

Media Release

Andermatt Swiss Alps AG achieves enormous construction volume About CHF 900 million invested since start of project

Andermatt, 5 April 2018 – On its way to becoming a year-round resort, Andermatt Swiss Alps AG can look back on a successful fiscal year 2017. More than CHF 172 million was invested in Andermatt in 2017. The investments made since the start of the project now total CHF 900 million. Real estate totaling over CHF 55 million was sold in 2017. At the close of the year, over two-thirds of the apartments in the completed and occupied apartment buildings had been sold. The Chedi Andermatt hotel recorded around 15 percent more guests in 2017.

Andermatt Swiss Alps AG (ASA) achieved an enormous volume of construction in 2017, both in Holiday Village Andermatt Reuss and in SkiArena Andermatt-Sedrun. CEO Franz-Xaver Simmen elucidated: "In the Holiday Village Andermatt Reuss we inaugurated three new apartment buildings and opened the carpark. We are now about to complete the first phase of development, with the buildings around Piazza Gottardo as the central element." The greatest construction volume was realised in SkiArena Andermatt-Sedrun, where the Andermatt-Sedrun ski link and three new lifts, including stations, pistes and snowmaking systems, were installed. "The Andermatt destination now has a modern and comfortable ski area."

In fiscal year 2017, sales of CHF 72.6 million (previous year: CHF 80.7 million) were achieved. Fiscal year 2017 closed with a budgeted deficit of CHF 29.8 million (previous year: CHF 36.1 million). Andermatt Swiss Alps has 60 full-time employees (FTE), The Chedi Andermatt 210, and the SkiArena more than 45 full-time employees and an additional 220 seasonal employees.

Two-thirds of the apartments sold

Andermatt Swiss Alps AG continues to be in a development phase that involves high costs for infrastructure and real estate construction. A total of CHF 900 million has been invested from the start of the project through 2017. In the first phase, financing has been provided through a combination of equity and shareholder loans as well as external financing.

As per the end of fiscal year 2017, over two-thirds of all apartments in the completed and occupied apartment buildings had been sold. The holiday apartments available for rent throughout the year were occupied at an average rate of 47 percent.

15 percent more guests at The Chedi Andermatt

The five-star deluxe hotel The Chedi Andermatt was open for eleven months in 2017, including the less popular off-season. In 2017 the full-year occupancy rate was 54 percent (previous year: 39 percent). Sales increased by 17.4 percent in comparison with the previous year, reaching CHF 22.4 million. The number of guests increased by 14.7 percent.

Various awards such as the Michelin star for The Japanese Restaurant and the "World Luxury Award" or "Best Ski Hotel" by Prime Traveller Awards are proof of the unique positioning. 66 percent of the guests came from Switzerland, 6 percent each from Great Britain and Germany, and 11 percent each from the rest of Europe and the rest of the world.

Attractive valley run thanks to new snowmaking

SkiArena Andermatt-Sedrun recorded a meteorologically challenging 2017/18 season but a generally positive winter. The number of skier days (first entrance) in the period from 1 October 2017 to 31 March 2018 increased by 4.2 percent; total sales increased by 6.8 percent.

Following the early season start on the Gemsstock in November 2017 with the opening of three new restaurants, the new "Gütsch-Express" gondola cableway opened on 23 December 2017 as the main feeder from Andermatt train station directly into the Nätschen-Gütsch-Schneehüenerstock ski area. Inaugurated at the same time were the new "Lutersee-Flyer" chairlift and the new middle station at Nätschen with "Matti family restaurant" and "Matti KidsArena" children's area. And finally, with the inauguration of the "Schneehüenerstock-Flyer", the Andermatt-Sedrun ski link became operational in one direction.

Big revenue growth in online sales

Two further innovations were introduced: the concept of dynamic pricing and the Andermatt Ski-Express, which offers bus service to and from the major regions of Switzerland. In collaboration with Ticketcorner, SkiArena Andermatt-Sedrun introduced a new pricing system for winter season 2017/18. Fixed-price day tickets were eliminated; prices are now continuously adjusted depending on the week-day, seasonality, advance booking period and weather conditions. As with flight or hotel bookings, early-bird bookers benefit from attractive rates; e.g. day tickets have already been obtained online for CHF 37.

Results of the current winter season show that the new pricing system has led to rapid growth of online sales, which increased sevenfold compared with the previous year. Ski guests booked their ski passes for the SkiArena an average of 12 days in advance. Since more and more multi-day tickets are also booked online, the average revenue for the lift operator was 40 % higher than in the previous winter season.

