

Compass

2016 Annual Report

Achievements we are proud of

SWISS TRAVEL AWARDS 2016

Diploma for Travelhouse/
Salinatours for Central
and South America/Carib-
bean in the category Tour
Operators Individual Long
Distance Travel



SWISS TRAVEL AWARDS 2016

Silver for Hotelplan in the
category Tour Operators
Generalists Package
Worldwide



TRAVEL PERSONALITY AWARD ROMANDIE 2016

Modestino Capolupo, Managing Director
Tourisme Pour Tous, is elected
«Travel Personality Romandie 2016».



BRITISH TRAVEL AWARDS 2016

Explore! – Bronze Award –
Best Safari, Wildlife & Nature
Holiday Company

UK «ITALIA MAGAZINE» TRAVEL AWARD 2016

Inghams – Best Lakes & Mountains Operator



UK «TRAVEL WEEKLY» GOLDEN GLOBE AWARD 2016

Inghams – Best Adventure & Activity Operator



SWISS TRAVEL AWARDS 2016

Diploma for Travelhouse/
Skytours for USA/Canada
in the category Tour Oper-
ators Individual Long
Distance Travel



EUROPEAN HOLIDAY HOME AWARD 2016

Interhome wins the «Best Unique
Spot Holiday Home» with the
Rabac Skitaca holiday home in
Istria/Croatia

MEDIA SPOKESPERSON OF THE YEAR 2016

Prisca Huguenin-dit-Lenoir, Head of
Corporate Communications Hotelplan
Group, was elected Best Swiss Media
Spokesperson for the second time.



SWISS TRAVEL AWARDS 2016

Gold for Travelhouse/
Salinatours in the
category Tour Operators
Individual Long Distance
Travel



SCOTTISH PASSENGER AGENTS' ASSOCIATION AWARD 2016

Inghams – Best Ski Operator



BRITISH TRAVEL AWARDS 2016

Explore! – Silver Award –
Best Holiday Company to
Sub-Saharan Africa



«WHICH?» – UK CONSUMER MAGAZINE AWARD 2016

Inntravel – «WHICH?»
Holiday Companies
Recommended Provider
Award



UK FAMILY TRAVELLER AWARD 2016

Esprit Ski – Best Family
Ski Operator



BRITISH TRAVEL AWARDS 2016

Explore! – Bronze Award –
Best Escorted Adventure
Holiday Company

SWISS TRAVEL AWARDS 2016

Diploma for Travelhouse/
Skytours for Oceania/South
Pacific in the category Tour
Operators Individual Long
Distance Travel



Foreword



Thomas Stirnimann
CEO Hotelplan Group

You are looking at the second edition of our publication «Compass», which provides an overview of the Hotelplan Group. We are pleased to announce that in the past financial year ending on 31 October 2016, we were once again able to help 1.7 million customers make their holiday dreams come true.

It cannot be denied, however, that 2016 was another year that threw up major challenges – for us as well as for the entire tourism industry. The enthusiasm for holidays and travel was dampened by the uncertainty surrounding global terrorist attacks and geopolitical instability. As the sole remaining full-range Swiss tour operator, Hotelplan Suisse was nevertheless – in particular due to a boost in autumn demand – able to achieve an appreciable increase in revenue compared to the previous year, and is well prepared to face the upcoming challenges with the structural adjustments in conjunction with the ongoing digitalization process.

Hotelplan UK has reported an exceptionally good year in 2016, but still saw a pronounced decline in the number of bookings for skiing holidays prior to and in the wake of the Brexit vote. In the meantime, booking volume has stabilized again.

We said goodbye last year to Hotelplan Italia, which was sold as of 31 October 2016 to Eden Viaggi – a prestigious tour operator and the number 2 in the Italian market. This best possible outcome ensured the continued employment of all employees at Hotelplan Italia. The Hotelplan brand retains its presence in the market and has been licensed to Eden Viaggi.

