

**Public Tender Offer**

by

**Kiwi Holding IV S.à r.l., Luxembourg**

for all publicly held registered shares with a nominal value of CHF 1.00 each  
of

**Kuoni Travel Holding Ltd, Zurich****Offer Price:**

Kiwi Holding IV S.à r.l., Luxembourg ("**Kiwi**"), offers **CHF 370** net in cash for each registered share of Kuoni Travel Holding Ltd, Zurich ("**Kuoni**") with a nominal value of CHF 1.00 each (the "**Kuoni B Shares**", each a "**Kuoni B Share**"), less the gross amount of any dilutive effects in respect of the Kuoni B Shares prior to the settlement of the Offer (the "**Settlement**"), including, but not limited to, dividend payments, capital repayments, capital increases at an issue price below the Offer Price, disposals of treasury shares below the Offer Price, the issuance of options or convertible securities or other rights of any kind to acquire Kuoni B Shares or other equity securities of Kuoni, becoming effective prior to the Settlement.

**Initial Acceptance Period:**

From 15 March 2016 until 13 April 2016, 4:00 p.m. Central European Time (CET) (subject to any extension of the initial acceptance period).

**Offer Manager:**

Bank am Bellevue AG

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Registered Shares of Kuoni Travel Holding Ltd

Registered shares **not tendered**  
(first trading line)

Securities No:  
350485

ISIN:  
CH0003504856

Tickersymbol:  
KUNN

Registered shares **tendered**  
(second trading line)

Securities No:  
31479090

ISIN:  
CH0314790905

Tickersymbol:  
KUNNE

Offer Prospectus dated 29 February 2016 (the "**Offer Prospectus**")

## Offer Restrictions

The public tender offer described in this Offer Prospectus (the "**Offer**") is not being and will not be made, directly or indirectly, in any country or jurisdiction in which such Offer would be considered unlawful or otherwise violate any applicable laws or regulations, or which would require Kiwi or any of its direct and indirect subsidiaries to change or amend the terms or conditions of the Offer in any way, to make any additional filing with any governmental, regulatory or other authority or take any additional action in relation to the Offer.

It is not intended to extend the Offer to any such country or jurisdiction. Documents relating to the Offer must neither be distributed in any such countries or jurisdictions nor be sent to such countries or jurisdictions. Such documents must not be used for the purpose of soliciting the purchase of any securities of Kuoni by any person or entity resident or incorporated in any such country or jurisdiction.

## Notice to U.S. Holders

The Offer described in this Offer Prospectus is being made for the registered shares of Kuoni Travel Holding Ltd, a Swiss company (the "**Company**") whose B shares are listed on the SIX Swiss Exchange, and is subject to Swiss disclosure and procedural requirements, which are different from those in the United States ("**U.S.**"). The Offer is being made in the U.S. pursuant to Section 14(e) of, and Regulation 14E under, the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), subject to the exemptions provided by Rule 14d-1(d) under the U.S. Exchange Act, and otherwise in accordance with the requirements of Swiss law. Accordingly, the Offer is subject to disclosure and other procedural requirements, including with respect to withdrawal rights, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and laws. U.S. holders of publicly held registered shares of the Company with a nominal value of CHF 1.00 each (each a "**Kuoni B Share**") are encouraged to consult with their own Swiss advisors regarding the Offer.

According to the laws of Switzerland, Kuoni B Shares tendered into the Offer may generally not be withdrawn after they are tendered except under certain circumstances, in particular in case a competing offer for the Kuoni B Shares is launched.

In accordance with the laws of Switzerland and subject to applicable regulatory requirements, Kiwi and its subsidiaries or their nominees or brokers (acting as agents for Kiwi) may from time to time after the date of the pre-announcement, and other than pursuant to the Offer, directly or indirectly purchase, or arrange to purchase, Kuoni B Shares. These purchases, or arrangements to purchase, may occur either in the open market at prevailing prices or in private transactions at negotiated prices and shall comply with applicable laws and regulations in Switzerland and applicable U.S. securities laws. Any such purchases will not be made at prices higher than the Offer Price or on terms more favorable than those offered

pursuant to the Offer unless the Offer Price is increased accordingly. Any information about such purchases or arrangements to purchase will be publicly disclosed in the U.S. on [www.eqt.se/other/eqtbid/eqt-bid](http://www.eqt.se/other/eqtbid/eqt-bid) to the extent that such information is made public in accordance with the applicable laws and regulations of Switzerland. In addition, the financial advisors to Kiwi and the Company may also engage in ordinary course trading activities in securities of the Company, which may include purchases or arrangements to purchase such securities.

It may be difficult for U.S. holders to enforce their rights and any claim arising out of U.S. securities laws, since each of Kiwi and the Company is located in a non-U.S. jurisdiction, and some or all of their officers and directors may be residents of a non-U.S. jurisdiction. U.S. holders may not be able to sue a non-U.S. company or its officers or directors in a U.S. or non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

The receipt of cash pursuant to the Offer by a U.S. holder of Kuoni B Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local laws, as well as foreign and other tax laws. Each shareholder of the Company is urged to consult his or her independent professional advisor immediately regarding the tax consequences of an acceptance of the Offer.

Neither the U.S. Securities and Exchange Commission nor any securities commission of any State of the U.S. has (a) approved or disapproved of the Offer; (b) passed upon the merits or fairness of the Offer; or (c) passed upon the adequacy or accuracy of the disclosure in the offer prospectus. Any representation to the contrary is a criminal offence in the U.S.

### **American Depositary Receipts**

Kiwi is aware that there is an "unsponsored" American Depositary Receipt Program concerning Kuoni B Shares. The Offer is not being made for American Depositary Receipts of Kuoni ("**ADRs**"). Holders of ADRs are encouraged to consult with the depositary regarding the tender of Kuoni B Shares. Kiwi is unaware of whether the depositary will make arrangements to tender the underlying Kuoni B Shares into the Offer on behalf of holders of ADRs.

Holders of ADRs who wish to participate in the Offer should present their ADRs to the depositary for cancellation and (upon compliance with the terms of the deposit agreements relating to the "unsponsored" American Depositary Receipt Program concerning Kuoni B Shares, including payment of the depositary's fees and any applicable transfer fees, taxes and governmental charges) delivery of Kuoni B Shares to them, in order to become shareholders of the Company. The Offer may then be accepted in accordance with its terms for the Kuoni B Shares delivered to holders of ADRs upon such cancellation. Holders of ADRs should be aware, however, that in order to tender in this manner, they may need to have an account in Switzerland into which the Kuoni B Shares can be delivered.

**United Kingdom**

The communication of this offer prospectus and any other offer documents relating to the Offer is directed only at persons in the U.K. who (i) have professional experience in matters relating to investments, (ii) are persons falling within article 49(2)(a) to (d) («high net worth companies, unincorporated associations, etc.») of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as «relevant persons»). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

**Australia, Canada and Japan**

The Offer described in this offer prospectus is not addressed to shareholders of the Company whose place of residence, seat or habitual abode is in Australia, Canada or Japan, and such shareholders may not accept the Offer.

## **Public Tender Offer of Kuoni ("Public Tender Offer" or "Offer")**

### **Background and Purpose of the Public Tender Offer**

Kiwi is a private limited liability company (*société à responsabilité limitée*) organized under the laws of Luxembourg, having its seat in Luxembourg, which has been established on 23 December 2015 in view of the Offering. Kiwi is an indirect 100% subsidiary of Kiwi Holding II S.A., 23, rue Aldringen, L-1118 Luxembourg, which in turn is controlled 100% by the funds EQT VII No. 1 LP and EQT VII No. 2 LP. Both funds are managed by their general partner EQT VII (General Partner) LP, which in turn is managed by the general partner EQT VII Limited and EQT Services (UK) Limited, both at 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland.

EQT is a global leading group of private equity funds with business operations in Europe, USA and China.

EQT is investing in attractive companies across the world with a mission to help them develop into great and sustainable companies. By providing access to ownership skills and operational expertise, EQT can help acquired companies grow and prosper.

During the investment period EQT focuses on promoting swift decisions as well as entrepreneurial thinking and motivating management to generate continuous growth and to launch new business initiatives. During ownership, EQT's portfolio companies have on average increased its number of employees by 11%, earnings by 8% and profit (EBITDA) by 11% annually.

Kuoni is a Swiss corporation (*Aktiengesellschaft*) with its registered seat in Zurich, Switzerland. The Kuoni B Shares have been traded on SIX Swiss Exchange Ltd ("**SIX**") (ticker symbol: KUNN) since 2 August 1996. Kuoni Group is a leading service provider for the global travel industry and governments and is organised in the following three divisions: (i) Global Travel Distribution ("**GTD**") being a leading global distributor of accommodations and other destination services in the business-to-business segment, (ii) Global Travel Services ("**GTS**") which coordinates destination services in the areas of accommodation, transportation, tours and activities and event management, and (iii) VFS Global ("**VFS**") being the world's leading visa services provider.

On 1 February 2016, Kiwi and Kuoni entered into a transaction agreement (the "**Transaction Agreement**") pursuant to which Kiwi agreed to submit, either directly or through a direct or indirect subsidiary, the Offer. In return, the board of directors of Kuoni agreed under the Transaction Agreement to recommend to Kuoni's shareholders to accept the Offer. By means of the Offer, Kiwi intends to obtain full control over Kuoni and its subsidiaries (see Section D.3 (*Agreements between Kiwi and Kuoni, its Corporate Bodies and Shareholders; Agreements between Kiwi*

and Kuoni)). Furthermore, after the Settlement of the Offer, Kiwi intends to delist the Kuoni B Shares.

