

Offer prospectus of November 30, 2005



Raffles Le Montreux Palace  
MONTREUX, SWITZERLAND

## Public tender offer

of

## Sodereal Holding AG, Zurich

for all publicly-held

## registered shares of Société Montreux-Palace S.A., Montreux

with a nominal value of CHF 100, CHF 50 and CHF 20 each

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<b>Offer price:</b>	<b>CHF 282.60 net</b> for each registered share of Société Montreux-Palace S.A. with a nominal value of CHF 100 <b>CHF 141.30 net</b> for each registered share of Société Montreux-Palace S.A. with a nominal value of CHF 50 <b>CHF 56.50 net</b> for each registered share of Société Montreux-Palace S.A. with a nominal value of CHF 20
<b>Offer period:</b>	<b>November 30 to December 13, 2005, 4:00 p.m. (CET)</b> (subject to extension)
<b>Conditions:</b>	The tender offer is unconditional.

Société Montreux-Palace S.A.	Security number	ISIN	Telekurs ticker symbol
Registered share with a nominal value of CHF 100	74 919	CH 000 074919 9	PALMN
Registered share with a nominal value of CHF 50	74 920	CH 000 074920 7	n/a
Registered share with a nominal value of CHF 20	74 921	CH 000 074921 5	n/a

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**Tender Agent:**



Lombard Odier Darier Hentsch

## Sales restrictions

### United States of America

The tender offer described herein is not being made in the United States of America (the **United States**) and may be accepted only outside the United States. Offering materials with respect to the tender offer may not be distributed in or sent to the United States and may not be used for the purpose of solicitation of an offer to purchase any securities by anyone in any jurisdiction, including the United States, in which such solicitation is not authorised or to any person to whom it is unlawful to make such solicitation. Persons receiving these offering materials (including custodians, nominees and trustees) must not distribute or send offering materials in, into or from the United States.

### United Kingdom

This communication is directed only at persons in the United Kingdom who (i) have professional experience in matters relating to investments, (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (as amended) or (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as **relevant persons**). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

### Other Jurisdictions

The tender offer described herein is not made in, nor is intended to extend to, a country or jurisdiction where such tender offer would be considered unlawful. Offering materials relating to the tender offer may not be distributed in nor sent to such country or jurisdiction and may not be used for the purpose of soliciting the purchase of any securities of Société Montreux-Palace S.A. from anyone in such country or jurisdiction.

## Background of the tender offer

### Reason for the offer

Sodereal Holding AG, Zurich (hereinafter **Sodereal**), which holds 83.86% of the share capital of Société Montreux-Palace S.A. (hereinafter **Montreux-Palace**), is a subsidiary of Swissôtel Holding AG, Hergiswil (hereinafter **Swissôtel**). Swissôtel is a subsidiary of Raffles Corporation (Switzerland) Pte Ltd, Singapore (hereinafter **Raffles**). Colony HR Holding (LUX) S.à.r.l., a subsidiary of Colony HR Acquisitions, LLC, Wilmington, Delaware, United States (hereinafter **Colony**) has entered into a sale and purchase agreement with Raffles Holdings Limited, Singapore (hereinafter **RHL**), Raffles' parent company, with respect to all outstanding shares of Raffles. This sale and purchase agreement has been completed on September 30, 2005. As a consequence of this acquisition, Sodereal became an indirect subsidiary of Colony. This indirect change of control of Sodereal causes Colony, via Sodereal as offeror, to launch a tender offer for all listed publicly-held registered shares of Montreux-Palace with a nominal value of CHF 100 each in compliance with the Federal Act on Stock Exchanges and Securities Trading.

## A. Tender Offer

### 1. Object of offer

The tender offer applies to all publicly-held registered shares of Montreux-Palace with a nominal value of CHF 100 each which are not owned by Sodereal at the date of this tender offer according to the table below.

The tender offer also applies to all non-listed publicly-held registered shares of Montreux-Palace with a nominal value of CHF 50 and CHF 20 each which are not owned by Sodereal at the date of this tender offer according to the table below.

