RBR CAPITAL ADVISORS

COLOGNY ADVISORS LLP

Dear Shareholders of gategroup,

We strongly believe that gategroup has the potential to be a world-class company. The airline catering market has attractive growth rates and high barriers to entry. gategroup is a world market leader in a growing market. Nevertheless, over the last seven years competition has been gaining ground as gategroup has lost its advantage by presenting a dismal track record, poor corporate governance and weak financial performance. The best-in-class operator Do&Co demonstrates one can achieve sustainable double-digit EBITDA margins while consistently growing sales by more than 20%! In other words: the starting position for gategroup is quite exceptional and our goal is to put the right framework in place to truly revive and transform the company. Given this great starting position and the ambition of the company to restructure and streamline itself, it is all the more shocking that the board has decided to sell itself in a rushed transaction at what is a completely inadequate price. We will shed some more light on this later. But first we would like to delve into the more recent events of poor corporate governance.

Despite progress made since last year, gategroup continues to lack the ambition for a full-scale transformation. As has been demonstrated by the events over the last twelve months, all of which are documented on the website www.savegategroup.com, gategroup continues to suffer from poor corporate governance, weak financial performance and excessive management compensation which is not aligned with shareholder interests. The company needs to break with a disappointing and dismal past. For this reason, we have proposed to not re-elect: Andreas Schmid, Remo Brunschwiler and Anthonie Stal to the board of directors. After seven years of mismanagement we see no point in continuity for continuity's sake. The continuity of the last seven years has led to a cumulative net profit of CHF 87 million or just about CHF 12 million per year, while management was paid over CHF 90 million for the same time period. The chairman was paid over CHF 13 million in cash and shares or about 15% of the company's cumulative net profit over the last seven years. gategroup's cumulative net profit over the last five years was a negative CHF 10 million, while management was rewarded with a cumulative CHF 55 million in total compensation. Compare this with Geberit, for example. It generated CHF 2 billion cumulative net profit for the same time period, while its management received a total compensation of CHF 34 million, or 40% less than management at gategroup. Kühne and Nagel paid less for its CEO over the last five years than gategroup, but cumulative profits at Kühne and Nagel reached CHF 3 billion. The best-in-class airline catering operator Do & Co achieved a cumulative net profit of close to EUR 120 million with net profit growth of 22% p.a. and compensated its management with less than EUR 12 million, or about 75% less than gategroup which made a cumulative loss over that period. Looking at these figures, it is easy to understand why the board of directors of gategroup needs a consultant to explain its compensation plans to shareholders (see Table 1).

Management compensation in 2015 and the proposal for the maximum aggregate amount of compensation of the executive management for 2017 is another clear indication that corporate governance continues to be out of control at gategroup. Our worst concerns, which we have raised in several letters to the board and in our last open letter to the board on February 29, 2016, have become reality to any even greater extent than was feared.

The CEO was paid CHF 5.6 million for nine months work in 2015 or CHF 7.5 million if you annualize his compensation to twelve months. This is for a loss of more than CHF 60 million in 2015 and the worst result since the listing of the company in 2009. Even if you adjust for all the so-called one-time factors, the CEO was paid 18% of the net profit of the company. If you include the other members of the executive management board of gategroup, 35% of profits were paid to the top five executives. gategroup claims that this compensation is justified as the company reported a solid performance with significant operational and commercial progress. The reality is that gategroup's operating performance significantly deteriorated in 2015. Sales increased 3.3% in local currency while the number of employees increased by 4%. Other operating expenses, excluding restructuring charges, increased by 7% in Swiss francs and significantly more in local currency. Consulting and legal fees increased by a shocking 35% in Swiss francs. To claim, as the company does, that the operating performance is improving is simply wrong, misleading and represents another piece in the ever-growing puzzle of poor corporate governance. Furthermore, the share awards from the long-term incentive program (ELTIP 2015) will vest even if the EBITDA margin falls below the lower end of the margin guidance in 2018. We fail to see any incentive for management to perform, nor alignment with shareholder interests (see Chart 1).

The board's proposal to increase the average *maximum* pay per executive management board member by almost 70% in 2017 vs. the average *maximum* pay in 2016 is excessive. This proposal also corresponds to an increase of over 70% from the excessive *actual* compensation in 2015, which was again 60% higher than the *actual* compensation in 2014.

The proposal of a CHF 17.8 million maximum aggregate amount of compensation for the executive management board for 2017 represents an estimated transfer of almost 20% of the expected net profit of the company to the top five executives.

No clear, transparent and ambitious targets have been set by the company to explain what level of performance will trigger this maximum pay.