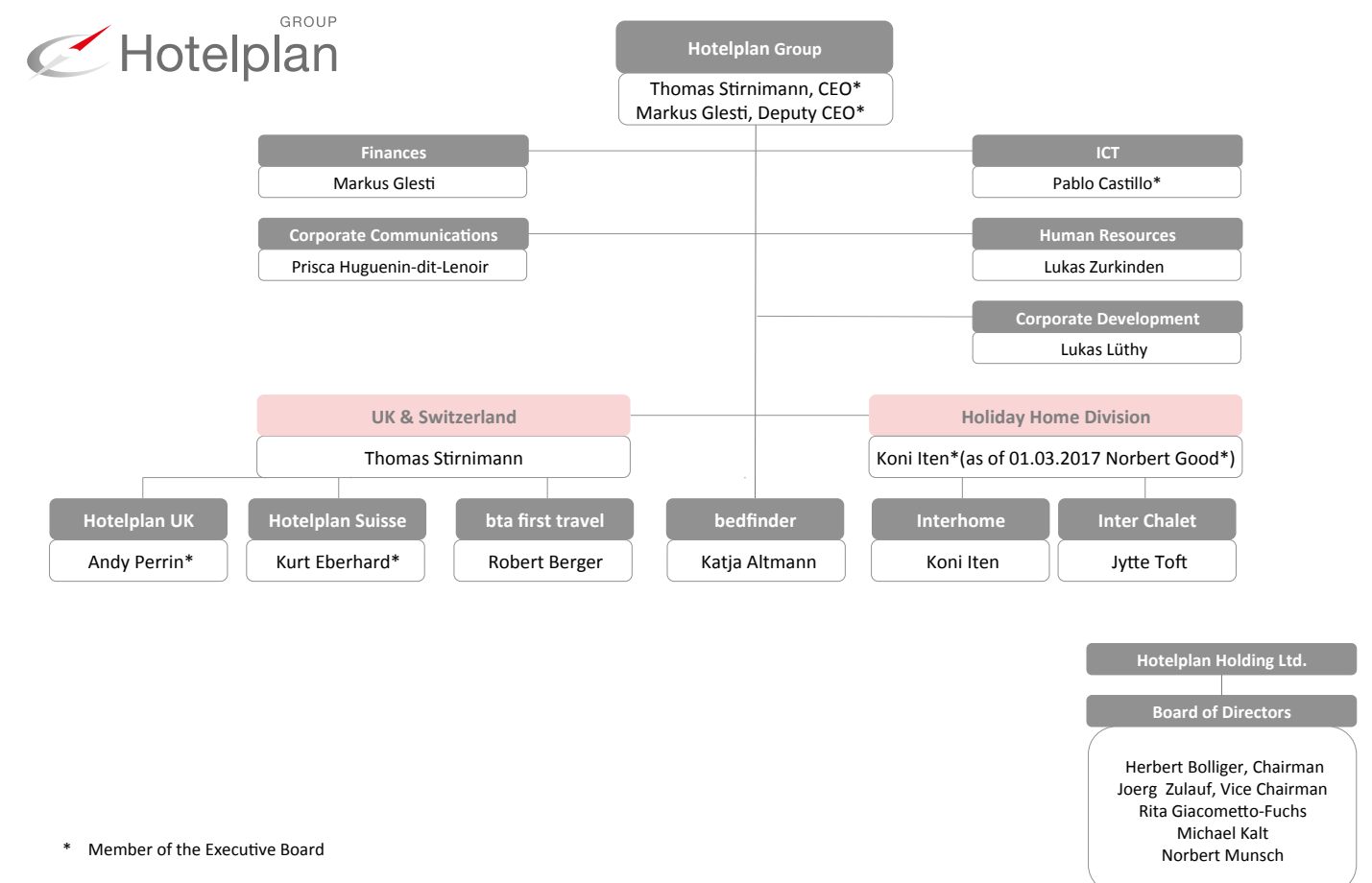
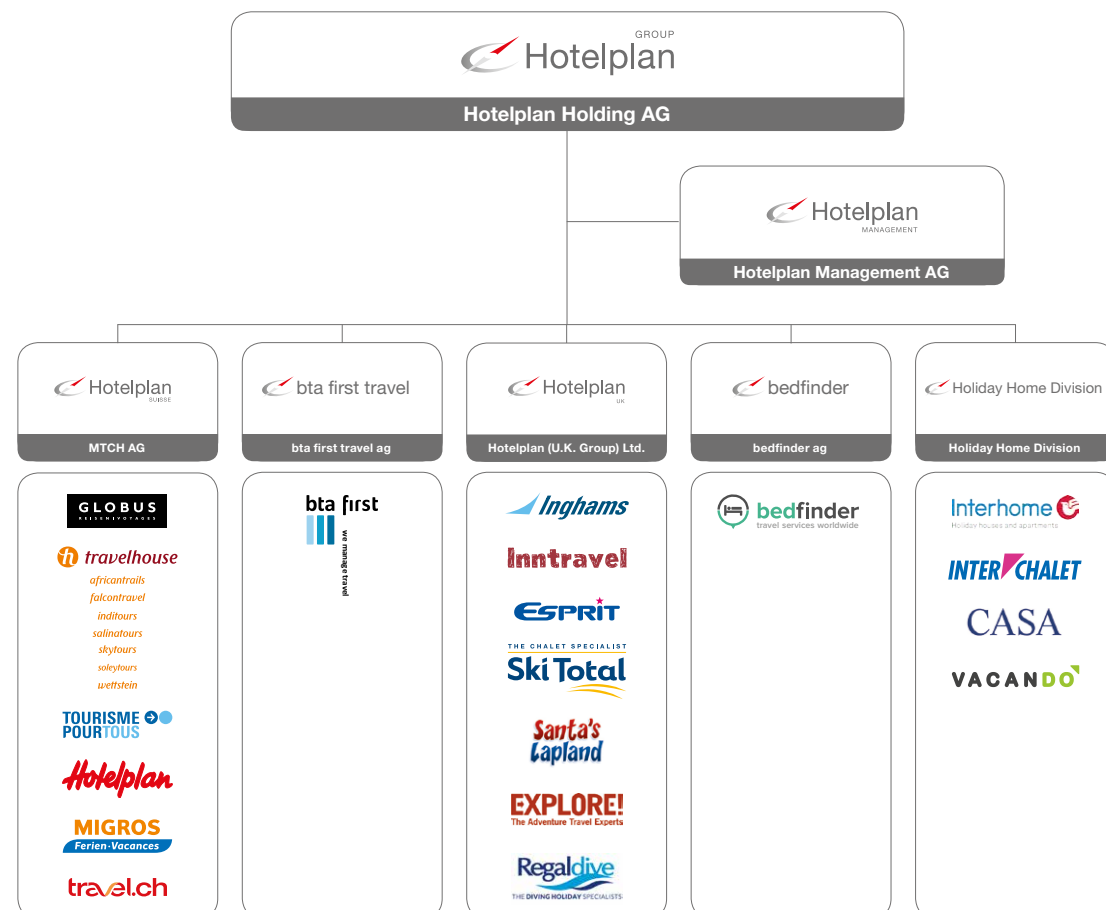
Our business travel specialist bta first travel and the Holiday Home Division with Interhome and Inter Chalet are on course, reflecting the noticeable trend towards spending holidays in one's «own» holiday home or chalet.

