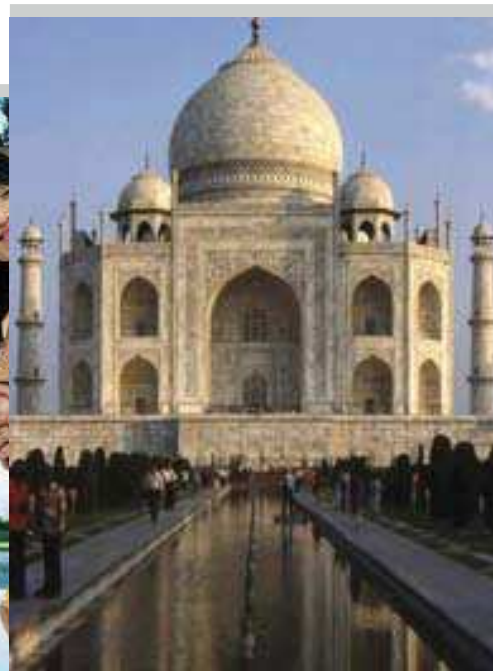


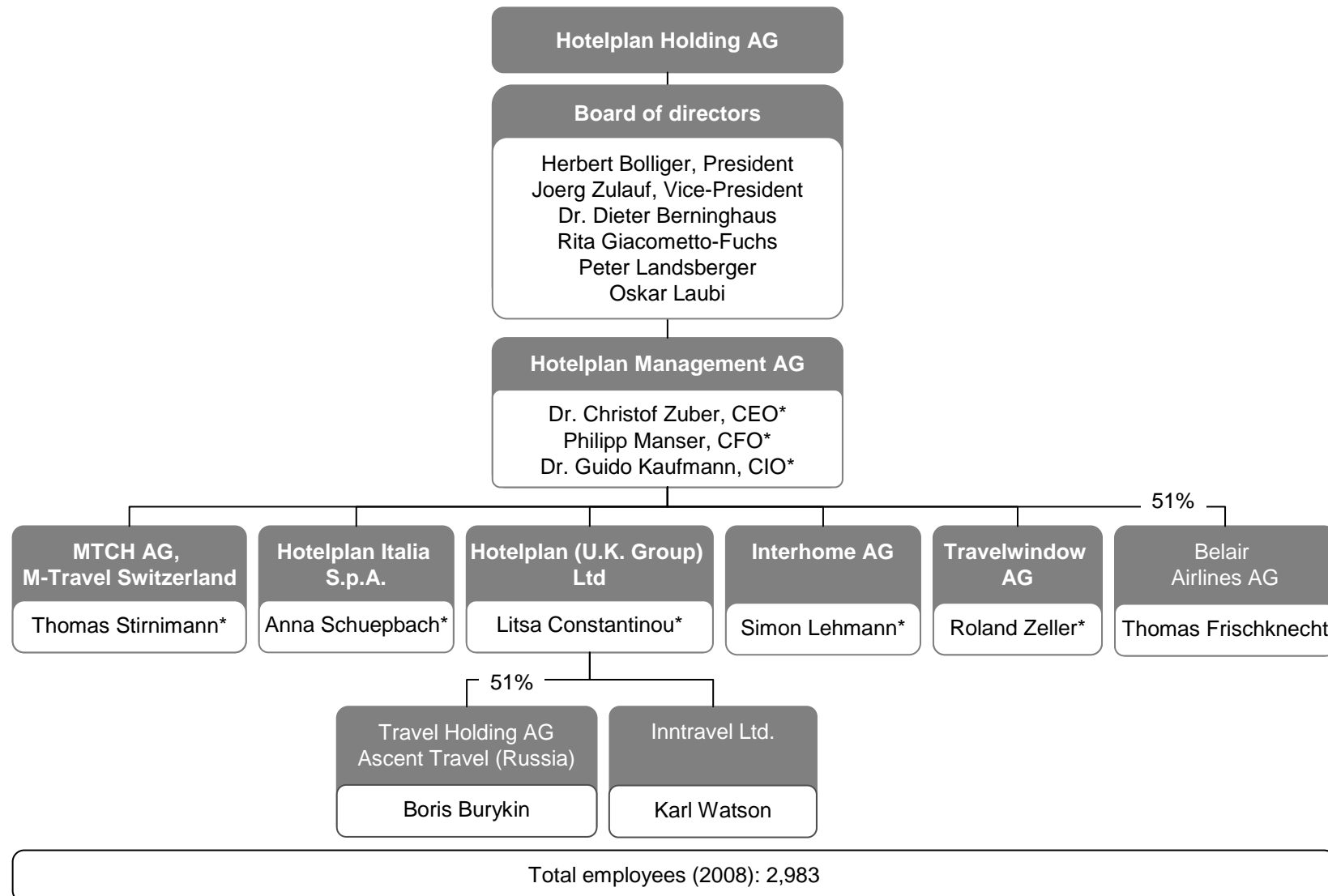
# Hotelplan Group Annual Report 2008



I. Group strategy	Pages 3 - 4
II. Environment & strategy	Pages 5 - 16
III. Business performance and highlights 2007/08	Pages 17 - 39

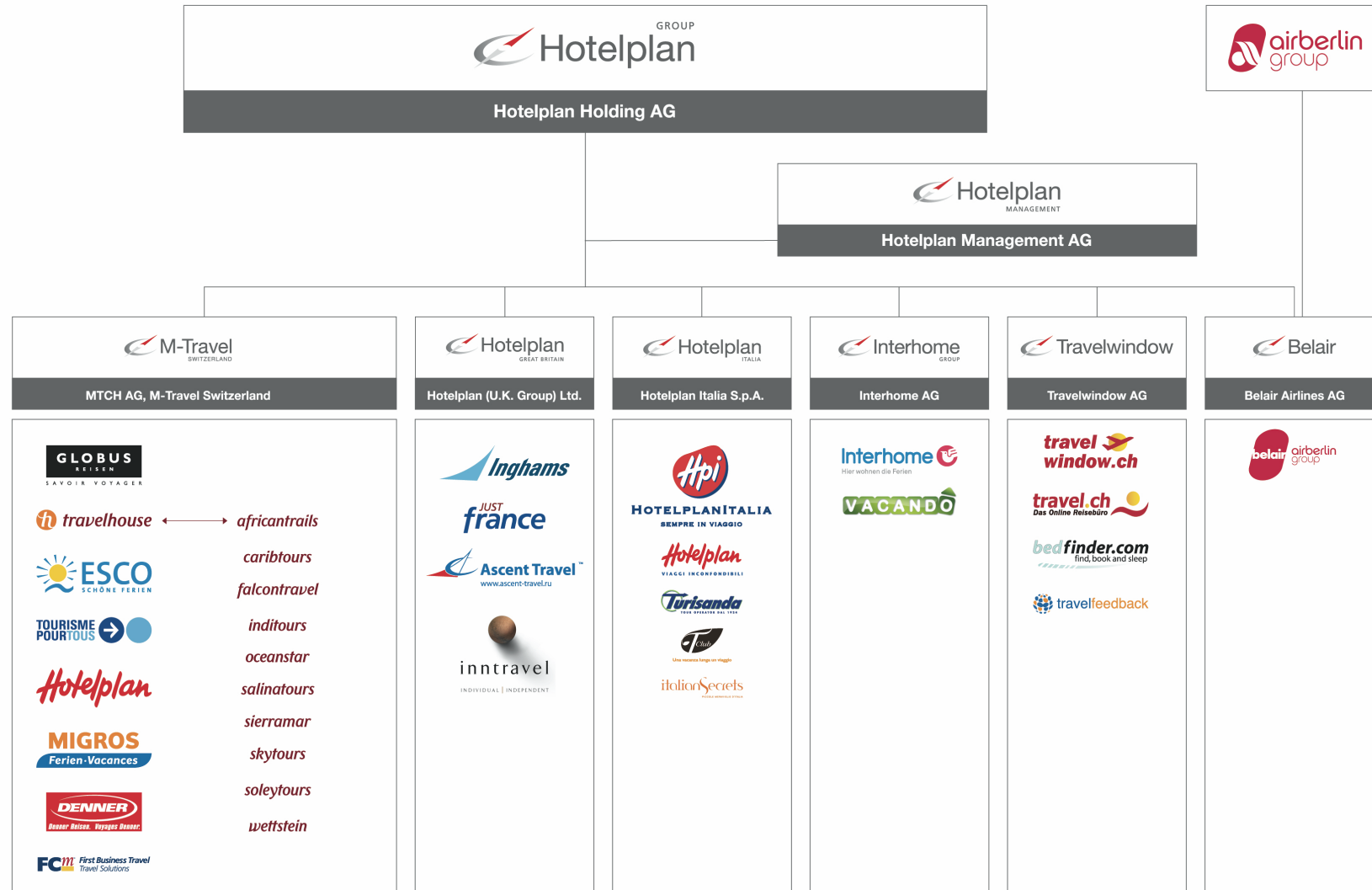
Detailed information on individual companies and brands is available on the relevant homepage,  
or at: [www.hotelplan.com](http://www.hotelplan.com)

