Fairness Opinion – Kuoni Reisen Holding AG

Fairness Opinion on the Public Tender Offer by
EQT to Acquire Kuoni Reisen Holding AG

24 February 2016

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Introduction
Background

Background

- Kuoni Reisen Holding AG ("Kuoni" or the "Company") is listed on the SIX Swiss Exchange with a market capitalization of CHF 1'271m as of 29 January 2016. Kuoni is a global service provider to the travel industry with leading positions in business-to-business services offering
- Kuoni employs approx. 8'000 people and generated revenues of CHF 3.3bn in the financial year 2015. The Company has its global headquarters in Zurich, Switzerland
- Following the disposal of the Kuoni Tour Operating Business to Rewe Group in September 2015, Kuoni is today split into three divisions
  - Global Travel Distribution ("GTD") – industry pioneer and a leading global distributor that provides travel companies with easy access to hotel accommodation and destination services
  - Global Travel Services ("GTS") – sourcing and coordinating destination services from accommodation, transportation tours and activities to venues and event management in the group travel market
  - VFS Global ("VFS") – #1 visa services provider worldwide working with more than 48 governments and participating in the growing outsourcing potential in this market
- The Company's share capital is structured as follows:
  - Registered share A capital ("Shares A") is CHF 249'900.00 divided into 1'249'500 registered share capital with a nominal value of CHF 0.20 per share, which are non-listed
  - Registered share B capital ("Shares B" or "Share") is CHF 3'748'500.00 divided into 3'748'500 registered Share capital with a nominal value of CHF 1.00 per Share, which are listed on the SIX Swiss Exchange
- Both registered share categories are fully paid-in and each share A and Share B carries one voting right
- Kuoni has been subject to takeover speculation since 13 December 2015(1), with several parties rumoured to be interested in a takeover of the Company. On 5 January 2016, Kuoni released a press communication that the Company has received preliminary takeover approaches. In addition, on 28 January 2016, the Company confirmed that negotiations were entering into a final stage with EQT. Consequently, Kuoni's share price increased, and the corresponding weighted average share prices have to be seen as inflated by these speculations since 13 December 2015
- On 2 February 2016, EQT published a pre-announcement stating its intention to submit an all-cash public tender offer to the Company's Share B shareholders to purchase all publicly held registered Shares B for a price of CHF 370 per Share (the "EQT Offer")
- The Kuoni board of directors has undertaken a careful review of the terms and conditions of the EQT Offer and believes EQT to be an ideal strategic partner for the sustainable development of the Company. The board of directors has come to the conclusion that the EQT Offer is in the best interests of the Company, its shareholders, employees, clients, suppliers and customers
- In connection with this mandate to provide a fairness opinion, N+1 Swiss Capital AG ("N+1") shall receive no compensation that is dependent on any statements regarding the valuation of Kuoni or the success of a transaction with EQT. N+1 hereby confirms that it formed its opinion independently in accordance with TOB Circular No. 3 governing assessment experts
- In accordance with the TOB decision of 27 September 2011, N+1 is suitably qualified to prepare fairness opinions for public takeover offers in Switzerland

Source: Bloomberg, Kuoni company data (2015 financial figures unaudited)
(1) Swiss weekly newspaper "Sonntagszeitung" 13 December 2015

Introduction
Mandate of N+1

Mandate of the Board of Directors

- The Kuoni Board of Directors has retained N+1 to prepare a fairness opinion assessing the financial adequacy of the EQT Offer from the perspective of the public shareholders of Kuoni's Shares B
- The fairness opinion is intended solely for use by the Board of Directors of Kuoni as part of its report to the shareholders in connection with the EQT Offer (in compliance with the TOB ordinance on public takeover offers) and, for the avoidance of doubt, assesses solely the financial adequacy of the offer for the holders of registered Kuoni B Shares listed on the SIX Swiss Exchange but not to the holders of American Depositary Receipts of Kuoni
- This fairness opinion can be used for publication in connection with the public tender offer. It may also be referred to in the offer prospectus. Use for any other purposes is not permitted
- The fairness opinion does not constitute a recommendation to the public shareholders of Kuoni to accept or reject the EQT Offer
- Furthermore, it does not assess the following:
  - Payment terms and other conditions of the EQT Offer
  - Legal and fiscal assessment of the transaction structure
  - Possible effects on shareholders if the EQT Offer is accepted or rejected
  - Future value of the Kuoni Share
- N+1 has neither performed an audit as defined by Swiss law nor any kind of due diligence

Introduction
Evaluation Procedure

Evaluation procedure

- N+1 analyzed various valuation criteria and conducted comprehensive analyses on Kuoni and its three divisions in order to assess the financial adequacy of the EQT Offer
- The underlying object of assessment is Kuoni with its three fully consolidated divisions
- The valuation date is 29 January 2016. All market data has been retrieved as of 29 January 2016
- The valuation for Kuoni is performed by valuing the three operating divisions and the headquarters separately. Subsequently, the respective values are added up in order to derive the value of the consolidated group (sum-of-the-parts methodology)
- The cumulated enterprise value ranges are then adjusted by net financial debt as well as other debt- and cash-like adjustments to derive the equity value. In a next step, the equity value is divided by the fully diluted number of outstanding Kuoni shares. The derived implied value range per Kuoni Share is used to assess the financial fairness and adequacy of the EQT Offer
- The valuation is carried out on a stand-alone basis and thus does not include any synergies a potential acquirer might generate
- No consideration has been given to possible effects at the individual shareholder level, such as tax implications
- The value range for Kuoni as a Company and the derived value range per Share was calculated primarily on the basis of the discounted cashflow (DCF) analysis. Sensitivity analyses were also carried out as part of the DCF analysis by varying the major value drivers. Additional valuation methods such as an analysis of comparable companies and an analysis of precedent transactions have been applied to perform a validation of the divisional DCF valuation. In addition, a takeover premium analysis on the undistorted 60 day VWAP prior to 13 December 2015 was considered to crosscheck the plausibility of the results
- The valuation is based on the assumptions of the business plan 2016-2018 prepared by Kuoni's management and extrapolated for two years until 2020 before then applying the residual value. Technical assumptions for valuation purposes (e.g. cost of capital, perpetual growth rate) were not part of the business plan provided by Kuoni
- Several meetings and conference calls with the management team were held to discuss the plausibility of the information as well as the business plan received. Historical financial performance of Kuoni and its divisions, historical and expected market developments, expectations of equity research analysts and industry benchmarks were further taken into account. For the purpose of the valuation, N+1 made selected adjustments

Introduction
Information Basis

Information basis

- N+1 made use of the following information for its assessment:
  - Publicly accessible information on Kuoni that was considered relevant for the analysis. This includes the annual reports for the financial years 2011-2014, the H1 2015 interim report (unaudited), the Q3 2015 interim report (unaudited) and 2015 financials (unaudited) as well as investor presentations and press releases
  - Internal Company information about Kuoni that was considered relevant for the analysis, particularly the 2015 financials (unaudited) as well as the divisional budget for 2016 and the mid-term planning for 2017-2018 (together 2016-2018 referred to as the "Business Plan"). The Business Plan was prepared by the Company's management and approved by the Board of Directors on 15 December 2015. The Business Plan is set-up by the divisions and consolidated on a Kuoni Group level taking into account headquarters and central IT costs
  - Meetings and conference calls with the Company's management including the divisional CEOs and CFOs focusing on the Company's financial situation and business performance, the current and future market environment, value drivers and underlying assumptions made in the Business Plan
  - Descriptive documents on strategy with details on the planning assumptions, as well as on the measures already implemented or planned in the Business Plan
  - Company strategy documents that include assumptions on planned initiatives and measures to be undertaken under the Business Plan as well as information on the market development and assumed market share development of the Company (based on internal and external estimates)
  - Documents relating to the employee stock programs
  - Details of debt-like and cash-like balance sheet positions
  - Capital market and financial data for Kuoni and selected comparable companies (primary sources: Bloomberg, Factset, company financials)
  - Data from precedent transactions in the sector (source: Mergermarket as well as company filings and press releases)
- In preparing this fairness opinion, N+1 assumed that the financial information and other data on Kuoni were accurate and complete and has relied on this information without accepting any responsibility for independent verification thereof
- Kuoni's management assured N+1 that it is unaware of any facts or circumstances that would render the information provided incomplete, incorrect or misleading
- In preparation of this document, N+1 has not carried out any physical inspection of any building and/or sites of Kuoni
- The information and criteria in this document are based on the prevailing market, corporate and economic conditions as of 29 January 2016. Any circumstances thereafter may impact the information, which has been used as a basis for the analysis. N+1 has no obligation to update, verify or confirm any information contained in this document

Company

- General Information – Kuoni Group
- Global Travel Distribution – Division and Market
- Global Travel Services – Division and Market
- VFS Global – Division and Market

Company
General Information

Company description

- Kuoni is a leading service provider to the global travel industry and governments focusing its activities on destination management, online B2B travel services and visa processing
- During the financial year 2015, Kuoni generated a turnover of CHF 3'349m, earnings before interest, taxes and amortization (EBITA) of CHF 124.0m(1) (3.7% EBITA margin(1))
- The Company's Shares B accounting for 93.75% of the capital and 75% of voting rights are listed on the SIX Swiss Exchange (SIX: KUNN) since 1995. Kuoni's shares A which represent 6.25% of the capital and 25% of the voting rights are fully owned by the Swiss foundation Kuoni & Hugentobler Foundation. Due to voting restrictions for all other shareholders (capped at 3%), the Kuoni & Hugentobler Foundation holds a blocking minority in the Company
- Kuoni was founded in 1906 and is headquartered in Zurich, Switzerland. As of 30 September 2015, the Company had 8'095 employees (FTEs)
- Kuoni has 44 offices located on five continents with a strong focus on Asia

Group structure

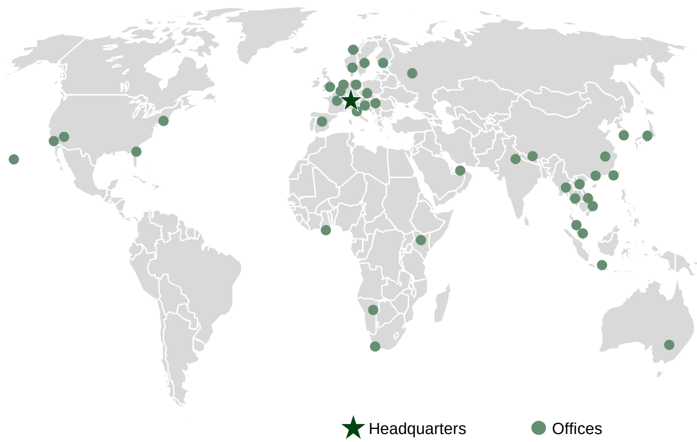
- Kuoni's operations are divided into three divisions: Global Travel Distribution, Global Travel Services and VFS Global. A description of each division can be found on the following pages
- Central functions provided by Kuoni's headquarters include human resources, IT, corporate development and M&A, corporate communication, strategic development and partnerships, controlling, treasury, internal audit, legal and compliance as well as tax

Overview of divisions

KUONI GROUP

	Global Travel Distribution	Global Travel Services	VFS Global
Business Activities	▪ Global B2B distributor providing travel companies with easy access to accommodation and destination services for independent travelers ▪ 50'000 self-sourced hotels worldwide ▪ 38'000 room nights daily	▪ Sources and coordinates destination services – from accommodation, transportation, tours and activities to venues and event management ▪ Handles c. 50'000 leisure tours per year	▪ Provider of visa and consular services as well as identity management and citizen services ▪ Processed more than 18m visa applications in 2014
Customers	▪ Consumer facing clients such as online and offline travel agents	▪ Group Travel, MICE and custom FIT	▪ Governments and diplomatic missions worldwide

Geographical presence



Source: Kuoni Company data (2015 financial figures unaudited)
(1) including book gain from disposal of office building and restructuring expenses related to GTS, support functions and HQ reorganization

Company

Global Travel Distribution (GTD): Business Model and Corporate Strategy

Business model

- Kuoni's Global Travel Distribution (GTD) division is a global B2B distributor that provides travel companies with access to accommodation and destination services for fully independent travelers (FITs)
- As an intermediary, GTD's added value is (i) providing distribution power e.g. to providers of accommodation services. These services are then (ii) offered to consumer facing clients, such as online and offline travel agents via customized access paths (using client websites or APIs[1])
- With suppliers, e.g. accommodation providers, a specific rate or margin is agreed for the contract period. The services are then offered through GTD's channels at a mark-up. Pre-purchase of accommodation inventory is minimal
- GTD operates a network of 30 offices worldwide[2] and employs a total of 1'414 people as of 31 December 2014. GTD uses three trademarks: GTA, Travel Bound and TravelCube

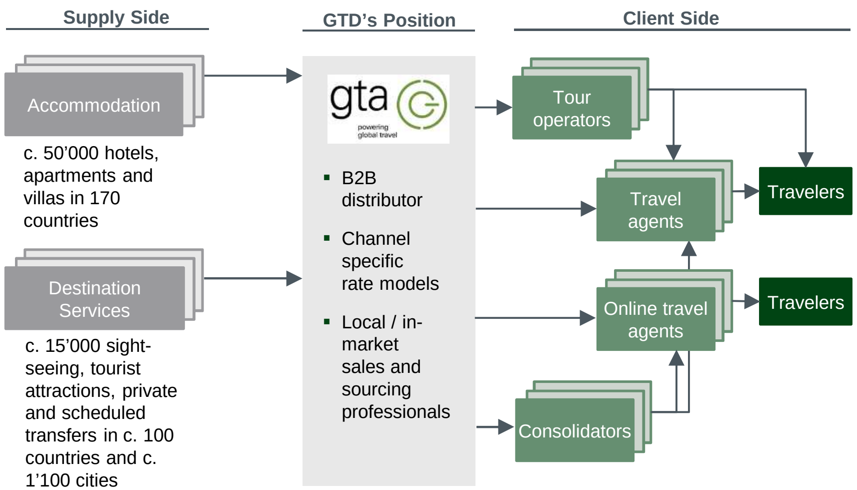
Positioning

- The division operates in source markets and destinations across the globe with a focus on long-haul / cross regional traffic. It has a strong position in emerging markets with c. 45% of its turnover generated in Asia-Pacific, the Middle East and Africa