On 1 February 2016, the Kuoni und Hugentobler – Stiftung, Buochserstrasse 2, 6370 Stans (the "**Foundation**") and Kiwi Holding II S.A., Kiwi's indirect shareholder, have signed a term sheet in relation to the Offer to be launched by Kiwi (the "**Term Sheet**"). Pursuant to the terms of the Term Sheet the Foundation and Kiwi Holding II S.A. and the companies under its control are acting in concert. According to the Term Sheet and a contribution agreement entered into between the Foundation and Kiwi Holding III S.A. the Foundation intends to contribute all registered shares in Kuoni with a nominal value of CHF 0.20 (the "**Kuoni A Shares**", together with the Kuoni B Shares, the "**Kuoni Shares**"), representing 25% of voting rights in Kuoni, to Kiwi Holding III S.A. In consideration, the Foundation receives new shares in Kiwi Holding III S.A. (see Section D.3 (*Agreements between Kiwi and Kuoni, its Corporate Bodies and Shareholders; Agreements between Kiwi and the Foundation*)).

If the Offer comes into effect, the Foundation will hold directly or indirectly 25% of the voting rights of Kiwi and, assuming that after the takeover Kiwi will hold 100% of all Kuoni B Shares, the capital participation of the Foundation will then, depending on the valuation of the Contribution Transaction (see Section B.5. (Conclusion of Term Sheet and Contribution of Kuoni A Shares)), amount to between 9% and 13% of the share capital.

## A. The Public Tender Offer

### 1. Pre-Announcement

A pre-announcement (the "**Pre-Announcement**") of the Public Tender Offer pursuant to this Offer Prospectus by Kiwi has been made in accordance with articles 8 et seq. of the Swiss Takeover Board's Ordinance on Tender Offers (*Verordnung der Übernahmekommission über öffentliche Kaufangebote*; the "**TOO**"). The Pre-Announcement was published on 2 February 2016 before the opening of trading at SIX (Zurich) on [www.eqt.se/other/eqtbid/eqt-bid](http://www.eqt.se/other/eqtbid/eqt-bid) and was disseminated in electronic form to the financial information service providers and the Swiss Takeover Board.

### 2. Object of the Offer

Subject to the Offer Restrictions, the Offer extends to all publicly held Kuoni B Shares. The Offer does not extend to (i) the Kuoni B Shares held by Kuoni or any of its subsidiaries as treasury shares, (ii) Kuoni A Shares, and (iii) American Depositary Receipts of Kuoni which are traded on certain U.S. OTC Markets.

Accordingly, the Offer relates to a maximum number of 3,675,825 Kuoni B Shares, calculated per 19 February 2016, as follows:

	Kuoni B Shares
Number of listed shares (according to the number of shares registered with the commercial register as of 19 February 2016)	3,748,500
- minus the own shares of Kuoni or any of its subsidiaries	-72,675
<b>Kuoni B Shares subject to the Offer</b>	<b>3,675,825</b>

Kuoni agreed with Kiwi that Kuoni will not, and that it will procure that its subsidiaries will not, sell, from the date of the Transaction Agreement (as described in Section D.3 (*Agreements between Kiwi and Kuoni, its Corporate Bodies and Shareholders; Agreements between Kiwi and Kuoni*)) until the date that is six months after the end of the Additional Acceptance Period (as defined in Section A.6 (*Additional Acceptance Period*)), any Kuoni B Shares.

### 3. Offer Price

The offer price for each Kuoni B Share (the "**Offer Price**") is CHF 370 net in cash, less the gross amount of any dilutive effects in respect of the Kuoni B Shares prior to the Settlement, including, but not limited to, dividend payments, capital repayments, capital increases at an issue price below the Offer Price, disposals of treasury shares below the Offer Price, the issuance of options or convertible securities

or other rights of any kind to acquire Kuoni B Shares or other equity securities of Kuoni, becoming effective prior to the Settlement.

The Offer Price represents a premium of 34.1% compared to the volume-weighted average price of all on-exchange transactions in Kuoni B Shares on SIX executed during the 60 trading days prior to the publication of the Pre-Announcement ("**VWAP**") (respectively the minimum price pursuant to art. 135 para. 2 of the Financial Market Infrastructure Act (*Bundesgesetz über die Finanzmarktinfrastrukturen und das Marktverhalten im Effekten- und Derivatehandel (Finanzmarktinfrastukturgesetz, FinfraG)*) ("**FMIA**") as well as a premium of 60.0% compared to the VWAP prior to the press release of Kuoni Group on 5 January 2016, according to which Kuoni confirmed to be in discussions with potential bidders.

The Kuoni B Share is considered to be a liquid security for the purposes of the application of the minimum price rules stipulated in stock exchange laws (i.e. *no* valuation of the Kuoni B Share by the review body is required).

The performance of the Kuoni B Shares on the SIX since 2012 is as follows (prices in CHF refer to the lowest and highest closing price):

<b>Kuoni B Share</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016**</b>
Low*	219.00	269.50	227.60	174.30	277.75
High*	339.50	406.75	418.75	349.75	365.00

\* Daily closing price in CHF

\*\* 1 January 2016 to 19 February 2016

Volume-weighted average price over the past 60 trading days prior to 2 February 2016 (day of the publication of the Public Tender Offer): CHF 275.86

Closing price on 1 February 2016 (last trading day prior to the publication of the Public Tender Offer): CHF 305.25

Source: Bloomberg, SIX

#### **4. Cooling-off Period**

If not extended by the Swiss Takeover Board, a cooling-off period of ten trading days (the "**Cooling-off Period**") will run from publication of the Offer Prospectus, i.e. it is expected to run from 1 March 2016 to 14 March 2016. The Offer may be accepted only after expiration of the Cooling-off Period.



## 5. Initial Acceptance Period

With the publication of this Offer Prospectus on 29 February 2016, the Offer will remain open for acceptance, after the expiration of the Cooling-off Period, for a period of 20 trading days. Consequently, the Offer is expected to be open for acceptance from 15 March 2016 to 13 April 2016, 4:00 p.m. CET ("**Initial Acceptance Period**").

Kiwi reserves the right to extend the Initial Acceptance Period once or several times. An extension of the Initial Acceptance Period beyond 40 trading days would require the prior consent of the Swiss Takeover Board.

## 6. Additional Acceptance Period

After the expiration of the (possibly extended) Initial Acceptance Period and if the Offer is declared successful (*zustande gekommen*), there will be an additional acceptance period of 10 trading days for the subsequent acceptance of the Offer. If the Cooling-off Period is not extended by the Swiss Takeover Board and if the Initial Acceptance Period is not extended, the additional acceptance period is expected to run from 20 April 2016 to 3 May 2016, 4:00 p.m. CET (the "**Additional Acceptance Period**").

## 7. Conditions

The Offer is subject to each of the following conditions (the "**Offer Conditions**"):

- (a) Until the expiration of the (possibly extended) Initial Acceptance Period, Kuoni B Shares which have been validly tendered to Kiwi, together with the Kuoni B Shares and the Kuoni A Shares which Kiwi, its direct or indirect subsidiaries and the Foundation may already hold at that time, represent at least 67% of all voting rights and at least more than 50% of the share capital of Kuoni outstanding at the expiration of the (possibly extended) Initial Acceptance Period.
- (b) To the extent required, the competent competition authorities have granted all approvals and/or clearances required for the takeover of Kuoni by Kiwi and all respective waiting periods have expired or been terminated, without imposing any conditions or undertakings on Kiwi or Kuoni or making those approvals and/or clearances subject to any conditions or undertakings that, individually or together with other circumstances or events, in the opinion of an independent audit firm or investment bank of international repute to be appointed by Kiwi, are reasonably likely to have any of the following effects (a "**Material Adverse Effect**") on Kuoni or Kiwi including their respective direct and indirect group companies (not taking into account any discontinued business):

- i) reduction of the annual consolidated earnings before interest and taxes (EBIT) of CHF 15 million – corresponding to 19% of the EBIT of the Kuoni Group in the financial year 2015 as per the results preview – or more; or
  - ii) reduction of the annual consolidated turnover of CHF 335 million – corresponding to approximately (but not less than) 10% of the consolidated turnover of the Kuoni Group in the financial year 2015 as per the results preview – or more; or
  - iii) reduction of the consolidated shareholders' equity of CHF 53 million – corresponding to approximately (but not less than) 10% of the consolidated shareholders' equity of the Kuoni Group in the financial year 2015 as per the results preview – or more.
- (c) From the date of the Pre-Announcement until the expiration of the (possibly extended) Initial Acceptance Period, no circumstances or events have occurred or become known that, individually or together with other circumstances or events, in the opinion of an independent audit firm or investment bank of international repute to be appointed by Kiwi, are reasonably likely to have any Material Adverse Effect. For purposes of this condition, Material Adverse Effect shall have the meaning given to it in condition b) above.
- (d) Heinz Karrer (president of the board of directors of Kuoni), Adrianus Nühn (vice-president of the board of directors of Kuoni), Jae Hyun Lee (member of the board of directors of Kuoni), David J. Schnell (member of the board of directors of Kuoni), John Lindquist (member of the board of directors of Kuoni), Annette Susanne Schömmel (member of the board of directors of Kuoni) and Selina Neri (member of the board of directors of Kuoni) shall have resigned from their functions on Kuoni's board of directors with effect no later than from the Settlement date and the extraordinary meeting of shareholders of Kuoni (the "**Shareholders' Meeting**") presumably to be held prior to the end of the Initial Acceptance Period has elected three members to Kuoni's board of directors designated by Kiwi.
- (e) The Shareholders' Meeting has validly resolved (i) to delete art. 3<sup>bis</sup> para. 3 and 6 of the articles of association of Kuoni (the "**Articles**"), (ii) to delete art. 5 para. 2, 3, 4 and 9 of the Articles, with the exception of the first sentence of the ninth paragraph thereof, (iii) to delete the words "*und der in Art. 5 Abs. 2 der Statuten festgelegten Prozentgrenze*" of art. 5 para. 8 of the Articles, (iv) to delete art. 16 no. 3 of the Articles, and (v) to abolish the 3% voting limitations set out in art. 13 of the Articles by deleting the second and third sentence of the first paragraph, the second paragraph and the second sentence in the fifth paragraph thereof, and those amendments to the Articles have been validly registered in the commercial register.