Silvio Schmid, CEO of SkiArena Andermatt-Sedrun, is delighted: "Our guests quickly accepted the dynamic pricing model and understood it without problem. The increasing number of early-bird bookers and the above-average increase in online sales of ski tickets confirm that we have developed the right pricing strategy."

The current season at SkiArena Andermatt-Sedrun will continue until 21 May 2018. Season passes for 2018/2019 are now available for CHF 700. This special pre-season discount price will remain in effect until 21 May 2018. These season passes are also valid for the rest of the current season.

The infrastructure in Andermatt is expanding

Andermatt has received a new entrance gateway and landmark with the seven-meter-high sculpture by the world-famous Swiss artist Ugo Rondinone. The new roundabout just after the Schöllenen Gorge points the way into Andermatt village, the Ursern Valley and the new Holiday Village Andermatt Reuss.

A major project was also initiated at Andermatt train station. Under the name "Central", the future main north building of the station, measuring 9,000 square metres, is being realized with apartments and commercial space. Responsible for construction and management of the building is "Andermatt Central AG", formed by the three participating companies Andermatt Swiss Alps AG, Schmid Holding AG and BVZ Holding AG. The new Andermatt train station will play a key role as a link between the historic village "Andermatt centre" and the new holiday village "Andermatt Reuss".

Andermatt Swiss Alps Golf Course was named Swiss Golf Course of the Year in 2017 for the second year in a row. Andermatt Golf Course now ranks among the Top100 Golf Courses with a rating of 5 (out of a maximum of 6) stars. With the distinction as "Jewel", the Andermatt Golf Course is well established as a leading golf course.

Outlook 2018

Scheduled for the current year are the handover of the apartments in apartment house Alpenrose to their owners and the start of construction of apartment houses Fuchs and Eisvogel. The Radisson Blu Andermatt hotel with 180 rooms and the Gotthard Residences with 90 apartments as well as an indoor pool and wellness facilities are scheduled to open in autumn 2018. On 27 December 2018 the premiere concert in the Andermatt Concert Hall will be presented.

This summer, the Oberalppass-Schneehüenerstock gondola cableway (Schneehüenerstock-Express) will be installed as the final step of the link between the Andermatt and Sedrun ski areas. Other works planned for the summer of 2018 include completion of the snowmaking systems and pistes in the Gütsch-Schneehüenerstock-Oberalppass area as well as the start of construction of the new Gütsch mountain restaurant.

Great importance for the region

With the development of Andermatt Swiss Alps AG, Andermatt grew from 1,360 residents in 2011 to close to 1,600 by the end of 2015. The direct influence of the resort on the economic development of canton Uri can be connected in particular to "The Chedi Andermatt" hotel and Andermatt Swiss Alps in Altdorf, as shown in the "Potential study of the Andermatt tourist resort" by the Uri Department of Economics, 2017.

According to the study, Holiday Village Andermatt Reuss has employment potential for Uri of about 1,700 additional full-time jobs through the year 2022 (+12 % compared with 2011). For the period after 2023, according to the approved development plan, a potential of 1,200 additional jobs can be expected, so that the total potential would be over 2,900 additional full-time employees (+21 %).

Additional related information will be given orally at the Annual Media Conference on 5 April 2018 at 10:30 am. Detailed financial figures are available from Investor Relations area of the ASA website (<http://www.andermatt-swissalps.ch/ueber-uns/investor-relations>).

The presentation of the Annual Media Conference will be available here on 5 April 2018 at 10:30 am: Dropbox https://www.dropbox.com/sh/xq3bg0wrnkvsizo/AADbBVBvqsv-6Bozt_hhV6qda?dl=0

Andermatt Swiss Alps AG

With the innovative and sustainable Holiday Village Andermatt Reuss, the traditional Swiss alpine village of Andermatt is being developed into an attractive year-round destination. On completion, the project will comprise about 500 apartments in 42 buildings, 28 chalets, convention facilities, a swimming pool and an 18-hole golf course. It will also comprise six 4- and 5-star hotels, including the 5-star deluxe hotel The Chedi Andermatt, which is already open. Furthermore, the ski regions of Andermatt and Sedrun are being merged into the attractive SkiArena Andermatt-Sedrun.

For more information see www.andermatt-swissalps.ch

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