

Kuoni offers a *reliability* rewarded by the trust of customers and partners all over the world. The company's excellent reputation rests on its solid Swiss roots, its sound financial health and its high transparency, as well as its quality awareness, its honesty and its sense of responsibility. These credentials provide the stable foundation for Kuoni's mission of providing a unique travel experience.

Kuoni posts positive EBIT despite a continuing difficult business environment

The Kuoni Group reports underlying earnings before interest and taxes (underlying EBIT¹) of CHF 21.9 million for the first nine months of 2009. Turnover for the period amounted to CHF 2 977 million (down 21.1%). 2009 continues to be impacted by external influences. The global financial and economic crisis and the substantial net negative impact of currency movements depressed results right through to September.

However, through intensified cost controls Kuoni achieved an improvement in its operating result. Third-quarter turnover totalled CHF 1 218 million, while underlying EBIT for the period amounted to CHF 62.6 million. The latest booking figures for 2009 also show a slight upward trend. Kuoni views the stabilisation of its business performance as a positive achievement.

Income statement

CHF MILLION	1.1.–30.9.2009	1.1.–30.9.2008 restated ²	Change in %	1.1.–30.9.2009 underlying ¹	1.1.–30.9.2008 restated ² and underlying ¹	Change in %
Turnover	2 977.3	3 775.0	-21.1	2 977.3	3 775.0	-21.1
Gross profit	601.2	800.0	-24.9	601.2	800.0	-24.9
Gross profit margin (%)	20.2	21.2		20.2	21.2	
Earnings before interest and taxes (EBIT)	3.7	125.8	-97.1	21.9	121.0	-81.9
EBIT margin (%)	0.1	3.3		0.7	3.2	
Net result	-5.7	125.7				
Operating cash flow	32.1	172.9				

¹ underlying EBIT: EBIT adjusted by the cost of the investment and cost-reduction programme, cost of the transformation process as well as depreciation no longer required following the sale of the Edelweiss Air aircraft in the previous year

² restated: Restatement by application of the amendment to IAS 38 regarding the recognition of brochure costs

FACTS AND FIGURES FOR THE FIRST NINE MONTHS

- ▶ **Group turnover** totalled CHF 2 977 million, a 21.1% decline on the same period last year. Organic turnover development amounted to -15.4%, while currency movements had a net negative impact of 6.7%.
- ▶ **Underlying earnings before interest and taxes (underlying EBIT¹)** amounted to CHF 21.9 million (compared to CHF 121.0 million for the prior-year period). EBIT including exceptional items totalled CHF 3.7 million.
- ▶ The **net result** amounted to CHF -5.7 million (which compares to CHF 125.7 million for the prior-year period).
- ▶ **Cash flow** from operating activities stood at CHF 32.1 million (compared to CHF 172.9 million for the same period last year).
- ▶ The **balance sheet** showed equity of CHF 571 million on 30 September 2009 (compared to CHF 646 million on 30 September 2008). The equity ratio stood last year at 30.2%, an increase to 32.5% this year.
- ▶ The Kuoni Group generated turnover of CHF 1 218 million for the third quarter of 2009 (compared to CHF 1 547 million for the prior-year period). Underlying EBIT for the period amounted to CHF 62.6 million (which compares to CHF 104 million for the same period last year).
- ▶ At the end of September 2009 Kuoni announced a fundamental corporate restructuring which will transform the Kuoni Group from a decentralised into a function-based organisation. These changes are part of the investment and cost reduction programme that was embarked on at the beginning of the year. The programme entailed expenditure of CHF 18.2 million in the January-to-September period. The new corporate organisation will focus on marketing and sales and on a new global Procurement & Production Unit. The new group structure will permit further cost savings, and especially in the future, open up processes to facilitate international product and service opportunities. The reorganisation should be completed by mid-2010.

The financial results of the Kuoni Group

“The continuing global financial and economic crisis and the negative impact of currency movements depressed our nine-month results,” said Peter Rothwell, CEO of the Kuoni Group. “On the plus side, further progress was made on the cost savings front with a positive effect on our operating result.”

The nine-month turnover of CHF 2 977 million (down 21.1 %) includes organic turnover development of -15.4 %. The declines in passenger volumes and sales prices maintained the trends seen in the previous months throughout the third-quarter period. The net negative impact of currency movements eroded a further 6.7 % from the turnover result.

Gross profit for the period declined 24.9 % to CHF 601 million. Gross profit margin slipped from the 21.2 % of the prior-year period to 20.2 %. The decline is, however, due to divestment activities (the sale of Edelweiss Air aircraft and of the Austrian retail business). Without this effect the margin increased slightly.