	Nominal value		
	CHF 100	CHF 50	CHF 20
Number of outstanding shares minus Sodereal's holding	205,512 (172,960)	1,217 (67)	885 (3)
Publicly-held registered shares	32,552	1,150	882

### 2. Offer price

**CHF 282.60 net for each registered share of Montreux-Palace with a nominal value of CHF 100**

**CHF 141.30 net for each registered share of Montreux-Palace with a nominal value of CHF 50**

**CHF 56.50 net for each registered share of Montreux-Palace with a nominal value of CHF 20**

Pursuant to article 32 para. 4 of the Federal Act on Stock Exchanges and Securities Trading (**SESTA**), the offer price has to be at least as high as the stock exchange price and may not be lower than 25% of the highest price paid by the offeror for equity securities of the offeree company in the preceding 12 months.

However, as the registered shares of Montreux-Palace have been traded on less than 15 days during the last 30 trading days prior to the announcement of the offer, pursuant to the practice of the Takeover Board, the market for registered shares of Montreux-Palace is deemed to be illiquid and may therefore not set the benchmark for the calculation of the minimum offer price. Therefore, Colony/Sodereal has mandated BDO Visura, Fabrikstrasse 50, 8031 Zurich, Switzerland, as independent appraiser to prepare a report on the value of the shares of Montreux-Palace.

In its valuation report, BDO Visura assesses the fair value per registered share with a nominal value of CHF 100 each to be CHF 169. The valuation report is available on [www.montreux-palace.ch](http://www.montreux-palace.ch) and free of charge from Lombard Odier Darier Hentsch & Cie (order address please see Section J.).

The offer price for the registered shares of Montreux-Palace with a nominal value of CHF 100 each of CHF 282.60 is 67.22% higher than the value of such registered share as determined by BDO Visura and 83.09% higher than the price paid by Colony for the indirect acquisition of its participation in Montreux-Palace, in accordance with Section B.5., "Purchase and sale of Montreux-Palace registered shares".

The purchase price for the non-listed registered shares of Montreux-Palace equals, adjusted by their nominal value, the offer price for the registered shares of Montreux-Palace with a nominal value of CHF 100 each.

### 3. Offer period

November 30 to December 13, 2005, 4:00 p.m. (CET)

Sodereal reserves the right to extend the offer period one or more times. The extension of the offer period by more than forty trading days requires the prior consent of the Takeover Board.

#### **4. Additional acceptance period**

Sodereal grants the shareholders of Montreux-Palace the right to accept the tender offer up to ten trading days after the publication of the interim result of the tender offer. Unless the offer period is extended, the additional acceptance period is expected to commence on December 19, 2005 and to end on January 3, 2006.

#### **5. Conditions**

The tender offer is unconditional.

### **B. Information on the offeror**

#### **1. Sodereal**

##### ***a) Company, registered office and duration***

Sodereal is a corporation with domicile in Zurich and registered under the number CH-020.3.001.738-4 with the commercial register of the canton of Zurich. Its share capital amounts to CHF 55.6 million, divided into 55,600 registered shares with a nominal value of CHF 1,000 each. Sodereal is a company of unlimited duration.

##### ***b) Business activities***

Sodereal is a holding company and its main assets are the hotel properties of the Swissôtel group.

##### ***c) Annual report***

The annual report and the 2004 annual financial statements of Sodereal are available free of charge from Lombard Odier Darier Hentsch & Cie (order address please see Section J.).

##### ***d) Persons holding more than 5% of the voting rights***

The share capital of Sodereal is fully owned by Swissôtel, a wholly-owned subsidiary of Raffles. The share capital of Raffles is fully owned by Colony HR Holding (LUX) S.à.r.l., a wholly-owned subsidiary of Colony.

#### **2. Colony**

##### ***a) Company, registered office and duration***

Colony was formed on July 7, 2005 as a limited liability company organized under the laws of the state of Delaware in the United States with its registered office at 2711 Centerville Road, Suite 400, Wilmington, DE 19808. Colony HR Acquisitions, LLC is a company of unlimited duration.