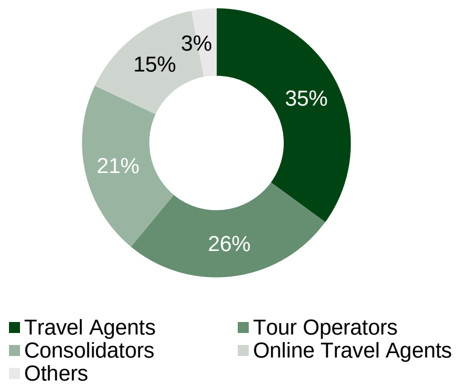
Strategic priorities

- GTD's most important growth market is Asia. The division particularly aims to increase its focus on the Chinese market and to further develop its strategic partnership with HNA Tourism, a Chinese tourism group
- Management plans decisive investments in technology and the division's service offering for the coming years. These elements are considered key differentiators for travel agents
- The division is planning to focus its own sourcing on prime city and beach destinations and to complement the offering through third party suppliers

Overview on business model



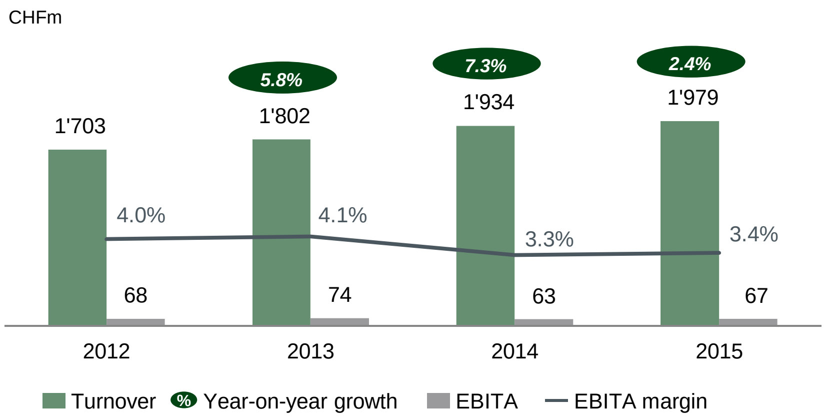
Client split



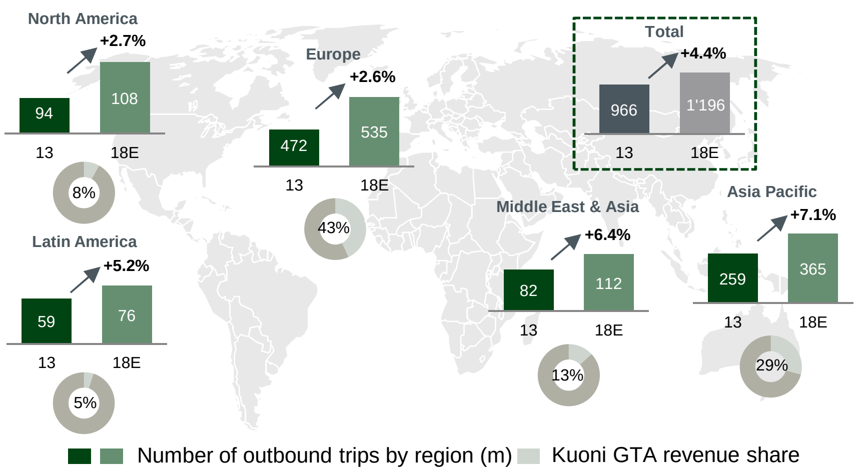
Source: Kuoni Company data, Euromonitor
(1) application programming interface
(2) including locations that are shared with the group's GTS division

Company
Global Travel Distribution (GTD): Company Financials and Market Development

Historical key financials



Relevant market for GTD



- Divisional turnover has been growing at a CAGR of 5.1% from 2012-2015. Growth from 2014-2015 amounts to 2.4% (organic growth at constant FX rates of 9.8%)
- Over the past four years, the division achieved EBITA margins between 3.3% and 4.1% (average of 3.7%)
- In 2014, operational expenditures increased due to (i) FTE increases in IT and product/sourcing needed to support the division's strategic growth initiatives, as well as (ii) increased IT expenses necessary to support the delivery of new digital products

- The intermediated accommodation market in which GTD operates, had an estimated size of USD 167bn in 2014 and has been growing at an annual rate of 6% over the past two years
- The number of outbound trips by region (as illustrated in the chart above) is expected to grow between 2.6% in Europe and 7.1% annually in the Asia Pacific region (CAGR 2013-2018). Worldwide, annual growth rates are expected to reach 4.4%
- If weighted by GTD's current geographic footprint, a CAGR of 4.5% can be expected for the relevant market. Management, however, has already implemented measures to further improve the division's geographic presence in Asia and particularly in China (partnership with HNA Tourism) and positioned it to benefit from the over-proportional growth potential of this region

Source: Kuoni Company data (2015 financial figures unaudited), Euromonitor

Company

Global Travel Services (GTS): Business Model and Corporate Strategy

Business model

- GTS offers two types of services: (i) the division sources specific destination services, such as accommodation, transportation, tours and activities. These in-destination, i.e. local services, are tailored and offered to professional travel organizers (B2B). The division (ii) also offers tailor made travel programs for communities of travelers. Individual services are bundled together to provide integrated tour programs. Both types of services are distributed through GTS' proprietary channels
- GTS ensures the flawless execution of in-destination logistics and supports in emergencies. The division handles c. 50'000 leisure group tours per year
- The division is focused on three specific customer segments: Group Tours (bundles for groups of travelers), MICE (meetings, incentives, conventions and exhibitions) and custom FIT (custom bundles for fully independent travelers)

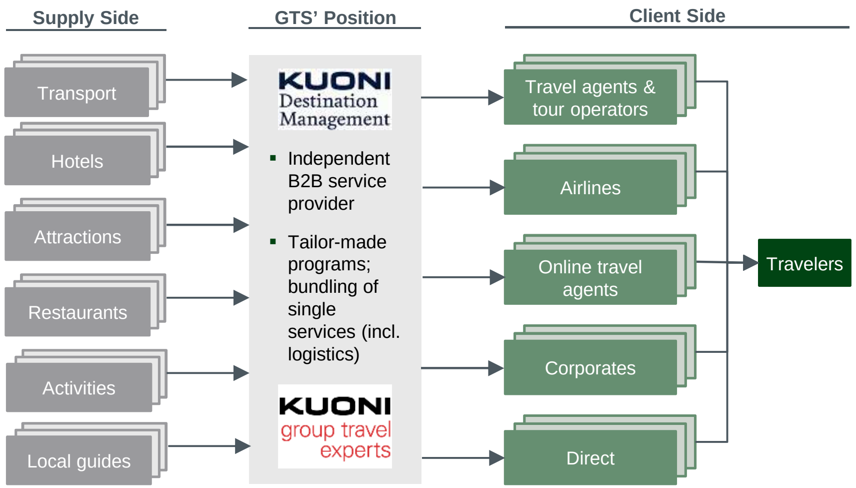
Positioning

- GTS focuses primarily on the growing group travel market from Asia to Europe
- The division has a strong position in Asia with 60% of turnover from Asia/Pacific source markets

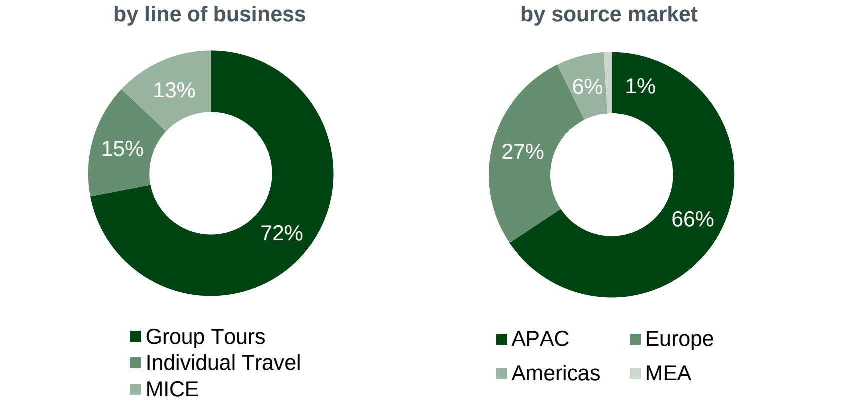
Strategic priorities

- Performance improvement initiatives have been launched, including (i) measures to optimize the enforcement of the division's pricing schemes and to focus on more profitable customers, as well a as (ii) measures to reduce the cost of operations, both in source markets and destinations
- With a view on the division's medium- to long-term strategic direction, GTS intends to (i) develop the strategic partnership with HNA Tourism in China, (ii) develop a dedicated strategy to further develop the attractive global MICE business and (iii) implement specific measures to build a digital ready business

Overview on business model



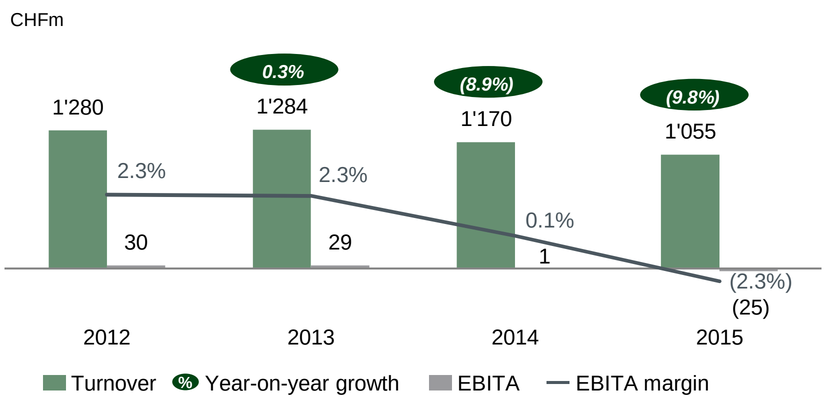
Turnover split (2014)



Source: Kuoni Company data, Euromonitor

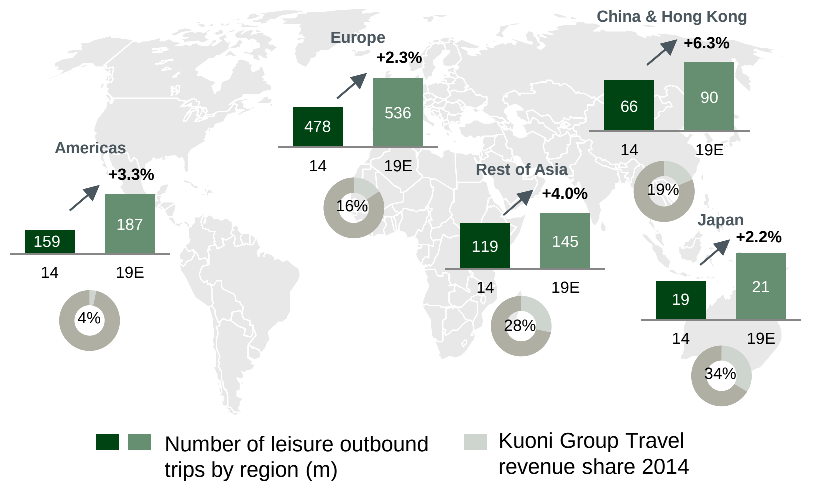
Company
Global Travel Services (GTS): Company Financials and Market Development

Historical key financials



- Divisional turnover has been declining at a CAGR of 6.3% from 2012-2014. In 2015, GTS reported a turnover decline of 9.8%. This result was significantly influenced by currency translation effects as well as declining business in Japan (organic turnover decline at constant FX rate of 1.3%)
- The division has generated a loss in 2015 and EBITA margins have been declining since 2013, ranging from +2.3% to -2.3% over the past four years (average of 0.6%). 2015 EBITA includes non-recurring restructuring costs and realignment of the IT infrastructure totaling c. CHF 18m
- Management has devised specific turnaround measures to address these profitability issues (see previous page). The measures will be implemented over a two year period and are expected to return the division back to EBIT break-even in 2016
- The depicted GTS figures comprise the Group Travel and Destination Management Specialists businesses excluding the DM India business to ensure comparability with the continuing business

Relevant market for GTS



- The number of outbound leisure trips by region is expected to grow between 2.6% in Europe and 6.3% in China (CAGR 2014-2019)
- Leveraging its strategic partnership with HNA Tourism, GTS expects to be able to benefit from the strong market growth in China

Company

VFS Global (VFS): Business Model and Corporate Strategy

Business model

- VFS primarily offers visa and consular services as well as identity management and citizen services to governments and diplomatic missions worldwide. Specific non-judgmental and administrative tasks are outsourced by public agencies and contracted to VFS, typically for a duration of three to five years
- As an outsourcing and technology services specialist, VFS processed more than 18m visa applications in 2014
- Typically, visa applicants are required to pay the visa fees, which VFS collects on behalf of client governments, and VFS Global's service fee, which is retained by VFS Global
- The tasks and operations contracted to VFS are audited by government authorities and international organizations at frequent intervals

Positioning

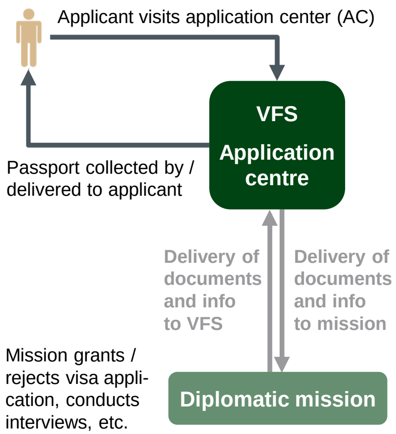
- With a global market share of 48% in 2014, VFS is the market leader for Visa outsourcing services worldwide. The Company operates the largest source market coverage with physical presences in more than 120 countries
- The division generates almost 60% of its turnover from applicants in the Asia/Pacific region