- (f) The board of directors of Kuoni has resolved, to enter the Offeror into the share register of Kuoni as shareholder with voting rights (in respect of all Kuoni B Shares that it has acquired or will acquire and in respect of all Kuoni A Shares) and Kiwi shall have been registered in the share register of Kuoni as shareholder with voting rights in respect of all Kuoni A Shares and Kuoni B Shares held.
- (g) The Shareholders' Meeting has not resolved or approved any dividend or capital reduction or any acquisition, de-merger or other disposal of assets, in each case with a value or for a consideration of CHF 164 million (corresponding to approximately (but not less than) 10% of the consolidated assets of the Kuoni Group as of 31 December 2015 as per the results preview) or more, or any merger or ordinary, authorised or conditional increase of the share capital of Kuoni.
- (h) With the exception of the obligations that have been made public prior to the date of this pre-announcement or that are related to the Offer, between 30 June 2015 and the transfer of control to Kiwi, Kuoni and its subsidiaries shall not have undertaken to acquire or sell any assets or incur or repay any indebtedness in the aggregate amount or value of CHF 164 million (corresponding to approximately (but not less than) 10% of the consolidated assets of the Kuoni Group as of 31 December 2015 as per the results preview) or more.
- (i) No judgment, order or other authoritative measure has been issued which prohibits or declares illegal the Offer or the consummation thereof.

Kiwi reserves the right to waive, in whole or in part, one or more of the Offer Conditions.

*Period for which the Offer Conditions are in force and in effect*

Conditions (a) and (c) shall be in force and in effect with respect to the period until the expiration of the (possibly extended) Initial Acceptance Period. Conditions (b), (e), (g), (h) and (i) shall be in force and effect with respect to the period until Settlement (condition (h), however, no longer than until the transfer of control to Kiwi or any of its subsidiaries, if earlier). Conditions (d) and (f) shall be in force and effect with respect to the period until the Settlement or, with respect to the resolutions of corporate bodies mentioned therein, if earlier, until the date when the respective corporate body of Kuoni has taken the required resolution.

If any of the conditions (a) and (c) or, if the respective corporate body of Kuoni resolves on the matters specified in conditions (d) and (f) prior to the expiration of the (possibly extended) Initial Acceptance Period, any of the conditions (d) and (f) (with respect to the resolutions of corporate bodies mentioned therein) have not been satisfied or waived by the end of the (possibly extended) Initial Acceptance Period, the Offer will be declared unsuccessful.

If any of the conditions (b), (e), (g), (h) or (i) or, if and to the extent still applicable (see preceding paragraphs), any of the conditions (e) or (f) have not been satisfied or waived by the Settlement, Kiwi shall be entitled to declare the Offer unsuccessful or to postpone the Settlement for a period of up to four months after the expiration of the Additional Acceptance Period (the "**Postponement**"). During the Postponement, the Offer shall continue to be subject to the conditions (b), (c), (g), (h) and (i) and, if and to the extent still applicable (see preceding paragraphs), the conditions (e) or (f), as long as, and to the extent, such conditions have not been satisfied or waived. Unless Kiwi applies for, and the Swiss Takeover Board approves, an additional postponement of the Settlement, Kiwi will declare the Offer unsuccessful if such conditions have not been satisfied or waived during the Postponement.

## **B. Information on Kiwi Holding IV S.à r.l. (Offeror)**

### **1. Name, Domicile, Share Capital, Shareholders and Business Activity**

Kiwi Holding IV S.à r.l. is a private limited liability company (*société à responsabilité limitée*) incorporated and existing under the laws of Luxembourg with its registered seat in Luxembourg, Grand Duchy of Luxembourg, and is registered with the Luxembourg Register of Commerce and Companies under the number B 203374. Kiwi was founded on 23 December 2015 and has a share capital of CHF 15,000. The duration of Kiwi is for an indefinite period of time.

Kiwi is a 100% subsidiary of Kiwi Holding III S.A., 23, rue Aldringen, L-1118 Luxembourg, Grand Duchy of Luxembourg, which is a 100% subsidiary of Kiwi Holding II S.A., 23, rue Aldringen, L-1118 Luxembourg, Grand Duchy of Luxembourg. This in turn is a 100% subsidiary of Kiwi Holding I S.A., 23, rue Aldringen, L-1118 Luxembourg, Grand Duchy of Luxembourg, which is 100% controlled by the English law governed funds EQT VII No. 1 LP and EQT VII No. 2 LP. Both funds are acting through their general partner EQT VII (General Partner) LP, 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland, which in turn is acting through its general partner EQT VII Limited and EQT Services (UK) Limited, both at 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ, Scotland.

The business operations of Kiwi comprise, amongst others, to acquire and hold direct and indirect participations of any kind.

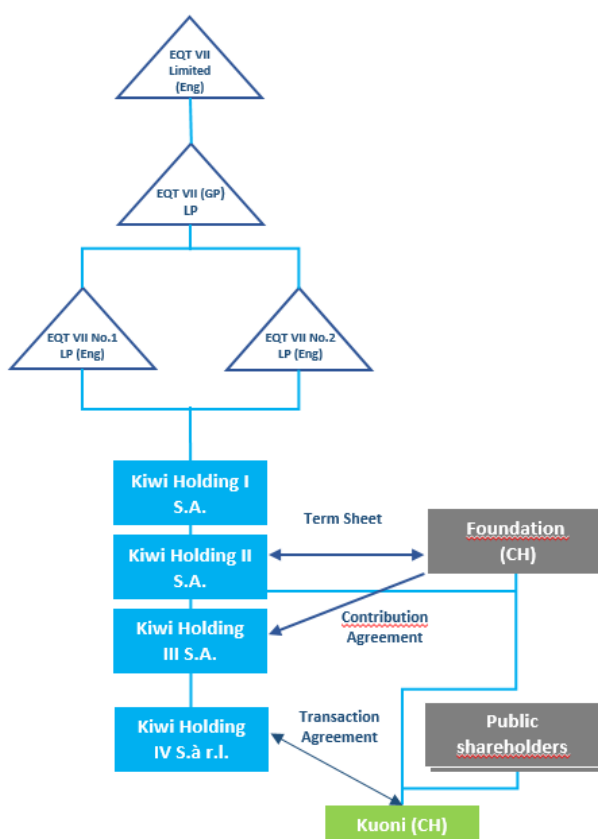
### **2. Persons acting in concert with Kiwi**

In connection with this Offer, all companies and persons (directly or indirectly) controlled by EQT Services (UK) Limited and EQT VII Limited are deemed to be acting in concert with Kiwi. This also applies to Kuoni and all companies (directly or indirectly) controlled by Kuoni for the time period after 1 February 2016, the date on which Kiwi and Kuoni have signed the Transaction Agreement described in Section D.3 (*Agreements between Kiwi and Kuoni, its Corporate Bodies and Shareholders; Agreements between Kiwi and Kuoni*). EQT VII Limited and EQT Services

(UK) Limited are wholly owned by EQT Holdings AB. No natural or legal person economically holds an interest equal to or in excess of 10% in EQT Holdings AB.

Finally, since 1 February 2016, the date on which the Foundation and Kiwi Holding II S.A., Kiwi's indirect shareholder, have signed the Term Sheet described in Section D.3 (*Agreements between Kiwi and Kuoni, its Corporate Bodies and Shareholders; Agreements between Kiwi and the Foundation*), the Foundation is deemed to be acting in concert with Kuoni and EQT VII Limited. On 5 February 2016, a respective disclosure notification of shareholdings has been duly reported to Kuoni and the disclosure office of SIX.

In view of the Offer, the following structure has been established and, essentially, the agreements mentioned therein have been entered into on 1 February 2016:



### 3. Annual Reports

Kiwi is a privately held limited liability company and does not publish annual reports. Kiwi's balance sheet amounts to CHF 15,000. Kiwi has equity capital of CHF 15,000. These numbers are based on the commercial register entry as of 29 January 2016.

#### **4. Purchases and Sales of Kuoni B Shares and Equity Derivates of Kuoni B Shares**

During the twelve months period preceding the date of the Pre-Announcement, Kiwi and the persons acting in concert with it (excluding Kuoni and its direct and indirect subsidiaries) did not purchase or sell any Kuoni B Shares. During the same period, Kiwi and the persons acting in concert with it (excluding Kuoni and its direct and indirect subsidiaries) did not purchase or sell any equity derivatives with respect to Kuoni B Shares. Following the date of the Pre-Announcement until 19 February 2016, Kiwi and the persons acting in concert with it (excluding Kuoni and its direct and indirect subsidiaries) did not sell any Kuoni B Shares and did not purchase or sell any equity derivatives with respect to Kuoni B Shares.