# Hotelplan Group management structure



\* Member of the Executive Committee

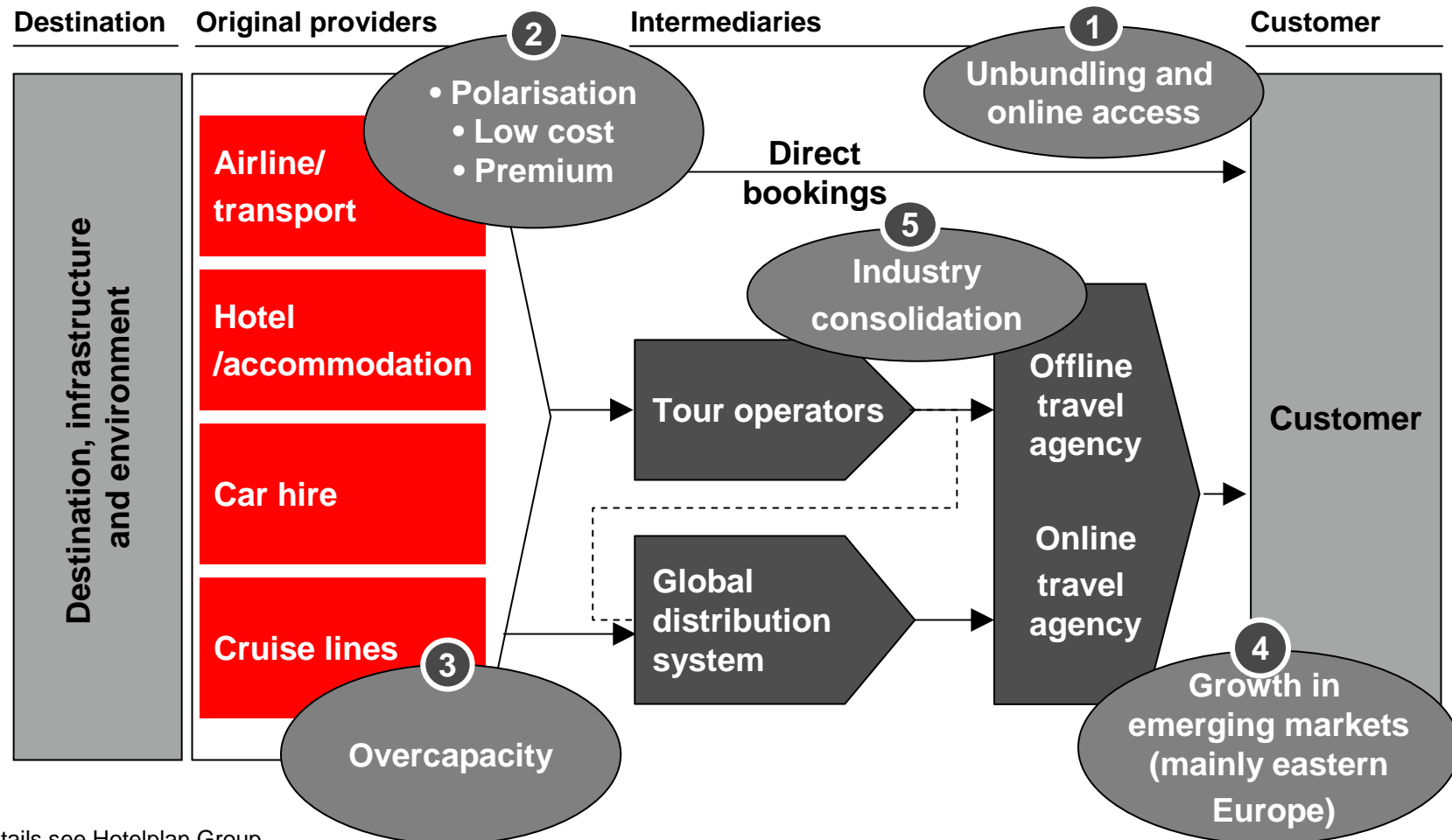
# Group structure



# Environment and strategy



Five trends which formed the basis of our corporate planning and still apply today



## Hotelplan Group growth strategy

Hotelplan Group strategy			
Swiss market	Special interest and niche markets	Destination specialists	Rental/location business
	<ul style="list-style-type: none"> <li>• Expansion of ski segment in UK to new source markets</li> <li>• New niches in existing source markets</li> </ul>	<ul style="list-style-type: none"> <li>• Exclusive content</li> <li>• Expansion/ Internationalization of TClub</li> </ul>	<ul style="list-style-type: none"> <li>• Entry into unorganized market</li> </ul>
<b>Project "ONE"</b>	<b>Acquisitions:</b> <ul style="list-style-type: none"> <li>• Inntavel</li> <li>• Ascent</li> </ul>	<ul style="list-style-type: none"> <li>• Berenice/Egypt</li> <li>• Vakarufalhi/Maldives</li> <li>• Alamanda/Seychelles</li> <li>• Marrakesh/Morocco</li> </ul>	<ul style="list-style-type: none"> <li>• Vacando</li> </ul>
Operational Excellence			
<ul style="list-style-type: none"> <li>• Customer insight • Multi-channel distribution</li> <li>• Up-selling • Dynamic sourcing and pricing</li> </ul>			
ICT Roadmap 2007-2009			

## Strategy execution in 2008:

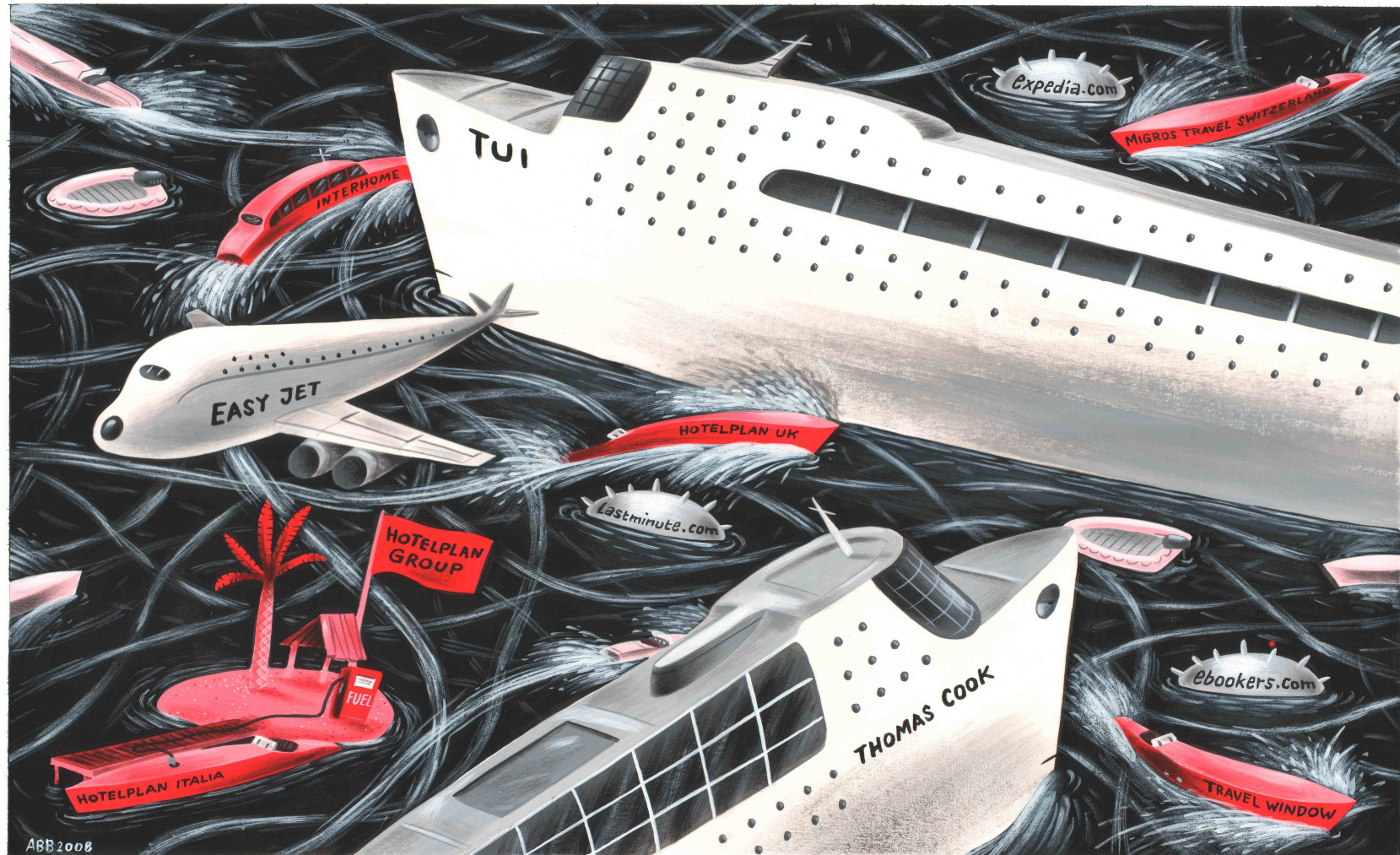
- Reorganisation of the Swiss business (**Project "ONE"** from 11.1.08) with the aim to achieve a new sustainable organisational set-up
- Consistent **brand positioning in Switzerland**  
With **Denner Reisen** and **Migros Ferien**, Group-wide synergies were used in response to a growing demand for budget holidays
- Expansion of special interest expertise with the acquisition of the specialist companies **Ascent** and **Inntravel** (to supplement the Inghams products)
- TClub concept (Hotelplan Italy) was further expanded and internationally marketed
- The rental/location business was successfully boosted with **Vacando**
- Successful ICT Roadmap execution
  - Travelhouse: Mythos and HIT
  - M-Travel Switzerland: CMP (Cross Media Publishing)
  - Interhome: i-Rent and Vacando replace Bird
  - Group-wide: SAP FI/CO

