



Media release

Zurich, February 8, 2008

## **Kuoni and SWISS enter into strategic partnership**

**Kuoni Travel Holding Ltd. and Swiss International Air Lines are to embark on a comprehensive strategic partnership. The customers of both companies will benefit from the wider range of products and services that the collaboration should provide. The partnership will also enable Kuoni and SWISS to focus on their respective core competencies. Kuoni will offer its range of hotels via SWISS.COM, and SWISS will acquire Kuoni's leisure airline Edelweiss Air.**

The comprehensive strategic partnership will enable Kuoni and SWISS to make optimum use of their respective strengths and capabilities and exploit new synergies; and the wider range of products and services it provides will benefit both partners' customers. Under the planned collaboration, Kuoni will offer an extensive range of hotel accommodations via the SWISS.COM website from January 1, 2009 onwards. Kuoni's hotel range currently extends to more than 15 000 selected establishments in all categories all over the world.

The SWISS.COM website will allow private individuals to choose their preferred hotel at their SWISS or Edelweiss Air destination and book it directly. The range of hotels offered will also extend to destinations beyond the present SWISS network. The new facility will enable customers to combine their desired flights and hotel accommodation and book the whole arrangement online. In the past, these facilities were offered solely to travel agencies and other tour operators. Under the new collaboration, they will now be available to private customers, too.

The new Kuoni/SWISS partnership will also result in a closer collaboration between SWISS and Edelweiss Air to which each carrier will contribute its own core competencies. Edelweiss Air's aircraft will continue to be operated by Edelweiss Air personnel. And, under a broader and comprehensive collaboration agreement, Kuoni will buy-in seat capacity on SWISS and Edelweiss Air leisure flights. In addition, individual seats on Edelweiss Air services will also be offered for sale via SWISS.COM, travel offices, call centres and the kuoni.ch website.

"This collaboration really is a win/win situation for everyone involved," says SWISS CEO Christoph Franz, "and our customers will benefit from a wider range of products and services." "Edelweiss Air will remain Edelweiss Air – with its new sister SWISS, too," adds Harry Hohmeister, Chief Network & Distribution Officer at SWISS.



Kuoni views the new partnership as a further milestone in implementing its own overall strategy, as Max E. Katz, CFO of the Kuoni Group and spokesman for the Group Executive Board, explains. "Our sale of Edelweiss Air marks a further consistent step in our strategy of not owning assets such as aircraft or hotels," Katz says. "We aim to focus on organising, advising on and distributing leisure travel products and, in our destination management activities, on organising and selling land arrangements at the destination. Our new strategic partnership with SWISS will also give us access to new customers in new markets for our hotel arrangements."

SWISS and Edelweiss Air have served largely complementary destinations to date. By amalgamating their activities, the partners can achieve sizeable synergies in terms of distributing their capacities and optimising their flight schedules. The parties agreed not to divulge the purchase price involved. In view of the organisational and system modifications required, the collaboration is expected to enter into full and tangible effect with the start of the winter schedules at the end of October 2008.

Edelweiss Air should continue to operate as a separate airline under its new owner with its own management, fleet and crews. The "Edelweiss Air" brand, which was launched in 1995, will be retained. The present management team and all 240 further personnel will continue to ensure that the company sustains its overall success and its quality leisure travel product; Karl Kistler will remain Chief Executive Officer; and Edelweiss Air will continue to operate its three short-haul Airbus A320 aircraft and its long-haul Airbus A330-200.

The new strategic partnership between Kuoni and SWISS is subject to the approval of the relevant authorities.

**Note to journalists: invitation to a media conference**

**Today Friday, February 8, in the Airport Forum at Zurich Airport, starting at 10:00**

**Attendees:** Max E. Katz (Chief Financial Officer, Kuoni Group)  
Stefan Leser (Chief Executive Officer, Kuoni Switzerland)  
Karl Kistler (Chief Executive Officer, Edelweiss Air)  
Harry Hohmeister (Chief Network & Distribution Officer, SWISS)  
Gaudenz Ambühl (Chief Operating Officer, SWISS)

**Venue:** Airport Forum (Rooms 205/206), Zurich Airport

Further information:

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**For media representatives:**

**Kuoni:**  
Peter Brun  
Head of Communications  
Kuoni Travel Ltd.  
Neue Hard 7  
CH-8010 Zurich  
Phone +41 44 277 4828  
Fax +41 44 272 3991  
Email peter.brun@kuoni.ch  
communications@kuoni.com

**SWISS:**  
Media Relations  
Phone +41 848 773 773  
Fax +41 44 564 2127  
communications@swiss.com

**For analysts and investors:**

**Kuoni:**  
Laurence Bienz  
Head of Investor Relations  
Kuoni Travel Holding Ltd.  
Neue Hard 7  
CH-8010 Zurich  
Phone +41 44 277 4529  
Fax +41 44 277 4031  
Email laurence.bienz@kuoni.com