Strategic priorities

- The division's focus is on the retention of existing clients and on the attraction of new government clients in high growth markets such as Asia, the Middle East and Africa
- VFS intends to expand its outsourcing activities to other governmental processes offering high growth potential, i.e. in-country citizen services and identity management
- Further elements are the development of innovative, technology-driven solutions to create value and the exploitation of strategic partnerships

Overview on business model

The Visa Application Process



Services Offered by VFS

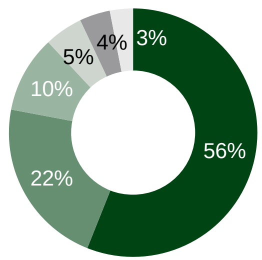
Visa application services
- Dedicated application centers
- Administrative processing and appointment services
- Information services
- Document and payment delivery services

Other services and product offerings to diplomatic missions
- Biometric data collection and processing
- Data management services
- Identity verification
- Other innovative services, e.g. border management

Value-added services to applicants
- Premium services, documentary and logistics services, destination related services

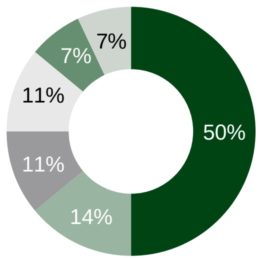
Geographic split (2015)[1]

by applications



Asia and Australia, CIS, MENA, Europe, Americas, Rest of Africa

by revenue



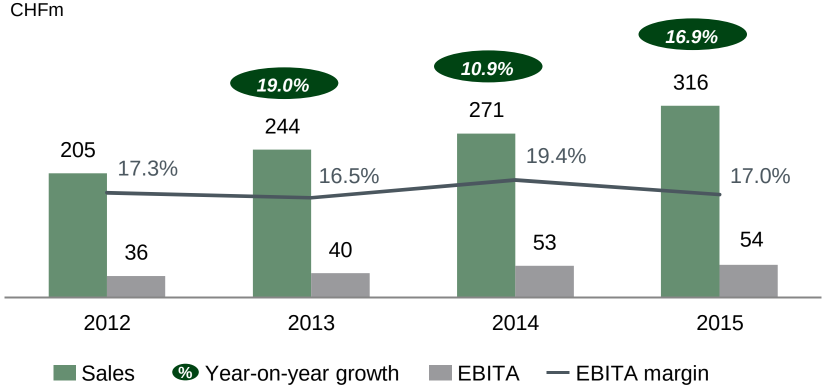
Asia and Australia, MENA, Americas, Rest of Africa, CIS, Europe

Source: Kuoni Company data
(1) As of 31 October 2015

Company

VFS Global (VFS): Company Financials and Market Development

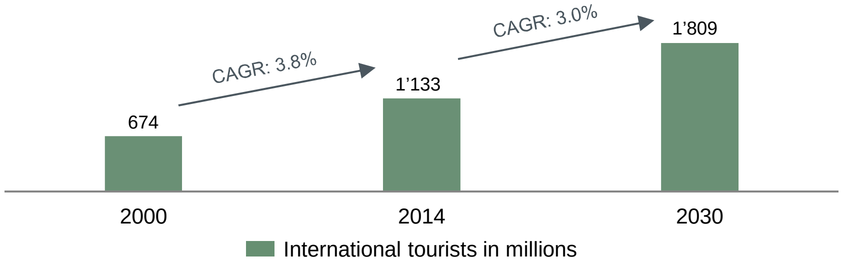
Historical key financials



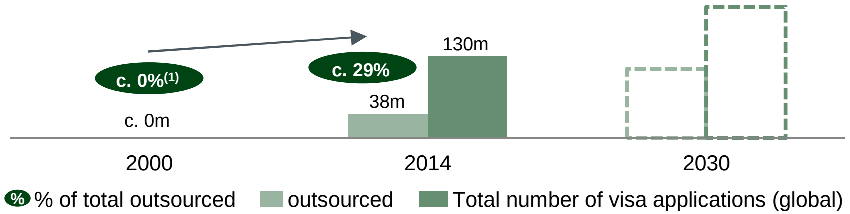
- Divisional turnover has been growing at a CAGR of 15.5% from 2012-2015. In 2015, VFS reported turnover growth of 16.9% (organic growth at constant FX rates of 28.4%)
- The high growth rates reached over recent years are resulting from several large volume contracts that were awarded to VFS
- Over the past four years, the division has been achieving stable EBITA margins between 16.5% and 19.4% (average of 17.5%)
- The stable margin development can be explained by the nature of VFS' business: Outsourcing contracts with governments precisely describe the operations and processes to be provided. Expenditure levels are hence fixed to a large extent and margin fluctuations are small

Relevant market for VFS

Global Travel Market



Outsourcing Trend



- The number of worldwide outbound leisure trips is expected to grow at a rate of c. 3.0% (CAGR 2014-2019). Considerably higher growth rates are expected for emerging market countries, where visas are typically required
- The share of global visa applications that were processed by specialist providers such as VFS (outsourced processing) grew from almost 0% in 2000 to c. 29% in 2014. With the increasing awareness for these services generated through communications between diplomatic missions and governments, VFS expects continuous growth of the share of outsourced services
- The two above mentioned factors are the main drivers of VFS' future top line development

Source: Kuoni Company data (2015 financial figures unaudited), Dun & Bradstreet Visa Application Outsourcing 2014, UNWTO "Tourism Towards 2030" (October 2011), World Tourism Barometer
(1) No material outsourcing of visa applications processing prior to 2001

Valuation Considerations

- Methodology
- DCF Analysis
- Analysis of Comparable Companies
- Analysis of Precedent Transactions
- Analysis of Share Price and Current Research Analyst Estimates
- Analysis of Takeover Premia

Valuation Considerations

Methodology (1/4)

General remarks

- The primary valuation method used in establishing a fair equity value per Kuoni Share was the discounted cashflow (DCF) analysis. The DCF analysis belongs to those valuation methods based on capitalized earnings value which enable a wide range of company-specific factors to be considered
- Kuoni's divisions were considered separate from each other and were valued individually based on dedicated DCF analyses (sum-of-the-parts methodology). Details with regards to this approach can be found on the following pages
- The key assumptions of the underlying divisional business plans provided by Kuoni's management were checked for plausibility in specific discussions with the management team and by setting them against the historical performance of Kuoni, historical and expected market development, expectations of equity research analysts as well as industry benchmarks
- In order to further check the plausibility of the results of the DCF analysis, several market-value-based valuation methods were applied
- The valuation date is 29 January 2016

Calculation of equity value per Kuoni Share

- The above mentioned valuation methods were used to determine Kuoni's enterprise value. The equity value was then calculated by deducting the net financial debt as well as other debt- and cash-like adjustments from the enterprise value
- The equity value per Kuoni Share was obtained by dividing the equity value by the number of Kuoni shares outstanding, excluding treasury shares and factoring in dilution by restricted stock units under share award programs (diluted shares outstanding), based on information provided by management

Calculation of equity value per Kuoni Share (cont'd)

- The enterprise value adjustments per 31 December 2015 of CHF 128.3m ("Enterprise Value Adjustments") comprise:

  (i) net financial debt of CHF 54.6m, including cash and cash equivalents, short- and long-term financial debt and customer advances

  (ii) other cash-like and debt-like items of CHF 73.6m, including other financial assets, minorities at fair market value, long-term provisions as well as minimum operating cash requirements of Kuoni

Calculation of Relevant Shares Outstanding

Type of share	Nominal value (in CHF)	No. of shares
Class A shares issued	0.20	1'249'500
Class A treasury shares	0.20	0
Class A shares outstanding	0.20	1'249'500
Relevant class A shares (fully diluted)	0.20	1'249'500
Class B shares issued	1.00	3'748'500
Class B treasury shares	1.00	72'675
Class B shares outstanding	1.00	3'675'825
Employee share awards class B(1)		71'854
Relevant class B shares (fully diluted)	1.00	3'747'679
Total relevant shares outstanding (fully diluted)		**3'997'579**

- The precise total number of relevant shares outstanding, as shown in the above table, was used for all further calculations. For simplicity however, only the rounded figure of 4.0m is mentioned on the following pages

(1) Assuming 2016 share awards granted at a price equivalent to CHF 370 per Share

Valuation Considerations
Methodology (2/4)

Valuation method based on capitalized earnings value

Discounted cashflow (DCF) analysis

- The DCF analysis is one of the most widely recognized valuation methods based on capitalized earnings value. The basis of this valuation method is explained in greater detail on the following pages

Market-value-based valuation methods

Analysis of the historical Share price development and of equity research analysts' target prices

- Both the current target prices of equity research analysts and the Share price development over the last 12 months were analyzed in order to draw conclusions about Kuoni's current market value

Analysis of comparable companies

- The current market valuation of comparable listed companies by division (peers) was analyzed (so-called trading multiples)
- Obtaining a meaningful valuation result from this method depends on ensuring a good level of comparability between Kuoni and its peers. This is ensured in particular if the companies are similar in their business models, size, risk and opportunity profiles, and ultimately in their growth and profitability profiles

Analysis of precedent transactions

- This valuation process entails analyzing precedent M&A transactions in which the target companies are comparable with Kuoni on a divisional basis (so-called transaction multiples)
- The prices paid in these transactions (and the implied valuations) are heavily dependent on the specific interests of the parties involved and thus to a certain extent reflect subjective attributions of value. Therefore, a precise analysis of the relevant transaction parameters is essential

Analysis of takeover premia

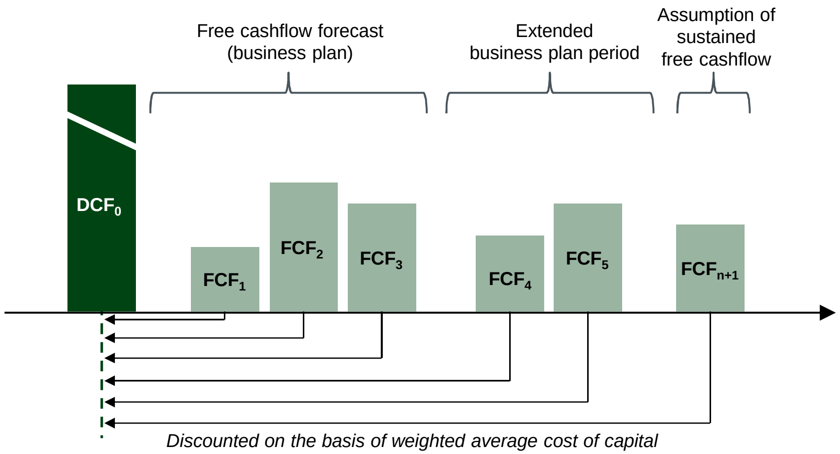
- This analysis benchmarks the implied takeover premium of the existing offer price to takeover premia of selected precedent public takeovers in Switzerland

Valuation Considerations
Methodology (3/4)

DCF analysis: theoretical foundations

- The DCF analysis is based on free cashflows achievable in the future before financing activities. The analysis considers cashflows which are available to the providers of both debt and equity capital. These cashflows are discounted as per the valuation date using the weighted average cost of capital (WACC) to reflect the present value and the inherent entrepreneurial risk
- The free cashflows are basically established by looking at the Business Plan drawn up by Kuoni's management for each division. The table at the bottom of the page to the right shows the general approach to calculating annual free cashflow on the basis of earnings before interest and taxes (EBIT)
- For the purpose of the DCF analysis, the Business Plan 2016-2018 was extended by two years (2019 and 2020)
- The extension of the projection period allows for a gradual convergence of the Business Plans underlying economic assumptions to the parameters assumed for the sustained free cashflow. The extension is also in line with historical performance, expected relevant market development as well as long term views of equity analysts
- Beyond the Business Plan period (2016-2018), assumptions are made about sustained free cashflow. This is used to calculate what is called the residual value. The residual value is comprised of the value of all future cashflows subsequent to the business plan period
- Finally, the enterprise value is made up of the present value of free cashflows during the projection period (2016-2020) and the present value of the residual value
- The WACC reflects the return expectations of providers of debt and equity capital. The cost of equity capital is derived in accordance with the capital asset pricing model (CAPM). The assumptions used to calculate Kuoni's divisional WACCs are set out on the following pages

Graphic illustration of DCF analysis



Calculation of free cashflow *(general approach)*

Free cashflow:

Operating income before interest and taxes (EBIT)
− Adjusted taxes on EBIT (unlevered)

= Net operating profit after taxes (NOPAT)

+ Depreciation and amortization
− / + Investment in / divestment of non-current assets
− / + Increase / reduction in net working capital
− / + Increase / reduction in other relevant balance sheet positions

= Free cashflow

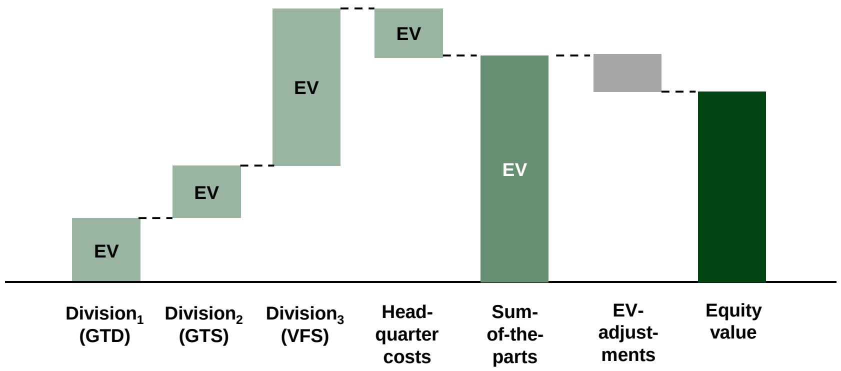
Source: Volkart, Suter & Vettiger (2002), Spremann (2007)