We are delighted and proud not only of the awards we received last year, but also of the fact that we were able to roll out our latest project «bedfinder» – initially in the US market – at the beginning of September 2016 after a very short project stage. A successful start with a promising vision for the future.

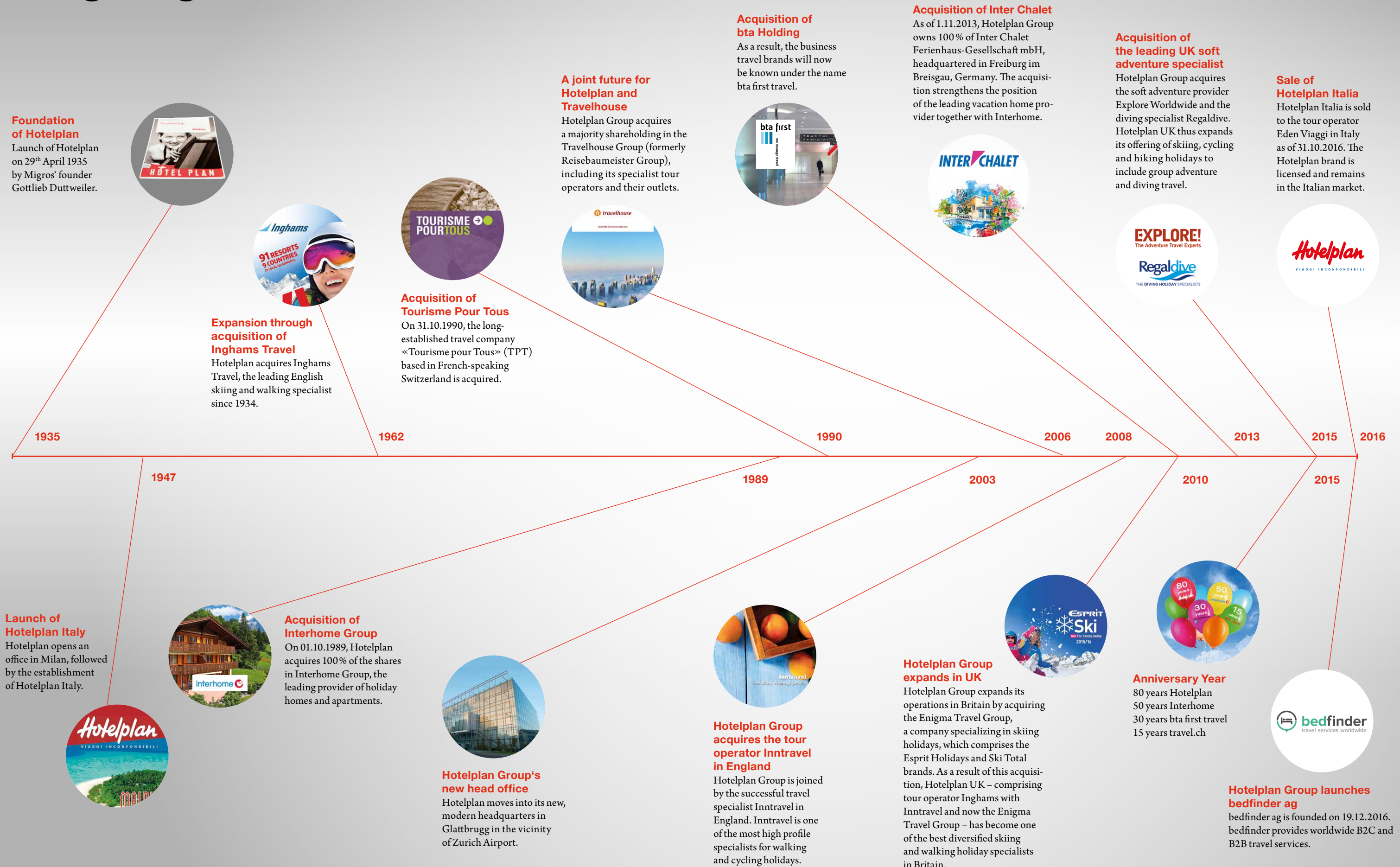
I would like to conclude this positive outlook by extending my sincere thanks to all of our staff at home and abroad for their valuable support!

Hotelplan Group

Hotelplan Holding AG holds all the strategic business units (SBU) of the Hotelplan Group: Hotelplan Suisse (MTCH AG), Hotelplan UK Group Ltd., Interhome AG, Inter Chalet Ferienhaus-Gesellschaft GmbH, bta first travel ag and bedfinder ag. Hotelplan Management AG is responsible for the main functions of the group, such as overall management and strategy, finance, IT and the direct management of individual companies.



Highlights History



The year in overview

The focus in the past financial year was on our subsidiary in England, where the integration of the soft adventure provider Explore Worldwide and the diving specialist Regaldive, both acquired in December 2015, was accomplished without problem. Despite the Brexit vote in June 2016 and subsequent marked weakening of the British pound, Hotelplan UK achieved an excellent operating result. Interhome and Inter Chalet produced outstanding individual results. In order to enhance and improve synergies, both units were merged into the newly established Holiday Home Division. In addition, Hotelplan Italia was successfully sold on favourable terms, which included the retention of all existing jobs.

Hotelplan Suisse focused on revenue quality and reached the set target. Despite a drop in revenue, not least due to numerous terrorist attacks, Hotelplan Suisse achieved a significantly improved operating result. In September 2016, Hotelplan Group entered a new sales market with bedfinder in the USA. The initial experiences are promising – in terms of revenue and beyond.

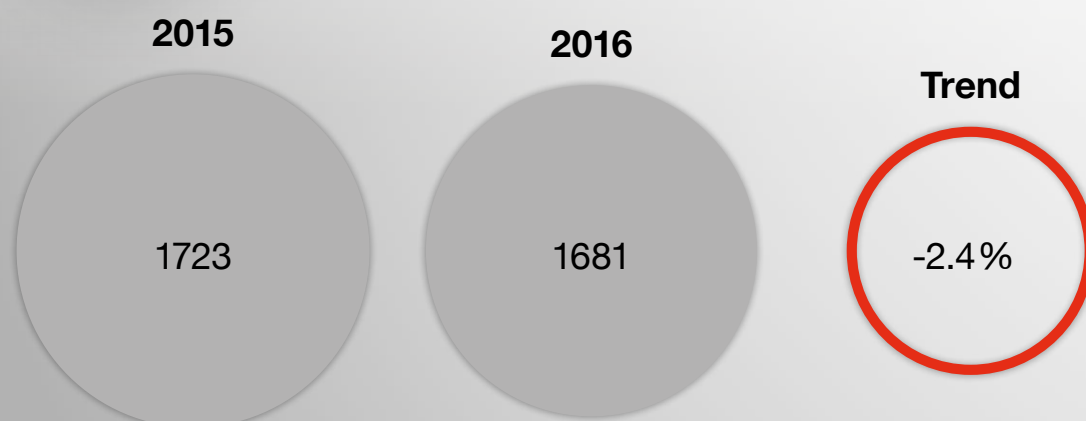
«Hotelplan Group consistently pursued our set course while at the same time exploring new opportunities.»