##### ***b) Business activities***

Colony was formed for the purpose of acquiring the Raffles Hotel business from Raffles Holdings Limited. Colony is a holding company and its main asset currently is the hotel business of the Raffles/Swissôtel group.

##### ***c) Annual report***

Because Colony was not formed until July 7, 2005, no annual reports have been prepared to date. Furthermore, in principle Colony does not publish annual accounts and annual reports.

##### ***d) Persons holding more than 5% of the voting rights***

Three entities hold more than 5% of Colony. Colony HR-VII Investor, LLC, a company organized under the laws of the state of Delaware in the United States and having its registered office in the state of Delaware, holds 58.82% of the membership units and voting rights in Colony. Colony HR Co-Investment Partners, L.P., a company organized under the laws of the state of Delaware in the United States and having its registered office in the state of Delaware, holds 23.53% of the membership units and voting rights in Colony. Colony HR Co-Investment Partners II, L.P. holds 17.65% of the membership units and voting rights in Colony.

Each of these entities is a discretionary investment vehicle. Colony HR-VII Investor, LLC is sponsored and managed by Colony Investors VII, L.P., while Colony HR Co-Investment Partners, L.P. and Colony HR Co-Investment Partners II, L.P. are sponsored and managed by Colony HR Co-Investment Genpar, LLC, all subsidiaries of Colony Capital, LLC.

As a leading investor in real estate assets and related businesses on a global basis, Colony Capital, LLC has a wide experience in capitalizing on inefficiencies in real estate transactions. Colony Capital, LLC is led by its founder, Thomas J. Barrack, Jr. and 12 other principals who have an average of 20 years of relevant business and investing experience. Colony Capital, LLC's team currently includes over 120 professionals based in 14 offices in 10 countries. Further information is available on the internet at [www.colonyinc.com](http://www.colonyinc.com).

### **3. Persons acting in concert**

In the context of the tender offer, Colony and all companies under the control of Colony, Colony HR-Investor VII, LLC as well as Colony Capital, LLC and all companies under the control of Colony Capital LLC are acting in concert with Sodereal.

### **4. Sodereal/Colony shareholding of Montreux-Palace**

As at November 30, 2005, Sodereal held 172,960 registered shares with a nominal value of CHF 100 each, 67 registered shares with a nominal value of CHF 50 each and 3 registered shares with a nominal value of CHF 20 each, equivalent to 83.86% of the share capital and the voting rights of Montreux-Palace. Sodereal did not hold any option or conversion rights to acquire any registered shares of Montreux-Palace. Save as disclosed, Colony and the other companies under its control and the persons acting in concert did not hold any registered shares of Montreux-Palace or any option or conversion rights to acquire any registered shares of Montreux-Palace as at November 30, 2005.

### **5. Purchase and sale of Montreux-Palace registered shares**

On September 30, 2005, Colony completed the acquisition of the Raffles/Swissôtel group from RHL. As part of this acquisition, Colony indirectly took over a participation of 83.86% of the share capital of Montreux-Palace, consisting of 172,960 listed registered shares with a nominal value of CHF 100 each, 67 non-listed registered shares with a nominal value of CHF 50 each and 3 non-listed registered shares with a nominal value of CHF 20 each. A consideration of CHF 26.70 million was paid by Colony in respect of such participation in Montreux-Palace. Therefore, the theoretical price Colony paid per registered share of Montreux-Palace with a nominal value of CHF 100 each amounts to CHF 154.35.

Save as disclosed, Colony, the companies under its control (including Sodereal) and the persons acting in concert have not bought or sold any registered shares of Montreux-Palace either on or off the stock market during the last twelve months prior to the announcement of the tender offer. Furthermore, no option or conversion rights to acquire any registered shares of Montreux-Palace were bought or sold either on or off the stock market during this period.

## **C. Financing**

For the financing of the tender offer, Colony has granted Sodereal a loan (credit facility) up to the amount of USD 20 million.

## **D. Information on the offeree**

### **1. Name, domicile and share capital**

Montreux-Palace is a corporation domiciled in Montreux registered under the number CH-550-1016734-9 with the commercial register of the canton of Vaud.