Valuation Considerations
Methodology (4/4)

Sum-of-the-parts methodology

- As of year end 2015, the Kuoni Group consisted of three divisions: GTD, GTS and VFS. The three divisions differ substantially in terms of their business activities, geographic footprint, profitability levels as well as their potential for profitable growth
- In order to capture the specific attributes of each of the three divisions, they were valued separately from each other – i.e. on the basis of three separate DCF analyses, each with its own, dedicated parameters and economic assumptions
- The Kuoni Group also comprises a corporate center (headquarters, HQ) that combines all central management functions, such as corporate human resources, communication, controlling legal, tax and others. These headquarters costs have been considered in a separate (fourth) DCF analysis
- The DCF methodology described and illustrated on the previous page was applied consistently for all three divisions as well as for the headquarters costs
- The individually derived enterprise values of the three divisions and the headquarters (the four parts) were added up to derive the (sum-of-the-parts) enterprise value for the Kuoni Group
- For the avoidance of doubt: All aspects of valuation, including comparable companies and comparable transactions analyses were done separately and specifically for each of the three divisions

Graphic illustration of sum-of-the-parts methodology



Important limitation

- It should be noted, that the interpretation of the three divisional values is limited to the purpose of this fairness opinion. They reflect the values of the three division as they operate today, on a going concern basis and as part of an integrated group. They represent by no means divisional standalone values
- The three divisions share significant parts of their operations, such as local subsidiaries or infrastructure provided by the group. They also benefit from cross-selling effects. Such elements would have to be accounted for if the divisions were to be valued on a standalone basis

Valuation Considerations
DCF: Derivation of WACC

Cost of equity

- Risk-free rate: Kuoni operates a business that is geographically well diversified, both in terms of turnover and allocated assets. Turnover-weighted risk-free rates for each of the three divisions were derived based on the current yields of each respective national government's 10-year bond
- Beta: unlevered beta was derived on the basis of regression betas for comparable listed companies and adjusted to the peer group's median beta (relevered). On the valuation date, unlevered betas of 0.94, 1.04 and 0.67 were observed for GTD, GTS and VFS respectively
- Market risk premium: a market risk premium of 6.9% was used. This, according to Duff & Phelps, is the difference between the average annual total return on listed low cap company stocks and the average annual income return on long-term government bonds (period of 1926-2014)(1). A respective size premium is hence implicitly included

Cost of debt

- **Pre-tax cost of debt:** the three divisions' pre-tax cost of debt were calculated based on the yield-to-maturity of Kuoni's outstanding publically traded bond. This again assumes group affiliation for the three divisions
- **Tax rate:** in order to calculate the post-tax cost of debt, divisional tax rates in line with Kuoni's long-term tax rate expectations were applied

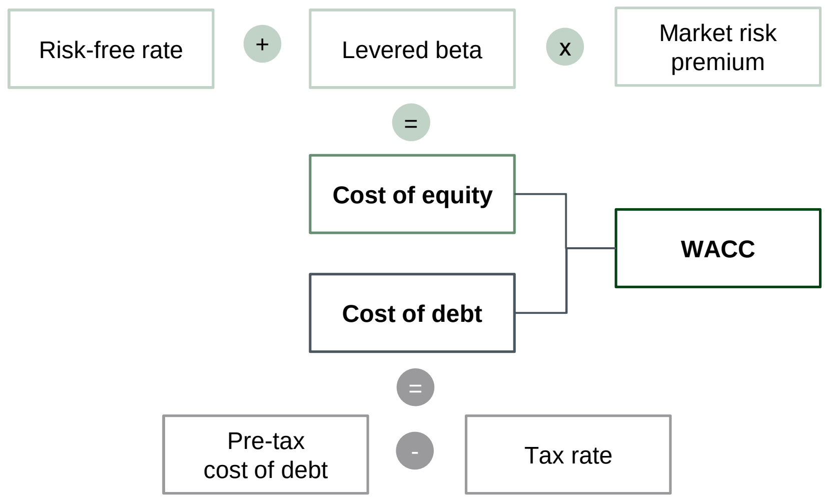
Capital structure

- Median debt ratios for the peer groups amounted to 5.2%, 0.0% and 17.6% for GTD, GTS and VFS respectively

Headquarters-specific WACC

- For the headquarters, a blended WACC was derived, based on divisional WACCs which were weighted by the group's gross operating profit distribution by division

Weighted average cost of capital (WACC)(2) – Concept



Weighted average cost of capital (WACC)(2) – Values per division

Division	Levered beta	Market risk premium	Risk free rate	Pre-tax cost of debt	Tax rate	WACC
GTD	0.97	6.9%	2.6%	1.5%	25.0%	**8.9%**
GTS	1.04	6.9%	2.0%	1.5%	25.0%	**9.2%**
VFS	0.78	6.9%	4.4%	1.5%	23.0%	**8.2%**

Source: Bloomberg, Factset, Kuoni Company data, Duff & Phelps
(1) Excluding period of 1942 to 1951 due to World War II interest rate bias
(2) Further details on the WACC can be found in Appendix 1

Valuation Considerations
DCF: Valuation Parameters for GTD

Business plan assumptions

Overall assumptions

- The Business Plan of the GTD division is the primary information base for the DCF analysis. The underlying assumptions and plausibility of the projections were discussed with the divisional management
- The projections were extended with two additional years by N+1, 2019 and 2020 (the extended business plan period) – after discussions with management and reflecting long term market expectations

Turnover projections

- The compound annual growth rate (CAGR) 2016-2020 of turnover amounts to 5.2%. This is in line with the division's historic CAGR (2012-2015) of 5.1%. Key growth drivers are the following: (i) a continued growth of the intermediated market for accommodation particularly in Asia, (ii) top players, such as Kuoni, are gaining share and are consolidating the market, and (iii) new digital products and an expanded service offering by GTD

EBITA margins

- The average EBITA margin over the projection period 2016-2020 amounts to 3.1%. Historically (2012-2015), the division has achieved an average of 3.7% with a declining trend. A focused growth strategy (beach and city locations) and the combination of technology platforms with other major players is expected to support profitability in the future. Altogether, the EBITA margin is expected to stabilize on a lower level over the projection period

Tax rate

- In accordance with management an effective tax rate of 25.0% was assumed for the entire projection period

Capital expenditures and depreciation

- Over the planning period, capital expenditures (capex) will be an average of 0.5% of sales. Depreciation over the planning period will be an average of 89.1% of capital expenditure

Business plan assumptions (cont'd)

Net working capital (NWC)

- Net working capital developments are based on the group's balance sheet projections for the years 2016-2018. Kuoni prepares these projections on a legal entity and bottom-up basis for the entire group. A direct allocation to the divisions is hence not possible
- Divisional NWC-developments were derived relative to the gross operating profit contributions of each division. Management recommends this methodology as a best estimate. Overall it has to be noted, that year-on-year change in net working capital is very small and has a marginal effect on valuation

Residual value assumptions

- The residual value is calculated based on an assumed perpetual growth rate of 1.5%, which is in line with equity research analyst forecasts for Kuoni and expected long-term market growth

Valuation results and sensitivities

- The DCF analysis results in an enterprise value of CHF 708.9m as of 29 January 2016

WACC	Sustained revenue growth: 1.00%	1.25%	1.50%	1.75%	2.00%
9.4%	630.6	646.9	664.3	682.8	702.6
9.1%	649.8	667.3	685.9	705.7	727.0
8.9%	670.3	688.9	708.9	730.2	753.1
8.6%	692.0	712.1	733.5	756.5	781.3
8.4%	715.3	736.8	759.9	784.8	811.6

Source: Kuoni company data (2015 financial figures unaudited)

Valuation Considerations

DCF: Valuation Parameters for GTS

Business plan assumptions

Overall assumptions

- The Business Plan of the GTS division is the primary information base for the DCF analysis. The underlying assumptions and plausibility of the projections were discussed with the divisional management
- The projections were extended with two additional years by N+1, 2019 and 2020 (the extended business plan period) – after discussions with management and reflecting long term market expectations

Turnover projections

- Turnover levels are assumed to remain broadly in line with 2016-levels over the planning period. Historically the business has been shrinking at a CAGR of 6.3% from 2012-2015. This development is however expected to level off, as new strategic partnerships (e.g. in China with HNA Tourism) are established and growing customer segments (e.g. MICE) are targeted specifically. Altogether, the division will place a greater focus on profitability, at the expense of topline growth

EBITA margins

- The average EBITA margin 2016-2020 amounts to 1.7% over the planning period. Historically (2012-2015) the Company has achieved an average of 0.6%. However, in the light of one-off restructuring expenses incurred in 2015 and the amended business model, the historic average 2012-2014 of 1.6% should be used as a reference. Also, in 2015, decisive measures have been introduced to (i) increase sales effectiveness by focusing on profitable customer accounts, and (ii) reduce operational costs. These measures do not allow to establish a "normalized EBITA" for 2015

Tax rate

- In accordance with management an effective tax rate of 25.0% was assumed for the entire projection period

Capital expenditures and depreciation

- Over the planning period, capital expenditure (capex) will be an average of 0.4% of sales. Depreciation over the planning period will be an average of 93.5% of capital expenditure

Business plan assumptions (cont'd)

Net working capital (NWC)

- Net working capital developments are based on the group's balance sheet projections for the years 2016-2018. Kuoni prepares these projections on a legal entity and bottom-up basis for the entire group. A direct allocation to the divisions is hence not possible
- Divisional NWC-developments were derived relative to the gross operating profit contributions of each division. Management recommends this methodology as a best estimate. Overall it has to be noted, that year-on-year change in net working capital is very small and has a marginal effect on valuation

Residual value assumptions

- The residual value is calculated based on an assumed perpetual growth rate of 1.0%, which is in line with equity research analyst forecasts for Kuoni and expected long-term market growth

Valuation results and sensitivities

- The DCF analysis results in an enterprise value of CHF 163.6m as of 29 January 2016

WACC	Sustained revenue growth: 0.50%	0.75%	1.00%	1.25%	1.50%
9.7%	145.0	149.1	153.4	158.1	163.0
9.4%	149.3	153.7	158.3	163.3	168.5
9.2%	154.0	158.6	163.6	168.8	174.4
8.9%	158.9	163.9	169.1	174.7	180.7
8.7%	164.2	169.4	175.0	181.0	187.4

Source: Kuoni company data (2015 financial figures unaudited)

Valuation Considerations

DCF: Valuation Parameters for VFS

Business plan assumptions

Overall assumptions

- The Business Plan of the VFS division is the primary information base for the DCF analysis. The underlying assumptions and plausibility of the projections were discussed with the divisional management
- The projections were extended with two additional years by N+1, 2019 and 2020 (the extended business plan period) – after discussions with management and reflecting long term market expectations

Turnover projections

- Management expects turnover levels to grow at a CAGR of 7.0% from 2016-2020. Historically the business has been growing at a CAGR of 15.5% from 2012-2015. According to management, the strong growth in recent years has been fueled by large outsourcing contracts that were won. Management's future growth expectations are a combination of the generally growing global travel activity (over 3.0%, 2014-2030 CAGR) and a growing share of outsourced visa applications

EBITA margins

- The average EBITA margin 2016-2020 amounts to 16.9% over the planning period. Historically (2012-2015), the Company has achieved an average of 17.5%. The operational setup of VFS' business is defined by the contractual agreements with governments. Margin-developments are hence well predictable and comparably stable

Tax rate

- Tax optimization measures are currently implemented and management assumes effective tax rates to level out at 23.0% for this division

Capital expenditures and depreciation

- Over the planning period, capital expenditure (capex) will be an average of 3.3% of sales. Depreciation over the planning period will be an average of 117.0% of capital expenditure. This is explained by exceptionally high investments (i.e. biometric enrollment) in the previous years. Depreciation was assumed to return to ordinary levels for the residual value calculation

Business plan assumptions (cont'd)

Net working capital (NWC)

- Net working capital developments are based on the group's balance sheet projections for the years 2016-2018. Kuoni prepares these projections on a legal entity and bottom-up basis for the entire group. A direct allocation to the divisions is hence not possible
- Divisional NWC-developments were derived relative to the gross operating profit contributions of each division. Management recommends this methodology as a best estimate. Overall it has to be noted, that year-on-year change in net working capital is very small and has a marginal effect on valuation

Residual value assumptions

- The residual value is calculated based on an assumed perpetual growth rate of 2.0%, which is in line with equity research analyst forecasts for Kuoni and expected long-term market growth

Valuation results and sensitivities

- The DCF analysis results in an enterprise value of CHF 756.5m as of 29 January 2016

		Sustained revenue growth				
		1.50%	**1.75%**	**2.00%**	**2.25%**	**2.50%**
WACC	**8.7%**	654.9	676.3	699.2	723.9	750.5
	8.5%	679.0	702.0	726.7	753.5	782.5
	8.2%	704.8	729.6	756.5	785.7	817.4
	8.0%	732.6	759.6	788.8	820.6	855.4
	7.7%	762.6	792.0	823.9	858.8	897.0

Source: Kuoni company data (2015 financial figures unaudited)

Valuation Considerations

DCF: Valuation Parameters for the Corporate Headquarters

Business plan assumptions

Overall assumptions

- The Kuoni Group comprises a corporate center (headquarters, HQ) that combines all central management functions, such as human resources, communication, controlling, legal, tax and others
- Corporate headquarters costs are reflected as a separate (negative) free cashflow contribution to the group's overall result

