

Media release

22.12.2006

SWX Swiss Exchange clears Kuoni Travel Holding Ltd. of possible rules violations

The SWX Swiss Exchange has cleared Kuoni Reisen Holding AG (Kuoni), Zurich of a possible violation of Art. 72 of its Listing Rules and of its Directive on Ad-hoc Publicity. The Executive Committee of the SWX Admission Board has concluded that Kuoni cannot be accused of any sanctionable behaviour in connection with its communication of 16 February 2006, when it informed the public that the overindebtedness of the Ferienverein might have a substantial impact on Kuoni's own 2005 annual results.

Kuoni received a communication from Ferienverein on 30 January 2006, stating that the latter was overindebted and that a corporate restructuring concept was being discussed. Since Kuoni and the Ferienverein had established a joint-venture company, Ferienverein's overindebtedness had direct and immediate financial and legal implications for Kuoni, e.g. through possible joint and several liability towards third parties. As a result, Ferienverein's restructuring efforts had major consequences for Kuoni. On 16 February 2006, Kuoni issued a media release entitled "Kuoni affected by massive overindebtedness of Ferienverein". In this communication, Kuoni maintained that the strategic rationalisation of its holdings portfolio would result in an impairment on its 35% holding in the Las Playitas resort, and that this might have a significant effect on its 2005 annual results. On the same day, CASH business weekly also published an article on Ferienverein's overindebtedness and how this would also affect Kuoni.

Kuoni was accused by the SWX of having been too late in communicating the fact that Ferienverein's massive overindebtedness might have a significant effect on Kuoni's 2005 annual results. Kuoni had been apprised of Ferienverein's financial situation at the end of January 2006, the SWX maintained, and should not have waited until 16 February to communicate this to the public.

Under Art. 72, para. 1 of the SWX Listing Rules (LR), the issuer must inform the market of any price-sensitive facts which have arisen in its sphere of activity and are not public knowledge. "Price-sensitive facts" are defined as facts which are capable of triggering a significant price change. Facts that affect the issuer but originate elsewhere are basically not covered by the duties and requirements regarding ad-hoc publicity. However, if such an event should result in a potentially price-sensitive fact within the issuer's sphere of activity, an ad-hoc communication must be effected. The insolvency of a particularly important contractual partner would fall into this category, and would therefore be subject to the SWX's ad-hoc publicity requirements.

The issuer must provide information as soon as it has knowledge of the main points of the price-sensitive fact (Art. 72, para. 2, Sentence 1 LR). To comply with this, Kuoni was basically required immediately to disclose the financial consequences of Ferienverein's overindebtedness. The issuer may only postpone such disclosure if the fact is based on a plan or decision of the issuer and/or if its dissemination is liable to prejudice the issuer's legitimate interests. In the event of such postponement, the issuer must also

guarantee the complete confidentiality of such a fact (Art. 72, para. 2 LR). In particular where a corporate restructuring is being effected by one of the issuer's contractual partners, such a postponement can be of vital importance to both the issuer and the partner concerned. Kuoni was thus entitled to make use of this disclosure postponement facility under the circumstances which prevailed at the time.

If the confidentiality of such a fact can no longer be guaranteed, the issuer must disclose the fact immediately (Art. 72, para. 3 LR). Kuoni received an enquiry from CASH on 15 February 2006 about its hotel project with Ferienverein. Meanwhile, Ferienverein also intended to inform the public of its situation around this time. As a result, the confidentiality of the fact could no longer be guaranteed. In view of this, Kuoni issued a media release on 16 February 2006 communicating the rationalisation of its holdings portfolio in the Las Playitas resort and the impact this would have on its 2005 annual results. In doing so, Kuoni acted in compliance with SWX rules and regulations.

In view of the above, the Executive Committee of the Admission Board has cleared Kuoni Reisen Holding AG of a possible violation of Article 72 of the SWX Listing Rules.

Information on ad-hoc publicity can be accessed at:

http://www.swx.com/admission/being_public/publicity_en.html

Previous sanctions issued by SWX with regard to ad-hoc publicity can be accessed at:

http://www.swx.com/admission/being_public/sanctions/ad_hoc_en.html

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