Markus Glesti
CFO Hotelplan Group



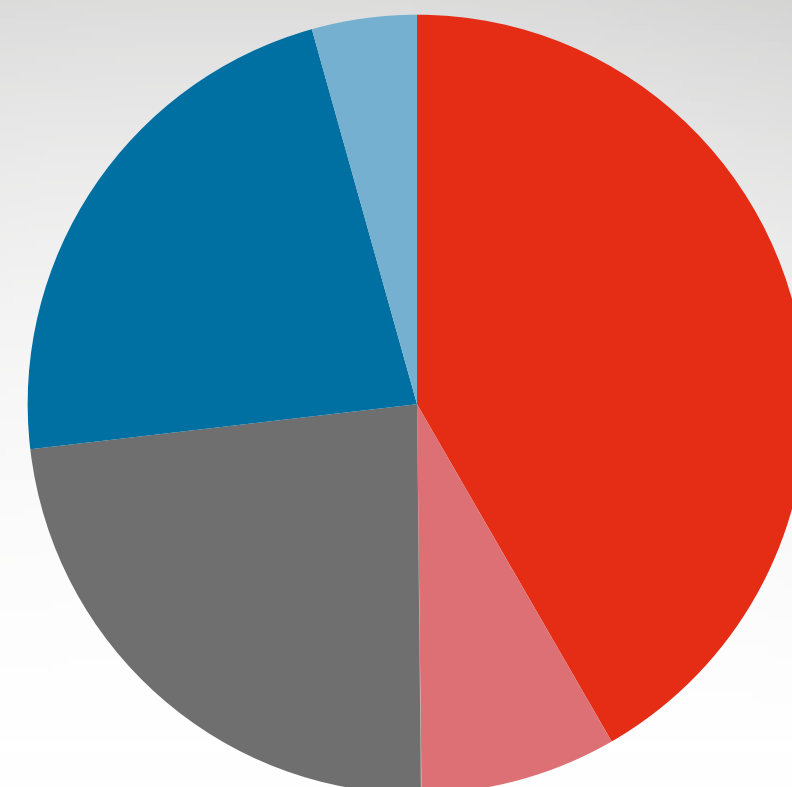
- Explore Worldwide and Regaldive were successfully integrated into Hotelplan UK.
- The high investment in e-commerce led to the entry into the USA sales market – a first for the Hotelplan Group.

