

# Commerzbank Sector Conference 2015

Frankfurt, 10 September 2015



# Agenda

1

Overview TUI Group & 9M performance

2

Taking TUI to the next level – Our growth and value strategy

3

Summary & Outlook

# TUI Group – The World's Leading Tourism Business

**Access to over 20m customers**



**Attractive global hotel portfolio**



**Modern & efficient leisure airline**



**Growing fleet of cruise ships**



**Key figures 13/14: Turnover €18.5bn; Underly. EBITA €870m; DPS €0.33**

# TUI Group – strong 9M performance



€m	Q3 14/15	%	9M 14/15	%
Turnover	5,081	+6	12,021	+7
Underl. EBITA	194	+18	-78	+56
Underl. EBITA excl. Easter & FX	185	+13	-96	+46

- Q3 was marked by the tragic events in Tunisia end of June and the continued economic uncertainty in Greece
- Strong growth in underlying EBITA which reflects the continued delivery of our strategy and resilience of our business model
- Robust current trading overall for Summer 2015
- Based on current trading we are tightening our guidance for FY 2015 underlying EBITA growth to 12.5% to 15%\*(from 10% to 15%)
- Well positioned to deliver at least 10%\* underlying EBITA CAGR over the next three years

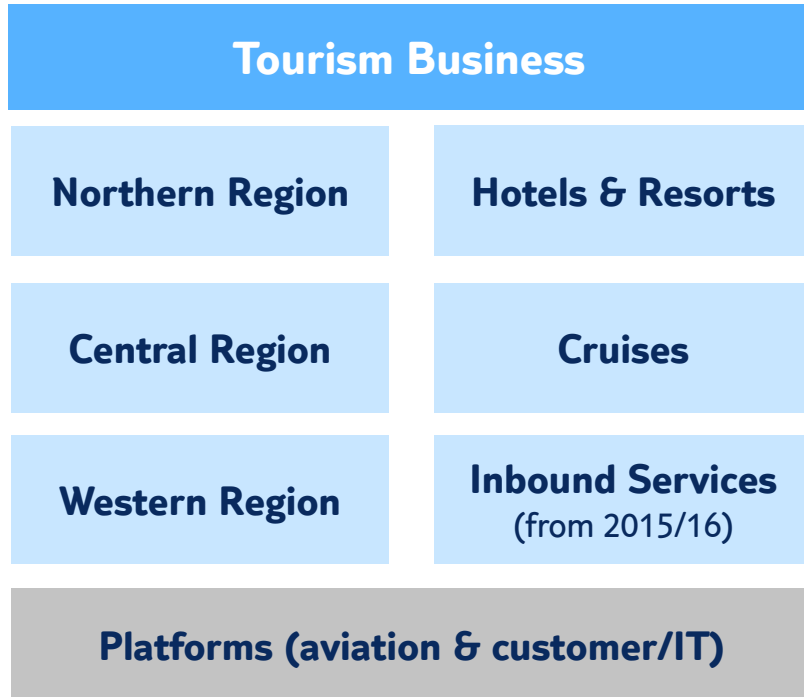
\* constant currency

# Taking TUI to the next level

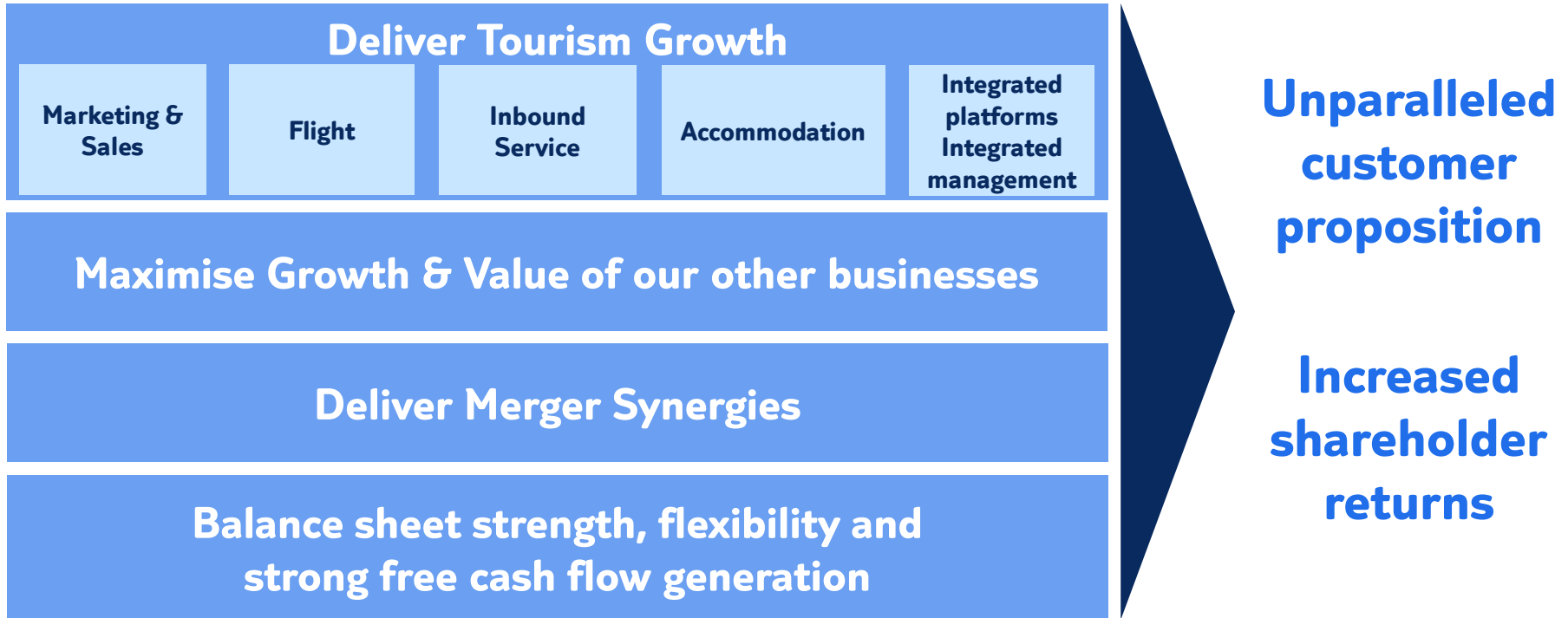
- We are focussing on **profitable top-line growth** in our tourism business and maximising **growth and value** from our other businesses
- The **merger** is progressing smoothly, with a **faster pace**
- We are **accelerating organisational change** – implementing a flat structure to **enable fast and agile decision-making**

**The World's Leading Tourism Business**

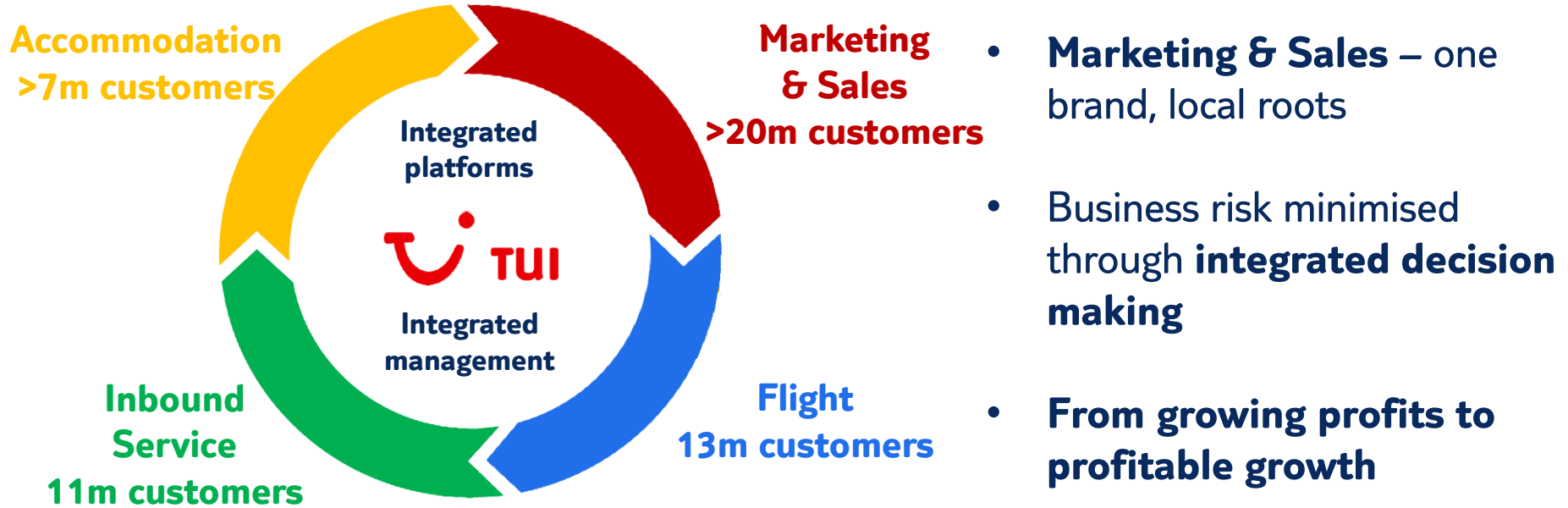
# A clear structure to deliver growth and value