## Growth strategy execution

	2005	2006	2007	2008
Sales	<b>Hotelplan Holland</b> Travel agencies	<b>Hotelplan Holland</b> Tour operators <b>Ikaros Village</b> 4* hotel	<b>Corte dei Butteri,</b> 4* hotel <b>Pueblo Eldorado</b> <b>Playa,</b> 3* hotel	
Acquisition	<b>Travelwindow</b> Switzerland	<b>Travelhouse</b> Swiss travel specialist		<b>Inntravel</b> Soft adventure travel operator <b>Ascent</b> Winter sports specialist
Alliance			<b>Belair and Air Berlin</b>	
Entry			<b>Globus Reisen</b> Premium segment	<b>Migros Ferien</b> Direct segment
Expansion				<b>Denner Reisen</b> Direct segment

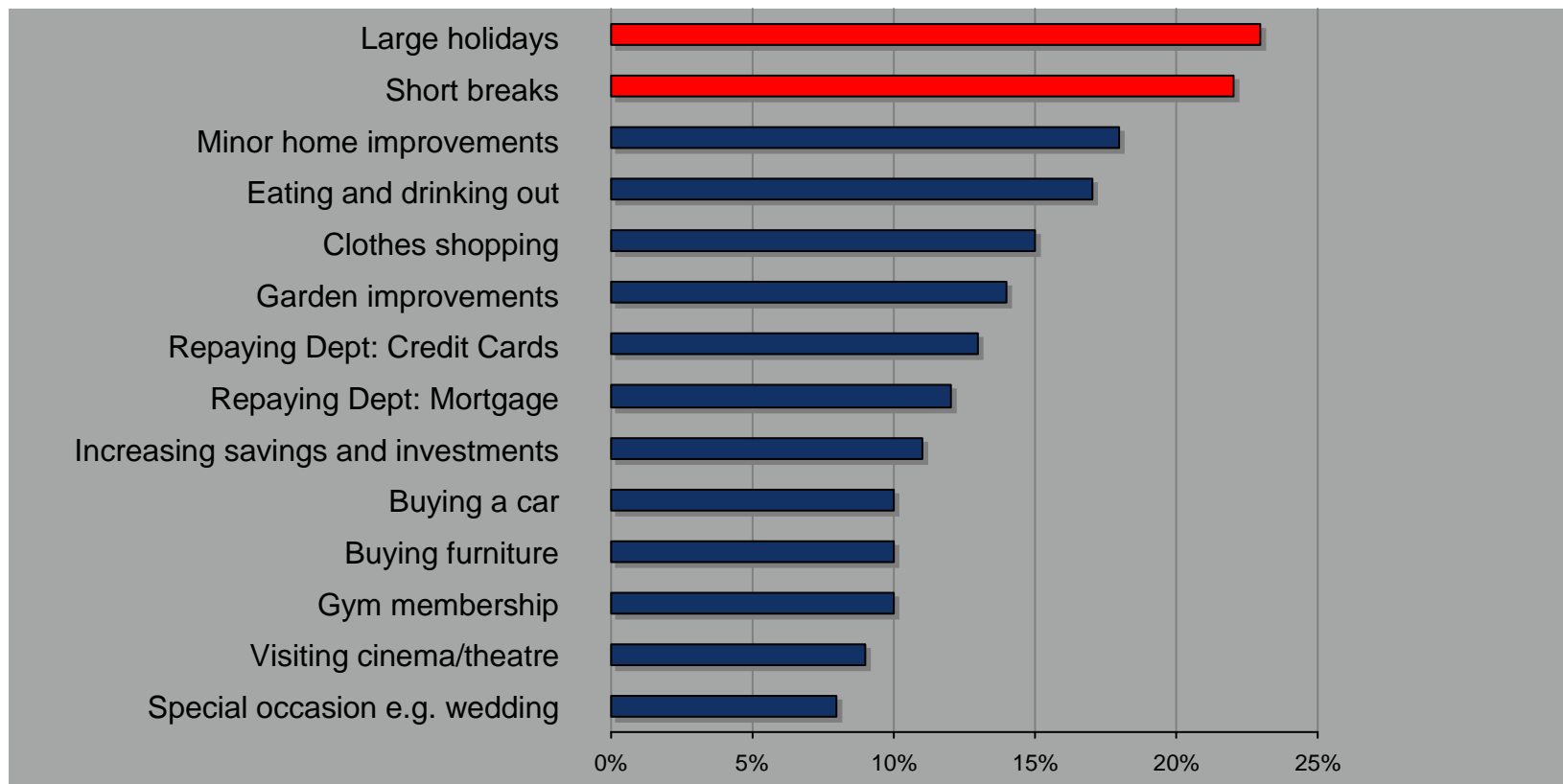
## Strategic thrust





## Holidays take priority in budget planning

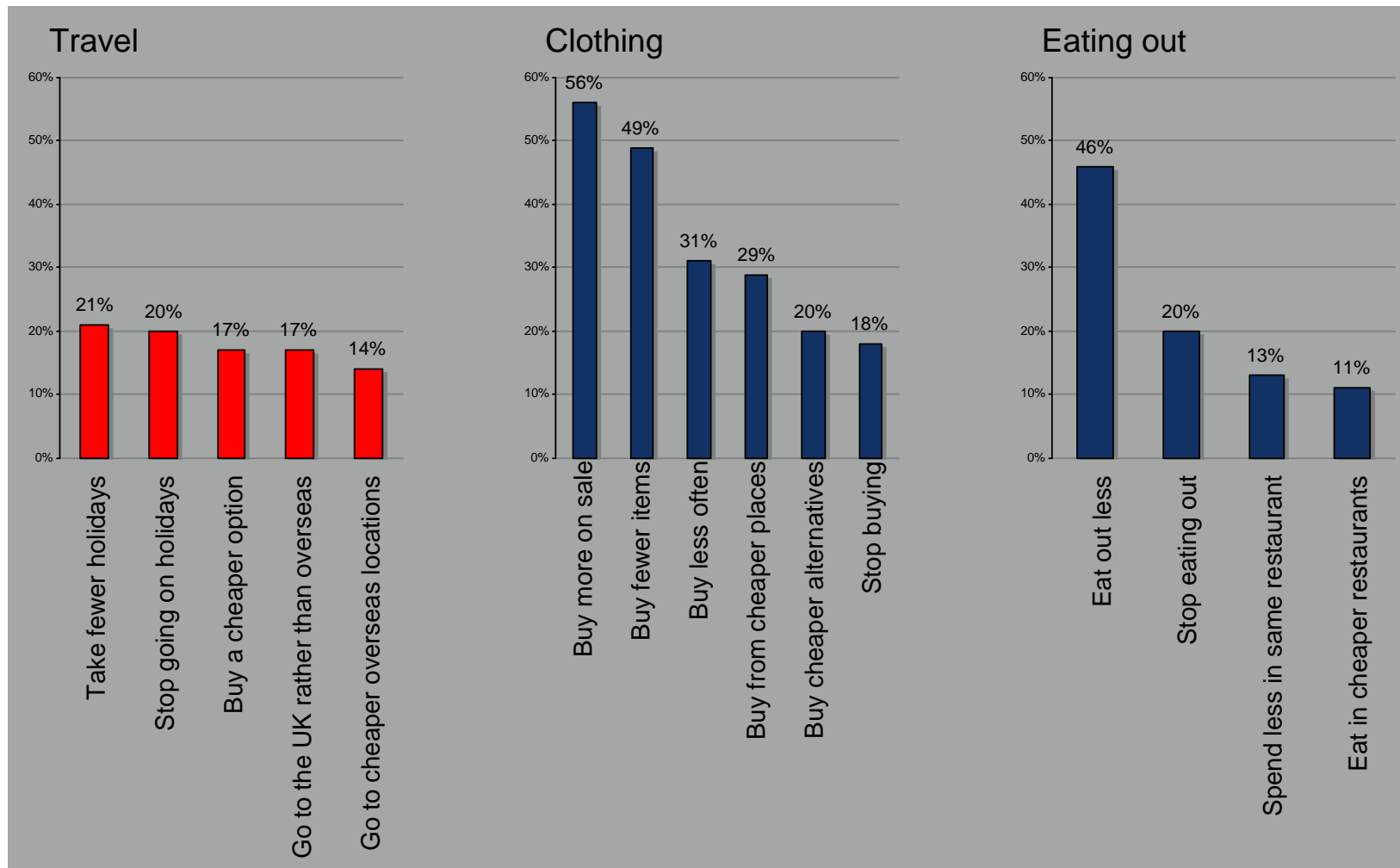
Example: UK Consumer survey, summer 2008



Source: PricewaterhouseCoopers, consumer survey, June 2008

However:

Taking fewer holidays or booking more cheaply as a solution



Source: PricewaterhouseCoopers, consumer survey, June 2008

## What are the challenges in 2009?

- The economic climate is changing the purchasing power of households.... really?
- Tentativeness and reluctance to spend large amounts of money
- Free time will still be valued, decisions will either become even more spontaneous or will return to being fixed a long time in advance
- Relaxation: simple rest and relaxation will become more important again – holidays will remain on consumers' list of priorities
- Need for advance information and customisation will continue to grow (flexibility – fixed price – choice of channels)
- Consumers will become increasingly aware of environmental issues
- Growing need for safety in choice of destination

## “Management under difficult circumstances”

- Current economic situation makes reliable forecasts impossible