In summary, remuneration for management has increased substantially while operating results in 2015 deteriorated. The long-term share awards will vest even if operating results deteriorate further. We fail to see any alignment between executive pay and shareholder interests. The proposal to increase the maximum possible compensation for 2017 by 70% is excessive. The lack of clear targets that would trigger this maximum compensation is shocking.

Based on the information provided above, we strongly encourage you to vote **'No'** on agenda item 1.3 and agenda item 9.2. Interestingly enough, gategroup has decided to withdraw this agenda item last night. We are not surprised.

On the other hand, we would like to thank Gerard van Kesteren for his tireless effort to improve performance and corporate governance at gategroup. He has been the guarantor for starting a new chapter. We have not always been of the same opinion with him but it proves all the more that he is a truly independent board member who only abides by best practice and the highest standards of good business conduct. Gerard, thank you very much for your great work.

Now let us talk about the recommendation of the board to sell the company to HNA Group for CHF 53 per share. First of all, we are puzzled that the company has decided to sell itself before the shareholders can reap the rewards of a restructuring and streamlining of the company, which was only announced on September 3 of last year. Why did the board feel the urgency to accept a bid which is substantially below the fair value of the company? Why did the board not decide to pursue other options and invite other bidders in order to maximize the value for shareholders?

In addition, we have argued for quite some time that the margin targets the company announced on September 3, 2015, are insufficient. In our conversation and e-mail exchange with the chairman on October 29, 2014, we demonstrated that gategroup has a cost savings potential of CHF 150 million. On June 8, 2015, we reiterated and refined the savings potential of the company and proposed ambitious margin targets for the management incentive scheme. On October 28, we followed up with a letter to the board which re-iterates the need to set more ambitious targets. On January 14, we made another attempt to raise the ambition level of the board to set higher targets for management. In all instances we received rather disappointing feedback or no feedback at all. By the way, you can get full access to our e-mail and letter exchanges from this period on the website www.savegategroup.com. The last answer by Julie Southern is rather interesting. Let me quote: "Thank you for your very comprehensive reply to my e-mail. I am surprised at your conclusion that we will be implementing a plan with unambitious targets as we haven't yet agreed on metrics or targets." This was January 14, and less than three months later the board decides to sell the company to the first bidder without evaluating any alternative. We have our very serious doubts that the board is acting in the best interest of the shareholders (see Chart 2).

We have always argued that 8 to 10% EBITDA margins are achievable for gategroup by 2018. If you assume 3 to 5% top-line growth and a tax rate of 22%, we calculate a fair value of the company of CHF 80 to CHF 135 per share. You can find the basis of this calculation on the website www.savegategroup.com as well. This is not even assuming any take-over premium. Needless to say that we will not tender our shares at the proposed offer price, which substantially undervalues the company (see Table 2).

Lastly, we would like to underscore why we recommend not to re-elect the current chairman for another term. Some might argue that it is acceptable for the chairman to stay on the company's board for another year since he has announced he will step down next year. We strongly oppose this view for three reasons:

First, re-electing the chairman for another year would indicate a sanctioning of past mismanagement, which would have far-reaching consequences beyond the case of gategroup. It signals that shareholders are passive and can easily be appeased. It is time to change the company for the better to prevent the further destruction of value for shareholders.

Second, as long as the current chairman is in office he will be able to exert influence on who his successor will be. Given his track record, we believe that is a very dangerous proposition. We have spoken to potential candidates, all of whom have an excellent track record as CEOs and chairmen of listed Swiss companies. They all represent the best in great operational performance and good corporate governance. We cannot miss the opportunity to instigate change for the better. By re-electing the current chairman, you risk that another chapter of poor corporate governance will be added.

Third, by accepting a bid for the company which substantially undervalues the fair value of gategroup, we feel that once more the chairman is not fulfilling his fiduciary duty for shareholders.

Thank you for your support.

RBR Capital Advisors AG	Cologny Advisors LLP
Rudolf Bohli	Jonathan Herbert

Table 1

Total comp peer group comparison

Gategroup	2009	2010	2011	2012	2013	2014	2015 reported	2015 RBR*	last 5 years	2009-2015
Net profit attributable to shareholders	49.1	48.7	53.9	-58.2	18.4	38.9	-63.4	41.0	-10.4	87.4
Management compensation	28.6	6.5	9.8	9.0	10.3	12.8	13.8	14.4	55.7	90.8
in % of net profit	*58.2%*	*13.3%*	*18.2%*	*-15.5%*	*56.0%*	*32.9%*	*-21.8%*	*35.1%*	*N.M*	*103.9%*
CEO compensation	9.5	2.0	3.7	1.5	1.9	2.8	4.4	7.5	14.3	25.8
in % of net profit	*19.3%*	*4.1%*	*6.9%*	*-2.6%*	*10.3%*	*7.2%*	*-6.9%*	*18.3%*		*29.5%*
Chairman**	11.0	0.7	0.4	0.4	0.4	0.4	0.4		2.0	13.7
in % of net profit	*22.4%*	*1.4%*	*0.7%*	*-0.7%*	*2.2%*	*1.0%*	*-0.6%*			*15.7%*