The Kuoni Group posted a positive operating result for the first nine months of the year. Underlying EBIT¹ amounted to CHF 21.9 million (prior year: CHF 121.0 million). EBIT including

exceptional items stood at CHF 3.7 million. Operating cash flow declined to CHF 32.1 million (prior year: CHF 172.9 million). Free cash flow totalled CHF 3.2 million (prior year: CHF 133.5 million).

The balance sheet on 30 September 2009 showed equity of CHF 571 million (compared to CHF 646 million as of 30 September 2008). The equity ratio stood at 32.5 %.

THIRD-QUARTER RESULTS 2009

Turnover trends for the July-to-September period were broadly unchanged from those since the beginning of the year. But with efforts intensified to reduce costs, the Kuoni Group improved its underlying EBIT¹ result. Given the continuing external influences, Kuoni views the stabilisation of its business performance as a positive achievement.

Turnover for the third quarter of 2009 totalled CHF 1 218 million (down 21.3 %). Gross profit amounted to CHF 248 million, and gross profit margin stood at 20.4 %. Underlying EBIT¹ amounted to CHF 62.6 million, producing an encouraging EBIT margin of 5 %. EBIT totalled CHF 52.4 million. The net result for the period amounted to CHF 45.3 million.

Third-quarter results by Strategic Business Divisions

SBD STYLE

Third-quarter turnover for Strategic Business Division (SBD) Style amounted to CHF 533 million (prior year: CHF 679 million). EBIT declined from CHF 50.2 million to CHF 30.5 million. The division's results were primarily depressed by the weakening of the UK pound and the Indian rupee against the Swiss franc.

Within SBD Style, turnover for Style Switzerland declined from CHF 198 million to CHF 163 million. EBIT amounted to CHF 10.8 million (prior year: CHF 17.9 million). The declines were due to lower business volumes in the Swiss market.

Style UK generated turnover of CHF 139 million for the July-to-September period (prior year:

CHF 167 million). In local-currency terms, the decline amounted to 3.2 %, confirming the year-on-year improvement in booking levels that has been seen for some months now. EBIT amounted to CHF 2.0 million (prior year: CHF 9.2 million).

Style Other (France, Italy, Spain, Benelux, India and China) achieved turnover of CHF 231 million for the period (prior year: CHF 315 million). EBIT totalled CHF 17.8 million (prior year: CHF 23.1 million).

All the markets within SBD Style continue to feel the adverse effects of the global economic downturn. At the same time, the swine flu pandemic also caused temporary declines in demand in a number of markets.

SBD SMART

Strategic Business Division (SBD) Smart generated third-quarter turnover of CHF 449 million (prior year: CHF 565 million). EBIT for the period amounted to CHF 25.9 million (prior year: CHF 43.7 million). The prior-year figures include a CHF 2.9 million EBIT effect from depreciation no longer required on the Edelweiss Air aircraft. SBD Smart comprises country operations in Sweden, Norway, Denmark and Russia, together with Kuoni's Swiss inclusive-tour business and the Playitas holiday resort on Fuerteventura.

The results at SBD Smart also remained tangibly depressed by adverse outside influences. In local-currency terms, however, the division's Swedish and Norwegian operations continued to raise their turnover in the summer months. As in the first half of the year, the decline in the division's EBIT result was due to the intensified pressure on margins in the inclusive-tour business, especially in the Scandinavian markets. The resulting declines could not be fully offset by the improved margins achieved in the Swiss inclusive-tour sector. The restructuring measures initiated at the division's Russian operation resulted in cost reductions and a substantially-improved local EBIT result.

SBD DESTINATIONS

Strategic Business Division (SBD) Destinations posted July-to-September turnover of CHF 275 million (prior year: CHF 329 million). EBIT for the period amounted to CHF 10.8 million (prior year: CHF 18.5 million).

The global economic decline continued to be tangible in the third quarter period, especially in Europe and India. By contrast, the USA, Africa, the Asia-Pacific region and particularly the Middle East reported increases in demand. The Japanese market, meanwhile, continued to feel the effects of the swine flu pandemic. Results for SBD Destinations were also depressed by the net negative impact of currency movements.

Outlook

“Despite the adverse external influences, I am confident that the Kuoni Group will post a positive operating result for 2009 as a whole”, said Group CEO Peter Rothwell. “On the basis of current economic projections, I do not expect to see a pick up in the demand for travel products until the second half of next year,” he added.

To what extent the predicted spread of a swine flu pandemic happens during the coming winter months is currently difficult to say. This could have a negative impact on Kuoni’s bottom-line performance in the shorter-term.

Current booking trends for the rest of 2009 show a slight overall improvement on the last published figures (as of August). The UK in particular is seeing a steady increase in booking volumes, compared to the same time last year. (The booking figures include all customers who have already embarked on their travel and all further bookings until year-end.)

