



Sterling Holiday Resorts (India) Limited

Thomas Cook (India) Ltd.

Thomas Cook (India) Limited & Sterling Holiday Resorts (India) Limited, announce merger

- *Merger focused on synergies and jointly leveraging growing Domestic & Inbound travel, Vacation Ownership & Hospitality opportunities*
- *Post merger, Sterling Holiday Resorts to continue operations under the leadership of Ramesh Ramanathan with an independent Board*
- *Based on equity investments and merger ratios, the aggregate value of the two companies is approximately Rs. 3000 Cr.*

Mumbai, February 7, 2014:

Thomas Cook (India) Ltd. (TCIL) - India's leading integrated travel and travel related financial services company, and the 27 year old vacation ownership pioneer, Sterling Holiday Resorts India Limited announced a merger between the companies today. The transaction is expected to close by the fourth quarter of 2014, subject to customary closing conditions and regulatory approvals as required.

The part equity, part merger deal is structured as a multi stage process:

- TCIL Group will make a Preferential Allotment Investment for approximately of Rs. 187 Cr. into Sterling
- TCIL Group will purchase shares from Sterling shareholders for Rs. 176 Cr.
- TCIL Group will make a mandatory open offer for Rs. 230 Cr.
- There will be a merger between the two companies at a defined swap ratio of 120:100

The merger brings significant synergies to both partners - with Thomas Cook India gaining access to Sterling Resorts' network of 19 resorts in 16 holiday destinations across India.

The company also has 15 additional sites where it plans to add new resorts in the coming years. Sterling's affiliation with **Resort Condominiums International (RCI)** - the global expert in exchange vacations, also allows its members to vacation in over 4000 RCI affiliated resorts all over the world.

Speaking post the announcement, **Madhavan Menon, Managing Director, Thomas Cook (India) Ltd.**, said: "Ramesh Ramanathan and his team at Sterling Resorts, are veterans who were instrumental in developing the Vacation Ownership category in India and we are delighted to partner them via this merger! The synergistic opportunities that this new partnership between Thomas Cook & Sterling Resorts offers are enormous, because they create multiple avenues to grow our respective businesses and to create valuable business opportunities together"



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He added: “As India’s leading integrated travel and travel related financial services Company, TCIL’s merger with Sterling Holiday Resorts reaffirms our commitment to our stated strategy of investing in mutually beneficial partnerships that broaden our business services platform to increase shareholder value”

Siddharth Mehta, Chairman, Sterling Holiday Resorts (India) Limited said: “The last few years have seen the resurgence of the Sterling brand in the Vacation Ownership and Leisure Holidays space. The investments we made in designing and delivering best-in-class holiday experiences through renovated and new resorts has yielded results in healthy year-on-year growth in Vacation Ownership sales and Resort Occupancy. Having brought Sterling to a position of strength in the market, I am now delighted Sterling is merging with Thomas Cook India as I see a significant opportunity to create a dominant market leader in the Travel & Leisure Holidays sector.

Commenting on the merger, **Sidharth Subramanian, Vice Chairman, Sterling Holiday Resorts (India) Limited** said, “Sterling was founded by my father in 1986 and I am proud that Sterling is widely acknowledged as the Company that truly pioneered Vacation Ownership in India. The success the Company enjoyed in the first decade of its operations led to the opening up of the industry with more players setting up operations. At Sterling, we have always been passionately committed to our customers. That commitment is what kept us going during our period of strife. I took over the helm in late 2007 when the company was going through a difficult phase. I would like to take this opportunity to publicly acknowledge that we managed to keep Sterling going because of the commitment and support of the Board and a core group of employees who stayed the course with us. In 2009, I saw in Bay Capital a partner who was committed to turning the Company around and I am pleased that together we have brought Sterling back into a position of strength. Today, Sterling merging with Thomas Cook India is another positive step forward as the strengthened entity will enable Ramesh Ramanathan and his team to deliver more value to the Company’s customers.”

Ramesh Ramanathan, Managing Director, Sterling Holiday Resorts (India) Limited stated, “The merger with Thomas Cook will strengthen Sterling’s market position as there are multiple natural synergies which both companies will mutually benefit from. Thomas Cook customers will have access to our pan-India network of well located, full-service, quality resorts which offer great holiday experiences. Sterling stands to benefit from Thomas Cook’s iconic brand reputation and TCIL’s large base of domestic and inbound travel customers. There is also scope to add value to Sterling’s Vacation Ownership members through the synergies that exist between the two companies.”

Antique Group acted as advisor and ICICI Securities acted as merchant banker to Thomas Cook for this merger.



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About Thomas Cook (India) Limited:

Thomas Cook (India) Ltd is the leading integrated travel and travel related financial services company in the country offering a broad spectrum of services that include Foreign Exchange, Corporate Travel, MICE, Leisure Travel, Insurance, Visa & Passport services and E-Business. The company set up its first office in India in 1881. TCIL's footprint currently extends to over 242 locations (including 23 airport counters) in 99 cities across India, Mauritius & Sri Lanka and is supported by a strong partner network of 134 Gold Circle Partners and 165 Preferred Sales Agents in over 150 cities across India.

Thomas Cook (India) Ltd has been voted **Best Tour Operator at the Lonely Planet Travel Awards 2013**, **Favourite Specialist Tour Operator** at the **Condé Nast Traveller Readers' Travel Awards for 3 years in a row** and **Best Tour Operator - Outbound** at the **CNBC AWAAZ Travel Awards 2013**. TCIL was chosen as the **Best Corporate Travel Management Company by World Travel Brands 2012**, and recognized as a **"Consumer Superbrand"** 2012-2013. At the **National Tourism Awards 2011-2012**, TCIL was the recipient of 3 prestigious awards.

ICRA has assigned a long term rating of 'ICRA AA-/ Stable' and CRISIL has assigned a long term rating of CRISIL AA-/ stable outlook, to the non convertible debenture program.

For more information, please visit www.thomascook.in

Thomas Cook (India) Limited is promoted by **Fairfax Financial Holdings Limited** through its wholly-owned subsidiary, **Fairbridge Capital**. Fairbridge is responsible for the execution of acquisition and investment opportunities in the Indian subcontinent on behalf of the Fairfax family of companies.

About Sterling Holiday Resorts (India) Limited:

Sterling Holiday Resorts (India) Limited is a pioneer in Vacation Ownership and a leading Leisure Hospitality company in India. Sterling Holidays was incorporated in 1986 with the vision of delivering Great Holiday experiences to Indian Families. To achieve this vision, the company pioneered Vacation Ownership in India and set about building a network of leisure resorts at some of the best holiday destinations in India. Currently, Sterling Holidays has a total inventory of 1512 rooms spread across a network of 19 resorts (Corbett, Darjeeling, Dharamshala, Gangtok, Goa, Karwar, Kodaikanal, Lonavala, Manali, Munnar, Mussoorie, Ooty, Puri, Thekkady, Yelagiri and Yercaud) in 16 scenic holiday destinations in India.

The company also has 15 additional sites where it plans to add new resorts in the coming years.

For more information visit: www.sterlingholidays.com

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