Do & Co	2009	2010	2011	2012	2013	2014	2015	last 5 years
Net profit attributable to shareholders			15.4	19.3	22.8	26.0	34.9	118.4
Management compensation			1.12	1.1	2	3.5	4	11.7
in % of net profit			*7.3%*	*5.7%*	*8.8%*	*13.5%*	*11.5%*	*9.9%*
CEO compensation			0.649	0.65	0.8	1.2	1.1	4.4
in % of net profit			*4.2%*	*3.4%*	*3.5%*	*4.6%*	*3.2%*	*3.7%*

Geberit	2009	2010	2011	2012	2013	2014	2015	last 5 years
Net profit attributable to shareholders			384.0	387.5	435.8	498.6	422.4	2128.3
Management compensation			5.7	6.5	7.4	7.7	6.8	34.1
in % of net profit			*1.5%*	*1.7%*	*1.7%*	*1.5%*	*1.6%*	*1.6%*
CEO compensation			2.0	2.4	2.6	2.8	1.8	11.6
in % of net profit			*0.5%*	*0.6%*	*0.6%*	*0.6%*	*0.4%*	*0.5%*

Kühne & Nagel	2009	2010	2011	2012	2013	2014	2015	last 5 years
Net profit attributable to shareholders			600.0	484.0	597.0	633.0	676.0	2990.0
Management compensation			12.2	10.0	11.7	13.0	16.0	63.0
in % of net profit			*2.0%*	*2.1%*	*2.0%*	*2.1%*	*2.4%*	*2.1%*
CEO compensation			3.3	2.6	2.9	3.0	3.6	15.4
in % of net profit			*0.6%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*

- **Total CEO and management compensation on par with top managed Swiss companies and far above direct peer Do & Co despite cumulative loss over last 5 years.**
- **Management compensation has never been below 10% since 2009.**

** ELTIP component was marked to a year-end share price of CHF 44.10. CEO total compensation was additionally annualized from nine to twelve months.*
***Chairman compensation 2009 calculated to a year-end 2015 share price of CHF 44.10*

