



JUNGFRAUBAHN HOLDING AG

OUR RESPONSIBILITY 2016

Part 2: For regional value creation



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INCREASE IN NUMBER OF OVERNIGHT STAYS

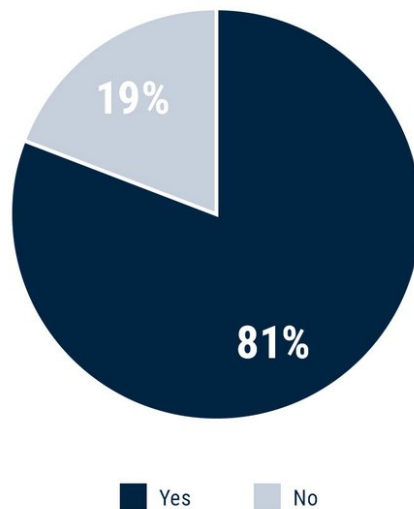
«Jungfrau Railways brings a lot of guests to our hotel. Jungfrauoch – Top of Europe is the main destination and is a must see for many travel groups. Harder is a popular summer destination. The fact that it is not open during the winter occasionally disappoints our guests.»

Céline Simon, Hotel Beau Rivage, Interlaken



Céline Simon, Hotel Beau Rivage, Interlaken

A market research study, conducted in 2013/2014 by the company Z-Analyse, shows that over four-fifths of Jungfrauoch visitors stay in the Jungfrau Region. On average, 74% of their customers visit the Jungfrau Region because of the Jungfrauoch – this figure is 87% for Asian customers. This makes the Jungfrauoch – Top of Europe, together with the Jungfrau Railway, the main attraction and the central USP (Unique Selling Proposition) of the entire Jungfrau Region.

*For regional value creation***Overnight stays in the region**

Question: Do / did you stay overnight in the region?

«Jungfrau Railways brings us the guests. The attraction would not exist in Interlaken without them. Above all, we have many honeymooners from Arab countries, whose highlight is a trip to the Jungfraujoche – Top of Europe, and many Arab families also visit the destination.»

Ronny Deutsch, Hotel Interlaken, Interlaken

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Ronny Deutsch, Hotel Interlaken, Interlaken

«It is good for our guests that they can visit all the mountains like the Jungfrauoch – Top of Europe, Harder or First. In winter, fewer guests book classic skiing holidays with us, but we are well-equipped in the summer, mainly with Arabic and Indian guests. In the main season, a visit to the Jungfrauoch is the main attraction, often self-booked or recommended by tour companies and travel agencies.»

Dominique Horne, Hotel Metropole, Interlaken

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Dominique Horne, Hotel Metropole, Interlaken

«Jungfrau Railways brings us a lot of guests. They offer them the chance to take excursions and enjoy the view. Particularly Asian guests visit our region regardless of the weather, and they also enjoy any alternative offers that are available in the area.»

Agnieszka Lanz, Aspen alpine lifestyle hotel, Grindelwald

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INVESTMENTS IN WINTER SPORTS

In the 2015/2016 and 2016/2017 seasons, Jungfrau Railways has invested more than CHF 5 million in winter sports. At the beginning of February 2016, the reigning Olympic champion Iouri Podladtchikov and the first half-pipe snowboard Olympic champion Gian Simmen opened the new half-pipe at Grindelwald-First. The 120 metre long, 5.6 metre high and up to 22 metre wide pipe is currently the only one in the entire Bernese Oberland. In the Grindelwald-Wengen ski area in the 2016/2017 season, the power of the snowmaking equipment for the ski run as well as the slalom slope of the Lauberhorn Ski Races has been increased. For this purpose, new snow-makers have been procured, a cooling tower built and the pumping power increased. Jungfrau Railways have contributed 1 million towards the overall costs of 2.5 million Swiss francs. In addition, a further section with snowmaking technology has been developed, so that the valley piste to Wengen can be covered in snow throughout this season.



Half-pipe, Grindelwald-First

Promotional measures to strengthen winter sports in 2016

The list is not exhaustive and is limited to measures that are expected to continue in 2017 (2017/2018 season).

