RBR CAPITAL ADVISORS

COLOGNY ADVISORS LLP

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HNA's offer substantially undervalues the fair value of gategroup. A sale of the company ahead of a substantial margin improvement would be a misguided step as gategroup is a global market leader with all the requisite means to develop the business on a stand-alone basis. Once more the board of directors of gategroup has not acted in the best interests of shareholders by agreeing to an opportunistic transaction at an insufficient price.

RBR and Cologny are very pleased to announce the publication of the independent fairness opinion for gategroup by Freitag & Co (www.freitagco.com). The fairness opinion can be found on www.savegategroup.com. The assessment of this leading corporate finance boutique confirms that the current offer of CHF 53 per share by HNA substantially undervalues the fair value of gategroup. RBR and Cologny conclude from the fairness opinion that CHF 100 per share would be an adequate price for this world-class franchise. This is underscored by the following:

- RBR and Cologny continue to see no reason to sell gategroup to a Chinese company to gain access to the Chinese market. This rationale is tantamount to saying that Roche, Lindt & Sprüngli and Swatch would have to sell themselves to a Chinese company if they wanted to sell their products in China.

- We remain convinced that gategroup is a world-class asset with huge potential to improve profitability on a stand-alone basis. The unique position and attractiveness of this hospitality and service brand benefits greatly from its strong Swiss roots, which would be lost once the company is delisted and sold to a Chinese conglomerate. We therefore firmly oppose a sale of the company.

- After seven years of mismanagement and very poor financial performance, it is pointless to consider the public market, comparable transaction and premium analysis valuation methods. They are a look in the rear-view mirror and simply verify a dismal track record. Given that N+1, the fairness opinion provider to gategroup's board, does not highlight and specify this separately in their fairness opinion confirms the suspicion that their only purpose is to rubberstamp an already agreed and rushed offer price.

- A proper DCF analysis is the only method to gauge the future potential of a company in a turnaround and which has suffered from very poor performance in the past. Freitag & Co and N+1 have both performed a DCF analysis and come to very different results. Here is why: N+1 uses an artificially high weighted average cost of capital (WACC), which depresses the value of the DCF (cf. page 13 of the fairness opinion of Freitag & Co). More importantly, the EBITDA assumption of N+1 of 6.6% for the years 2016 to 2020 falls even below the mid-range of the margin guidance given by gategroup. RBR and Cologny have always argued that 8-10% EBITDA margins are very achievable. These assumptions combined with consensus numbers on revenues, D&A, financial result and taxes would result in EPS of CHF 5.3 to CHF 7.3 in 2018. Applying a well-deserved P/E multiple of 15x, which is two notches below the current P/E of the SPI index, suggests a share price of CHF 80 to CHF 110 in less than two years. This is in line with the scenario analysis presented earlier this year in the corporate governance presentation (page 5) on www.savegategroup.com.

- In summary, the rushed sale of gategroup, which is just at the beginning of a significant turnaround, does not make any sense for current shareholders. The board and current management clearly decided to prioritize their personal agenda at the expense of a great Swiss company and its shareholder base.

Rudolf Bohli of RBR Capital concludes and Jonathan Herbert of Cologny Advisors concurs: "Given the current board, which is pursuing its own agenda, and the mostly institutional investor base which is managing other people's money rather than taking responsibility in the role of an entrepreneur and owner, it is likely that another sad chapter will be added to the calamitous history of gategroup unless shareholders decide to reject the HNA offer and turn gategroup into the great company it deserves to be."

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About RBR Capital Advisors

RBR Capital Advisors AG, founded in 2003, is an investment management boutique specializing in investments in continental European equities, including long-short and long-only strategies. We are committed to generating double-digit returns for our investors in the equity markets with a commensurate amount of risk taken. We achieve this through our rigorous, robust and time-tested bottom-up research approach which involves several hundred company management meetings per year. We believe that entrepreneurial freedom and passion for what you do brings the best out in people. We set very high standards for what we do and as a consequence we align ourselves with our investors: our own money is invested alongside client assets. Our strengths have been externally recognized in a number of industry award nominations, in particular for long-term performance, such as EuroHedge and HFM Awards. We are proud of our long-term track record – but we remain hungry to perform.

About Cologny Advisors

Cologny Advisors LLP is an investment-management organization based in London – authorized and regulated by the Financial Conduct Authority. We invest primarily in European publicly traded equities through the Camox Fund, a long/short hedge fund. Our strategy is one of "bottom-up" stock picking with a focus on fundamental research. We believe markets are efficient except when they are not: we look for "reversion to efficiency", i.e. mispriced companies where the real value will be revealed through a catalyst.