# What we want to achieve – our growth levers



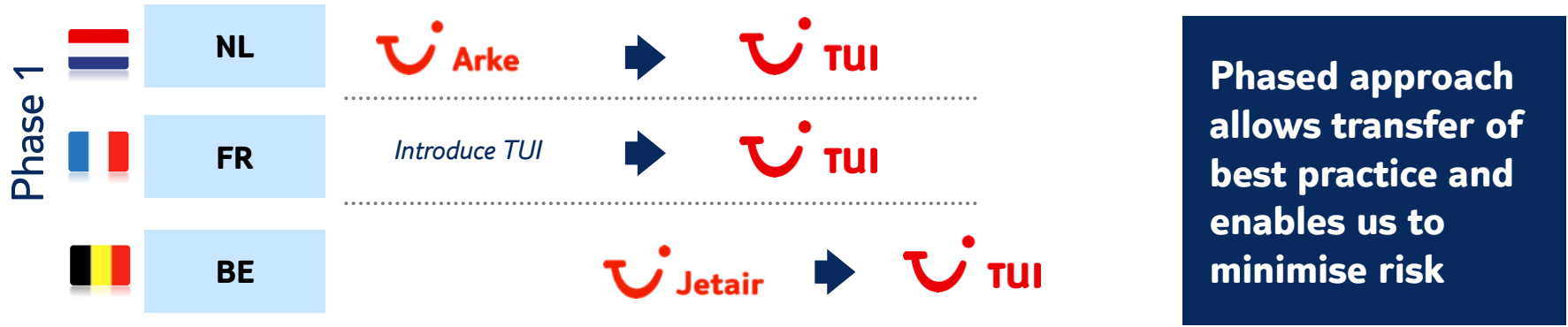
# Strong positions in all parts of the value chain



Customer numbers based on 2013/14, including JVs. Marketing & Sales includes Northern Region, Central Region and Western Region; Flight includes Corsair and TUIfly passengers flown for Air Berlin; Inbound Service relates to in-house customers only; Accommodation includes former TUI AG hotels and cruise customers, former TUI Travel hotels customers and Blue Diamond (Canadian JV) customers



# Our brand migration process\* will make sure that we don't lose local brand equity



**Supporting Workstreams**

Airline rebranding, destination & airport rebranding, external & internal communication, IT migration

\* The implementation takes place with respect for all interests of third parties and existing contractual obligations



# Strengthen local P&Ls, build on world-class global platforms

## Northern Region

€398m EBITA, 6.4% margin

91% direct distribution

56% online distribution

- Highly **integrated** operating model
- High degree of **market concentration**
- Higher proportion of earnings in Winter (Nordics and Canada)
- Optimal levels of **direct and online distribution**
- Difficult trading conditions in **Russia**