Passengers
in thousands



Passenger development

Share%
in million CHF



Hotelplan Suisse

598.0 41.7%

bta first travel

116.9 8.1%

bedfinder

0.4 0.0%

Hotelplan UK Group

334.6 23.3%

Holiday Home Division

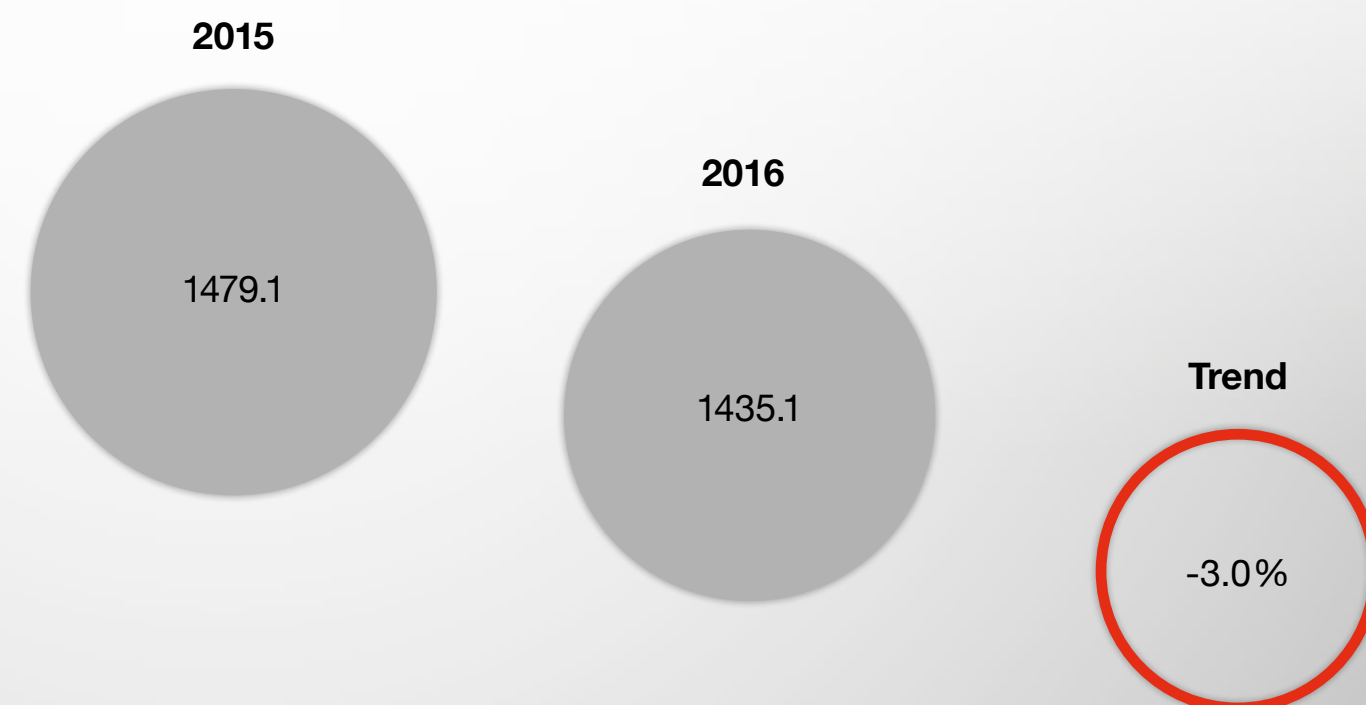
322.8 22.5%

Hotelplan Italia

62.4 4.4%

Turnover by strategic business units
(turnover travel.ch included within Hotelplan Suisse)

Invoiced turnover in million CHF



Turnover development

Digitalization as the basis of globalization

There was hardly a topic that dominated tourism-related journalism last year as much as digitalization. Whether it was «uberization», new platforms, mobile apps and new business models – the topic was and remains ubiquitous. IT operation optimizations aside, the 2016 Hotelplan Group IT agenda was strongly influenced by transformative issues. Among others, the focus was on the large-scale «bedfinder» project and initiatives in the areas of retail and e-commerce, specifically concentrating on linking on- and offline endeavours. The largest changes in organizational terms took place in the nearshoring sector with the closure of the Berlin location and the strengthening of activities, which are now being concentrated solely in the locations Riga and Nizhny Novgorod (Russia).

«The major challenge with transformative issues is to simultaneously keep a close eye on agility and stability.»

Pablo Castillo
CIO Hotelplan Group



- The acquisition of Hotelplan Italia by Eden Viaggi brought a new customer to the Hotelplan tour-operating platform. Almost all tour operating and business travel units within the Hotelplan Group are already taking advantage of this state-of-the-art platform.
- Modern and flexible IT forms the foundation of digitalization and new business models. The modernization of infrastructure in the areas of network, storage and workstations, as well as the SAP infrastructure, was one of the key operational focus topics in 2016.

10%

▸ of the budget goes into research & development

48%

▸ of IT costs are staff costs

48 m

▸ annual website visits

59%

▸ of IT costs are staff costs including external contractors

8815

▸ man-days were invested in changes and projects

6387

▸ man-days were invested in IT projects

8

▸ IT apprentices were trained by the Hotelplan Group

IT key figures

IT FTEs
(Full Time Equivalents)

2015

106.2

2016

111.5

Trend

+ 5.0%

Trend FTEs

Hotelplan Suisse

Hotelplan Suisse stands for more than 80 years of reliability. With 6 brands, the same number of websites, 34 brochures and our own branch network with 107 branches, we provide blanket holiday and travel coverage in all parts of the country. We are proud to be the only 100 % Swiss-owned full-range tour operator. Powerful and advanced technology ensures efficient processes and accommodates the changing requirements of our customers, who can benefit from our 905 employees' vast amount of experience and expertise in all areas of travel.

