965	169 341
Total assets	228 333	218 018

Amounts in 1 000 CHF	31.12.2015	31.12.2014
LIABILITIES AND SHAREHOLDERS' EQUITY		
Account payables from supplies and services	9 383	3 610
- third parties	7 010	2 760
- group companies	2 312	714
- shareholders	61	136
Onerous short-term debts	3 623	5 000
- third parties	3 623	5 000
Other short-term debts	857	1 096
- third parties	857	1 096
Accrued expenses	21 883	23 643
Total short-term liabilities	35 746	33 349
Onerous long-term debts	44 327	48 614
- third parties	44 327	48 614
Other long-term debts	0	147
- third parties	0	147
Long-term provisions	54 951	46 486
Total long-term liabilities	99 278	95 247
Total liabilities	135 024	128 596
Share capital	20 000	20 000
Statutory capital reserves	459	459
Statutory retained earnings	5 013	4 953
Voluntary retained earnings	70 602	65 524
Treasury shares	(2 765)	(1 514)
Total shareholders’ equity	93 309	89 422
Total Liabilities and Shareholders’ equity	228 333	218 018

Notes on the Income Statement

Net income from supplies and services decreased by 6.4% to just over CHF 67.9 million in financial 2015. Income originates primarily from the rental of tangible assets, consisting in the main of rolling stock.

The *Other income* position shows government financial assistance. This relates to contributions towards noise refurbishment of the rolling stock. This amount decreased year-on-year by 6.2% to well over CHF 4.2 million.

Cost of the services decreased by 15.6% as compared to 2014; this position amounted to well over CHF 26.3 million in 2015. This results in *Gross profit* for Hupac Ltd of just under CHF 45.8 million, approximately equivalent to the previous year's figure.

The *Other operating expenses* position increased by 51.4% compared with 2014, to reach well over CHF 2.3 million, this is due to an increase of IT expenses.

The *Depreciation of tangible fixed assets* position showed a year-on-year decrease of 14% to CHF 16.5 million, while the figure for *Depreciation of intangible fixed assets* fell by 6.2% to well over CHF 1.3 million.

Provisions and value adjustments in financial 2015 amounted to well over CHF 11.8 million, equating to a reduction of 8.6% as compared to 2014.

The *Operating result before financial positions* was just under CHF 13.8 million in financial 2015, corresponding to a year-on-year increase of 28.4%.

The *Financial income, Dividend income* and *Financial expenses* positions are more or less equivalent to the prior year's figures, whereas the figure for *Foreign exchange differences* amounts to well over CHF 5 million, due not least to the exchange rate turmoil after mid-January 2015; this led to *Ordinary operating profit* of well over CHF 8.6 million, representing a year-on-year increase of 1.3%.

After taking account of the *Extraordinary income and expenses* and the *Gains and Losses from disposal of fixed assets* positions, Hupac Ltd's *Annual result before taxes* for the year is well CHF 8.7 million, equivalent to a year-on-year increase of 2.4%.

After deduction of *Direct taxes*, Hupac Ltd's *Annual result* in financial 2015 is well over CHF 6.7 million, representing a year-on-year increase of 2.4%.

Notes on the Balance Sheet

The total assets of Hupac Ltd increased by well over CHF 10.3 million to more than CHF 228.3 million in financial 2015.

As at the end of 2015, Hupac Ltd had *Shareholders' equity* of well over CHF 93.3 million at its disposal, corresponding to an equity ratio of 40.9%. The difference from the reporting of total shareholders' equity as at the end of 2014, compared to that in the annual report of 2014, is related to the new presentation of the *Treasury shares* position; this is now recognized under shareholders' equity and no longer under assets, as was the case until last year.

Cash-flow statement 2015 and 2014

Amounts in 1 000 CHF	**2015**	**2014**
Annual result	6 703	6 548
Depreciation of tangible assets	16 500	19 188
Depreciation of intangible assets	1 343	1 431
Variation of provisions	8 465	4 000
Other non monetary items	(44)	0
Net result from sale of tangible assets	(115)	16
Variation of inventories	105	53
Variation of short-term receivables	3 114	(964)
Variation of short-term liabilities	3 775	(575)
Cash flows from operating activities	39 846	29 697
Purchase of tangible assets	(13 977)	(8 059)
Proceeds from sale of tangible assets	790	575
Purchase of intangible assets	(322)	(523)
Proceeds from sale of intangible assets	0	57
Purchase of investments	(15 996)	(3 026)
Change in value of investments	2 328	4 700
Cash flows from investing activities	(27 177)	(6 276)
Variation of financial receivables	6 870	(4 394)
Variation of financial loans	(5 812)	(15 160)
Treasury shares	(1 251)	(46)
Dividends payment	(1 566)	(1 572)
Cash flows from financing activities	(1 759)	(21 172)
Variation	10 910	2 249
Cash at beginning of the year	19 577	17 328
Cash at end of the year	30 487	19 577

Notes to the financial statements 2015

1. Principles applied in these financial statements

These financial statements have been prepared in accordance with the provisions on commercial accounting laid down in articles 957 – 963b Swiss Code of Obligations (CO) (effective 1 January 2013).