Montreux-Palace has a share capital of CHF 20,629,750 divided into 885 registered shares with a nominal value of CHF 20 each, 1,217 registered shares with a nominal value of CHF 50 each and 205,512 registered shares with a nominal value of CHF 100 each. According to the articles of association of Montreux-Palace, one registered share with a nominal value of CHF 100 is entitled to 10 votes at a general meeting of shareholders of Montreux-Palace (registered share with a nominal value of CHF 50: 5 votes; registered share with a nominal value of CHF 20: 2 votes). Only the registered shares with a nominal value of CHF 100 each are listed on the SWX Swiss Exchange. As at November 30, 2005, Montreux-Palace held none of its shares.

### **2. Intentions of Sodereal respectively Colony with regard to Montreux-Palace**

Sodereal/Colony intends to retain the current management team and board of directors of Montreux-Palace and, at an appropriate time, supplement the board of directors of Montreux-Palace by an additional member. Sodereal/Colony fully supports Montreux-Palace's current strategy and business plan.

Sodereal/Colony reserves the right to delist the Montreux-Palace shares from the SWX Swiss Exchange following completion of the tender offer, and to request the cancellation of the remaining Montreux-Palace shares in accordance with article 33 of the Federal Act on Stock Exchanges and Securities Trading if Sodereal acquires 98% or more of the Montreux-Palace shares, which should be the case considering the intentions of Nestlé Finance AG which holds 14.75% of the voting rights (see Section F.5. below). Should Sodereal acquire less than 98% but 90% or more of the voting rights of Montreux-Palace, Sodereal reserves the right to merge Montreux-Palace with a company controlled by Sodereal whereby the remaining Montreux-Palace minority shareholders would receive a compensation other than ownership interests in the surviving entity (presumably a compensation in cash). The value of such other compensation will depend, among other things, on the timing of the merger and may not necessarily be equal to the offer price.

### **3. Agreements between Sodereal, Colony and Montreux-Palace, and its governing bodies and shareholders**

Montreux-Palace has entered into a management agreement with Raffles International Limited, Singapore, a wholly-owned subsidiary of Colony, to facilitate the operation and management of the hotel Raffles Le Montreux-Palace.

In addition, the same parties have entered into a technical services agreement and a consultancy and marketing services agreement regarding the provision of services by Raffles International Limited in connection with the operation and management of the abovementioned hotel, and a licence agreement, whereby Raffles International Limited grants Montreux-Palace a licence to use certain design marks and logos.

Montreux-Palace has entered into a loan agreement with Swissôtel, whereby Swissôtel grants Montreux-Palace a loan in the amount of CHF 15.5 million with an interest rate of 2.5% p.a. The loan is due for repayment on December 31, 2005, however, the agreement may be extended for another 12 months.

Pursuant to a loan agreement, dated September 30, 2005, Colony HR Holding (LUX) S.à.r.l. has granted Montreux-Palace a loan in the amount of CHF 37.7 million with an interest of 3.5%, payable quarterly, commencing on January 1, 2006. The loan will have to be repaid on April 30, 2011, unless the agreement is terminated earlier upon 3 months prior written notice.

Save as disclosed herein and in the report of the board of directors of Montreux-Palace, there are currently no other agreements in place between Sodereal, Colony and all other companies controlled by them, and Montreux-Palace, and its governing bodies and shareholders.

#### 4. Confidential information

Sodereal and Colony confirm that neither they, nor the persons acting in concert with them, have received any additional confidential information on Montreux-Palace which could substantially influence the recipient of the tender offer.

### E. Publication

The tender offer and all other publications concerning the tender offer will be published in German in the “Neue Zürcher Zeitung” and in French in “Le Temps”. The publication of the tender offer will also be supplied to Bloomberg and Reuters.

### F. Report of the Board of Directors of Montreux-Palace pursuant to Article 29 SESTA

#### 1. Recommendation by the Board of Directors

The Board of directors of Société Montreux-Palace S.A. (**Montreux-Palace**) has taken note of the public tender offer of Colony HR Acquisitions, LLC (hereinafter **Colony**) via Sodereal Holding AG as offeror (hereinafter **Sodereal**) (the **Offer**).