Since 1 February 2016, the date on which Kiwi Holding II S.A. and the Foundation entered into the contribution agreement described in Section D.3 (*Agreements between Kiwi and Kuoni, its Corporate Bodies and Shareholders; Agreements between Kiwi and the Foundation*), the group consisting of Kiwi and the persons acting in concert with it, holds indirectly Kuoni A Shares (see Section D.3 (*Agreements between Kiwi and Kuoni, its Corporate Bodies and Shareholders; Agreements between Kiwi and the Foundation*)).

According to Kuoni, since 1 February 2016, the date on which Kiwi and Kuoni entered into the Transaction Agreement described in Section D.3 (*Agreements between Kiwi and Kuoni, its Corporate Bodies and Shareholders; Agreements between Kiwi and Kuoni*) until 19 February 2016 neither Kuoni nor any of its direct and indirect subsidiaries have purchased or sold any Kuoni B Shares or equity derivatives with respect to Kuoni B Shares.

Since 1 February 2016, the date on which Kiwi Holding II S.A. and the Foundation entered into the Term Sheet in relation to the Offer to be launched by Kiwi described in Section D.3 (*Agreements between Kiwi and Kuoni, its Corporate Bodies and Shareholders; Agreements between Kiwi and the Foundation*) until 19 February 2016, the Foundation has not purchased or sold any Kuoni B Shares or equity derivatives with respect to Kuoni B Shares.

#### **5. Conclusion of Term Sheet and Contribution of Kuoni A Shares**

On 1 February 2016, Kiwi Holding II S.A. and the Foundation entered into a Term Sheet and agreed with Kiwi Holding III S.A. that the Foundation will contribute all its Kuoni A Shares to Kiwi Holding III S.A. against the issuance of new shares of Kiwi Holding III S.A. (the execution of the Term Sheet and such contribution of the Kuoni A Shares collectively the "**Contribution Transaction**"). The completion of such contribution takes place upon the Offer being declared successful (see Section D.3.2. *Agreements between Kiwi and the Foundation; Structuring: Indirect Acquisition of Kuoni A Shares*).

According to this Contribution Transaction, the parties agreed that the Kuoni A Shares shall be contributed at the following value: CHF 370 for five Kuoni A Shares (equivalent to the par value adjusted price for one Kuoni B Share respectively the Offer Price), taking into consideration any benefits rendered by the Foundation in favour of Kiwi II S.A. pursuant to the Term Sheet (on a net basis), if and to the extent such consideration is permitted by takeover law and will in any event not exceed 20% of the par value adjusted price for the Kuoni B Shares. According to the order of the Takeover Board dated 25 February 2016, this Contribution Transaction falls within the scope of the Best Price Rule pursuant to art. 10 TOO and the review body will be required to verify the value of the contribution in its interim report pursuant to art. 28 TOO (see Section G (Order of the Swiss Takeover Board)). At the date of this Offer Prospectus the value at which the Kuoni A Shares will be contributed has not yet been agreed.

## **6. Participations in Kuoni**

As of 19 February 2016, a total of 1,249,500 Kuoni A Shares and a total of 3,748,500 Kuoni B Shares were outstanding. The Kuoni B Shares are listed pursuant to the International Reporting Standard of SIX. As of 19 February 2016, the share capital of Kuoni (as registered with the commercial register as of 19 February 2016) amounts to CHF 3,998,400.00.

Kiwi and the persons acting in concert with Kiwi held as of 19 February 2016 a total of 72,675 Kuoni B Shares, corresponding to 1.82% of the share capital and 1.45% of the voting rights in Kuoni (calculated on the basis of the share capital registered with the commercial register as of 19 February 2016). Furthermore, as of 19 February 2016 Kiwi and the persons acting in concert with Kiwi held a total of 1,249,500 Kuoni A Shares, corresponding to 6.25% of the share capital and 25% of the voting rights of Kuoni (calculated on the basis of the share capital registered with the commercial register as of 19 February 2016).

Kiwi and the persons acting in concert with it held as of 19 February 2016 no equity derivatives with respect to Kuoni Shares.

## **C. Financing**

The Public Tender Offer will be financed through (a) own funds of EQT VII Limited and/or its subsidiaries (of up to an equivalent of CHF 930 million) and (b) loan facilities to be made available by the financing banks, of up to an equivalent of CHF 857 million.

## **D. Information on Kuoni (Target Company)**

### **1. Name, Domicile, Share Capital and Business Activity**

Kuoni is a stock corporation (*Aktiengesellschaft*) incorporated under the laws of Switzerland for an indefinite period with its domicile in Zurich, Switzerland. Kuoni

has as of 19 February 2016 a share capital of CHF 3,998,400, divided into 1,249,500 registered shares with a nominal value of CHF 0.20 each (the Kuoni A Shares) and 3,748,500 registered shares with a nominal value of CHF 1 each (the Kuoni B Shares).

The Kuoni B Shares are listed pursuant to the International Reporting Standard of SIX under Swiss Security Number 350485 (ISIN CH0003504856; Ticker Symbol: KUNN). All Kuoni A Shares are held by the Foundation.

The annual report of Kuoni for the business year ended 31 December 2014, the interim report for the first half-year ended 30 June 2015, the press release with key financial data for the third quarter 2015 ended 30 September 2015 and the results preview as of 29 February 2016, respectively, are available at <http://kuoni.com>. Kuoni published the financial statements for the business year 2014 on 17 March 2015, the key financial data for the third quarter 2015 on 5 November 2015 and the results preview on 29 February 2016.

## **2. Intentions of Kiwi with respect to Kuoni, its Board of Directors and its Management**

By the Offer, Kiwi intends, together with the Foundation, to obtain full (100%) control of Kuoni. The Offer will be launched only by Kiwi. No other parties are responsible for the payment of the Offer Price or other obligations in connection with this Offer.

Kiwi Holding II S.A. and the Foundation have determined, amongst other things, to further develop and safeguard the long-term future of the GTD business, GTS business and VFS business. It is contemplated to run the GTD, GTS and VFS business separately and to position each of them by means of investments and acquisitions as leading suppliers in the respective market. The restructuring of the GTS business shall continue, in addition further strategic options need to be evaluated (including carrying out further investments for the further development of the GTS).

Kiwi intends to replace the members of the board of directors of Kuoni as per the Settlement. Kuoni procured in the Transaction Agreement that all incumbent members of Kuoni's board of directors shall resign from their functions on the board of directors of Kuoni with effect from the Settlement Date and the shareholders' meeting of Kuoni shall have elected three members to Kuoni's board of directors designated by Kiwi.

In the event that Kiwi holds more than 98% of the voting rights in Kuoni after the Settlement, Kiwi intends to apply for the cancellation of the remaining Kuoni B Shares in accordance with article 137 FMIA.

In the event that Kiwi, as a consequence of the Offer, holds between 90% and 98% of the voting rights in Kiwi after the Settlement, Kiwi intends to merge Kuoni with



Kiwi resp. a Swiss company directly or indirectly controlled by Kiwi whereby the remaining public shareholders of Kuoni would be compensated (in cash) and not receive any shares in the surviving company. The Swiss tax consequences resulting from a squeeze-out merger with a cash-only consideration may be considerably worse for individuals who are resident in Switzerland for tax purposes and hold the Kuoni Shares as their private assets (*Privatvermögen*) and for foreign investors compared to the tax consequences of an acceptance of the Offer (see also Section I.7 (*Possible Tax Consequences*)).

After the Settlement of the Offer and irrespective of the acceptance level, Kiwi intends to de-list the Kuoni B Shares.

Kiwi intends to retain the current management team under the leadership of Group CEO Zubin Karkaria to manage the company.

### **3. Agreements between Kiwi and Kuoni, its Corporate Bodies and Shareholders**

#### **3.1 Agreements between Kiwi and Kuoni**

##### ***Confidentiality Agreement***

On 3 January 2016, EQT Partners AG, investment advisor to the EQT VII (General Partner) LP (see structure chart in Section B.2 (*Persons acting in concert with Kiwi*)) and Kuoni entered into a confidentiality agreement customary for this type of transaction, pursuant to which the parties essentially agreed to treat any non-public information which may be exchanged between them as confidential. In addition, the confidentiality agreement contains a timely limited standstill obligation of Kiwi.

##### ***Transaction Agreement***

On 1 February 2016, Kiwi and Kuoni entered into a transaction agreement (the "**Transaction Agreement**") with the following main terms:

- Kiwi agreed to procure that it shall make the Offer, and Kuoni and its board of directors agreed to recommend to its shareholders acceptance of the Offer, among other things, by way of its recommendation contained in the board report set forth in Section F (*Report of the Board of Directors of Kuoni pursuant to art. 132 FMIA*).
- Kuoni undertook not to solicit and, in principle, not to enter into negotiations on or support or recommend any third party offer or competing transaction, except for unsolicited third party offers that may result in an offer superior to this Offer. Kuoni also agreed to provide Kiwi certain information with respect to unsolicited third party proposals, that may reasonably likely result in an offer superior to this Offer, and to allow Kiwi to amend this Offer and to match

the conditions in case of a third party offer that is superior to this Offer. Furthermore, Kuoni agreed to provide Kiwi with information disclosed to any third party on terms not less favorable than those applied to the relevant third party.