Turnover projections

- No external turnover

EBITA

- The projected EBITA levels of the business plan (average) have been used as a basis for the DCF analysis. Average EBITA of CHF -20.3m were assumed for the projection period of 2016-2020
- The business plan for the corporate headquarters considers the optimization and resizing of the group after the disposal of the tour operating business

Tax rate

- An average effective corporate tax rate of c. 20.0% was assumed for the entire projection period of 2016-2020, in line with management projections

Capital expenditures and depreciation

- Assets necessary for the provision of central services, such as IT services, are purchased and recognized by the corporate headquarters. These services are not directly allocated to the divisions. The capex-planning and corresponding depreciation provided by Kuoni's management was used as a basis for the DCF-analysis

Business plan assumptions (cont'd)

Net working capital (NWC)

- Net working capital levels are entirely attributable to the group's operating divisions

Residual value assumptions

- The residual value is calculated based on an assumed perpetual growth rate of 1.56%. The perpetual growth rates of the three operative divisions have been used as a basis for the headquarters (weighted by the gross operating profit contribution of each division)

Valuation results and sensitivities

- The DCF analysis results in a negative enterprise value of CHF 224.1m as of 29 January 2016

	Sustained revenue growth				
WACC	1.06%	1.31%	1.56%	1.81%	2.06%
9.2%	(200.9)	(205.1)	(209.7)	(214.6)	(219.8)
8.9%	(207.1)	(211.7)	(216.7)	(222.0)	(227.6)
8.7%	(213.8)	(218.8)	(224.1)	(229.9)	(236.0)
8.4%	(220.9)	(226.3)	(232.1)	(238.4)	(245.1)
8.2%	(228.6)	(234.4)	(240.7)	(247.5)	(254.9)

Source: Kuoni company data (2015 financial figures unaudited)

Valuation Considerations

DCF: Kuoni Group (Sum-of-the-Parts)

Group valuation and sensitivities

- The DCF analysis also entailed conducting a sensitivity analysis by applying incremental changes to the central value drivers. These two drivers are the perpetual growth rate and the WACC. The sensitivities were calculated for every division separately (as illustrated on the previous pages)
- According to specific business risks and growth perspectives, different WACCs and perpetual growth rates were applied to each division. The corresponding sensitivity-ranges differ as well
- The divisional sensitivity ranges were added up to derive a corresponding valuation range for the Kuoni Group as a whole:

Sustained revenue growth

WACC	Low		Mid		High
High	1'230	1'267	1'307	1'350	1'397
	1'271	1'312	1'355	1'401	1'451
Mid	1'316	1'359	1'405	1'455	1'509
	1'363	1'409	1'460	1'514	1'573
Low	1'414	1'464	1'519	1'577	1'642

Calculation of value per Kuoni Share

- To derive Kuoni's equity value, Enterprise Value Adjustments of CHF 128.3m were deducted from the enterprise value. This results in an equity value of CHF 1'405m as of 29 January 2016
- As of 29 January 2016, the value per share amounts to CHF 319
- The sensitivity analysis of the central value drivers results in a value per Kuoni Share of CHF 296 (lower end) to CHF 347 (upper end) as of 29 January 2016

CHFm	Low	Mid	High
Present value of free cash flows	372	375	378
Present value of residual value	940	1'030	1'135
Enterprise value	**1'311**	**1'405**	**1'513**
Enterprise value adjustments	(128)	(128)	(128)
Equity value	**1'183**	**1'277**	**1'385**
Diluted shares outstanding (m)	4.0	4.0	4.0
Value per Share (CHF)	**296**	**319**	**347**

Source: Kuoni company data (2015 financial figures unaudited)

Valuation Considerations

Analysis of Comparable Companies (1/2)

GTD

Selection of comparable companies

- The comparable companies identified include (i) distributors of travel products, such as operators of global distribution systems (GDS) as well as (ii) online travel agencies (OTAs) and one provider of online flight booking services
- In order to ensure that the right companies for comparison were selected from a broad universe, the selection of comparable companies was matched against current assessments from equity research analysts and market studies
- See Appendix 2 for details

Valuation methodology

- For the group of comparable companies selected, the enterprise value ("EV") was calculated on the basis of their current market capitalization (as of 29 January 2016) and their latest available actual net debt / cash position (including debt-like and cash-like items)
- This value was set against the consensus EBITDA estimate for the financial year 2016 for each comparable company (IBES consensus). A calendar adjustment was made for those companies with different financial years
- The median of the resulting trading multiples (9.3x) was applied on GTD's 2016 EBITDA estimate, producing the following enterprise value for GTD:

Comparable Companies GTD *EV/EBITDA 2016*	Low	Mid	High
Resulting Enterprise Value (in CHFm)	634	705	775

GTS

Selection of comparable companies

- The universe of pure-play comparable listed companies is very limited. The comparable companies were selected based on their business models which include (i) destination services distributed through wholesale channels (B2B), and/or (ii) comprehensive group travel services
- In order to ensure that the right companies for comparison were selected from a broad universe, the selection of comparable companies was matched against current assessments from equity research analysts and market studies
- See Appendix 2 for details

Valuation methodology

- For the group of comparable companies selected, the EV was calculated on the basis of their current market capitalization (as of 29 January 2016) and their latest available actual net debt / cash position (including debt-like and cash-like items)
- This value was set against the consensus EBITDA estimate for the financial year 2016 for each comparable company (IBES consensus). A calendar adjustment was made for those companies with different financial years
- The median of the resulting trading multiples (5.6x) was applied on GTS's 2016 EBITDA estimate, producing the following enterprise value for GTS:

Comparable Companies GTS *EV/EBITDA 2016*	Low	Mid	High
Resulting Enterprise Value (in CHFm)	37	41	45

Source: Factset, IBES consensus, Kuoni Company data (2015 financial figures unaudited), equity research reports, market studies

Valuation Considerations
Analysis of Comparable Companies (2/2)

VFS

Selection of comparable companies

- Kuoni's VFS division operates a very specific business model. There are no pure-play listed companies that would be directly comparable to it. Dedicated (specialized) service providers to the government and corporate sector have hence been used as closest reference
- In order to ensure that the right companies for comparison were selected from a broad universe, the selection of comparable companies was matched against current assessments from equity research analysts and market studies
- See Appendix 2 for details

Valuation methodology

- For the group of comparable companies selected, the EV was calculated on the basis of their current market capitalization (as of 29 January 2016) and their latest available actual net debt / cash position (including debt-like and cash-like items)
- This value was set against the consensus EBITDA estimate for the financial year 2016 for each comparable company (IBES consensus). A calendar adjustment was made for those companies with different financial years
- The median of the resulting trading multiples (11.8x) was applied on VFS's 2016 EBITDA estimate, producing the following enterprise value for VFS:

Comparable Companies VFS *EV/EBITDA 2016*	**Low**	**Mid**	**High**
Resulting Enterprise Value (in CHFm)	694	771	848

Corporate headquarters

Valuation methodology

- The corporate headquarters is an integral part of the Kuoni group. Its activities are indivisibly linked to the activities of the three operative divisions and to the group as such
- Hence, the multiples derived for each operative division were used as a basis for the valuation of the headquarters. The three multiples were weighted on the basis of their relative 2016 EBITDA contributions
- The resulting weighted trading multiple (10.3x) was applied on the headquarters' 2016 EBITDA estimate, producing the following enterprise value for the headquarters:

Comparable Companies HQ *EV/EBITDA 2016*	**Low**	**Mid**	**High**
Resulting Enterprise Value (in CHFm)	(156)	(173)	(190)

Source: Factset, IBES consensus, Kuoni Company data (2015 financial figures unaudited), equity research reports, market studies

Valuation Considerations
Comparable Companies: Kuoni Group (Sum-of-the-Parts)

Comparable companies

- The divisional sensitivity ranges were added up to derive a corresponding valuation range for the Kuoni group as a whole
- The comparable companies analysis results in an enterprise value of CHF 1’344m as of 29 January 2016 (the central value)

Comparable Companies Group *EV/EBITDA 2016*	**Low**	**Mid**	**High**
Resulting Enterprise Value (in CHFm)	1'210	1'344	1'478

- Based on 4.0m diluted Shares outstanding a value per Kuoni Share of CHF 304 (mid-point) was established as of 29 January 2016

CHFm	**Low**	**Mid**	**High**
Enterprise value	**1'210**	**1'344**	**1'478**
Enterprise value adjustments	(128)	(128)	(128)
Equity value	**1'081**	**1'216**	**1'350**
Diluted shares outstanding (m)	4.0	4.0	4.0
Value per Share (CHF)	**271**	**304**	**338**

Source: Factset, IBES consensus, Kuoni Company data (2015 financial figures unaudited), equity research reports, market studies

Valuation Considerations

Analysis of Precedent Transactions (1/2)

GTD

Selection of precedent transactions

- The main decision criterion for the selection of comparable transactions is the comparability of the respective target company to the business model and main activities of Kuoni's GTD division
- The group of comparable transaction target companies includes providers of electronic/online travel booking services as well as IT-providers specialized on the travel sector
- The analysis covers the period 2006 to 2015. Transactions for which no financial details were published and transaction with an implied deal size of less than CHF 50m were not considered as part of this analysis
- See Appendix 3 for additional details

Valuation methodology

- For the selected precedent transactions, the implied EV and the implied historical EV/EBITDA multiple (transaction multiple) were calculated
- As a next step, the median of the calculated transaction multiples (8.4x) was applied to GTD's 2015 EBITDA, producing an enterprise value for the GTD-division. In this method, intentional use was made of a historical EBITDA (here 2015), since the transaction multiples are also calculated by means of historical values

Precedent Transactions GTD *EV/EBITDA 2015*	Low	Mid	High
Resulting Enterprise Value (in CHFm)	562	625	687

GTS

Selection of precedent transactions

- Comparable transactions have been primarily identified to match GTS' main business in the group travel segment
- Comparable transactions include almost exclusively target companies that provide tour operating services
- The analysis covers the period 2006 to 2015. Transactions for which no financial details were published and transaction with an implied deal size of less than CHF 50m were not considered as part of this analysis
- See Appendix 3 for additional details

Valuation methodology

- For the selected precedent transactions, the implied EV and the implied historical EV/EBITDA multiple (transaction multiple) were calculated
- As a next step, the median of the calculated transaction multiples (9.4x) was applied to GTS's 2016 EBITDA producing an enterprise value for the GTS-division. Unlike as for the other divisions, for GTS the 2016 EBITDA was used. 2015 EBITDA was distorted by extraordinary effects and a reported loss. Significant restructuring measures have been established and are implemented. 2016 therefore presents a more meaningful basis

Precedent Transactions GTS *EV/EBITDA 2016*	Low	Mid	High
Resulting Enterprise Value (in CHFm)	62	69	76

Source: Mergermarket, Kuoni Company data (2015 financial figures unaudited)

Valuation Considerations
Analysis of Precedent Transactions (2/2)

VFS

Selection of precedent transactions

- VFS operates a very specific business model. Transactions involving target companies focused on specialized service providers focused on the corporate and government sector
- The analysis covers the period 2006 to 2015. Transactions for which no financial details were published and transaction with an implied deal size of less than CHF 50m were not considered as part of this analysis
- See Appendix 3 for additional details

Valuation methodology

- For the selected precedent transactions, the implied EV and the implied historical EV/EBITDA multiple (transaction multiple) were calculated
- As a next step, the median of the calculated transaction multiples (11.3x) was applied to VFS's 2015 EBITDA, producing an enterprise value for VFS. In this method, intentional use was made of a historical EBITDA (here 2015), since the transaction multiples are also calculated by means of historical values

Precedent Transactions VFS *EV/EBITDA 2015*	Low	Mid	High
Resulting Enterprise Value (in CHFm)	666	740	814

Corporate headquarters

Valuation methodology

- The corporate headquarters is an integral part of the Kuoni group. Its activities are indivisibly linked to the activities of the three operative divisions and to the group as such
- Hence, the multiples derived for each operative division were used as a basis for the valuation of the headquarters. The three multiples were weighted on the basis of their relative 2016 EBITDA contributions
- The resulting weighted transaction multiple (9.8x) was applied to the headquarters' 2016 EBITDA estimate (based on the business plan), producing an enterprise value for the corporate headquarter. For the corporate headquarters, 2016 EBITDA was used, as 2015 EBITDA was distorted by extraordinary effects

Precedent Transactions HQ *EV/EBITDA 2016*	Low	Mid	High
Resulting Enterprise Value (in CHFm)	(148)	(165)	(181)

Source: Mergermarket, Kuoni Company data (2015 financial figures unaudited)

Valuation Considerations
Precedent Transactions: Kuoni Group (Sum-of-the-Parts)

Comparable transactions

- The divisional sensitivity ranges were added up to derive a corresponding valuation range for the Kuoni group as a whole
- The comparable transactions analysis results in an enterprise value of CHF 1’269m as of 29 January 2016 (the central value)

Precedent Transactions Group *EV/EBITDA 2015*	Low	Mid	High
Resulting Enterprise Value (in CHFm)	1'142	1'269	1'396

- Based on 4.0m diluted Shares outstanding a value per Kuoni Share of CHF 285 (mid-point) was established as of 29 January 2016

CHFm	Low	Mid	High
Enterprise value	**1'142**	**1'269**	**1'396**
Enterprise value adjustments	(128)	(128)	(128)
Equity value	**1'014**	**1'141**	**1'268**
Diluted shares outstanding (m)	4.0	4.0	4.0
Value per Share (CHF)	**254**	**285**	**317**

Source: Mergermarket, Kuoni Company data (2015 financial figures unaudited)