Offers & promotions 2016

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Earlybird Skipass	Winter sports enthusiasts who book a 2 to 14-day winter sports pass online at an early stage enjoyed a discount of up to 20%. Info: www.jungfrau.ch/en-gb/jungfrau-ski-region/earlybird-skipass/
Free Skipass	With overnight stays longer than one night between Monday and Friday, winter sports enthusiasts receive the ski pass free of charge from their hotel in the Jungfrau Ski Region. Info: www.jungfrau.ch/skipass-geschenkt
Children ski free of charge on Saturdays	Up to three children (6 to 15 years) receive a free day pass on Saturdays, if an adult buys a one-day or afternoon ticket at the list price. Info: www.jungfrau.ch/en-gb/jungfrau-ski-region/children-free-ski/

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gb/jungfrau-ski-region/children-ski-free-of-charge-on-saturdays/

Season Pass Plus Jungfrau Ski Region Season Pass holders can buy an additional ticket for CHF 125 (children CHF 65) for a season ticket, and obtain unlimited free personal day tickets in the Adelboden-Lenk winter sports area. With the additional "Season Pass Plus" card, there are also reductions on sports passes with a validity of 14 days in the following Ski World Cup winter sports areas:

- 100% discount in Levi (FIN)
- 50% discount in Kitzbühel (AUT)
- 50% discount in St. Moritz - Engadin (SUI)
- 50% discount in Lake Louise (CAN)

Infos: www.jungfrau.ch/en-gb/jungfrau-ski-region/saisonabo-plus/

Cooperation with Sölden Jungfrau Railways and Sölden entered into a cooperation in October 2016 in order to create synergies and to profit from mutual expertise. Season pass holders get a 20% discount in the respective partner area.

Winter sports marketing is promoted through mutual advertising on site, at events and World Cup races.

Additional collaborations: **Zermatt:**

Zermatt 20% discount in the partner area with a season pass from the Jungfrau Ski Region

Meiringen **Meiringen:**

50% discount in the partner area with a season pass from the Jungfrau Ski Region

Gantrisch **Gantrisch:**

- Jungfrau Ski Region season pass holders in the Gantrisch ski area receive a 1-day Sportpass for CHF 15 per person.
- "Gantrischpass" season pass holders receive a 1-day Sportpass for Grindelwald-Wengen subject at the following conditions:
- Season start until mid-December: 1-day Sportpass for Grindelwald-Wengen for CHF 15 per person
- Mid-December to mid-March: 50% off a 1-day Grindelwald-Wengen Sportpass
- From mid-March until season end: 1-day Sportpass for Grindelwald-Wengen for CHF 15 per person
- If the ski operations are closed due to lack of snow during the winter season in the Gantrisch ski region, then owners of Gantrischpass season tickets can obtain the 1-day Sportpass for CHF 15 instead of CHF 32.

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Info: www.jungfrau.ch/en-gb/jungfrau-ski-region/jungfrau-ski-region-collaborations/

Coop 2f1	30% discount when shopping at Coop for purchases over CHF 100.
Snow 'n' Rail	<p>Rail and ski pass combo offer</p> <p>20% discount on return travel with public transport to Lauterbrunnen, Wengen or Grindelwald.</p> <p>Up to 20% discount on a 1-day ski pass for a sub-region (Grindelwald-Wengen or Mürren-Schilthorn) or on a 2-day ski pass for a sub-region or for the entire Jungfrau Ski Region.</p> <p>15% discount at Intersport Rent.</p>
Raiffeisen	50% discount for Raiffeisen customers
Bus driver promotion	50% promotion for bus travel providers
Seelital	Snow guarantee for the Seelital ski area: Holders of a Seelital season pass receive a 50% discount on ski passes in the Jungfrau Ski Region. If there are no operations in the Seelital ski area, then day passes for the Jungfrau Ski Region are available for CHF 10.
SCL Tigers flyer action 2016	Distribution of flyers at selected SCL-Tigers ice hockey games with 30% discount on ski passes
Performances and events	Contents
SCB sponsorship	Presence at the ice hockey stadium via a winter advert on the Videotron and sponsorship of the spectators
SCL Tigers sponsorship	Presence on winter sports TV in the stadium as well as naming rights platform
TV advert	Production of a TV advert for the Jungfrau Ski Region. Broadcast on SRF 1 and SRF 2 in three waves. Broadcast of a winter TV advert to promote the areas of Grindelwald-Wengen on TeleBärn.
Official partner int. Lauberhorn Ski Races	Contractually, CHF 1.8 million was invested in natural resources. They mainly concern the areas of transport and advertising. (Details 1.4 Jungfrau Railways as sponsor and supporter)
Events in the Jungfrau Ski Region with the support of the Jungfrau Railways	<ul style="list-style-type: none"> • Men's Europa Cup downhill races at Lauberhorn • UK Titan Telemark Championship, Mürren • International Lauberhorn Ski Races, Wengen • Snow and Safety Day for all Grindelwald-First • International Inferno Races, Mürren-Schilthorn