- Kuoni agreed to provide Kiwi and/or its representatives and advisors with certain information and data with respect to Kuoni and grant access to the management and advisors as well as service providers of Kuoni as reasonably requested to (i) prepare any regulatory filings, (ii) procure or verify the satisfaction of the conditions to this Offer and (iii) prepare the implementation and settlement of the Offer (including, but not limited, to secure the syndication of the financing).
- Kuoni agreed to operate its business as a *going concern*, in the ordinary course of business and consistent with past prior practice and to execute or enter into certain transactions only with the consent of Kiwi, to the extent permissible under applicable laws and regulatory requirements. Among other things, Kuoni agreed not to issue or create any obligations to issue any shares, options, conversion rights or other securities and not to increase or otherwise change the share capital or the capital structure. Also, Kuoni agreed not to offer, sell or otherwise dispose of Kuoni B Shares held as treasury shares.
- The parties agreed that all members of the board of directors of Kuoni shall resign from their functions on the board of directors of Kuoni with effect from Settlement.
- Kuoni undertook to register Kiwi and/or any of its subsidiaries as shareholder(s) with voting rights in Kuoni's share register with respect to all Kuoni Shares that Kiwi and/or any of its subsidiaries have acquired or may acquire outside and/or as a result of the Offer.
- Kuoni undertook to publish, on or around 15 March 2016, the invitation for an extraordinary shareholders' meeting expected to be held on 5 April 2016. Such shareholders' meeting shall be presented with the agenda items necessary for the satisfaction of conditions d) (election of members to Kuoni's board of directors designated by Kiwi) and condition e) (deletion of the provisions restricting the transferability of the Kuoni Shares with voting rights and the provisions regarding voting restriction).
- Kiwi agreed, provided for the Offer being successful, to refrain from making and enforcing any claim against, waive any claim against, and release and discharge from any claim, and to procure that Kuoni and its subsidiaries refrain from making and enforcing any claim against, waive any claim against, and release and discharge from any claim, each director of Kuoni and each member of the executive management of Kuoni Group (*Konzernleitung*), for all damages that Kuoni or any of its subsidiaries has or may have based on directors' or officers' liability arising out of any matter, cause or event occurring on or before the date of the Transaction Agreement, except in connection with any

willful or grossly negligent acts or omissions of a directors or member of the executive management, as the case may be.

### **3.2 Agreements between Kiwi and the Foundation**

On 1 February 2016, Kiwi Holding II S.A. and the Foundation entered into a term sheet in relation to the Offer to be launched by Kiwi (the "**Term Sheet**"), according to which in essence the following has been agreed (all subject to, and only to the extent permissible according to, takeover law; see Section G (Order of Swiss Take-over Board)):

#### ***Structuring: Indirect Acquisition of Kuoni A Shares***

Pursuant to the Term Sheet entered into between Kiwi Holding II S.A. and the Foundation and the contribution agreement entered into between the Foundation and Kiwi Holding III S.A., which was executed simultaneously with the Term Sheet on 1 February 2016, the Foundation agreed to contribute all Kuoni A Shares held by it to Kiwi Holding III S.A. against the issuance of new shares of Kiwi Holding III S.A. The contribution of Kuoni A Shares by the Foundation is conditional and shall only be consummated upon the Offer being declared successful by Kiwi. The completion of the contribution agreement and the contribution of the Kuoni A Shares, respectively, has been ensured by means of an escrow agreement (see with respect to the valuation of the Contribution Transaction Section B.5 (Conclusion of Term Sheet and Contribution of Kuoni A Shares)).

The exact participation in the share capital of the Foundation in Kiwi Holding III S.A. will only be determined on the date of the contribution of the Kuoni A Shares and may be adjusted later on depending on the acceptance ratio, transaction costs and a subsequent squeeze-out, provided, however, that the Foundation will in any event receive 25% of the voting rights in Kiwi Holding III S.A. irrespective of its participation in the share capital. Depending on the outcome of the transaction and the valuation of the Contribution Transaction (see Section B.5 (Conclusion of the Term Sheet and Contribution of Kuoni A Shares)) the Foundation will hold between 9% and 13% of the share capital of Kiwi Holding III S.A.

#### ***Governance***

- The Foundation gets certain contractually agreed minority rights (incl. information rights). Such rights allow the Foundation to bring in its interests in Kiwi Holding III S.A. and its subsidiaries (incl. Kuoni). The Foundation was granted with selected veto rights at the level of the shareholders' meeting and the board of directors of Kiwi Holding III S.A. and its subsidiaries (incl. Kuoni). In particular, such veto rights are granted with respect to the following matters: (i) acquisitions and disposals of participation in other companies for a value exceeding CHF 100 million, (ii) investments exceeding an amount of CHF 100 million, (iii) any repurchases of Kiwi Shares, (iv) any transaction between Kiwi

and Kiwi Holding II S.A. and/or the Foundation or a related party which exceeds CHF 50 million or which it not made at arm's length terms, (v) any sale, transfer or lease of assets of Kiwi or its material subsidiaries, in each case exceeding CHF 50 million, (vi) dissolution or liquidation of material subsidiaries, (vii) any sale, licensing or other arrangement with third parties or Kiwi Holding III S.A.'s related parties regarding the "Kuoni" trademark, and (viii) certain amendments of the articles of association (in particular change of purpose or moving the registered office outside of Switzerland). Furthermore, the Foundation was granted representation rights in each of the board of directors of Kiwi Holding III S.A., Kiwi and Kuoni, which are deemed appropriate in view of its voting rights.

- Furthermore, the Foundation is protected to a certain extent from economic dilution and dilution of voting rights; such limit of the respective dilution is at a level of 6.25%. Furthermore, the Term Sheet defines the order of the sources to finance investments and acquisitions: Investments and acquisitions shall first be financed by using the company's liquidity, thereafter through debt financing and finally by equity financing.

### ***Exit-Regulation***

- The parties have agreed that during the first five years after the closing of the transaction no Kuoni Shares shall be, directly or indirectly, transferred (so-called *Blocked Period*).
- Furthermore, the parties have defined exit options (IPO or trade sale) permitted from year 5 until year 12 after completion of the Offer (minimum duration of the Term Sheet without an exit transaction), whereby a re-IPO of each of the GTD and VFS business is the preferred route of exit. For the first time an exit is possible after 7 years unless the parties mutually agree on an earlier exit. Furthermore, the parties have determined the rights and obligations applicable in case of specific exit transactions. Accordingly, in the event of an IPO or a trade sale the Foundation is entitled, *inter alia*, to concentrate its equity interest on a business division (i.e. GTD or VFS) (so-called *concentration option*), so that the Foundation may concentrate its equity interest in connection with a re-IPO on the business for which the re-IPO is contemplated to be conducted. This concentration option allows the Foundation to hold a significant part of the capital and voting rights in the respective business.
- Pursuant to the Term Sheet the Foundation has granted to Kiwi Holding II S.A. an option to accelerate its exit rights by up to two years against payment of an option premium and to conduct the preferred exit transaction already prior to 7 years (but not prior to 5 years) upon completion of the Offer (so-called *acceleration option*).
- Finally, the parties have agreed on mutual rights and obligations in connection with an exit customary for this type of transaction, including a right of first

refusal as well as tag along and drag along rights, ensuring in each case that the Foundation is entitled to remain invested in at least one business division.

### **Further agreements**

- Furthermore, the Foundation has granted to Kiwi Holding II S.A. (as far as permitted under takeover law; see Section G (Order of the Swiss Takeover Board)) a limited exclusivity. Pursuant to such exclusivity arrangement the Foundation is only entitled to agree to a competing offer if such offer for the Kuoni B Shares provides for a tender offer price exceeding a relative threshold which is significantly higher than the last Offer Price offered by Kiwi.
- In order to enable the Foundation to pursue its purpose, the parties have agreed that the Foundation shall be entitled to receive an annual cash payment of CHF 2 million for at least 5 years after Settlement.
- In the Term Sheet the parties have agreed upon a maximum leverage ratio (ratio of net debt/EBITDA).

### **3.3 No other Agreements**

Except for the agreements summarized above, no agreements in relation to the Offer exist between Kiwi and its subsidiaries on the one hand, and Kuoni, its subsidiaries and their directors, officers and shareholders on the other hand.

## **4. Confidential Information**

Kiwi confirms in the sense of art. 23 para 2 TOO that neither itself nor any person acting in concert with Kiwi has received, directly or indirectly, from Kuoni and its subsidiaries, except as publicly disclosed in this Offer Prospectus, the report of the board of directors of Kuoni or otherwise, any confidential information regarding Kuoni which could significantly influence the decision of the recipients of the Offer.

## **E. Report of the review body according to art. 128 FMIA**

As a review body recognized according to the FMIA to review public takeover offers, we have reviewed the offer prospectus of Kiwi IV Holding S.à r.l. ("**Offeror**"). The report of the board of directors of the target company was not subject to our review.

The preparation of the offer prospectus is in the responsibility of the Offeror. Our responsibility is to express an opinion on the offer prospectus based on our review. We confirm that we comply with the independence requirements provided by takeover law.

Our review was conducted in accordance with the standards promulgated by the Swiss profession, which require that a review according to article 128 FMIA be

planned and performed to verify the formal completeness of the offer prospectus according to the FMIA and its ordinances and to obtain reasonable assurance about whether the offer prospectus is free from material misstatement in consequence of violation or errors. It has to be noted that ciphers 4 to 7 below cannot be reviewed with the same assurance as ciphers 1 to 3. We have examined the information in the offer prospectus by means of analyses and ascertainment on a test basis. Furthermore, we have verified the compliance with the FMIA and its ordinances. We believe that our review provides a reasonable basis for our opinion.