Valuation Considerations

Analysis of Share Price and Current Research Analyst Estimates

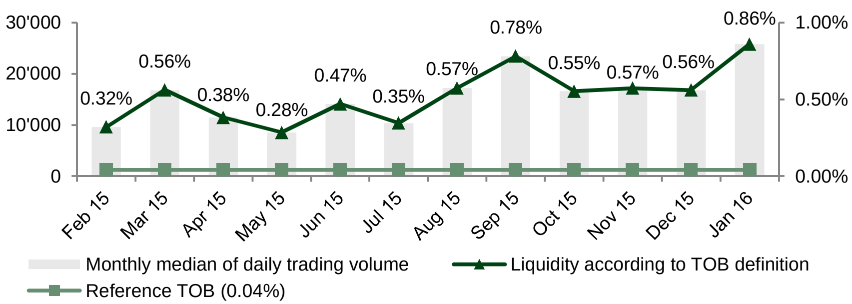
Development of Share price and trading volumes

- The closing price on 29 January 2016 was CHF 318, significantly impacted by takeover speculation following newspaper articles as well as the Company's press releases on 5 January 2016 and 28 January 2016
  - Since December 2015, Kuoni significantly outperformed the SPI
  - The Share price ranged from CHF 174 to CHF 342
  - The average Share price over this period was CHF 266

Research analyst estimates

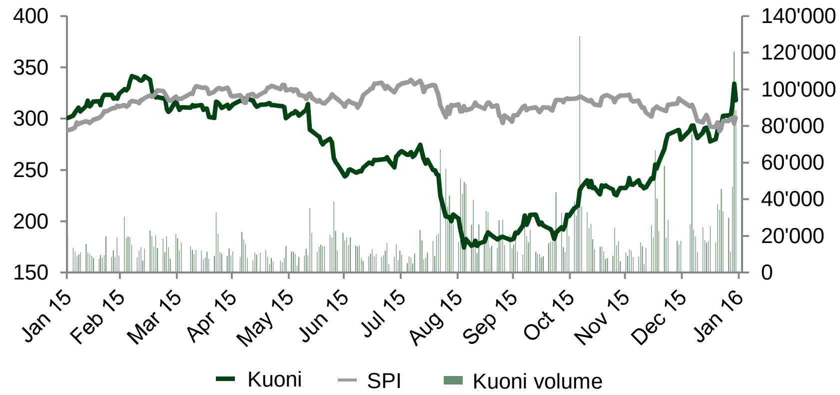
- An assessment of currently published research analyst opinions largely shows a mixed picture with regard to buy and hold recommendations.
- The average target price across all analysts is around CHF 269 per Share
  - Excluding the highest and lowest outliers, the target Share price ranges from CHF 250 to CHF 315

Liquidity analysis



- The data underlying the liquidity analysis was obtained from SIX Swiss Stock Exchange, as required by the TOB

Share price and trading volumes (LTM)



Research analysts' estimates

Date	Analyst	Recommendation	Target price
29-Jan-16	Baader-Helvea	Buy	275
29-Jan-16	Kepler Cheuvreux	n.a.	n.a.
29-Jan-16	Natixis	Hold	250
29-Jan-16	MainFirst Bank AG	Buy	380
28-Jan-16	AlphaValue	Sell	253
13-Jan-16	J.P. Morgan	Hold	315
06-Jan-16	Zürcher Kantonalbank	Hold	n.a.
05-Jan-16	Credit Suisse	n.a.	n.a.
04-Jan-16	Bank Vontobel	Hold	220
23-Dec-15	EVA Dimensions	Sell	n.a.
16-Dec-15	Bank am Bellevue	Buy	250
Mean (1)			**269**
Median (1)			**253**

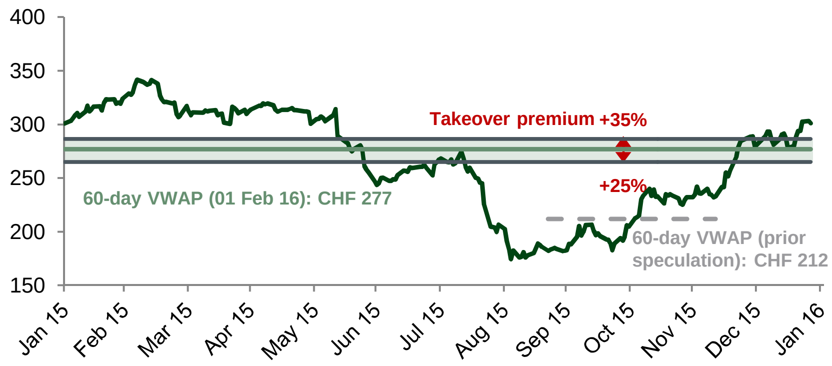
Source: Bloomberg
(1) Excluding lowest and highest value

Valuation Considerations
Analysis of Takeover Premia

Analysis of premiums paid in public takeover situations in Switzerland

- Subjective interests play a major role in public takeovers. Potential acquirers may in some circumstances be willing to pay significant control premiums
- This is especially true in contested takeover situations, where potential acquirers outbid each other resulting in higher premiums paid
- Another important factor is, whether a bidder has already owned a controlling stake in the target company when the tender offer is announced. In such instances, the willingness to pay an additional control premium on the share price will typically be reduced
- When selecting relevant public takeover transactions for the purpose of this analysis, the following criteria were applied(1):
  - Transactions since 1 January 2006
  - Target company was listed on the SIX Swiss Exchange at the time of the tender offer
  - "Pure" real estate companies were not considered
  - Implied equity value of at least CHF 100m
  - Consideration of voluntary as well as mandatory offers
  - Only cash offers were considered
- Since 2006, average premiums of 29.6% were paid compared to the 60-day VWAP on the day before the announcement of each tender offer
- Kuoni's 60-day VWAP as of 1 February 2016 stands at CHF 277. Applying a premium of 25% to 35% would results in a value range of CHF 346 to 374 per Kuoni Share
- It has to be noted that the current VWAP is significantly inflated by ongoing takeover speculation. Therefore, this distorted 60-day VWAP (the "Distorted VWAP") was not used as a meaningful takeover premia basis
- Given press speculation in Sonntagszeitung dated 13 December 2015 and subsequently other newspapers, we applied the 60-day VWAP prior to that date, resulting in a VWAP of CHF 212 ("Undistorted VWAP"). This results in a value range of CHF 265 to 286 per Share

Applying an average takeover premium of 25-35%



Source: Mergermarket, Bloomberg, Swiss Takeover Board
(1) An overview of the selected public takeover transactions can be found in Appendix 4

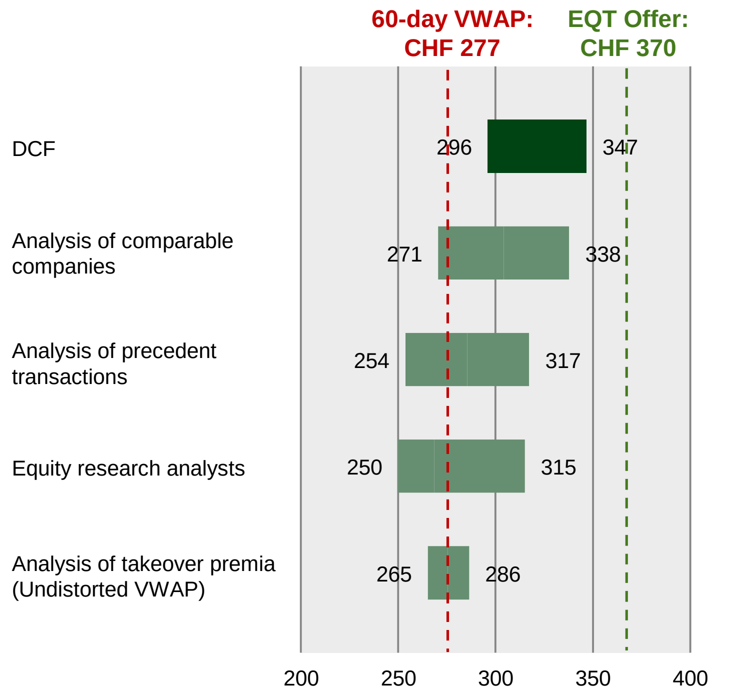
Result of the Fairness Opinion

Result of the Fairness Opinion
Valuation Results for Kuoni

Valuation assessment

- The illustration on the right summarizes the results of our valuation analysis. The DCF analysis was used as the primary valuation method, while selected market-value-based methods (60-day VWAP, analysis of comparable companies, analysis of precedent transactions, target prices of equity research analysts, analysis of takeover premia) were used to test the plausibility of the results of the DCF analysis
- The valuation date is 29 January 2016
- The DCF analysis results in a value range of CHF 296 to 347 per Share
- The analysis of comparable companies based on 2016 EV/EBITDA trading multiples results in a value range of CHF 271 to 338 per Share
- The analysis of precedent transactions based on historical EV/EBITDA transaction multiples results in a value range of CHF 254 to 317 per Share
- Excluding highest and lowest outliers, equity research analysts value the Kuoni Share at CHF 250 to 315 on a stand-alone basis (excluding a potential takeover premium)
- The 60-day VWAP as of 1 February stands at CHF 277. It has to be noted that the current VWAP is inflated by takeover speculation based also on the newspaper articles of 13 December 2015 and Kuoni's press releases of 5 January 2016 and 28 January 2016 (Distorted VWAP)
- The 60-day VWAP up to the date of the above mentioned newspaper articles amounts to CHF 212 (Undistorted VWAP). Applying a typical premium range of 25% to 35% to the Undistorted VWAP results in a value range of CHF 265 to 286

Valuation summary (CHF per Kuoni Share)



Based on the value range of CHF 296 to 347 per Kuoni Share resulting from the DCF analysis and the confirming results by the supplementing methods, we consider the EQT Offer of CHF 370 per Kuoni Share financially fair and adequate

Martin Menzi
Senior Partner

Ralf Herrmann
Partner

Appendices

- Cost of Capital
- Trading Multiples of Comparable Companies
- Overview of Precedent Transactions
- Public Takeover Premia Since 1 January 2006
- List of Abbreviations

Appendix 1
Cost of Capital: Global Travel Distribution (1/2)

Derivation of WACC

WACC components		Notes	Source
Risk-free rate (rf)	2.6%	Weighted average of current yields on ten-year government bonds representing key sourcing countries of GTD by sales	Bloomberg, Company information
Market risk premium (MRP)	6.9%	Difference between the average annual return on mid-sized listed stocks ("low cap stocks") and the average annual yield on long-term government bonds (period: 1926-2014[1])	Duff & Phelps: "2015 Valuation Handbook"
Beta (unlevered)	0.94	Median regression beta of comparable companies (5-year regression against MSCI World Index based on monthly returns)	Factset
Beta (relevered)	0.97	Formula: $ß_L = ß_U \times [1+ ((D / E) \times (1-t))]$	Modigliani & Miller
Cost of equity	**9.3%**	**Formula: $c_e = r_f + ß_L \times MRP$**	
Pre-tax cost of debt	1.5%	Yield-to-maturity of Kuoni's outstanding listed bond (maturity: October 2019; face value: CHF 200m; coupon: 1.5%)	Bloomberg, Company information
Tax rate (t)	25.0%	Long-term marginal tax rate assumed by Kuoni management	Company information
Post-tax cost of debt	**1.1%**	**Formula: c_d (post-tax) = c_d (pre-tax) x (1-t)**	
Equity ratio	94.8%	Median of capital structure of comparable companies	Factset, company information
Debt ratio	5.2%	Median of capital structure of comparable companies	Factset, company information
WACC	**8.9%**		

(1) Excluding period of 1942 to 1951 due to World War II interest rate bias

Appendix 1
Cost of Capital: Global Travel Distribution (2/2)

Calculation of unlevered beta

Comparable companies	Levered beta(1)	Marginal tax rate	Net debt (LC m)(2)	Mcap (LC m)	D / (D + E)	D / E	Unlevered beta(3)
Amadeus IT (ES)	0.84	28.00%	1'734	16'462	9.5%	10.5%	0.78
Sabre (US)(4)	0.93	40.00%	3'079	7'016	30.5%	43.9%	0.73
Travelport Worldwide (GB)(4)	0.60	20.00%	2'503	1'345	65.0%	186.1%	0.24
eDreams (LU)(4)	0.40	29.22%	354	160	68.8%	220.5%	0.15
Expedia (US)	0.65	40.00%	985	15'183	6.1%	6.5%	0.62
Priceline (US)	1.54	40.00%	2'368	53'018	4.3%	4.5%	1.50
TravelSky Technology (CN)	1.09	25.00%	0	29'138	0.0%	0.0%	1.09
Webjet (AU)	1.12	30.00%	0	434	0.0%	0.0%	1.12
lastminute.com (CH)(4)	(0.19)	17.92%	0	139	0.0%	0.0%	(0.19)
Average(5)	**1.03**	**33.83%**			**8.4%**	**10.9%**	**0.98**
Median(5)	**1.01**	**35.00%**			**5.2%**	**5.5%**	**0.94**

Sensitivity analysis: WACC

D / (D + E) \ "Unlevered" Beta	**0.79**	**0.86**	**0.94**	**1.01**	**1.09**
10.2%	7.7%	8.2%	8.7%	9.2%	9.7%
7.7%	7.8%	8.3%	8.8%	9.3%	9.8%
5.2%	7.8%	8.3%	**8.9%**	9.4%	9.9%
2.7%	7.9%	8.4%	8.9%	9.4%	10.0%
0.2%	8.0%	8.5%	9.0%	9.5%	10.0%

Source: Factset, KPMG, Company information

(1) Five-year regression against MSCI World Index based on monthly returns

(2) Net financial debt (including pensions)

(3) Unlevered beta = (levered beta / (1 + (1 – tax rate) x D/E)); assumption: beta of D = 0

(4) Trading history of less than five years; beginning of regression period as of first trading day

(5) Without Travelport, eDreams and lastminute.com due to limited relevance

Appendix 1
Cost of Capital: Global Travel Services (1/2)