## Central Region

€163m EBITA, 3.0% margin

39% direct distribution

12% online distribution

- More **flexible** business model with **greater range** of offering
- Lower level of **integration** with airline
- Low degree of **market concentration**
- **Lower than average** levels of direct and online distribution results in lower margins

## Western Region

€82m EBITA, 2.8% margin

66% direct distribution

45% online distribution

- Common operating model in **Belgium and Netherlands** (operated under one MD)
- **Airline-focused** model in Benelux
- **Good margin performance in Benelux (>5%)**
- Difficult trading conditions in **France**

**Build on global platforms**

Brand

Flight

Inbound Service

Accommodation

IT platforms

Figures based on 2013/14

# Broadening our offering in existing source markets can deliver top-line growth

## Flexibility

A **more flexible** customer offering enabled by IT

## Third-party flying

**Wider choice** of flight times and departure points enabled by IT, resulting in a **broader offering** and higher accommodation **occupancy**

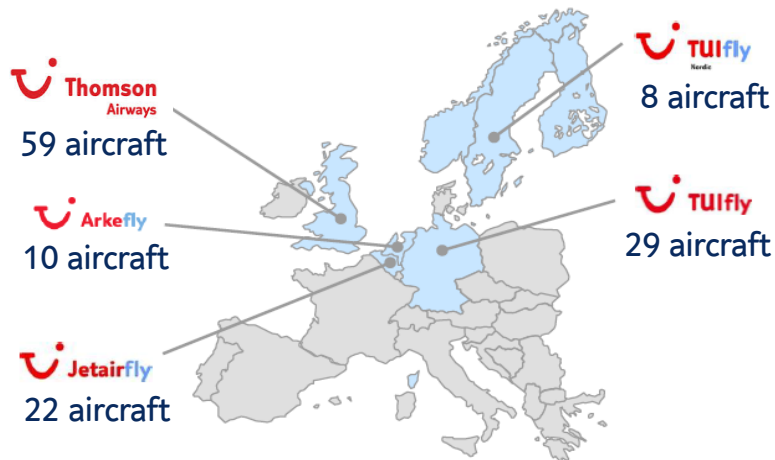
## Long-haul

Leveraging our **integrated model** to **expand** our long-haul offering

**Broadening our offering further enables us to grow top-line ahead of the market**

# Europe's 7<sup>th</sup> largest airline fleet

## Industry-leading rates of asset utilisation



**The only leisure airline with 787**

## Central platform with local airlines

Central Platform

One organisational structure

Business model /  
ways of working

Scale: one procurement organisation /  
common supply chain & process

Local airlines: crew rostering / flight planning

**Targeting €50m operational efficiency  
improvement by 2018/19**

Aircraft numbers as at 31 September 2014; TUIfly (Germany) excludes aircraft leased out to Air Berlin; Corsair excluded from above figures

# Our Inbound service team

## One organisation

**Over 6,500**  
employees

**11m**  
customers

**109**  
destinations

Service

Transport

Excursions

Transfers

Handling

**Being fully integrated within Tourism**

## Delivering our differentiation strategy in all destinations

**Customer  
experience**



Increase NPS and CSQ

**Sales**



Increase sales & margin

**Cost**



Reduce cost of sales & overheads

**People  
engagement**



Increase engagement scores

## Bringing World of TUI to life

Figures shown relate to Inbound Services business which is being moved from Hotelbeds Group to Tourism


# Growth in Our Strong Hotel and Club Brands

**Brand Strategy**

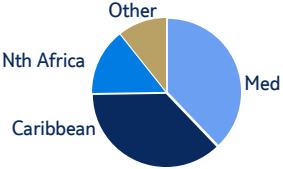
**Footprint (30/9/14)**

**Distribution**

**Hotels**



Continue to grow the **highly profitable** brand



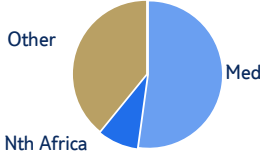
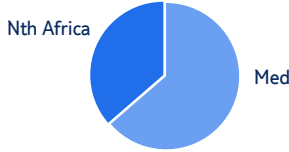
**Our new brand :**  
New hotels plus repositioning of some existing brands