In our opinion

1. the Offeror has taken the necessary measures in order that the required funds will be available on the closing date;
2. the provisions governing obligatory offers, in particular those governing the minimum price, have been observed;
3. the Best Price Rule has been observed until 25 February 2016.

Moreover, we have not encountered any facts from which we had to infer that:

4. the recipients of the Offer are not treated equally;
5. the offer prospectus is not complete and accurate according to the provisions of the FMIA and its ordinances;
6. the offer prospectus is not in accordance with the FMIA and its ordinances;
7. the provisions regarding the effects of the pre-announcement have not been observed.

This report is neither a recommendation to accept or to reject the offer nor is it a confirmation (fairness opinion) with regard to the financial adequacy of the offer price.

## **F. Report of the Board of Directors of Kuoni pursuant to art. 132 FMIA**

The board of directors of Kuoni Travel Holding Ltd (**Kuoni**, the **Kuoni Group** or the **Company**) comments on the public tender offer (the **Offer**) of Kiwi Holding IV S.à r.l. (the **Offeror**), which is controlled by EQT, for all publicly-held registered shares with a nominal value of CHF 1.00 each of Kuoni (the **Kuoni B Shares**) as follows:

### **1. Background**

On January 14, 2015, Kuoni informed its shareholders and the public about the new strategic direction of Kuoni as a service provider for the global travel industry.

The board of directors and the management came to the conclusion that Kuoni was no longer the best owner of all then existing business divisions in a business environment characterized by scale advantages, digital applications and highly differentiated product offerings.

The board of directors of Kuoni Group sold the tour operating business in Europe, Hong Kong and India in three stages over the past year. Since then, the core activities of Kuoni Group are divided into the three remaining business units Global Travel Distribution (**GTD**) (distribution of accommodations and travel services in the B2B-segment), Global Travel Services (**GTS**) (supply of destination services in the group travel market) and VFS Global, the industry pioneer and world's leading visa service provider.

In fall 2015, after the sale of the traditional tour operating business, which was completed faster than anticipated, the board of directors of Kuoni Group has intensively dealt with the future of the Kuoni Group, which is now focused on services for the global travel industry and governments. On November 5, 2015, Kuoni Group announced that the board of directors has resolved to accelerate the implementation of its new strategic direction.

Against this background, the board of directors of Kuoni Group has examined various strategic options and alternatives and expedited the corresponding projects. The board of directors was assisted in this process by Credit Suisse and Morgan Stanley as financial advisors. At the center of attention were several strategic co-operations, but also the sale of individual business units and finally the sale of the whole business.

In December 2015 and January 2016, a limited competitive auction process was conducted, at which not only parties which had expressed an interest in a transaction involving Kuoni and/or GTD were invited by the financial advisors, but also selected other parties who approached Kuoni following the leak statement on 5 January 2016 were allowed to participate and participated. On January 25 and January 26, 2016, several bidders submitted a binding purchase offer for the Kuoni Group. In this process, the EQT offer proved to be the most attractive offer in every respect.

## **2. Recommendation**

The board of directors of Kuoni has closely reviewed the Offer. Against the background described in section 1 and the results of the fairness opinion of N+1 Swiss Capital AG, Zurich (**N+1 Swiss Capital**) (cf. section 3a) hereafter), the board of directors of the Company has unanimously resolved to recommend to the shareholders of Kuoni to accept the Offer.

## **3. Explanation**

### **a) Offer Price**

The offer price offered by the Offeror under the Offer amounts to CHF 370 in cash per Kuoni B Share. This represents a premium of 34.1% compared to the volume-weighted average price of the Kuoni B Shares of the last 60 trading days (**VWAP**) prior to the publication of the pre-announcement on February 2, 2016 as well as a premium of 60.0% compared to the VWAP prior to the press release of Kuoni Group of January 5, 2016, in which Kuoni confirmed to be in discussions with potential buyers.

The board of directors has mandated N+1 Swiss Capital with the preparation of a Fairness Opinion to assess the adequacy of the offer price. In summary, N+1 Swiss Capital valued the three divisions GTD, GTS and VFS Global separately by means of a discounted cash flow analysis (**DCF Analysis**) and, after deducting the value of the group costs, added up the results. As a plausibility check of the results of the DCF Analysis, further valuation methods (analysis of comparable companies and transactions) and the analysis of the performance of the share price and analyst ratings were used. The various valuation methods have revealed the following value ranges per Kuoni B Share:

- CHF 296 to 347 by applying the DCF Analysis;
- CHF 271 to 338 by applying the analysis of comparable companies;
- CHF 254 to 317 by applying the analysis of comparable transactions;

CHF 250 to 315 pursuant to analysts' ratings (on a stand-alone basis without possible takeover premia); and

CHF 265 to 286 by applying the analysis of the Swiss takeover premia applied to the VWAP on December 13, 2015, the day before takeover speculations arose in the media.

Pursuant to the result of the Fairness Opinion of February 17, 2016, the offer price of CHF 370 in cash per Kuoni B Share is, from a financial point of view, fair and adequate. The Fairness Opinion can be ordered free of charge in German, French and English at Kuoni, Investor Relations, Neue Hard 7, Postfach, CH-8010 Zurich (<[investor.relations@kuoni.com](mailto:investor.relations@kuoni.com)>) and is available under <<http://www.kuoni.com/investor-relations>>.

Based on these considerations and the result of the Fairness Opinion, the board of directors considers the price offered by the Offeror to be favourable for the public shareholders. The offer price of CHF 370 per Kuoni B Share clearly exceeds the value ranges which result from the DCF Analysis and the other valuation methods. This offer price thus justifies the recommendation in section 2 of this report.

b) Kuoni and Hugentobler - Foundation



The board of directors welcomes the decision of the Kuoni and Hugentobler - Foundation (the **Foundation**) as former anchor shareholder of Kuoni, to remain invested in the Company alongside with EQT. The board of directors took note that EQT and the Foundation entered into an agreement, pursuant to which the Foundation will continue to be actively invested in Kuoni. This agreement provides for the joint governance of the Kuoni Group through EQT and the Foundation, the cornerstones of the future development of the Kuoni Group and the continued investment of the Foundation in Kuoni (cf. section D.3.2 of the offer prospectus). As no tender offer is made for the Kuoni A Shares, which are held by the Foundation, this report does not comment on the impact of the transaction on the Kuoni A Shares.

#### c) Continuation of the Business

The board of directors of the Company is convinced that the takeover of Kuoni Group by EQT will bring advantages for the business partners and the employees. The transaction enables Kuoni Group to further develop its positioning as a focused and global travel service provider. This is to be achieved by investments in technology, in the expanded service portfolio and by the acquisition of other companies. EQT has expressed the intention to develop each of the three business units GTD, GTS and VFS Global independently in order to unfold their full potential.

Having EQT as a new, financially strong owner and the Foundation as an ongoing, active shareholder enables the Kuoni Group to achieve accelerated growth and to further strengthen its leading market position. Accordingly, EQT and the Foundation will strengthen and expand the global business activities of Kuoni as long-term investors.

#### d) Management

The decision of EQT to retain the management under the leadership of Group CEO Zubin Karkaria was also decisive for the election of EQT as new owner. This is key in order to retain important know-how and continuity within the Company. The operative measures announced in November 2015 will be implemented under the leadership of the existing management.

### 4. Contractual Relationships with the Offeror

With regard to the Offer, Kuoni and the Offeror have entered into a transaction agreement on February 1, 2016. In essence, the transaction agreement governs the conditions of the Offer and the respective rights and duties of Kuoni and the Offeror in relation to the Offer. In particular, the transaction agreement governs the price to be offered for the Kuoni B Shares by the Offeror. In return, Kuoni commits itself to support the Offer and to recommend to its shareholders to accept the Offer, as long as no superior offer is submitted that is considered to be more advantageous to the shareholders of Kuoni than the Offer by the board of directors

of Kuoni after careful consideration and based on the advice of the external financial and legal advisors and after consultation with the Offeror in good faith taking into account financial regulatory, legal, operational and other aspects.

In case the Offer is successful and after a respective modification of the articles of incorporation, Kuoni further committed to register the Offeror for all acquired shares in the share register of Kuoni with voting rights.

Further, it is envisaged that all incumbent members of the board of directors will resign from the board of directors of Kuoni at the latest as per the settlement date of the Offer. In return, three members nominated by the Offeror shall be elected to the board of directors of Kuoni as of the settlement of the Offer. A more detailed overview on the main terms of the transaction agreement can be found in section D.3.1 of the offer prospectus.

## **5. Potential Conflicts of Interest of the Members of the Board of Directors and the Executive Board**

### **a) Members of the Board of Directors**

The board of directors of Kuoni is composed of the following members:

- Heinz Karrer, Chairman;
- Adrianus (Adriaan) Nühn, Vice-Chairman;
- Jae Hyun (Jay) Lee;
- John Lindquist;
- David Schnell;
- Annette Schömmel; and
- Selina Neri.

The board of directors has committed itself in the transaction agreement to support and recommend to accept the Offer. Subject to the conditions of the transaction agreement, the board of directors will propose to an extraordinary shareholders' meeting of Kuoni the election of three new members nominated by the Offeror to the board of directors (cf. section D.3.1 of the offer prospectus).

In case the Offer is successful, all members of the board of directors have declared to resign from the board of directors of Kuoni as per the settlement date of the Offer.