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- Los Perros Volantes, White Elements Snowpark, Grindelwald-First
- Velogemel World Cup, Grindelwald-Bussalp
- Grand Prix MIGROS: children's ski races with entertainment at Männlichen
- Audi Snowboard Series: Slopestyle & half-pipe, White Elements Snowpark, Grindelwald-First
- Swiss Freeski Open: Slopestyle & half-pipe, White Elements Snowpark, Grindelwald-First
- Horischlitten Races, Kleine Scheidegg, Alpiglen-Grindelwald
- Bärlirennen, Grindelwald-First
- Company Ski Championships
- GrindelwaldRace (alpine touring)
- FIS Telemark World Cup
- International SAS pentathlon, Grindelwald-First
- Vertical Up (Uphill Lauberhorn running race), Wengen-Lauberhorn
- The Jam, White Elements Snowpark, Grindelwald-First
- Donatoren races of the Association of International Lauberhorn Races, Wengen

Jungfrau Railways' own events

- Half-pipe events on Grindelwald-First
- Popular downhill race «King of the First Hill», Grindelwald-First
- End of season event: «I'm a treasure, get me out of here!» 2016 and «The Winter Final» 2017, Grindelwald-First
- SnowpenAir concert Kleine Scheidegg*

***Jungfrau Railways as event organiser: SnowpenAir concert**

Since 1989, at the end of the winter season, Jungfrau Railways has organised the world's highest open air concert in the snow. «SnowpenAir» attracts up to 10,000 spectators every year to Kleine Scheidegg and thus to the Grindelwald-Wengen ski area. SnowpenAir generates approximately CHF 5 million annually and fills the hotel beds in Grindelwald and Wengen at the end of the season. National and international media report on the event and disseminate images and videos via all possible channels.

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SnowpenAir Kleine Scheidegg

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INVESTMENTS IN THE FUTURE

«Jungfrau Railways is the most important economic engine of the Jungfrau Region. We maintain a fantastic cooperation. They support us in a variety of situations, such as in opening up new markets or joint visits to trade fairs as well as the provision of off-season activities. With up to 800 employees, they are an important employer for the region. There is a lot that we wouldn't have without Jungfrau Railways, especially in Interlaken.»

Sven Briseid, Hotel City Oberland, Interlaken



Sven Briseid, Hotel City Oberland, Interlaken

The V-Cableway generation project

The Grindelwald-Männlichen Gondola Cableway and Jungfrau Railways are planning to build a V-Cableway that will provide access to both the Eiger Glacier as well as Männlichen. From a common terminal in Grindelwald Grund, a tricable gondola runs to the Eigergletscher and a ten-person gondola runs to Männlichen.

The V-Cableway will have a connection to public transport via the Bernese Oberland Railway at the new

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Rothenegg station. The travel times to Jungfraujoch and the ski area will be significantly shortened by 47 minutes. Thanks to the direct public transport connection, there has been a shift in traffic from road to rail. With its eight components, the V-Cableway project is designed for the entire Jungfrau Region.

The V-Cableway project is a strategic project that strengthens the competitiveness of Jungfraujoch – Top of Europe and the Jungfrau Ski Region. The excursion to the Jungfraujoch is one of the best known and most popular tourist trips in Switzerland on the international market, and it is therefore a significant economic factor for the canton of Bern with a nationwide influence. The Jungfrau Ski Region is one of the largest and most popular ski regions in Switzerland.

V-Cableway project overview



The eight elements of the V-Cableway project

Purpose and goal

The project targets the main objectives of quality and future. The V-Cableway secures the medium and long term successful future of tourism throughout the entire Jungfrau Region as a top year-round destination in Swiss tourism. It strengthens the competitiveness of the Jungfraujoch as a beacon known worldwide, and it helps the winter sports destination reach the top position in international competition. With the direct connection to public transport, a clear reduction in arrival times as well as a shift from road to rail are achieved.

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«Jungfrau Railways' presence is keenly felt. Grindelwald and Wengen should be very grateful for this. It is especially because of the planned major V-Cableway project, as the Männlichen Railway cannot otherwise be renewed, that Jungfrau Railways is very important. Many of our guests visit the Jungfraujoch – Top of Europe or go on ski holidays in the Jungfrau Region. These are mainly visitors from England or Asia who come to the region for one night or a longer stay.»

Matthias Pfäffli, Hotel Schöneegg, Wengen

Economic impact of the V-project

The final report from Ecoplan[1] shows that the V-Cableway project is of great economic significance for the Jungfrau Region and especially for Grindelwald. A significantly positive impact on employment and value creation is expected in the construction phase as well as during the operational phase:

- Between 182 and 592 jobs can be secured or created in Grindelwald with the project. The resulting value added is between 30 and 67 million Swiss francs.
- Between 342 and 776 new jobs will be created, and there will be 53 to 105 million Swiss francs of added value generated throughout the canton of Bern.
- The project generates total annual tax revenues of 11 to 14.6 million Swiss francs.
- If the V-Cableway project is not implemented, then the situation in Grindelwald will not remain the same as it is today. A reduction in demand should be expected to a greater or lesser extent. In all scenarios without a V-Cableway, labour and value losses are expected.
- Pure replacement investments in the GGM are not enough to halt the downward trend in ski tourism. The ski area would basically remain unchanged. There would be no terminal, no car park and no direct connection to public transport through the Rothenegg station.
- The V-Cableway project is an important component for allowing Grindelwald and the Jungfrau Region to be positioned as premium destinations.
- The sightseeing tourism to the Jungfraujoch is an important pillar for tourism in the entire Jungfrau Region.
- The improved public transport connection greatly increases the attractiveness of the railway and leads to reduced traffic on the roads.