- To what extent will booking and travel habits be affected?
- Uncertainty can typically lead to four different behaviours: buying less, buying more cheaply, buying something else, avoiding buying for the time being
- “Early bookers” vs. “Last minute”

Planning will become ever more challenging:

- Tailor-made products – customised travel from a specialist
- Just-in-time production for direct segment (technology)

## Hotelplan Group prepared for the challenges

- Decentralised, market-oriented local organisations
- Attractive brand and product portfolio
- Asset-light business model
- Flexible capacity management
- Company can absorb the blow of a medium-term decline in demand
- Continuing to pursue strategic projects

# Business performance and highlights 2008



# Unforeseen developments in 2008: e.g. jet fuel price trend and price fluctuations

- **Jet Fuel Rotterdam Index**  
**1.1.08 – 15.12.08**

High: 1500  
Low: 500  
Last: 500



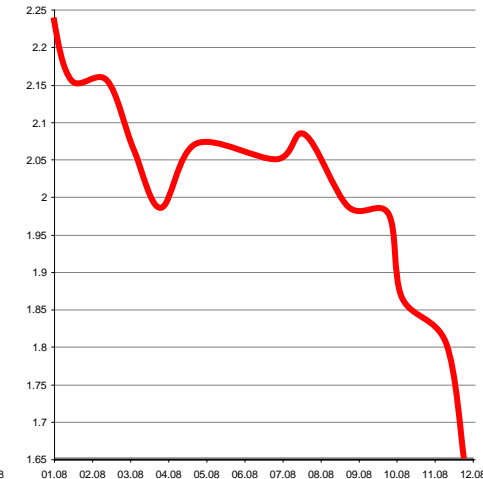
- **EUR/CHF**  
**1.1.08 – 22.12.08**

High: 1.65  
Low: 1.44  
Last: 1.54



- **GBP/CHF**  
**1.1.08 – 22.12.08**

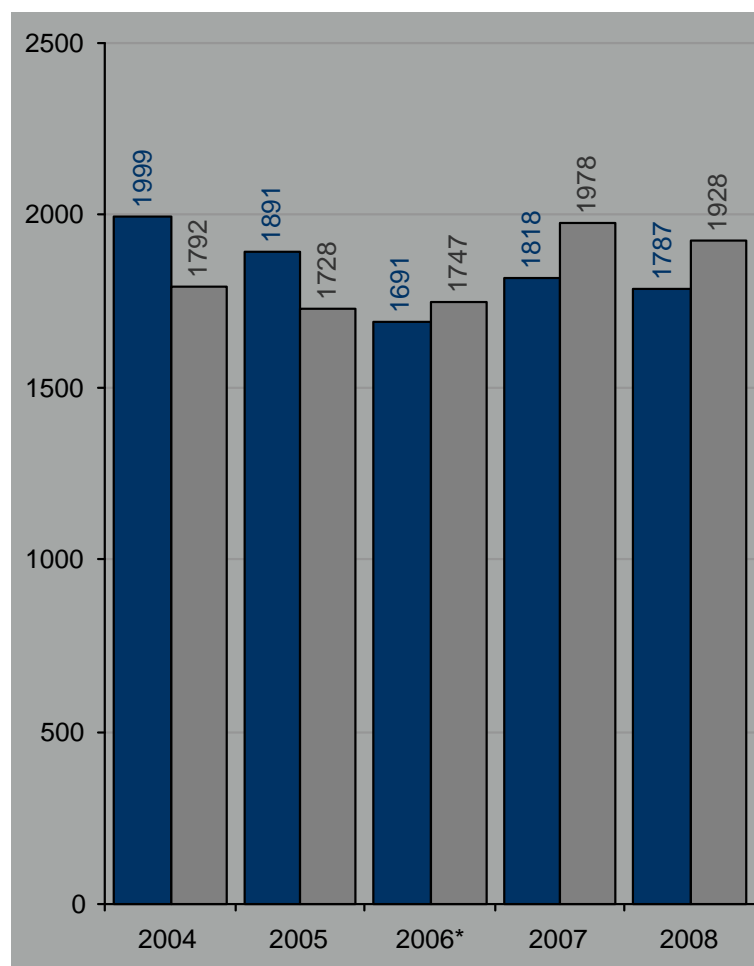
High: 2.20  
Low: 1.65  
Last: 1.65



### Highlights of the 2007/2008 business year

- At CHF 1'928 million, revenues slightly below previous year (- 2.5%)
- With EBITDA at CHF 41.2 million, operating performance was down versus previous year's record result of CHF 57.0 million.
- International business with Interhome and Inghams performed well
- Summer business in Italy already impacted by the recession
- Results negatively impacted by exchange rate fluctuations
- Milestones achieved in strategy implementation
  - All Swiss business activities were reorganised under the umbrella of M-Travel Switzerland
  - Modernisation of the Group-wide IT platform made good progress