David Schnell is member of the council of the Foundation, but has abstained from the meetings since fall 2015. In contrast, Mr. Schnell participated in the decisions of the board of directors of Kuoni Group.

No member of the board of directors has entered into an agreement with the Offeror or a person acting in concert with the Offeror (except for Kuoni and its subsidiaries). No member of the board of directors is in a special relationship with the Offeror or a person acting in concert with the Offeror (except for Kuoni and its subsidiaries). No member of the board of directors was elected upon proposal of the Offeror or a person acting in concert with the Offeror (except for Kuoni and its subsidiaries). No member of the board of directors will be re-elected by the Offeror or a person acting in concert with the Offeror (except for Kuoni and its subsidiaries). Finally, no member of the board of directors exercises its mandate pursuant to the instructions of the Offeror or a person acting in concert with the Offeror. Moreover, the members of the board of directors are neither organs or employees of the Offeror or a person acting in concert with the Offeror (except for Kuoni and its subsidiaries) nor do they act as organs or employees of a company which has significant business relationships with the Offeror (or a person acting in concert with the Offeror, except for Kuoni and its subsidiaries).

With the exception of David Schnell, no member of the board of directors is in a conflict of interests in relation to the Offer.

#### b) Members of the Executive Board

The executive board of the Company is composed of the following members:

- Zubin Karkaria, Chief Executive Officer of Kuoni Group and Chief Executive Officer of VFS Global;
- Thomas Peyer, Chief Financial Officer;
- Ivan Walter, Chief Executive Officer of GTD; and
- Rolf Schafroth, Chief Executive Officer of GTS.

The employment relationship with Thomas Peyer has been terminated as of August 31, 2016. He will be replaced as Chief Financial Officer by Prisca Havranek-Kosicek as of March 1, 2016.

No member of the executive board is in a conflict of interests in relation to the Offer.

In particular, the members of the executive board have not entered into an agreement with the Offeror or any person acting in concert with the Offeror (except for Kuoni and its subsidiaries) and none of them exercises executive functions nor are

they employees of the Offeror or any person acting in concert with the Offeror (except for Kuoni and its subsidiaries).

c) Financial Consequences of the Offer

(1) Board of Directors

Based on the regulation "Compensation Elements of the Board of Directors" of August 20, 2014, restricted shares were allocated to the members of the board of directors. The restricted shares are subject to a blocking period of three years.

According to the mentioned regulation, the blocking periods will be lifted with effect of the first day of the additional acceptance period of the Offer.

At the time of the publication of this report, the following members of the board of directors hold the following number of restricted and non-restricted shares, respectively:

<b>Name</b>	<b>Number of non-restricted shares</b>	<b>Number of re-restricted shares</b>
<b>Heinz Karrer</b>	1,514	1,835
<b>Adrianus (Adrian) Nühn</b>	227	837
<b>Jae Hyun (Jay) Lee</b>	227	694
<b>John Lindquist</b>	586	694
<b>David Schnell</b>	2,055	1,155
<b>Annette Schömmel</b>	953	694
<b>Selina Neri</b>	0	242

No member of the board of directors has a loan or a credit granted by the Company outstanding.

(2) Executive Board

Based on the Performance Share Plans and the Restricted Share Plans, claims for the allocation of Kuoni B Shares (**Kuoni Share Units**) were allocated to the members of the executive board of Kuoni. The Kuoni Share Units are subject to a vesting period of three years in case of the Performance Share Plans and a staggered lifting of the vesting period in case of the Restricted Share Plans (1/3 each year).

According to the relevant regulations, the vesting periods of the Kuoni Share Units will be lifted with effect as of the first day of the additional acceptance period of the Offer and a number of Kuoni B Shares equivalent to the number of Kuoni Share Units will be transferred to the entitled persons. The Company will use treasury shares for the settlement of the respective obligations.

At the time of the publication of this report, the following members of the executive board hold the following number of non-restricted shares and restricted Kuoni Share Units, respectively:

<b>Name</b>	<b>Number of non-restricted shares</b>	<b>Number of restricted Kuoni Share Units – Performance Share Plans</b>	<b>Number of restricted Kuoni Share Units – Restricted Share Plans</b>
<b>Zubin Karkaria</b>	2,655	2,927	956
<b>Thomas Peyer</b>	1,000	1,958	1,086
<b>Prisca Havranek-Kosicek</b>	0	0	0
<b>Ivan Walter</b>	800	2,086	1,142
<b>Rolf Schafroth</b>	3,308	3,364	1,460

No member of the executive board has a loan or a credit granted by the Company outstanding.

The Offeror has not entered into separate compensation agreements with the individual members of the executive board.

d) Measures

Although the members of the board of directors and the executive board of the Company do not have any apparent conflict of interest, the Company has obtained

a fairness opinion of N+1 Swiss Capital. This opinion is described in more detail in section 3a) of this report.

## 6. Intentions of Qualified Shareholders

To the knowledge of the board of directors, the following shareholders hold, on the date of this report, a participation of 3% or more of the share capital of the Company:

Name	Number and type of shares	Stake in percent
<b>Group, consisting of:</b> — <b>EQT VII Limited, acting as General Partner of EQT VII (GP) LP</b>  — <b>Kuoni and Hugentobler - Foundation</b>  — <b>Kuoni Travel Holding Ltd</b>	1,249,500 non-listed registered shares of the Company with a nominal value of CHF 0.20 each ( <b>Kuoni A Shares</b> )  72,675 Kuoni B Shares	8.07% (25% of the voting rights)
<b>Silchester International Investors LLP</b>	702,719 Kuoni B Shares	17.58%
<b>Go Investment Partners LLP</b>	211,966 Kuoni B Shares	5.30%
<b>Schroders plc</b>	156,862 Kuoni B Shares	3.92%
<b>Veraison SICAV</b>	152,138 Kuoni B Shares	3.80%
<b>Classic Fund Management AG</b>	146,439 Kuoni B Shares	3.66%
<b>Invesco Limited</b>	136,491 Kuoni B Shares	3.41%

Except for the Foundation, all aforementioned shareholders are, due to the transfer and voting rights restrictions as provided for in the articles of incorporation, only registered with 3% of the voting rights in the share register of Kuoni.

As the Offer only extends to Kuoni B Shares and not to Kuoni A Shares, which are all held by the Foundation, the Foundation will not tender the Kuoni A Shares under the Offer. The Foundation will continue to be actively invested in Kuoni. The board of directors of Kuoni Group has taken note that EQT and the Foundation entered into a respective agreement on February 1, 2016. This agreement provides for the joint governance of the Kuoni Group through EQT and the Foundation, the cornerstones of the future development of the Kuoni Group and the continued investment of the Foundation in Kuoni. The key terms of this agreement are described in the offer prospectus (cf. section D.3.2).

Except for the Foundation, the board of directors does not know the intentions of the aforementioned shareholders in respect to the Offer.

## **7. Defence Measures**

The board of directors has not taken any defence measures against the Offer and has no intention of taking any defence measures in the future or proposing to an extraordinary shareholders' meeting to take any such measures.

## **8. Financial Reporting**

The unaudited nine-month report as per September 30, 2015 can be reviewed and ordered on the website of Kuoni Group ([http://www.kuoni.com/docs/kuoni\\_q3\\_2015\\_de\\_web\\_1.pdf](http://www.kuoni.com/docs/kuoni_q3_2015_de_web_1.pdf)). The consolidated and audited annual financial statements of the Kuoni Group as per December 31, 2015 can be reviewed and ordered as of March 15, 2016 (presentation of annual results for the financial year 2015) on the website of Kuoni Group (<http://kuoni.com/investor-realtions/current-financial-information1>).

The fairness opinion, which is described in more detail in section 3a) of this report, contains preliminary, unaudited annual numbers of the Company for the financial year 2015, which are disclosed by the Company together with the offer prospectus. The respective press release can be retrieved online (<http://kuoni.com/investor-realtions>).

To the knowledge of the board of directors, there have not been any substantial changes in the assets, financial position and profits or in the business perspectives of the Company since September 30, 2015.

Zurich, February 24, 2016

The board of directors of Kuoni Travel Holding Ltd

## **G. Order of the Swiss Takeover Board**

On 25 February 2016, the Swiss Takeover Board has issued the following order (*Verfügung*):

1. The public purchase offer by Kiwi Holding IV S.à r.l. to the shareholders of Kuoni Reisen Holding AG is in accordance with the legal provisions regarding public tender offers.
2. It is determined that the contribution of 1'249'500 registered shares of Kuoni Reisen Holding AG with a nominal value of CHF 0.20 each (Kuoni A Shares) by the Kuoni und Hugentobler-Stiftung to Kiwi Holding III S.A. is subject to the Best Price Rule.
3. It is determined that the limited exclusivity provided for in the Term Sheet dated 1 February 2016 between Kuoni und Hugentobler-Stiftung and Kiwi Holding II S.A. is not permissible according to takeover law.
4. The review body is assigned to confirm, at the relevant time, the compliance with the Best Price Rule. The review body is required to examine whether further monetary benefits (in particular but not only those under the Term Sheet) are exchanged between the offeror (and the persons acting in concert with it) and the Kuoni und Hugentobler-Stiftung in addition to the purchase price paid for the contributed Kuoni A Shares pursuant to disp. item 2, and to calculate the consequential benefits. The review body is required to take into consideration that the benefits
  - *"EQT obtains a significant position as shareholder of the target company",*
  - *"Restricted exclusivity agreement",*
  - *"Regulations to EXIT respectively Drag Along Right",*
 may not be considered in connection with the assessment regarding compliance with the Best Price Rule respectively may not be considered as a benefit granted by the Kuoni und Hugentobler-Stiftung. Should the benefits granted by the offeror (and the persons acting in concert with it) show a net surplus, the review body shall state by how much the offer price for the Kuoni B Shares is to be increased.
5. Proposition item 3 is rejected.
6. This decree will be published on the website of the Takeover Board on the day of the publication of the offer prospectus.
7. The fee to be borne by Kiwi Holding IV S.à r.l. amounts to CHF 250'000.