As of 8 November, booking levels for 2009 for the Kuoni Group’s tour operating business were 20 % below their prior-year equivalents in Swiss-franc terms and 12 % below them in local-currency terms.

BOOKING LEVELS FOR THE KUONI GROUP (TOUROPERATING) AS OF 8 NOVEMBER 2009

	CHF	LC
Kuoni Group	-20 %	-12 %
Division Style	-22 %	-15 %
› Switzerland	-15 %	-15 %
› United Kingdom	-22 %	-7 %
› Other	-27 %	-22 %
Division Smart	-17 %	-7 %

(LC=local currency)

The new customer-focused group structure which was announced in September 2009 will be swiftly adopted. The new structure will enable the Kuoni Group to achieve further international growth, improved profitability and efficient cost management. From 2010 the new global Procurement & Production Unit should deliver substantial purchasing benefits that will have a positive effect on bottom-line results. The reorganisation should be completed by mid-2010, in time for the expected economic upturn in the second half of next year.

With view to further strengthening its financial situation, Kuoni Travel Holding Ltd. issued a four-year 3 % CHF 200 million bond in October 2009.

Zurich, 12 November 2009

Income statement

CHF MILLION	1.1.–30.9.2009	1.1.–30.9.2008 restated	Change in %	1.1.–31.12.2008 restated
Turnover	2 977.3	3 775.0	-21.1	4 855.0
Direct costs	-2 376.1	-2 975.0	-20.1	-3 798.7
Gross profit	601.2	800.0	-24.9	1 056.3
Personnel expense	-339.8	-373.2	8.9	-495.8
Marketing and advertising expense	-69.6	-96.0	27.5	-134.4
Other operating expense	-148.6	-170.8	13.0	-226.5
Depreciation	-39.5	-34.2	-15.5	-49.2
Earnings before interest and taxes (EBIT)	3.7	125.8		150.4
Financial income	3.0	29.0	-89.7	28.6
Financial expense	-2.8	-8.8	68.2	-5.6
Result before taxes	3.9	146.0		173.4
Income taxes	-9.6	-20.3	52.7	-22.4
Net result	-5.7	125.7		151.0
Of which:				
Net result attributable to minority interests	0.6	-1.9		0.4
Net result attributable to shareholders of Kuoni Travel Holding Ltd.	-6.3	127.6		150.6
Basic earnings per registered share B in CHF	-2.19	44.61		52.68
Diluted earnings per registered share B in CHF	-2.19	44.61		52.68

Turnover by Strategic Business Division

CHF MILLION	1.1.-30.9.2009	1.1.-30.9.2008 restated	Change in %	1.1.-31.12.2008 restated
SBD Style	1 384	1 753	-21.0	2 305
Style Switzerland	405	468	-13.5	641
Style United Kingdom	393	501	-21.6	661
Style Other	586	784	-25.3	1 003
SBD Smart	1 011	1 301	-22.3	1 626
SBD Destinations	678	860	-21.2	1 101
Corporate	0	0	0.0	0
Less intersegment turnover	-96	-139	30.9	-177
Total	2 977	3 775	-21.1	4 855

EBIT by Strategic Business Division

CHF MILLION	1.1.-30.9.2009	1.1.-30.9.2008 restated	1.1.-31.12.2008 restated
SBD Style	30.0	80.6	109.2
Style Switzerland	-0.1	18.8	35.5
Style United Kingdom	6.8	26.6	31.5
Style Other	23.3	35.2	42.2
SBD Smart	3.4	38.4	32.9
SBD Destinations	5.1	28.5	38.5
Corporate	-34.8	-21.7	-30.2
Total	3.7	125.8	150.4

KEY DATES FOR 2010

The Kuoni Group will be providing information on its further business performance on the following dates:

- ▶ Annual Results 2009 23 March 2010
- ▶ AGM 20 April 2010

DISCLAIMER

This communication contains statements that constitute forward-looking statements. In this communication, such forward-looking statements include, without limitation, statements relating to our financial condition, results of operations, business and certain of our strategic plans and objectives.

Because these forward-looking statements are subject to risks and uncertainties, actual future results may differ materially from those expressed in or implied by the statements. Many of these risks and uncertainties relate to factors which are beyond Kuoni Travel Holding's and/or affiliates' (referred to as Kuoni) ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of governmental regulators and other risk factors detailed in Kuoni's past and future filings and reports, including media releases, reports and other information posted on Kuoni's websites or in other form.

Readers are cautioned not to put undue reliance on forward-looking statements, which speak only of the date of this communication. Kuoni disclaims any intention or obligation to update and revise any forward-looking statements, whether as a result of new information, future events or otherwise.

FURTHER INFORMATION

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