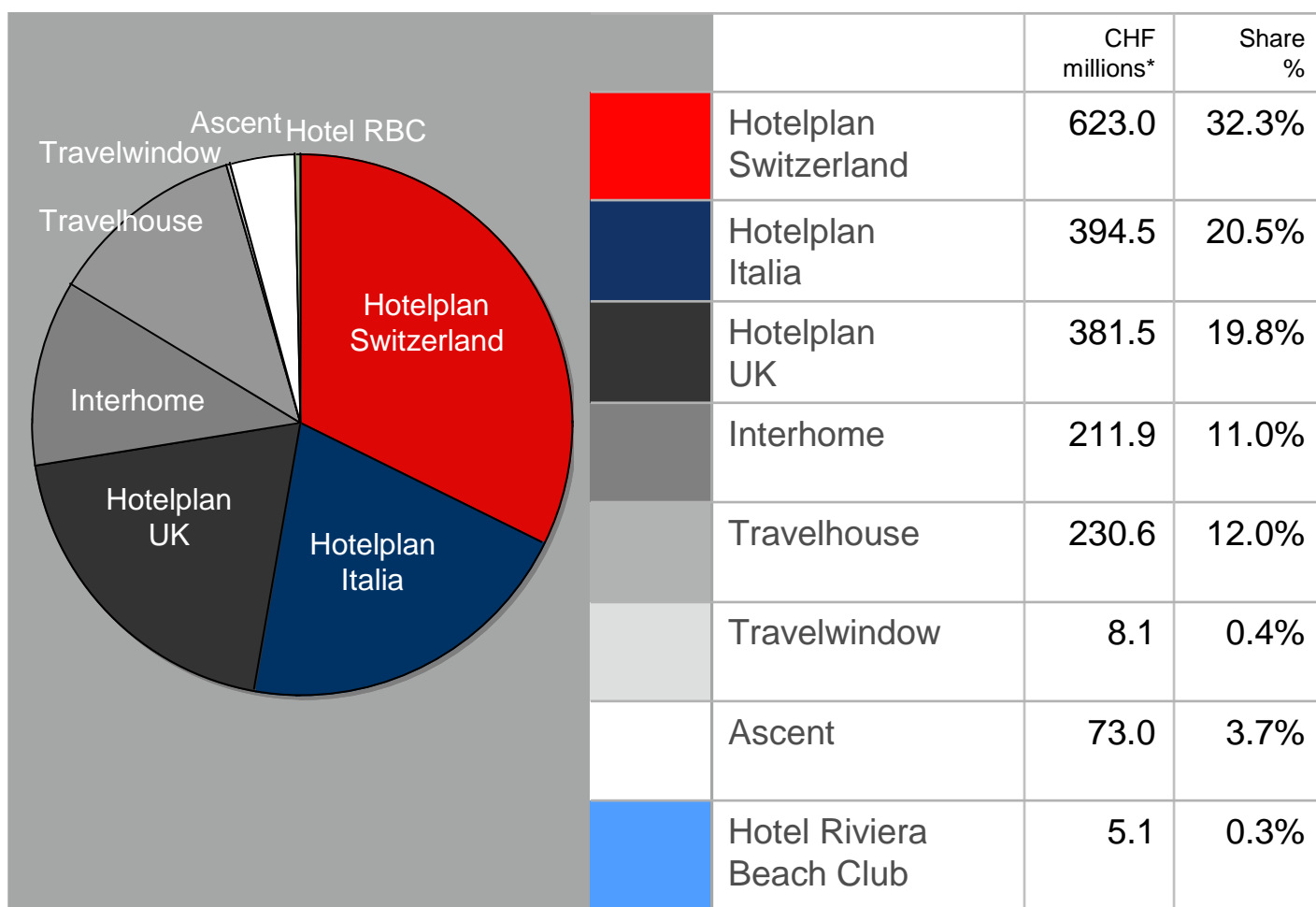
## Five-year comparison of passengers and net revenue



		2007/2008 change
	<b>Passengers</b> ( <b>'000</b> )	<b>-1.7%</b>
	<b>Net revenue</b> (in CHF millions)	<b>-2.5%</b>

\* IFRS accounting starting in 2006

## Net revenue by strategic business unit

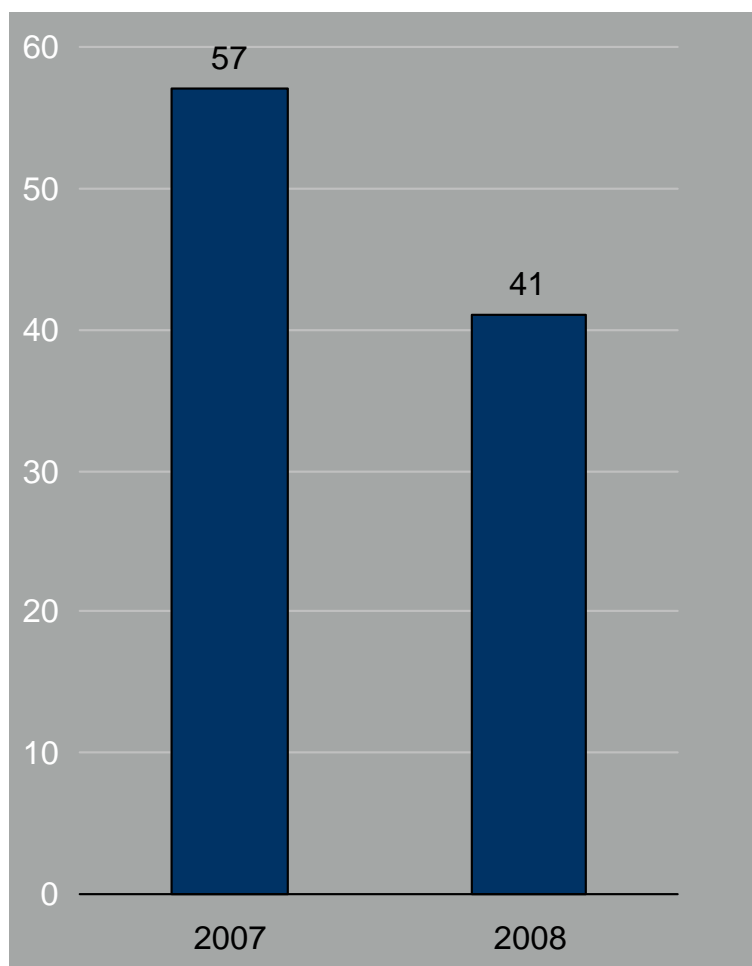


\*Intercompany dependencies have been stripped out

## Group income statement

	2008 in CHF millions	2007 in CHF millions	Diff. vs. PY as a %
Net revenue	1,927.6	1,978.0	-2.5%
Gross profit	363.2	462.2	-21.4%
Total expenses	– 349.4	– 385.0	-9.3%
<b>EBITDA</b>	<b>35.4</b>	<b>95.3</b>	<b>-62.9%</b>
<b>EBIT</b>	<b>13.8</b>	<b>77.2</b>	<b>-82.1%</b>
<b>Net profit</b>	<b>5.0</b>	<b>68.2</b>	<b>-92.6%</b>
<b>EBITDA from operating activities</b>	<b>41.2</b>	<b>57.0</b>	<b>-27.7%</b>

### EBITDA (from operating activities)

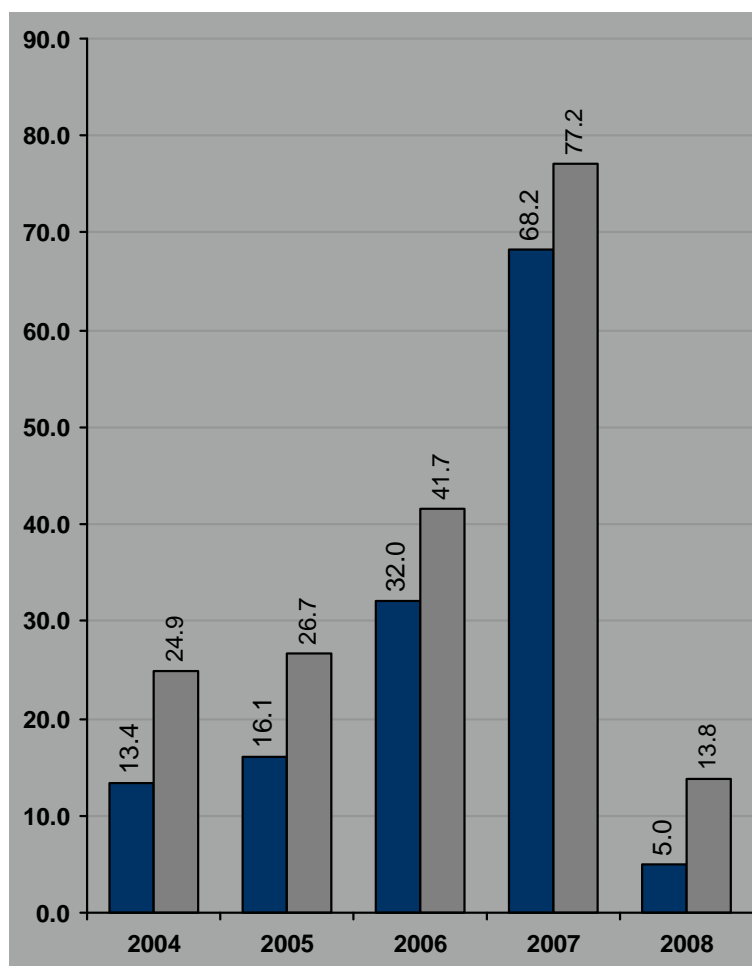


2007/2008  
change

**EBITDA**  
(in CHF millions)

**– 27.7%**

## Five-year comparison of EBIT/net profit



(in CHF millions)