The chairman

Thomas A. Müller

## **H. Rights of Shareholders of Kuoni**

### **1. Request for Party Status (art. 57 TOO)**

A shareholder providing evidence of holding at least 3% of the voting rights of Kuoni, whether exercisable or not, at the date of publication of the Pre-Announcement on 2 February 2016 (each, a "**Qualified Shareholder**" in the sense of art. 56 TOO), will be granted party status if he files a respective request with the Swiss Takeover Board. The request of a Qualified Shareholder must be received by the Swiss Takeover Board (Selnaustrasse 30, Postfach 1758, CH-8021 Zurich; telefax: +41 (0)58 499 22 91) within five trading days from the date of publication of the Offer Prospectus. The first trading day after the publication of the Offer Prospectus will be the first day of the filing period. Concurrently with the request, the applicant has to furnish proof of his or her participation. The Swiss Takeover Board may request proof that the shareholder continues to hold at least 3% of the voting rights of Kuoni, whether exercisable or not, at any time. The party status will be upheld in relation to any further rulings issued by the Swiss Takeover Board in connection with the Offer, if the Qualified Shareholder continues to hold a qualified participation in Kuoni.

### **2. Objection (art. 58 TOO)**

A Qualified Shareholder (in accordance with art. 56 TOO) who has not participated in the proceedings up to this point may file an objection against the order taken by the Swiss Takeover Board in respect of the Offer. The objection must be filed with the Swiss Takeover Board (Selnaustrasse 30, Postfach 1758, CH-8021 Zurich; telefax: +41 (0)58 499 22 91) within five trading days after publication of the Swiss Takeover Board's ruling. The first trading day after the publication of the Swiss Takeover Board's ruling will be the first day of the filing period. The objection must contain a formal request, a summary of the legal grounds as well as proof of the Qualified Shareholder's holding in accordance with art. 56 TOO.

## **I. Implementation of the Public Tender Offer**

### **1. Information / Announcement**

Shareholders of Kuoni holding their Kuoni B Shares in a depository account will be informed about the Offer by their depository bank and are requested to proceed in accordance with the instructions of their depository bank.

Shareholders who keep their Kuoni B Shares in their home or in a bank safe deposit box ("*Heimverwahrer*") shall be informed about the Offer by the registrar of the share register of Kuoni and are requested to proceed in accordance with these instructions.

## **2. Offer Manager**

Bank am Bellevue AG is responsible for the implementation of the offer and is the processing bank.

## **3. Tendered Kuoni B Shares**

Tendered Kuoni B Shares will receive the separate securities number 31479090 (ticker symbol: KUNNE). SIX has approved the opening of the second trading line for the tendered Kuoni B Shares as of 15 March 2016. Tendered Kuoni B Shares will be blocked by the custodian bank and will no longer be tradable.

## **4. Payment of the Offer Price / Settlement Date**

Payment of the Offer Price for the Kuoni B Shares which will have been validly tendered during the Initial Acceptance Period and the Additional Acceptance Period is expected to take place on 19 May 2016 (the "**Settlement Date**"). In the event of an extension of the Initial Acceptance Period pursuant to Section A.5 (*Initial Acceptance Period*) or a Postponement of the settlement in accordance with Section A.7 (*Offer Conditions*), the Settlement Date will be deferred accordingly.

## **5. Squeeze-out and De-listing**

After the Settlement of the Offer, as set out in Section D.2 (*Intentions of Kiwi with respect to Kuoni, its Board of Directors and its Management*), Kiwi intends to request the cancellation of the outstanding publicly held Kuoni B Shares in accordance with art. 137 FMIA, or to merge Kuoni with Kiwi or a Swiss company directly or indirectly controlled by Kiwi whereby the remaining public shareholders of Kuoni will receive a compensation, but no shares of the surviving company, if permitted by law. Furthermore, after the Settlement of the Offer Kiwi intends to have Kuoni apply with SIX for the de-listing of the Kuoni B Shares in accordance with the listing rules of SIX.

## **6. Costs and Fees**

During the Initial Acceptance Period and the Additional Acceptance Period, Kuoni B Shares deposited with banks in Switzerland may be tendered free of costs and fiscal charges. Any Swiss transfer stamp duty (*Umsatzabgabe*) will be borne by the Offeror.

## 7. Possible Tax Consequences

*Tax Consequences for Shareholders who tender their Kuoni B Shares into the Offer and for non-accepting Shareholders in the Event of a Cancellation Procedure according to art. 137 FMIA*

In principle, the acceptance of the Offer and the sale of Kuoni B Shares are subject to the following tax consequences:

- Shareholders of Kuoni who are subject to taxes in Switzerland and who hold their Kuoni B Shares as private assets (*Privatvermögen*) realize, according to the general principles of Swiss income tax law, a tax free capital gain respectively, where applicable, a non-deductible capital loss, unless the shareholder qualifies as professional securities dealers (*gewerbsmässige Wertschriftenhändler*).
- Shareholders of Kuoni who are subject to taxes in Switzerland and who hold their Kuoni B Shares as business assets (*Geschäftsvermögen*) or qualify as professional securities dealers (*gewerbsmässige Wertschriftenhändler*), realize, according to the general principles of Swiss income and profit tax law, a taxable capital gain or a deductible capital loss.
- The sale of Kuoni B Shares under this Offer will not trigger any Swiss withholding tax.

If, after completion of the Offer, Kiwi holds more than 98% of the voting rights of Kuoni and applies for the cancellation of the remaining publicly held Kuoni B Shares against compensation in accordance with art. 137 FMIA (see Section G.5 (*Squeeze-Out and De-listing*)), the tax consequences for those shareholders of Kuoni who have not accepted the Public Tender Offer will in general be the same as if they had tendered their Kuoni B Shares under the Offer.

*Tax Consequences for Shareholders who do not tender their Kuoni B Shares into the Offer in the Event of a Merger with Cash-only Consideration*

In the event that Kuoni B Shares are not tendered into the Offer, Kiwi intends to merge Kuoni with Kiwi or a Swiss company directly or indirectly controlled by Kiwi whereby the remaining public shareholders of Kuoni will receive a cash-only consideration. Consideration paid to the remaining minority shareholders in connection with the squeeze-out merger may, depending on the structuring of such squeeze-out merger, trigger different tax consequences. In the present case the cash-only consideration will be paid by Kiwi, i.e. the direct or indirect parent entity of the surviving Swiss company, and therefore the same tax consequences apply as if the Kuoni B Shares were tendered into the Offer (see above).

**All Shareholders of Kuoni and beneficial owners of Kuoni B Shares are expressly advised to consult their own tax advisors with respect to the Swiss**

**and, where applicable, foreign tax consequences of this Public Tender Offer applying to them.**

## **J. Indicative Timetable**

29 February 2016	Publication of Offer Prospectus
1 March 2016	Start of Cooling-off Period
14 March 2016	End of Cooling-off Period
15 March 2016	Start of Initial Acceptance Period Opening of the second trading line on SIX for tendered Kuoni B Shares
13 April 2016	End of Initial Acceptance Period, 4:00 p.m. CET*
14 April 2016	Publication of preliminary interim result*
19 April 2016	Publication of definitive interim result*
20 April 2016	Start of Additional Acceptance Period*
3 May 2016	End of Additional Acceptance Period, 4:00 p.m. CET* Closing of the second trading line on SIX for tendered Kuoni B Shares
4 May 2016	Publication of preliminary final result*
10 May 2016	Publication of definitive final result*
19 May 2016	Settlement of the Public Tender Offer*

\* Kiwi reserves the right to extend the Initial Acceptance Period pursuant to Section A.5 (*Initial Acceptance Period*) once or several times, in which case the above dates will be deferred accordingly. In addition, Kiwi reserves the right to postpone the Settlement of the Offer pursuant to Section A.7 (*Offer Conditions*).

## **K. Governing Law and Jurisdiction**

The Public Tender Offer, and all rights and obligations arising under or in connection with the Public Tender Offer, shall be governed by, and construed in accordance with, Swiss law. The exclusive place of jurisdiction for all disputes arising out of or in connection with this Public Tender Offer shall be Zurich 1, Switzerland.

**L. Publications**

The Offer Prospectus as well as all other publications in connection with the Public Tender Offer will be published on Kiwi's website ([www.eqt.se/other/eqtbid/eqt-bid](http://www.eqt.se/other/eqtbid/eqt-bid)) and will be disseminated in electronic form to the financial information service providers and the Takeover Board.

The Offer Prospectus can be obtained free of charge in German, French and English at Bank am Bellevue AG, Seestrasse 16, 8700 Küsnacht/Zürich, e-mail: [prospectus@bellevue.ch](mailto:prospectus@bellevue.ch), telephone: +41 44 267 67 67, facsimile: +41 44 267 67 50. This Offer Prospectus as well as all other publications in connection with the Public Tender Offer are further available under [www.eqt.se/other/eqtbid/eqt-bid](http://www.eqt.se/other/eqtbid/eqt-bid).