Amounts in 1 000 CHF	31.12.2015	31.12.2014
1.1 Total amount of collateral pledged for liabilities of third parties	32 918	40 070
1.2 Onerous long-term debts		
1-5 years	24 327	23 614
> 5 years	20 000	25 000

1.3 Shareholders' equity movements

Amounts in 1 000 CHF	Share capital	Statutory capital reserves	Statutory retained earnings	Balance sheet profit/loss	Other voluntary reserves	Treasury shares	Total
Balance at 1 January 2014	20 000	459	3 055	6 778	55 668	(1 468)	84 492
Dividends				(1 572)			(1 572)
Transfer to the statutory retained earnings			430	(430)			
Movements of treasury shares			1 468		(1 468)	(46)	(46)
Transfer to other voluntary reserves				(4 500)	4 500		
Annual result				6 548			6 548
Balance at 31 December 2014	20 000	459	4 953	6 824	58 700	(1 514)	89 422
Dividends				(1 566)			(1 566)
Transfer to the statutory retained earnings			60	(60)			0
Movements of treasury shares						(1 251)	(1 251)
Transfer to other voluntary reserves				(4 900)	4 900		
Annual result				6 703			6 703
Balance at 31 December 2015	20 000	459	5 013	7 002	63 600	(2 765)	93 309

1.4 Extraordinary expenses/income

Amounts in 1 000 CHF	31.12.2015	31.12.2014
Extraordinary expenses	43	6 000
In year 2015 Assumption of costs correlated with the sale of shares		
In year 2014 Refund to Hupac Intermodal Ltd		
Extraordinary income	0	6 000
In year 2014 Refund for rolling stock		

1.5 Significant investments

Company	Business activity	Registered capital in 1 000		Share of capital as % 31.12.2015	31.12.2014
Hupac Intermodal Ltd, Chiasso	Traffic Management, Sales, Terminal Management	CHF	250	100.00	100.00
Hupac SpA, Milan	Terminal Management, Railway Operating	EUR	2 040	96.99	95.57
Sub-interests of Hupac SpA, Milan: - Fidia SpA, Milan	Terminal Management, Warehousing	EUR	500	3.00	3.00
Hupac GmbH, Singen	Service Provider	EUR	210	100.00	100.00
Termi Ltd, Chiasso	Terminal Engineering	CHF	2 000	100.00	100.00
Sub-interests of Termi Ltd, Chiasso: - Termi SpA, Busto Arsizio	Terminal Engineering	EUR	2 000	95.00	95.00
Termi SpA, Busto Arsizio	Terminal Engineering	EUR	2 000	5.00	5.00
Fidia SpA, Milan	Terminal Management, Warehousing	EUR	500	97.00	97.00
Hupac Intermodal NV, Rotterdam	Service Provider	EUR	200	100.00	100.00
Sub-interests of Hupac Intermodal NV, Rotterdam: - Hupac Intermodal BVBA, Antwerpen	Terminal Engineering, Terminal Management	EUR	1 601	0.06	0.06
Hupac Intermodal BVBA, Antwerpen	Terminal Engineering, Terminal Management	EUR	1 601	99.94	99.94
Intermodal Express LLC, Moscow	Traffic Management, Sales	RUB	3 000	75.00	75.00
Sub-interests of Intermodal Express LLC, Moscow: - Hupac LLC, Moscow	Rolling Stock Management	RUB	60 000	2.00	2.00
Hupac LLC, Moscow	Rolling Stock Management	RUB	60 000	98.00	98.00
Centro Intermodale SpA, Milan	Terminal Engineering	EUR	4 480	100.00	100.00
Sub-interests of Centro Intermodale SpA, Milan: - Terminal Piacenza Intermodale Srl, Piacenza	Terminal management	EUR	52	100.00	100.00
Hupac Terminal Brwinów Sp. z o.o., Brwinów	Terminal Management	PLN	100	100.00	0
Hupac Intermodal Italia Srl, Busto Arsizio	Sales	EUR	100	100.00	0
Terminal Singen TSG GmbH, Singen	Terminal management	EUR	260	50.00	50.00
Cemat SpA, Milan	Traffic Management, Terminal Management	EUR	7 000	34.48	34.48
Cesar Information Services Scarl, Bruxelles	Data processing service for customers	EUR	100	25.10	25.10
Combinant NV, Antwerp	Terminal Engineering, Terminal Management	EUR	500	35.00	35.00
Crossrail Ltd, Muttenz	Railway Operating	CHF	24 723	13.44	25.00
RAlpin Ltd, Olten	Traffic Management, Terminal Management	CHF	4 530	33.11	33.11
SBB Cargo International Ltd, Olten	Railway Operating	CHF	25 000	25.00	25.00
Teralp Srl, Milan	Terminal Engineering	EUR	1 500	50.00	50.00
Gateway Basel Nord Ltd, Basel	Terminal Engineering	CHF	100	24.50	0

1.6 Treasury shares

Registered shares	2015	2014
Initial holdings on 01.01.	387	378
- Purchase	329	37
- Sale	(42)	(28)
Final holdings on 31.12.	674	387

The transactions were conducted on market-based conditions.

1.7 Personnel - average number of full-time equivalents

Hupac Ltd doesn't have employees.

1.8 Auditor's fees

Amounts in 1 000 CHF	31.12.2015	31.12.2014
Audit services	34	35

Proposal for the distribution of retained earnings

Amounts in 1 000 CHF	31.12.2015
Profit carried forward	298 669
Annual result	6 702 831
Retained earnings at the disposal of the General Meeting	7 001 500
Proposal of the board of directors:	
- Maximum dividends on the total nominal share capital	1 600 000
- Transfer to the statutory retained earnings	60 000
- Transfer to other voluntary reserves	5 100 000
- To be carried forward	241 500
	7 001 500

Report of the statutory auditor to the General Meeting on the financial statements 2015

As statutory auditor, we have audited the financial statements of Hupac Ltd, which comprise the balance sheet, income statement, cash flow statement and notes (pages 38 to 43), 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 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

Alessandro Miolo Claudio Cereghetti

Lugano, 21 April 2016

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