«Terrorist attacks and political unrest served to remind us of the importance of security for our business.»

Kurt Eberhard
CEO Hotelplan Suisse



Brand portfolio



The year in overview

Cyprus, Spain, Norway and Cuba were the clear winners in 2016. Turkey, Egypt and Tunisia were the equally clear losers, with numerous terrorist attacks and political unrest leading to reduced consumer demand and fewer bookings. Flight overcapacity, especially out of Zurich Airport, contrasted unhelpfully with a lack of adequate bed capacity in certain destinations. This made reaching the targeted sales and margin goals difficult. Despite this, we were able to end another challenging year on a positive operational note – not least thanks to an outstanding autumn with a record number of last-minute bookings.

Key figures

Top 3 destinations in 2016

1. Spain 2. USA 3. Greece

Passengers

Actual 2016	520,000
Actual 2015	579,000
Development vs. prev. year	-10.2%

Invoiced turnover in million CHF

Actual 2016	575.0
Actual 2015	642.5
Development vs. prev. year	-10.5%

(turnover travel.ch not included in key figures)

bta first travel

bta first travel ag – the business travel specialist within the Hotelplan Group – has established itself as a leading provider in the professional travel management sector and the undisputed number one for SMEs, thanks to bespoke services that are perfectly tailored to customer requirements. For more than 30 years, the company has been offering its customers appreciable added value as a one-stop shop – from strategic planning through optimized purchasing and booking procedures to downstream processes. bta first travel has 13 branches throughout Switzerland and employs more than 100 business travel professionals.

«Expertise and presence in on- and offline channels and mobile applications are crucial drivers for business success.»

Robert Berger
CEO bta first travel



Brand portfolio



The year in overview

The cooperation with our new international alliance partner ATPI is beginning to bear fruit. We have been able to acquire major new client portfolios. The market is characterized by an ongoing price decline and margin pressures (in particular in the airline business) and at the same time increasingly complex advice requirements from customers. Additional services such as baggage and seat reservations are increasingly being unbundled from flight fares, resulting in more complicated booking processes and procedures. The online booking share rose further in 2016. The demand for individual advice in our branches remains high, especially when it comes to complex travel arrangements.

Key figures

Top 3 destinations in 2016

1. New York 2. London 3. Shanghai

Passengers

Actual 2016	105,000	
Actual 2015	99,000	
Development vs. prev. year		+5.9%

Invoiced turnover in million CHF

Actual 2016	116.9	
Actual 2015	119.1	
Development vs. prev. year		-1.8%

Hotelplan UK

Hotelplan UK has grown into a well-balanced family of niche specialist travel companies, comprising several leading brand-names across a range of sectors. Our winter business includes three differentiated wintersports brands – Inghams, Esprit and Ski Total – plus family favourite Santa's Lapland, taking thousands of British families to meet the 'real' Santa Claus above the Arctic Circle. Summer season balance is provided by Inghams Italy and Lakes & Mountains, and by Inntravel's core self-guided walking and cycling holidays. Explore! operates all year round, bringing the group's turnover mix to almost exactly half winter, and half summer.



«In a tough year for the UK, our staff can be proud of riding out the storm, to deliver a very strong year-end.»

Andy Perrin
CEO Hotelplan UK



Brand portfolio



Inntravel



THE CHALET SPECIALIST



The year in overview

2016 has been an exceptionally turbulent year for the UK, with the 'Brexit' referendum dominating the political and economic landscape, and causing a steep fall in the value of the GB Pound. Despite these challenges, Hotelplan UK has had another strong year, building on the success of the previous 12 months. Santa's Lapland and all three Ski programmes performed strongly, delivering an excellent first half to the financial year. Explore! and Regaldive both overperformed against budget expectations for their first year in the Group, and although summer was initially slowed by the shock of the Brexit vote, strong autumn sales in the fourth quarter completed the positive year.

Key figures

Top 3 destinations in 2016

1. France 2. Austria 3. Italy

Passengers

Actual 2016	214,000	
Actual 2015	187,000	
Development vs. prev. year		+14.8%

Invoiced turnover in million GBP

Actual 2016	244.0	
Actual 2015	198.3	
Development vs. prev. year		+23.1%

Hotelplan UK

Inntravel is the UK market leader in self-guided walking and cycling holidays in Europe. Known for its excellent guest service and attention to detail, the company has pioneered the «Slow Holiday» concept, encouraging guests to slow down from the hectic pace of modern life, to experience more of the true spirit of their chosen region.