Chart 1

Management comp

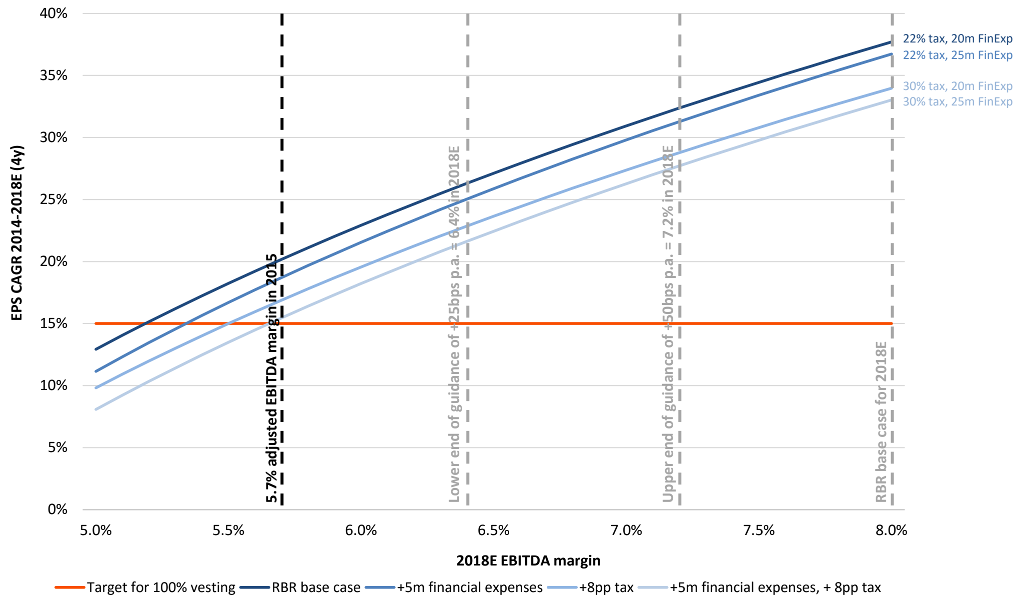
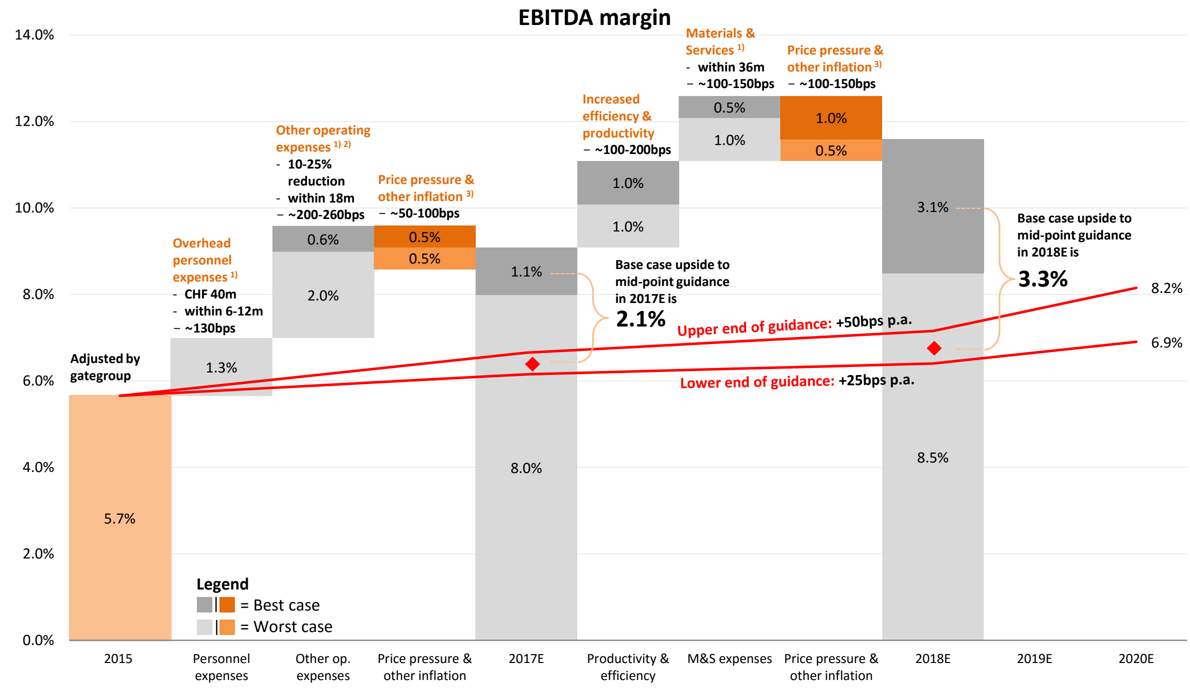


Chart 2

Guidance Looks Like a Low Ball vs. Other Information Given



Source: RBR estimates

1) cf. Full-year 2015 presentation, p. 5: "Organization efficiency", cut of 300 FTEs results in run-rate saving of 20m (implies CHF 66,600 per FTE, we thus estimate CHF 40m)

2) cf. Full- year 2015 presentation, p. 5: "Cost efficiency": Savings to be at midpoint of 10-25% savings rate; applied ratio to base of CHF 400m mentioned by gategroup

3) cf. Half year 2015 presentation, p. 31: "Analysis of top-12 contract renewals since 2011 revealed y-o-y impact of price discounts awarded to retained contracts"

Table 2

Scenario Analysis

Year	2015A		2018E*					
CHFm			*Base Case*		*Bull Case*		*Bear Case*	
Revenues	**2'996**		**3'274**	**3% p.a.**	**3'469**	**5% p.a.**	**3'087**	**1% p.a.**
EBITDA	**142**	4.8%	**262**	8.0% margin	**347**	**10% margin**	**216**	**7.0% margin**
Depreciation	-60		-60		-60		-60	
EBIT	**82**	2.7%	**202**		**287**		**156**	
Non-recurring items	-42		-		-		-21	
Financial Expenses	-85		-20		-10		-25	
EBT	-44		182		277		110	
Tax	-18	-39.6%	-40	22% ETR	-55	22% ETR	-28	25% ETR
Minorities	-1		-2		-2		-2	
Net profit reported	**-63**		**140**		**219**		**81**	
PER 2018			15.0		16.0		14.0	
Implied equity value 2018			2'099		3'512		1'128	
Shares outstanding	26.1		26.1	NOSH = 2015	26.1	NOSH = 2015	26.1	NOSH = 2015
Offer price	**53.00**		**53.00**		**53.00**		**53.00**	
Per share (CHF)			**80.35**		**134.46**		**43.19**	
Upside			***51.6%***		***153.7%***		***-18.5%***	

- **Depending on the speed and success of the turnaround the operating performance of the group should improve in line with the above-listed scenarios.**
- **Every scenario has a different valuation and different upside potential.**
- **There is significant upside opportunity while downside risk remains limited.**

Source: RBR estimates

** Excluding acquisition of Inflight Service Group ("IFS")*