2007/2008  
change

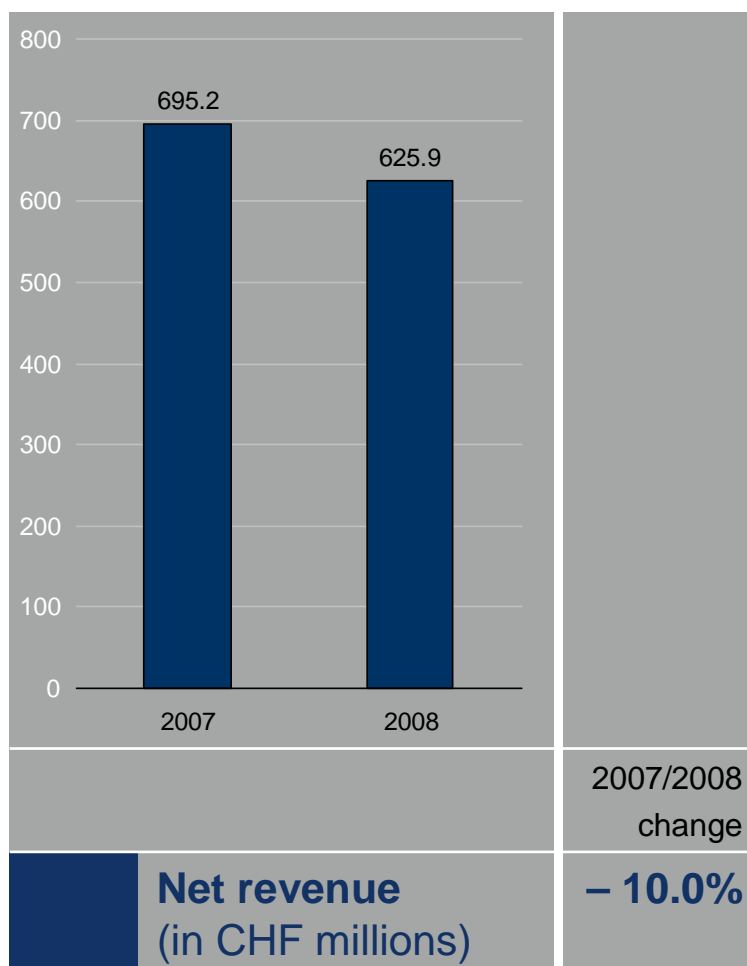
	Net profit	- 92.6 %
	EBIT	- 82.1 %

- 2007 positive: profits from the sale of hotel complexes in Spain and Italy
- 2008 negative:
  - Restructuring costs in connection with the reorganisation of Swiss business activities
  - Normal additional amortisations in connection with the acquisition of Ascent and Inntravel
  - Exchange rate fluctuations (particularly devaluation of the GBP)

# Hotelplan Switzerland

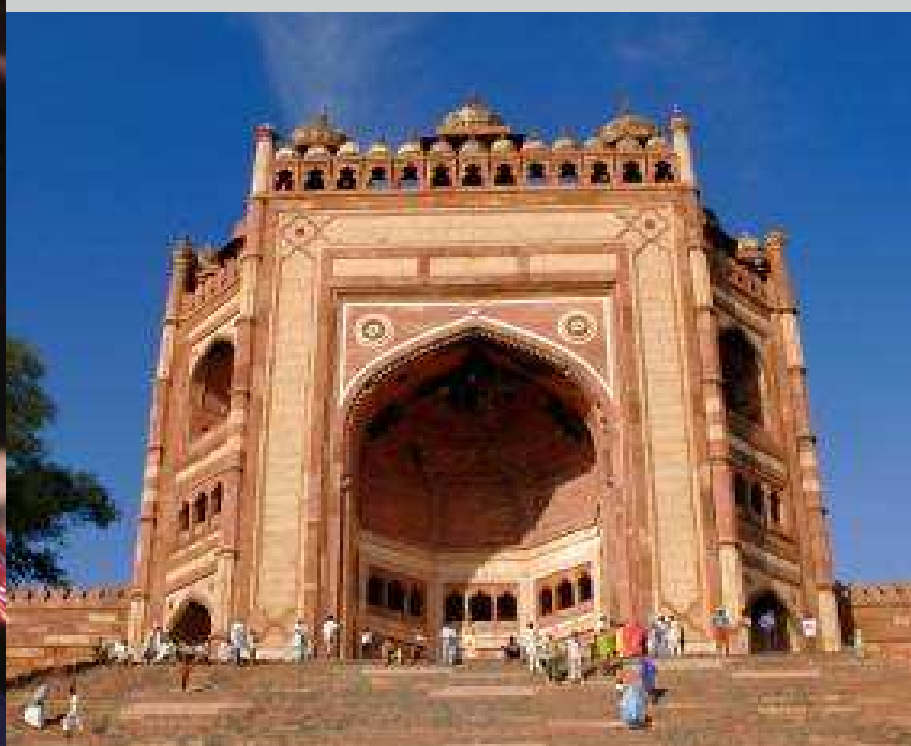


### Hotelplan Switzerland

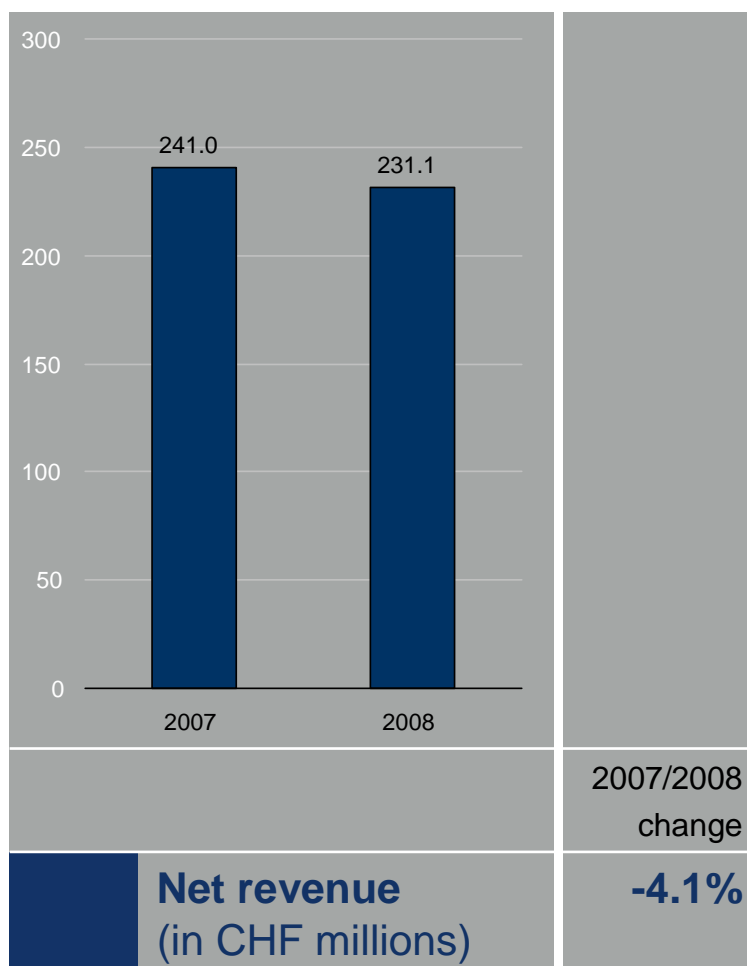


- All Swiss business activities were reorganised under the umbrella of M-Travel Switzerland
- Launch of Denner Reisen and Migros Ferien
- Streamlining office locations