The Board of directors notes that due to the illiquidity of the share the Offer represents an opportunity for the public shareholders to sell their shares of Montreux-Palace and accordingly recommends the acceptance of the offer.

#### 2. Reasons for the Recommendation

The Board of directors of Montreux-Palace notes the following considerations in favor of accepting the Offer:

- Colony currently holds, via Sodereal, 83.86% of the shares of Montreux-Palace. As there is no regular, liquid market for the shares of Montreux-Palace, the Offer represents an opportunity for the public shareholders to consider selling their shares at a price that is higher than the objective price determined by the independent appraiser referred to below.
- Following completion of the Offer, Sodereal/Colony reserve the right to delist the shares of Montreux-Palace and to request cancellation of the remaining Montreux-Palace shares if Sodereal acquires 98% or more of the shares of Montreux-Palace. The delisting of the shares would result in a cost reduction for Montreux-Palace, as the costs to remain listed, to establish extensive annual reports pursuant to the provisions of the SWX Swiss Exchange, to observe various obligations to notify and to communicate internally and externally may become redundant or be reduced substantially.
- The Offer Price for the registered shares of Montreux-Palace with a nominal value of CHF 100 of CHF 282.60 is 67.22% higher than the value of such registered share as determined by BDO Visura, Zurich, an independent appraiser appointed by Sodereal due to the illiquidity of the shares of Montreux-Palace. In addition, such Offer Price is 83.09% above the price per share paid by Colony for the indirect acquisition of its participation in Montreux-Palace. Further, the Board of directors is not aware of any incidents which may have materially affected the valuation since the date of the valuation report.

#### 3. Defence Measures

The Board of directors has neither taken nor intends to take any defence measures.



#### 4. Conflicts of Interest

The Board of directors consists of the following members:

- Ms. Jennie Chua Kheng Yeng, (Chairperson)
- Mr. Ingo Christian Peters
- Mr. Stéphane Perrin
- Dr. Wolfgang Reichenberger
- Mr. Claude Nobs

Ms. Chua, Mr. Peters and Mr. Perrin, who are nominee representatives of Raffles, the sole indirect shareholder of Sodereal respectively abstained from the debate and the vote on the resolution of the Board of directors relating to the issuance of this report. Only Mr. Reichenberger and Mr. Nobs have therefore voted upon this report.

Sodereal/Colony intends to retain all current members of the Board of directors of Montreux-Palace on equal terms.

As Ms. Chua is not an employee of Raffles anymore, Sodereal and Ms. Chua will enter into a standard mandate agreement, regulating Ms. Chua's directorship on the Board of directors of Montreux Palace on equal terms as applicable when she was chairperson of Raffles.

Sodereal and Mr. Perrin have entered into a standard mandate agreement regulating Mr. Perrin's rights and duties in acting as Sodereal's agent on the board of directors of Montreux-Palace.

In respect of their respective directorship on the Board of directors of Montreux-Palace, both Mr. Perrin and Ms. Chua, as representatives of Raffles, will receive no additional consideration from Raffles except for the fees paid out by Montreux-Palace to its directors.

Mr. Peters is acting as general director of the Raffles Hotel Vier Jahreszeiten in Hamburg. For his directorship on the Board of directors of Montreux-Palace, the applicable employment terms of his employment agreement with Raffles continue to apply.

Dr. Reichenberger is the Chief Financial Officer of Nestlé Finance AG (**Nestlé**). There exist no agreements between him and Sodereal as well as between Mr. Nobs and Sodereal. Sodereal does not give instructions to Dr. Reichenberger and Mr. Nobs regarding the exercise of their voting right, neither in general nor with respect to the adoption of this report. Further, neither Dr. Reichenberger nor Mr. Nobs exercise any functions within Sodereal.

Save as disclosed herein, there are no agreements or other ties between members of the Board of directors or the senior management of Montreux-Palace and Colony or any party acting in concert with Colony.