Derivation of WACC

WACC components		Notes	Source
Risk-free rate (rf)	2.0%	Weighted average of current yields on ten-year government bonds representing key destination countries of GTS by sales	Bloomberg, Company information
Market risk premium (MRP)	6.9%	Difference between the average annual return on mid-sized listed stocks ("low cap stocks") and the average annual yield on long-term government bonds (period: 1926-2014[(1)])	Duff & Phelps: "2015 Valuation Handbook"
Beta (unlevered)	1.04	Median regression beta of comparable companies (5-year regression against MSCI World Index based on monthly returns)	Factset
Beta (relevered)	1.04	Formula: $ß_L = ß_U \times [1+ ((D / E) \times (1-t))]$	Modigliani & Miller
Cost of equity	**9.2%**	**Formula: $c_e = r_f + ß_L \times MRP$**	
Pre-tax cost of debt	1.5%	Yield-to-maturity of Kuoni's outstanding listed bond (maturity: October 2019; face value: CHF 200m; coupon: 1.5%)	Bloomberg, Company information
Tax rate (t)	25.0%	Long-term marginal tax rate assumed by Kuoni management	Company information
Post-tax cost of debt	**1.1%**	**Formula: c_d (post-tax) = c_d (pre-tax) x (1-t)**	
Equity ratio	100.0%	Median of capital structure of comparable companies	Factset, company information
Debt ratio	0.0%	Median of capital structure of comparable companies	Factset, company information
WACC	**9.2%**		

(1) Excluding period of 1942 to 1951 due to World War II interest rate bias

Appendix 1
Cost of Capital: Global Travel Services (2/2)

Calculation of unlevered beta

Comparable companies	Levered beta[1]	Marginal tax rate	Net debt (LC m)[2]	Mcap (LC m)	D / (D + E)	D / E	Unlevered beta[3]
Thomas Cook (GB)	2.49	20.00%	418	1'640	20.3%	25.5%	2.07
TUI (DE)	1.50	29.65%	1'345	9'116	12.9%	14.8%	1.36
H.I.S. (JP)	0.28	33.06%	0	229'566	0.0%	0.0%	0.28
Cullinan (ZA)	0.92	28.00%	0	408	0.0%	0.0%	0.92
Transat (CA)	1.04	26.50%	0	266	0.0%	0.0%	1.04
Average	**1.25**	**27.44%**			**6.6%**	**8.0%**	**1.13**
Median	**1.04**	**28.00%**			**0.0%**	**0.0%**	**1.04**

Sensitivity analysis: WACC

"Unlevered" Beta (columns); D / (D + E) (rows)

D / (D + E)	0.89	0.97	1.04	1.12	1.19
5.0%	8.0%	8.5%	9.0%	9.5%	10.0%
2.5%	8.1%	8.6%	9.1%	9.6%	10.1%
0.0%	8.1%	8.6%	**9.2%**	9.7%	10.2%
-2.5%	8.2%	8.7%	9.2%	9.7%	10.3%
-5.0%	8.2%	8.8%	9.3%	9.8%	10.3%

Source: Factset, KPMG, Company information

(1) Five-year regression against MSCI World Index based on monthly returns

(2) Net financial debt (including pensions)

(3) Unlevered beta = (levered beta / (1 + (1 – tax rate) x D/E)); assumption: beta of D = 0

Appendix 1
Cost of Capital: VFS Global (1/2)

Derivation of WACC

WACC components		Notes	Source
Risk-free rate (rf)	4.4%	Country-weighted average of current yields; country-weighting derived on basis of visa applicants' key source and destination countries	Bloomberg, Company information
Market risk premium (MRP)	6.9%	Difference between the average annual return on mid-sized listed stocks ("low cap stocks") and the average annual yield on long-term government bonds (period: 1926-2014[1])	Duff & Phelps: "2015 Valuation Handbook"
Beta (unlevered)	0.67	Median regression beta of comparable companies (5-year regression against MSCI World Index based on monthly returns)	Factset
Beta (relevered)	0.78	Formula: $ß_L = ß_U \times [1+ ((D / E) \times (1-t))]$	Modigliani & Miller
Cost of equity	**9.7%**	**Formula: $c_e = r_f + ß_L \times MRP$**	
Pre-tax cost of debt	1.5%	Yield-to-maturity of Kuoni's outstanding listed bond (maturity: October 2019; face value: CHF 200m; coupon: 1.5%)	Bloomberg, Company information
Tax rate (t)	23.0%	Long-term marginal tax rate assumed by Kuoni management	Company information
Post-tax cost of debt	**1.1%**	**Formula: c_d (post-tax) = c_d (pre-tax) x (1-t)**	
Equity ratio	82.4%	Median of capital structure of comparable companies	Factset, company information
Debt ratio	17.6%	Median of capital structure of comparable companies	Factset, company information
WACC	**8.2%**		

(1) Excluding period of 1942 to 1951 due to World War II interest rate bias

Appendix 1
Cost of Capital: VFS Global (2/2)

Calculation of unlevered beta

Comparable companies	Levered beta(1)	Marginal tax rate	Net debt (LC m)(2)	Mcap (LC m)	D / (D + E)	D / E	Unlevered beta(3)
SGS (CH)	0.72	17.92%	656	15'512	4.1%	4.2%	0.69
Bureau Veritas (FR)	0.66	33.33%	2'275	7'658	22.9%	29.7%	0.55
Intertek (GB)	0.52	20.00%	640	4'567	12.3%	14.0%	0.46
Capita (GB)	0.86	20.00%	2'357	7'809	23.2%	30.2%	0.69
Edenred (FR)	1.12	33.33%	873	3'943	18.1%	22.1%	0.97
Experian (IE)	0.76	12.50%	3'344	16'210	17.1%	20.6%	0.64
Average	**0.77**	**22.85%**			**16.3%**	**20.2%**	**0.67**
Median	**0.74**	**20.00%**			**17.6%**	**21.4%**	**0.67**

Sensitivity analysis: WACC

D / (D + E) \ "Unlevered" Beta	0.52	0.59	0.67	0.74	0.82
22.6%	7.0%	7.5%	8.0%	8.5%	9.0%
20.1%	7.1%	7.6%	8.1%	8.6%	9.1%
17.6%	7.2%	7.7%	**8.2%**	8.7%	9.2%
15.1%	7.3%	7.8%	8.3%	8.8%	9.3%
12.6%	7.4%	7.9%	8.4%	8.9%	9.4%

Source: Factset, KPMG, Company information

(1) Five-year regression against MSCI World Index based on monthly returns

(2) Net financial debt (including pensions)

(3) Unlevered beta = (levered beta / (1 + (1 – tax rate) x D/E)); assumption: beta of D = 0

Appendix 2

Trading Multiples of Comparable Companies: Global Travel Distribution

Trading multiples(1),(2)

Company (Country)	MC (CHFm)	EV (CHFm)	EV/Sales 2016	EV/Sales 2017	EV/Sales 2018	EV/EBITDA 2016	EV/EBITDA 2017	EV/EBITDA 2018	EV/EBIT 2016	EV/EBIT 2017	EV/EBIT 2018
Amadeus IT (ES)	18'252	20'190	4.3x	4.0x	3.8x	11.6x	10.8x	10.4x	15.9x	15.0x	14.7x
Sabre (US)	7'189	10'345	3.0x	2.8x	n.a.	9.3x	8.2x	n.a.	13.3x	10.9x	n.a.
Travelport Worldwide (GB)	1'378	3'964	1.6x	1.5x	1.5x	6.8x	6.3x	5.9x	11.5x	9.9x	8.8x
eDreams (LU)	178	570	1.1x	1.0x	1.0x	5.4x	5.0x	5.0x	7.8x	7.2x	7.4x
Expedia (US)	15'557	17'148	1.9x	1.7x	1.6x	10.5x	8.3x	6.9x	16.5x	12.2x	n.a.
Priceline (US)	54'325	56'751	5.3x	4.6x	4.0x	12.9x	10.9x	9.1x	14.0x	12.0x	10.7x
TravelSky Technology (CN)	4'538	4'090	4.0x	3.8x	n.a.	11.2x	9.4x	n.a.	16.3x	14.1x	n.a.
Webjet (AU)	315	278	2.6x	2.4x	n.a.	10.5x	9.2x	n.a.	12.5x	10.8x	n.a.
lastminute.com (CH)(3)	154	156	0.5x	0.5x	0.4x	5.5x	3.9x	n.a.	10.8x	5.2x	n.a.
Mean(4)			**2.4x**	**2.3x**	**1.7x**	**8.6x**	**7.5x**	**7.1x**	**12.6x**	**10.4x**	**10.3x**
Median(4)			**2.6x**	**2.4x**	**1.2x**	**9.3x**	**8.2x**	**5.9x**	**12.5x**	**10.8x**	**8.8x**

Selected key financials(2)

Company (Country)	Sales growth 2016	Sales growth 2017	Sales growth 2018	EBITDA growth 2016	EBITDA growth 2017	EBITDA growth 2018	EBITDA margin 2016	EBITDA margin 2017	EBITDA margin 2018	EBIT margin 2016	EBIT margin 2017	EBIT margin 2018
Amadeus IT (ES)	9.3%	6.9%	5.9%	8.5%	7.5%	4.2%	37.0%	37.2%	36.6%	27.2%	26.8%	25.9%
Sabre (US)	14.0%	6.9%	n.a.	16.2%	13.7%	n.a.	32.0%	34.0%	n.a.	22.5%	25.7%	n.a.
Travelport Worldwide (GB)	6.9%	6.7%	3.7%	7.6%	7.8%	6.8%	24.2%	24.4%	25.2%	14.2%	15.5%	16.9%
eDreams (LU)	4.9%	5.7%	4.9%	5.9%	7.2%	(0.1)%	20.4%	20.7%	19.7%	14.0%	14.4%	13.3%
Expedia (US)	29.0%	13.9%	9.1%	40.9%	25.8%	21.4%	18.6%	20.5%	22.8%	11.8%	14.0%	n.a.
Priceline (US)	15.1%	14.7%	13.9%	16.2%	17.9%	20.8%	40.7%	41.8%	44.4%	37.6%	38.0%	37.6%
TravelSky Technology (CN)	13.4%	5.9%	n.a.	13.4%	19.6%	n.a.	35.9%	40.5%	n.a.	24.7%	26.9%	n.a.
Webjet (AU)	14.9%	10.0%	n.a.	16.7%	14.0%	n.a.	24.8%	25.7%	n.a.	20.8%	21.7%	n.a.
lastminute.com (CH)	12.9%	5.0%	15.5%	n.m.	39.9%	n.a.	8.9%	11.8%	n.a.	4.5%	8.8%	n.a.
Mean(4)	**10.9%**	**6.7%**	**7.5%**	**11.4%**	**15.7%**	**3.6%**	**26.1%**	**27.8%**	**27.2%**	**18.3%**	**20.0%**	**18.7%**
Median(4)	**12.9%**	**6.7%**	**5.4%**	**10.9%**	**13.7%**	**4.2%**	**24.8%**	**25.7%**	**25.2%**	**20.8%**	**21.7%**	**16.9%**

Source: Factset, Company information, Bloomberg (1) enterprise value adjusted for net financial debt or net cash, pensions, non-controlling interest
(2) Underlying financials calendarized to Kuoni's financial year-end (31-Dec) (3) Adjusted for cash distortion
(4) Excluding Expedia and Priceline due to their significantly higher sales growth and significantly larger size

Appendix 2

Trading Multiples of Comparable Companies: Global Travel Services

Trading multiples(1),(2)

Company (Country)	MC (CHFm)	EV (CHFm)	EV/Sales 2016	EV/Sales 2017	EV/Sales 2018	EV/EBITDA 2016	EV/EBITDA 2017	EV/EBITDA 2018	EV/EBIT 2016	EV/EBIT 2017	EV/EBIT 2018
Thomas Cook (GB)	2'384	3'480	0.3x	0.3x	n.a.	4.5x	4.2x	n.a.	6.7x	6.1x	7.7x
TUI (DE)	10'107	12'157	0.5x	0.5x	0.5x	6.6x	6.1x	5.7x	10.0x	8.5x	7.9x
H.I.S. (JP)	1'943	1'512	0.3x	0.3x	n.a.	5.6x	4.9x	n.a.	7.2x	6.4x	n.a.
Cullinan (ZA)	26	23	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Transat (CA)(3)	194	220	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Mean			**0.4x**	**0.4x**	**0.5x**	**5.6x**	**5.1x**	**5.7x**	**8.0x**	**7.0x**	**7.8x**
Median			**0.3x**	**0.3x**	**0.5x**	**5.6x**	**4.9x**	**5.7x**	**7.2x**	**6.4x**	**7.8x**

Selected key financials(2)

Company (Country)	Sales growth 2016	Sales growth 2017	Sales growth 2018	EBITDA growth 2016	EBITDA growth 2017	EBITDA growth 2018	EBITDA margin 2016	EBITDA margin 2017	EBITDA margin 2018	EBIT margin 2016	EBIT margin 2017	EBIT margin 2018
Thomas Cook (GB)	0.2%	2.7%	n.a.	5.5%	6.5%	n.a.	6.6%	6.9%	n.a.	4.4%	4.8%	n.a.
TUI (DE)	4.2%	3.3%	3.1%	12.1%	8.6%	6.6%	7.9%	8.3%	8.6%	5.3%	6.0%	6.3%
H.I.S. (JP)	5.6%	7.1%	n.a.	16.7%	14.3%	n.a.	5.4%	5.8%	n.a.	4.2%	4.4%	n.a.
Cullinan (ZA)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Transat (CA)	4.5%	4.9%	5.8%	21.1%	13.1%	21.1%	2.8%	3.1%	3.5%	1.4%	1.6%	2.3%
Mean	**3.6%**	**4.5%**	**4.5%**	**13.9%**	**10.6%**	**13.8%**	**5.7%**	**6.0%**	**6.1%**	**3.8%**	**4.2%**	**4.3%**
Median	**4.4%**	**4.1%**	**4.5%**	**14.4%**	**10.9%**	**13.8%**	**6.0%**	**6.3%**	**6.1%**	**4.3%**	**4.6%**	**4.3%**