# Travelhouse Group



## Travelhouse Group



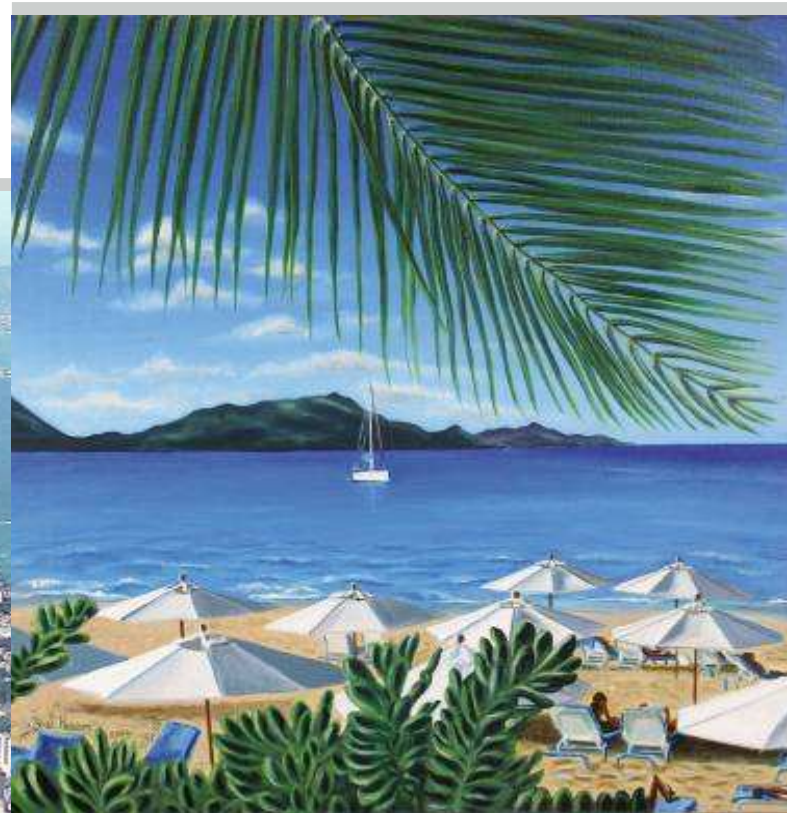
- Integration in M-Travel Switzerland completed
- Successful migration of established system platforms (tour operator, subsidiary and accounting systems)

Clear brand positioning

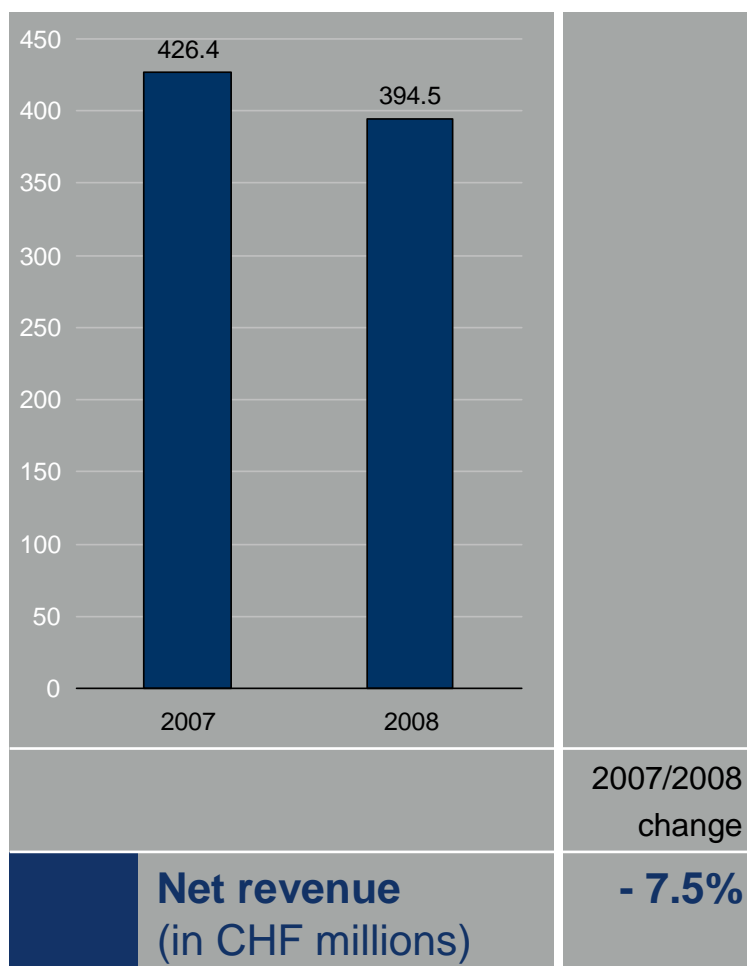
– «Direct», «Value» und «Specialist / Premium»



# Hotelplan Italia



### Hotelplan Italia

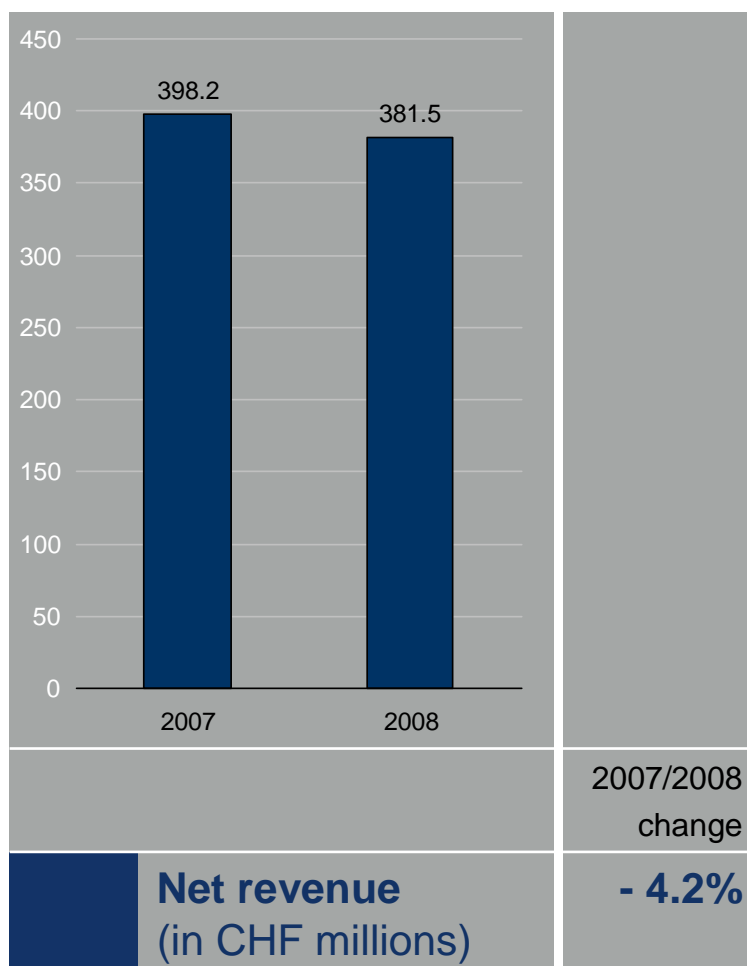


- Political unrest in Kenya led to a fall in revenues
- Generally difficult market environment in Italy
- Expansion of TClub
- Launch of the new "Secrets Line" product line

# Hotelplan UK / Inghams



### Hotelplan UK / Inghams

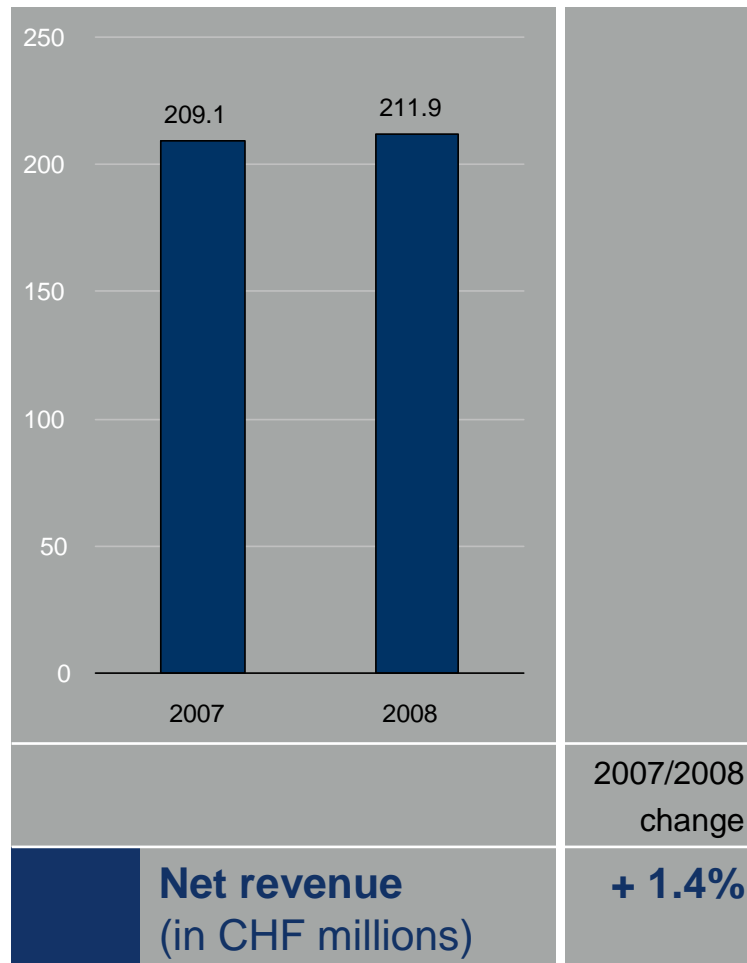


- Takeover of the UK firm Inntavel Ltd (specialist in customised winter sports and walking holidays)
- Significant revenue growth in local currency
- Integration of Ascent Travel Group (Russia)

# Interhome Group



### Interhome Group



- Revenue growth continued
- Strategic alliance with ResortQuest in the USA
- Vacando launched as an Internet booking platform

2008: incl. Vacando

# Travelwindow

Was: (Pizza, Eiffelturm, Rathaus, ...)