Explore runs over 500 different guided small-group adventure trips across 120 countries worldwide, with experienced local tour leaders adding richness and expertise to the journeys. Specialist Walking, Cycling and Families programmes and Polar Voyages complete their extensive product range.



«Our team is delighted that our quality service won the prestigious <Which? Travel 2016> top tour operator award.»

Karl Watson
Managing Director Inntravel



«It's been an exciting year of progress for us at Explore, including becoming part of the Hotelplan UK family.»

Ashley Toft
Managing Director Explore



Brand portfolio



Inntravel

ESPRIT

THE CHALET SPECIALIST

Ski Total

**Santa's
Lapland**

EXPLORE!
The Adventure Travel Experts

Regaldiver
THE DIVING HOLIDAY SPECIALISTS

The year in overview

The active and adventure holiday sector continues to be a growth area within the wider UK travel industry, and both Inntravel and Explore are leaders in their respective specialist fields. The two companies sit harmoniously together within the group, with Explore focused on guided trips worldwide with expert tour leaders, whilst Inntravel appeals to more independent customers who want to make their own way, rather than travel as part of a group. Both businesses outperformed the overall UK travel market in terms of their 2016 turnover growth, and are well positioned to take advantage of the continuing positive trend towards more active, experience-rich holidays.

Key figures

Top 3 destinations in 2016

Inntravel

1. Spain 2. Italy 3. France

Explore

1. Italy 2. Cuba 3. India

Holiday Homes

The Holiday Home Division portfolio with the Inter Chalet and Interhome brands has some 60,000 holiday homes and apartments on its books, in more than 35 countries. Inter Chalet is one of the largest German operators in this sector. Interhome maintains more than 80 local service offices and can satisfy just about every individual customer requirement. The Holiday Home Division's varied range of properties extends from simple chalets and apartments to luxuriously appointed villas – be it in summer or winter, at the seaside, in the countryside or city.



«By focusing on our core competencies, we will succeed in mastering the challenges of the future.»



Koni Iten
CEO Interhome &
Holiday Home Division
(until 28.2.17)



Norbert Good
CEO Interhome &
Holiday Home Division
(as of 1.3.17)



Jytte Toft
CEO Inter Chalet &
Deputy CEO Holiday
Home Division

The year in overview

The demand for stays in holiday homes and apartments remains strong – this trend has held true for the third consecutive year. Despite a challenging year, the Holiday Home Division achieved not only its ambitious financial target, but also one of the best annual results in the last decade. Domestic business, i.e. vacationing in one's own country, has increased markedly, a trend that has carried over into the new financial year. All major destinations are recording high single-digit growth rates. This instils in us the confidence that our ambitious goals for 2017 are within reach.

Key figures

Top 3 destinations in 2016

1. France 2. Italy 3. Spain

Bookings

Actual 2016	312,000	
Actual 2015	300,000	
Development vs. prev. year		+3.7%

Invoiced turnover in million CHF

Actual 2016	322.8	
Actual 2015	316.3	
Development vs. prev. year		+2.0%

Brand portfolio

Interhome
Holiday houses and apartments

INTERCHALET

CASA

VACANDO

bedfinder

bedfinder offers worldwide B2C and B2B services. On the one hand, this includes selling products directly to the customer via modern web platforms; on the other hand, bedfinder also makes white label products, technology and fulfilment services available to interested partners. bedfinder is, so to speak, the start-up venture within the Hotelplan Group, tasked with advancing innovation and digitalization. An excellent IT infrastructure, 24/7 customer support and solid, longstanding expertise in the travel business provide an ideal basis for this exciting new endeavour.

«The proof of concept has been demonstrated and bedfinder has launched even better than expected.»

Katja Altmann
CEO bedfinder



Brand portfolio



The year in overview

The project was launched at the end of 2015 with the aim of driving forward digitalization and internationalization within the Hotelplan Group. In February 2016, development started on a pilot integration for «Book on Google» in the USA. Thanks to the huge commitment and speed on the part of the departments involved, bedfinder was one of the first providers to go live on 6 September 2016, offering hotels all over the world in the source market USA. At the end of 2016, «Book on Google» was also rolled out in the UK, and the new web platform bedfinder.com was launched. Further international markets will be addressed and rolled out in 2017. Business is developing beyond expectation and gives rise to a positive future outlook.

Key figures

Top 3 destinations in 2016

1. Orlando 2. Los Angeles 3. Chicago

bedfinder – travel services worldwide