Source: Factset, Company information, Bloomberg
(1) enterprise value adjusted for net financial debt or net cash, pensions, non-controlling interest (2) Underlying financials calendarized to Kuoni's financial year-end (31-Dec) (3) Adjusted for cash distortion

Appendix 2
Trading Multiples of Comparable Companies: VFS Global

Trading multiples[1],[2]

Company (Country)	MC (CHFm)	EV (CHFm)	EV/Sales 2016	EV/Sales 2017	EV/Sales 2018	EV/EBITDA 2016	EV/EBITDA 2017	EV/EBITDA 2018	EV/EBIT 2016	EV/EBIT 2017	EV/EBIT 2018
SGS (CH)	15'512	16'219	2.7x	2.6x	2.5x	12.8x	12.1x	11.4x	16.9x	15.9x	15.0x
Bureau Veritas (FR)	8'491	11'047	2.1x	2.0x	1.9x	10.8x	10.2x	9.9x	13.2x	12.5x	11.3x
Intertek (GB)	6'637	7'613	2.2x	2.1x	2.0x	11.3x	10.7x	9.9x	14.6x	13.8x	12.8x
Capita (GB)	11'350	14'881	2.0x	1.9x	1.8x	13.0x	12.4x	n.a.	15.1x	15.2x	18.8x
Edenred (FR)	4'371	5'189	4.2x	3.9x	3.6x	11.4x	10.3x	9.4x	12.6x	11.3x	10.0x
Experian (IE)	16'610	20'045	4.2x	4.1x	3.9x	12.3x	11.7x	n.a.	16.1x	15.2x	n.m.
Mean			**2.9x**	**2.8x**	**2.6x**	**11.9x**	**11.2x**	**10.2x**	**14.8x**	**14.0x**	**13.6x**
Median			**2.5x**	**2.4x**	**2.2x**	**11.8x**	**11.2x**	**9.9x**	**14.8x**	**14.5x**	**12.8x**

Selected key financials[2]

Company (Country)	Sales growth 2016	Sales growth 2017	Sales growth 2018	EBITDA growth 2016	EBITDA growth 2017	EBITDA growth 2018	EBITDA margin 2016	EBITDA margin 2017	EBITDA margin 2018	EBIT margin 2016	EBIT margin 2017	EBIT margin 2018
SGS (CH)	4.8%	4.3%	4.3%	4.8%	5.9%	5.6%	21.2%	21.5%	21.8%	16.0%	16.3%	16.6%
Bureau Veritas (FR)	2.5%	4.3%	7.0%	2.7%	5.1%	3.5%	19.4%	19.6%	18.9%	15.8%	16.0%	16.5%
Intertek (GB)	9.7%	4.1%	7.2%	10.1%	5.9%	7.8%	19.6%	19.9%	20.0%	15.2%	15.5%	15.5%
Capita (GB)	6.9%	5.4%	4.4%	7.1%	5.1%	n.a.	15.2%	15.2%	n.a.	13.1%	12.3%	9.6%
Edenred (FR)	3.7%	7.7%	9.9%	5.4%	11.1%	9.1%	37.1%	38.3%	38.0%	33.5%	34.9%	35.8%
Experian (IE)	0.5%	3.8%	5.1%	0.3%	4.9%	n.a.	34.3%	34.7%	n.a.	26.2%	26.7%	6.4%
Mean	**4.7%**	**4.9%**	**6.3%**	**5.1%**	**6.4%**	**6.5%**	**24.5%**	**24.9%**	**24.7%**	**20.0%**	**20.3%**	**16.7%**
Median	**4.2%**	**4.3%**	**6.1%**	**5.1%**	**5.5%**	**6.7%**	**20.4%**	**20.7%**	**20.9%**	**15.9%**	**16.1%**	**16.0%**

Source: Factset, Company information, Bloomberg
(1) enterprise value adjusted for net financial debt or net cash, pensions, non-controlling interest (2) Underlying financials calendarized to Kuoni's financial year-end (31-Dec)

Appendix 3
Overview of Precedent Transactions (1/2)

Global Travel Distribution[1]

Date	Acquiror	Target	Country	Business description	Enterprise value (CHFm)	EV / Sales	EV / EBITDA
20-Nov-15	Helloworld	AOT Group	AU	Provider of inbound, wholesale and online travel products distribution	71	1.7x	6.8x
12-Oct-15	ProSiebenSat.1 Media	eTRAVELi	SE	Online provider of air tickets, hotel reservations and other travel related services	257	3.5x	14.3x
08-May-15	JD.com	Tuniu Corporation (23.26%-stake)	CN	Online provider of travel booking services	1'157	2.2x	n.a.
12-Feb-15	Expedia	Orbitz Worldwide	US	Online provider of travel products, destination services, event tickets and tours	1'385	1.6x	10.8x
31-Jul-14	Nomura	Amadeus IT (7.49%-stake)	ES	Provider of IT solutions to the tourism and travel industries	11'233	3.0x	7.7x
07-Jul-14	Expedia	Wotif.com	AU	Provider of online accommodation services	510	4.1x	8.5x
25-Jun-14	Vitruvian	JacTravel	UK	Provider of online hotel bookings and travel services	121	0.5x	8.3x
24-Mar-14	BC Partners, Insight Venture Partners	CarTrawler	IE	Operator of online car rental distribution systems	549	n.a.	14.5x
07-Oct-13	Inflexion Private Equity	On the Beach Group	UK	Provider of interface between consumers and third party suppliers of travel products	106	1.9x	6.3x
07-Mar-11	Kuoni	Gullivers Travel Associates	UK	Provider of ground travel and destination services to the travel industry	654	2.1x[2]	8.4x[2]
09-Feb-11	Permira, Ardian	Opodo	UK	Online provider of travel services including various holidays, car hires and travel insurance	566	2.9x	15.7x
27-Jul-10	Permira	eDreams	ES	Online provider of hotel, car and flight reservations for leisure and business travelers	344	3.4x	14.4x
07-Dec-06	Travelport	Worldspan	US	Provider of information, booking and transaction processing services for the travel industry	1'674	n.a.	5.5x
					Average	**2.5x**	**10.1x**
					Median	**2.2x**	**8.4x**

Source: Mergermarket, Company filings and press releases
(1) Excluding transactions with an implied enterprise value of below CHF 50m; only including transactions with disclosed EV / Sales or EV / EBITDA multiples (2) Based on Company filings / press releases

Appendix 3
Overview of Precedent Transactions (2/2)

Global Travel Services[1]

Date	Acquiror	Target	Country	Business description	Enterprise value (CHFm)	EV / Sales	EV / EBITDA
15-Sep-14	TUI	TUI Travel (45.52%-stake)	UK	Provider of travel accommodations, flight arrangements and travel packages	7'793	0.3x	9.4x
27-Jul-11	Cox & Kings India	Holidaybreak	UK	Provider of travel, leisure and education services	573	0.9x	7.4x
21-Dec-09	Thomas Cook	Gold Medal Travel (49.99%-stake)	UK	Provider of tour operating services and Internet booking systems	111	0.3x	9.3x
09-Jun-08	Thomas Cook	TriWest Travel	CA	Provider of travel wholesale services	98	0.6x	6.9x
11-Jul-07	Pontia Capital	Viajes Nobel	ES	Provider of tour operating services	83	0.7x	n.a.
19-Mar-07	TUI Travel	First Choice Holidays	UK	Provider of tour operating services	4'352	0.7x	10.3x[2]
12-Feb-07	Arcandor	MyTravel Group	UK	Provider of tour operating services	3'620	0.5x	13.0x
					Average	**0.6x**	**9.4x**
					Median	**0.6x**	**9.4x**

VFS Global[1]

Date	Acquiror	Target	Country	Business description	Enterprise value (CHFm)	EV / Sales	EV / EBITDA
09-Dec-15	Computer Sciences Corporation	Xchanging	UK	Provider of outsourcing and back office services	753	1.2x	8.0x
07-Jul-15	Baring PE Asia	Orangefield Trust	NL	Provider of administrative, trust and corporate management services	313	n.a.	15.0x
03-Jun-13	Intertrust	ATC Group	NL	Provider of financial training services	375	4.3x	12.0x
03-Dec-12	Blackstone	Intertrust	NL	Provider of trust and corporate management services	816	3.7x[2]	11.1x[2]
02-Jul-12	Corporate Executive Board Company	SHL Group	UK	Provider of cloud-based solutions for people-talent assessment and decision support	615	3.1x	11.3x
29-Mar-12	AnaCap Financial Partners	First Names Group	UK	Provider of trust, corporate and fund administration services	101	2.1x	n.a.
14-Mar-12	SS&C Technologies	GlobeOp Financial Services	UK	Provider of hedge fund administration and financial technology services	727	3.5x	11.4x
18-Jan-12	Cinven	CPA Global	UK	Provider of general, legal and intellectual property support services	1'305	1.2x[2]	n.a.
16-Aug-11	General Dynamics	Vangent	US	Provider of information management and business process outsourcing services	762	1.3x	10.4x
07-May-10	CGI Group	Stanley	US	Provider of software, information technology and professional services	1'142	1.2x	11.3x
					Average	**2.4x**	**11.3x**
					Median	**2.1x**	**11.3x**

Source: Mergermarket, Company filings and press releases
(1) Excluding transactions with an implied enterprise value of below CHF 50m; only including transactions with disclosed EV / Sales or EV / EBITDA multiples (2) Based on Company filings / press releases

Appendix 4

Public Takeover Premia Since 1 January 2006[1]

Date	Acquiror	Target	Consideration	Implied equity value (CHFm)	Premium (based on VWAP)[2]
17-Dec-15	TDK	Micronas	Cash	223	70%
25-Sep-14	KUKA	Swisslog	Cash	339	14%
15-Sep-14	Danaher	Nobel Biocare	Cash	2,117	7%
16-May-14	Swisscom	PubliGroupe	Cash	501	73%
09-Oct-13	Alpine Select	Absolute Invest	Cash	156	3%
02-Oct-13	Avista Capital & Nordic Capital	Acino Holding	Cash	399	53%
05-Aug-13	SES	Società Elettrica Sopracenerina	Cash	164	2%
28-Jun-13	Venetos	Schmolz + Bickenbach	Cash	337	0%
10-Apr-13	Forty Plus / Fortimo Group	Fortimo Group	Cash	200	19%
31-Jul-12	Grupo Safra	Bank Sarasin	Cash	1,800	3%
12-Dec-11	ABB	Newave Energy	Cash	175	36%
08-Nov-11	Toyota Industries	Uster Technologies	Cash	393	48%[3]
20-Jun-11	Axpo	EGL	Cash	2,244	21%
26-Apr-11	HarbourVest	Absolute Private Equity	Cash	732	6%
17-Jan-11	Artemis	Feintool	Cash	267	7%
06-Dec-10	3M (Schweiz)	Winterthur Technologie	Cash	364	23%
22-Sep-10	Credit Suisse	Neue Aargauer Bank	Cash	2,681	24%
28-Jul-10	Adobe Systems	Day Software	Cash	219	59%
02-Nov-09	BURU	Cham Paper Group	Cash	129	0%
04-May-09	Aquamit	Quadrant	Cash	237	58%
15-Sep-08	BASF	Ciba	Cash	3,410	64%
26-Aug-08	Robert Bosch	sia Abrasives	Cash	316	17%
10-Jul-08	Novartis	Speedel	Cash	920	80%
12-Dec-07	Von Finck family	Von Roll	Cash	1,558	0%
11-Dec-07	Lam Research	SEZ	Cash	641	54%
07-Aug-07	Capio	Unilabs	Cash	741	30%
05-Mar-07	CRH	Getaz Romang	Cash	537	25%
25-Sep-06	Rank Group	SIG	Cash	2,739	52%
07-Dec-06	Liechtensteinische Landesbank	Bank Linth	Cash	435	31%
21-Sep-06	Merck	Serono	Cash	16,079	31%
06-Sep-06	OC Oerlikon	Saurer	Cash	1,964	36%
22-Aug-06	Georg Fischer	Agie Charmilles	Cash	733	14%
06-Mar-06	Assicurazioni Generali	Generali (Schweiz)	Cash	1,089	24%
				Average	**29.8%**
				Median	**24.4%**

Source: Swiss Takeover Board, Mergermarket
(1) List consists of selected public takeovers in Switzerland; selection criteria are mentioned in the main part of the document
(2) Based on 60-day VWAP prior to announcement of transaction (3) Including dividend payment

Appendix 5
List of Abbreviations

- AG Aktiengesellschaft (public limited company)
- avg. average
- APAC Asia-Pacific
- bn billion(s)
- B2B business to business
- c. circa, approximately
- CAGR compound annual growth rate
- capex capital expenditures
- CAPM capital asset pricing model
- CHF Swiss francs
- CIS Confederation of Independent States
- D debt
- D&A depreciation and amortization
- DCF discounted cashflow
- EBIT earnings before interest and taxes
- EBITA earnings before interest, taxes and amortization
- EBITDA earnings before interest, taxes, depreciation and amortization
- E equity
- e.g. exempli gracia, for example
- etc. et cetera, and so forth
- EV enterprise value
- FCF free cashflow
- FIT fully independent travellers
- FY financial year
- i.e. id est, that is
- incl. including
- LC local currency
- m million(s)
- M&A mergers & acquisitions
- MCap market capitalization
- MEA Middle East and Africa
- MENA Middle East and North Africa
- MICE meetings, incentives, conventions and exhibitions
- MRP market risk premium
- MSCI MSCI World Index (global equity index)
- n.a. not applicable
- N+1 N+1 Swiss Capital
- NOPAT net operating profit after taxes
- SIX SIX Swiss Exchange
- SPI Swiss Performance Index
- t taxes
- TOB (Swiss) Takeover Board
- USD US dollar
- VWAP volume-weighted average price
- WACC weighted average cost of capital

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