Due to the illiquidity of the market for the shares of Montreux-Palace and in accordance with the practice of the Takeover Board, BDO Visura has been mandated as a third party appraiser independent from Colony/Sodereal and Montreux-Palace, to determine the objective value of the publicly-held registered shares of Montreux-Palace with a nominal value of CHF 100 each. Thereby an objective assessment of the Offer Price by an independent third party is available.

The above measures were taken in order to determine a fair value of the said publicly-held shares and to avoid negative consequences of potential conflict of interests to the detriment of the recipients of the Offer.

#### 5. Intentions of shareholders holding more than 5% of the voting rights of Montreux-Palace

Nestlé currently holds 14.75% of the voting rights of Montreux-Palace. Nestlé has informed the Board of its intention to tender its shares into the offer.

## 6. Interim Financial Statements

The business year of Montreux-Palace ends on December 31. As more than six (6) months will have elapsed between the last published financial statements and the end of the tender period, the Board of directors of Montreux-Palace is, pursuant to Article 29 (para. 1) of the Federal Act on Stock Exchanges and Securities Trading and the practice of the Takeover Board, obliged to publish interim financial statements, which need not be audited. The interim financial statements as at September 30, 2005 are available on [www.montreux-palace.ch](http://www.montreux-palace.ch) and free of charge from Lombard Odier Darier Hentsch & Cie, Corporate Finance, Sihlstrasse 20, P.O. Box, CH-8021 Zurich (tel. +41 (0)44 214 13 32, fax +41 (0)44 214 13 39).

The Board of directors is not aware of any material change to the assets and liabilities, financial position, earnings and prospects of Montreux-Palace which has occurred since the date of the interim financial statements.

November 23, 2005

Société Montreux-Palace S.A.

Jennie Chua Kheng Yeng  
President of the Board

Alessandro Marci  
Secretary of the Board

## G. Report by the review body pursuant to Article 25 SESTA

As auditors recognised by the supervisory authority to review public takeover offers in accordance with the SESTA we have reviewed the offer prospectus. The Report of the Board of Directors of the target company has not formed part of our review.

The offer prospectus is the responsibility of the offeror. Our responsibility is to express an opinion on this document based on our review.

Our review was conducted in accordance with the standards of the profession in Switzerland, which require that a review of the offer prospectus be planned and performed to verify the formal completeness in conformity with the SESTA and its Ordinances and to obtain reasonable assurance that the offer prospectus is free from material misstatements. We have checked the information in the offer prospectus by means of analysis and research, some on a sample basis. Furthermore, we have verified the compliance with the SESTA and its Ordinances. We believe that our review provides a reasonable basis for our opinion.

In our opinion:

- the offer prospectus complies with the SESTA and its Ordinances;
- the offer prospectus is complete and accurate;
- the recipients of the offer are treated equally, in particular the ratio between the prices offered for the different share categories is appropriate;
- the regulations governing mandatory offers have been adhered to, in particular those concerning the minimum offer price;
- the financing of the offer is guaranteed and the necessary funds are available at the date of settlement.

Zurich, November 22, 2005

BDO Visura

Markus Eugster

Marcel Jans

## H. Recommendation of the Takeover Board

This offer prospectus was submitted to the Takeover Board prior to its publication. In its recommendation of November 28, 2005, the Takeover Board found:

1. the public tender offer by Sodereal Holding AG complies with the Federal Act on Stock Exchanges and Securities Trading of March 24, 1995; and
2. the Takeover Board grants the following exemptions from the Takeover Ordinance (Article 4):
  - waiver of duty to implement a cooling-off period (Article 14, para. 2);
  - reduction of minimum offer period to 10 trading days (Article 14, para. 3).

## I. Execution of the tender offer

### 1. Information/registration

#### **Persons holding their shares in a securities deposit account**

Shareholders holding their registered shares of Montreux-Palace with a nominal value of CHF 100 in an open securities deposit account with a bank in Switzerland will be informed about the tender offer by their depository bank, and are asked to proceed in accordance with the instructions of their depository bank.