Wo: (Deutschland, London)

Reiseziel

Suchen

[ + mehr Suchoptionen ]

Sie sind hier: Home

**Neu bei travelfeedback?**

Jetzt registrieren - es geht ganz schnell und ist kostenlos.

Registrieren

Benutzername:

Passwort:

Login merken Anmelden

Passwort vergessen?

**Bewerten & profitieren...**

Wir belohnen Ihre Reisetipps zu:

- Restaurant
- Bars, Clubs und Lounges
- Sehenswürdigkeiten
- Shops, Boutiquen und Märkte
- Sport und Freizeitangebote

**Reiseziele**

- Afrika (99)
- Asien (240)
- Australien und Ozeanien (138)
- Europa (3832)
- Nordamerika (172)
- Südamerika (101)
- Zentralamerika und Karibik (85)

**Neu bei Restaurant**

**Hofkücherl**  
Traditionell

Deutschland > Forstinning > Restaurant

sodom

Das Hofkücherl ist ein Geheimtipp - ein altes Bauernhaus und ein uriges Ambiente, ist ideal für Familien. Das Gasthaus bietet lokale, bayerische Speisen.

6.0

Bewerten Senden Details (1) Karte Bilder (4) Merken

**Neu bei Nightlife**

**Open Air Kino Sun Pictures**

**Stichwortsuche**

Altstadt  
Bier Ca  
Essen  
Küche  
Museum  
Park Pl  
Res  
Stadt  
Terrace  
Trenn  
zentral

**Hotels im Wert gewinnen**

Bei diesen Angeboten sammeln Sie wertvolle CUMULUS-Punkte...

- Flüge
- Mietwagen
- Hotel

**Beliebte Reisearten**

- Charterflüge
- All inclusive Ferien
- Beach und Party
- Boutique Hotels
- Deluxe Hotels
- Familienfreundliche Hotels
- Fernschmecker
- Rundreisen
- Sommer 2009
- Sort

**travel.ch**  
Das Online Reisebüro

Home Lastminute Badeferien Flüge Hotel Städtereisen Mietwagen Ferienwohnungen Kreuzfahrten Motorhome Sprachreisen Fähren

Français Deutsch

044 200 26 26  
Hotline Reiseberatung  
Mo-Fr: 9-18h, Sa: 9-12h

**Lastminute Suche**

- Wählen Sie Ihre Destination
- Wählen Sie Ihren Ferientermin
- Wählen Sie Ihre Abflugsorte

frühest mögliche Abreise: 01.02.09  
spätest mögliche Rückreise: 10.02.09  
Aufenthaltsdauer: 6-8 Nächte (1 Woche)

Wählen Sie Ihre Abflugsorte:  
☐ Zürich ☐ Basel ☐ Genf ☐ Friedrichshafen

Suchen

**Top Preis- / Leistung**

Wellness

Sensationelle Angebote in Ihrer Nähe!  
Da muss man einfach profitieren!

Zu den Angeboten

**Infos über Uns**

- Kontakt
- Allg. Geschäftsbedingungen
- Sicherheit
- Werbung
- Newsletter abonnieren

**Tools**

- Visa Formulare
- Reiseversicherung
- Rückbestätigungsr.
- Impfbestimmungen
- Reisebücher

**Gewinnen Sie mit KLM einen Städtetrip nach New York!**

**Unsere Tipps**

Für Sie ausgewählt:

- sive Ferien**  
mit Alles inklusive  
Fr. 479.-
- Indischer Ozean**  
7 Nächte mit Zimmer/Frühstück  
schon ab Fr. 899.-
- Rundreisen**  
Faszinierende Rundreisen  
schon ab Fr. 599.-
- Panar**  
inkl. Fl  
schon

**Viel Sand, wenig Kohle**

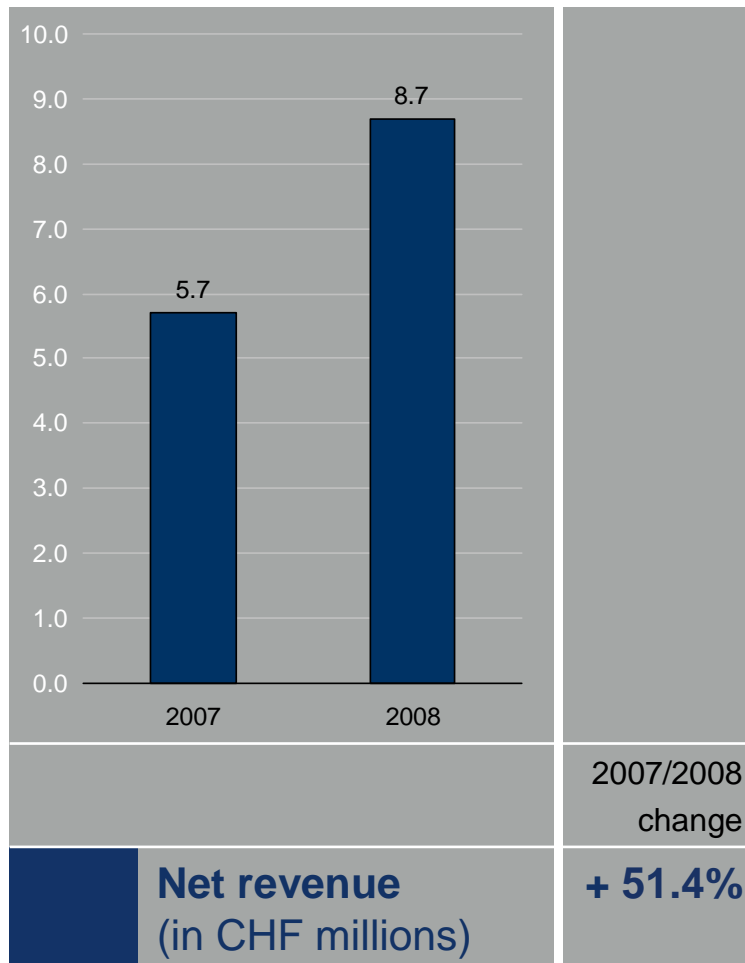
Unglaubliche Preise für Traumstrände!  
Da muss man verreisen!

**Top Badeferien Lang- und Mittelstr.**

**Top Badeferien Kurzstrecken**

- Gran Canaria ab Fr. 539.-
- Teneriffa ab Fr. 501.-

### Travelwindow



- Strong growth in passenger numbers (2008: approx. 50,000 passengers)
- [travelfeedback.com](http://travelfeedback.com) well established

### Summary

- Group revenues at CHF 1'928 million
- Operating performance at EBITDA level fell by 27.7% to CHF 41.2 million compared to previous year. This equates to an EBITDA margin of 2.1%
- Successful reorganisation of Swiss business activities under the umbrella of M-Travel Switzerland
- Launch of Denner Reisen and Migros Ferien
- EBIT for Hotelplan UK/Inghams is still at a high level
- Consistent "back office" integration of the acquired companies

We are prepared.

- Portfolio restructuring and corresponding organizational changes are completed
  - Multi-channel distribution takes into account travellers' individual booking behaviour
  - Broad-based product range covers many customer needs and requirements
  - ICT as a "business enabler" is significantly contributing to the performance
  - Concentration of locations and thereby know-how and expertise
- > **And in view of the changed economic climate:**
- Reorganisation completed (asset light/flexible capacities)
  - Experienced and market-oriented management teams
  - Further cost reductions – without compromising strategic projects



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