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«The Jungfrau Region with the Eiger, Mönch and Jungfrau is a point of attraction. Jungfrau Railways takes you to the Jungfraujoch – Top of Europe and thus to the heart of the region. Jungfrau Railways brings many visitors to the entire Jungfrau Region. As a pharmacy, we benefit from the fact that many of these visitors inquire about the health risks of a trip to the Jungfraujoch. The area of cosmetics primarily benefits from visitors from Asia. We get a lot of customers in the evening, often after a visit to the Jungfraujoch. In summary, it can be said that every activity helps to revive the region.»

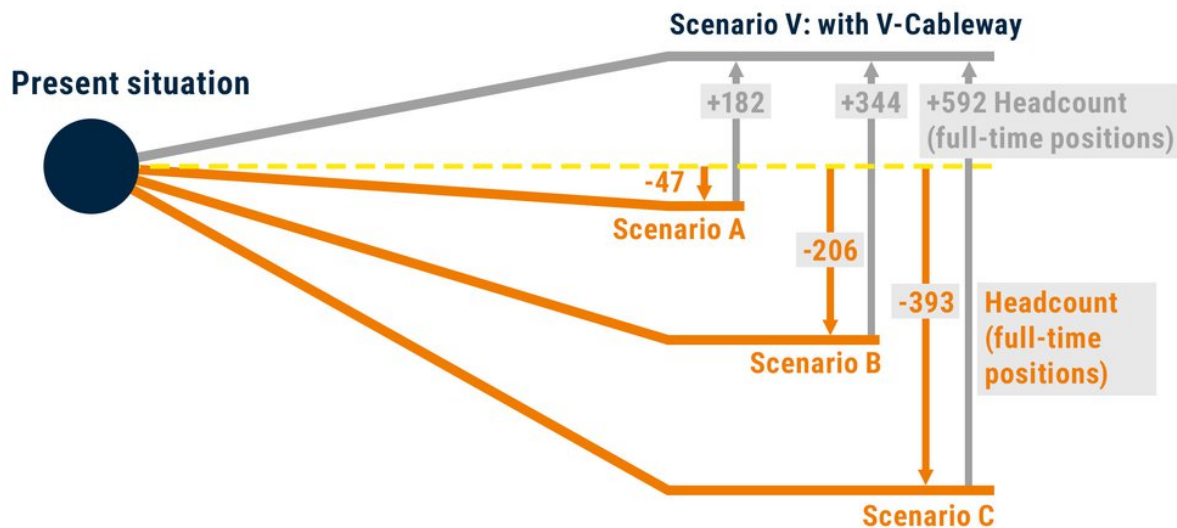
Dr. Peter Portmann, Dr. Portmann Pharmacy, Interlaken



Dr. Peter Portmann, Dr. Portmann Pharmacy, Interlaken

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Impact and development scenarios of the V-Cableway project



Scenario A: without V-Cableway project, with replacement construction GGM

Scenario B: without V-Cableway project, without replacement construction GGM

Scenario C: without V-Cableway project, without replacement construction GGM, with break-in hotel business

	Present situation (Status Quo)	Scenario A: without V-project, with replacement construction GGM	Scenario B: without V-project, without replacement construction GGM	Scenario C: without V-project, without GGM, with break-in hotel business	Scenario V: with V-project
Visitors JUNGFRAU Ski Region (Skier Visits)	1'000'000	▼ -8% (-80'000 Skier Visits)	▼ -25% (-254'600 Skier Visits)	▼ -39% (-388'000 Skier Visits)	▲ +15% (+150'000 Skier Visits)
Visitors summer tourism (GGM)	92'000	▲ +5% (+4'600 visitors)	▼ -16% (-14'720 visitors)	▼ -29% (-27'000 visitors)	▲ +30% (+27'600 visitors)
Visitors Jungfraujoeh	800'000	unchanged	unchanged	unchanged	▲ +19% (+150'000 visitors)
additional drop in sales of hospitality sector	-	-	-	▼ -13% (in total approx. -25%)	-

[1]

Source: Ecoplan final report on behalf of the canton of Bern, 1 April 2014

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