#### **Persons holding their shares at home or in a bank safe**

Shareholders holding their registered shares of Montreux-Palace with a nominal value of CHF 100, 50 or 20 each at home or in a bank safe are requested to complete, sign and submit the "Declaration of Acceptance and Assignment" form (only in German and French available) which can be obtained free of charge from Lombard Odier Darier Hentsch & Cie, Corporate Finance, Sihlstrasse 20, P.O. Box, CH-8021 Zurich (tel. +41 (0)44 214 13 32, fax +41 (0)44 214 13 39, e-mail: [cofi.zh.prospectus@lodh.com](mailto:cofi.zh.prospectus@lodh.com)) until 4:00 p.m. (CET) of December 13, 2005 (time of receipt), together with their uncanceled, duly endorsed share certificates, directly to Lombard Odier Darier Hentsch & Cie (Mr. Jean-Claude Roh, Lombard Odier Darier Hentsch & Cie, Rue de la Corraterie 11, CH-1204 Geneva, Switzerland, tel. +41 (0)22 709 22 35).

### 2. Tender agent

Sodereal has appointed Lombard Odier Darier Hentsch & Cie as acceptance and paying agent for this tender offer.

### 3. Blocking of tendered Montreux-Palace shares

The registered shares of Montreux-Palace with a nominal value of CHF 100 each, which have been tendered and deposited, will be blocked by the custodian banks and will no longer be eligible for trading.

### 4. Payment of the offer price

The offer price for registered shares of Montreux-Palace which are tendered during the offer period and the additional acceptance period will be paid presumably as at value date January 10, 2006. The right to extend the offer period in accordance with Section A.3. "Offer period" is reserved.

### 5. Tax / Costs

During the offer period and the additional acceptance period, no fees or charges will be levied on the tender of registered shares of Montreux-Palace deposited with banks in Switzerland. Sodereal will bear the Swiss stamp duty and the SWX Swiss Exchange's fee imposed on the tender.

In general, the following income, respectively, profit tax consequences will likely result for tendering shareholders who are taxpayers in Switzerland only:

In accordance with the principles applying to the Swiss income tax, shareholders holding their shares of Montreux-Palace as private assets and who tender their shares of Montreux-Palace to the offer achieve either a tax-free private capital gain or a non-tax-deductible capital loss, unless the shareholder qualifies as a securities trader.

Shareholders holding their shares of Montreux-Palace as business assets as well as shareholders qualifying as securities traders, who tender their shares of Montreux-Palace to the offer, realize either a taxable capital gain or a tax-deductible capital loss in accordance with the principles applying to income, respectively, profit taxes.

The tendering shareholders are advised to have the tax effects of this offer assessed by their own tax advisor.

## **6. Squeeze-out and Delisting**

As set out in Section D.2. of this prospectus, Sodereal reserves the right to delist the Montreux-Palace shares from the SWX Swiss Exchange and to squeeze-out any remaining shareholders, if legally possible, in accordance with article 33 of the Federal Act on Stock Exchanges and Securities Trading or the Swiss Merger Act.

## **7. Applicable law and place of jurisdiction**

The tender offer and all rights and obligations arising under or in connection with this tender offer shall be governed by **Swiss law. Exclusive place of jurisdiction for all disputes arising out of or in connection with this tender offer is Zurich 1.**

## **J. Indicative Timetable**

November 30, 2005	Start of offer period
December 13, 2005	End of offer period *
December 14, 2005	Publication of preliminary interim result *
December 19, 2005	Publication of definitive interim result/Start of additional acceptance period *
January 3, 2006	End of additional acceptance period *
January 4, 2006	Publication of preliminary end result *
January 9, 2006	Publication of definitive end result *
January 10, 2006	Settlement date and payment of offer price *

\* Sodereal reserves the right to extend the offer period on one or more times under the terms of Section A.3. of this prospectus in which case the subsequent dates will be postponed.

This offer prospectus may be obtained free of charge in German, French, or English from Lombard Odier Darier Hentsch & Cie, Corporate Finance, Sihlstrasse 20, P.O. Box, CH-8021 Zurich (tel. +41 (0)44 214 13 32, fax +41 (0)44 214 13 39, e-mail: [cofi.zh.prospectus@lodh.com](mailto:cofi.zh.prospectus@lodh.com)).