**~50% through TUI**

**Clubs**

Expand & **internationalise** the club product

**>75% through TUI**      **95% through TUI**

**Targeting ~60 new hotels by 2018/19**

# Growth in our Powerful & Exclusive International Hotel Concepts



**Luxurious** (5\* only) **family-friendly** hotels, exceptional wellness facilities and world-class entertainment

**11 hotels**  
NPS >70



**Adult-only** 4&5\* seafront hotels ; contemporary styling and spa facilities

**56 hotels**  
NPS ~60



Upscale **modern family** resorts (4\* and above) first class **wellness** experience; activities for different **generations**




**40 hotels**  
NPS >50

- Differentiates our local market offering
- Earlier bookings
- Superior margins
- Superior NPS

**International hotel concepts designed for specific customer segments - enhanced occupancy management and reduced risk**

# hotels currently planned for Summer 2016; NPS scores are for Summer 2014

# Profitable Growth in Cruise

Brand	Fleet	Structure	Customer Proposition
 TUI Cruises	4 (+4 on order)	JV with Royal Caribbean	Premium all-inclusive, German-speaking
 Thomson Cruises	5	Part of Northern Region	Wide range of great value cruises
 Hapag-Lloyd Kreuzfahrten	4	Subsidiary	Luxury & expedition cruising

**Cruise company management to become more integrated over time**

Fleet includes Mein Schiff 4 (delivers June 2015)



# Conquering Destinations - Our long-haul presence

**Over 1m customers**  
(source markets, accommodated)

**Over 40 group hotels**

**Range of cruise routes**

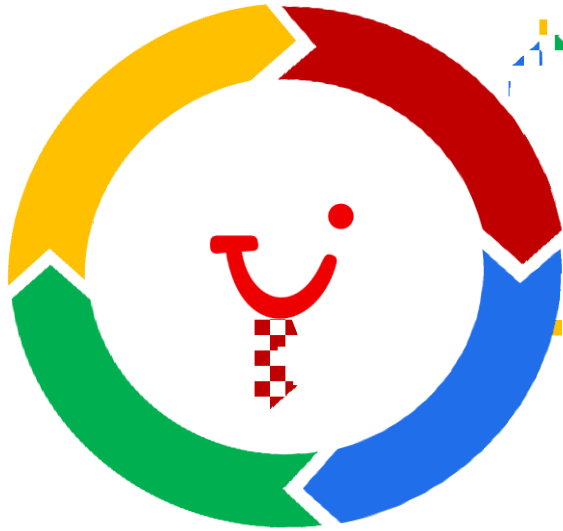
**13 x 787s (S15)**



**Significant and growing long-haul presence**

Figures correct for 2013/14 unless otherwise noted

# Conquering Destinations - Long-haul growth opportunities



>50% growth in source market customers over the next 5 years  
New concept openings\*

More flights –  
from 13 x 787s to 17\*\*

New hotels  
Cruise growth

Expanding our  
inbound services

Caribbean  
Indian Ocean  
Thailand

**Our integrated business model is enabling further long-haul growth**

\* based on > 1m customers (source markets, accommodated)

\*\* Includes 1 option on 787-9

# Integrated Platforms - Focus on Customer Experience

## Central Mobility Platform

Evolve

- Increasingly mobile first
- Key driver of customer engagement at every stage of the journey
- Over 1 million downloads to date

## Central Customer Platform

New

- **SAP solution:**
  - Single view of the customer
  - Contact management
  - Customer service support
- Top-line and margin improvement

## Central Online Platform

Evolve

- Enhancing the online customer experience
- Driving higher conversion rates in source markets
- Include hotel platforms in scope

## Central eCRM

New

- **IBM strategic marketing platform:**
  - Multi-channel, personalised marketing
  - In depth view of marketing effectiveness
  - Data warehouse / analytics

# Maximise Growth and Value of our other businesses

## Hotelbeds Group

- **Optimise strategic future** through **standalone** operation
- Run as **independent** business
- Inbound Services being integrated into Tourism
- Evaluating our options

## Specialist Group

- **Portfolio** of businesses
- Run **independently** and managed for **value**

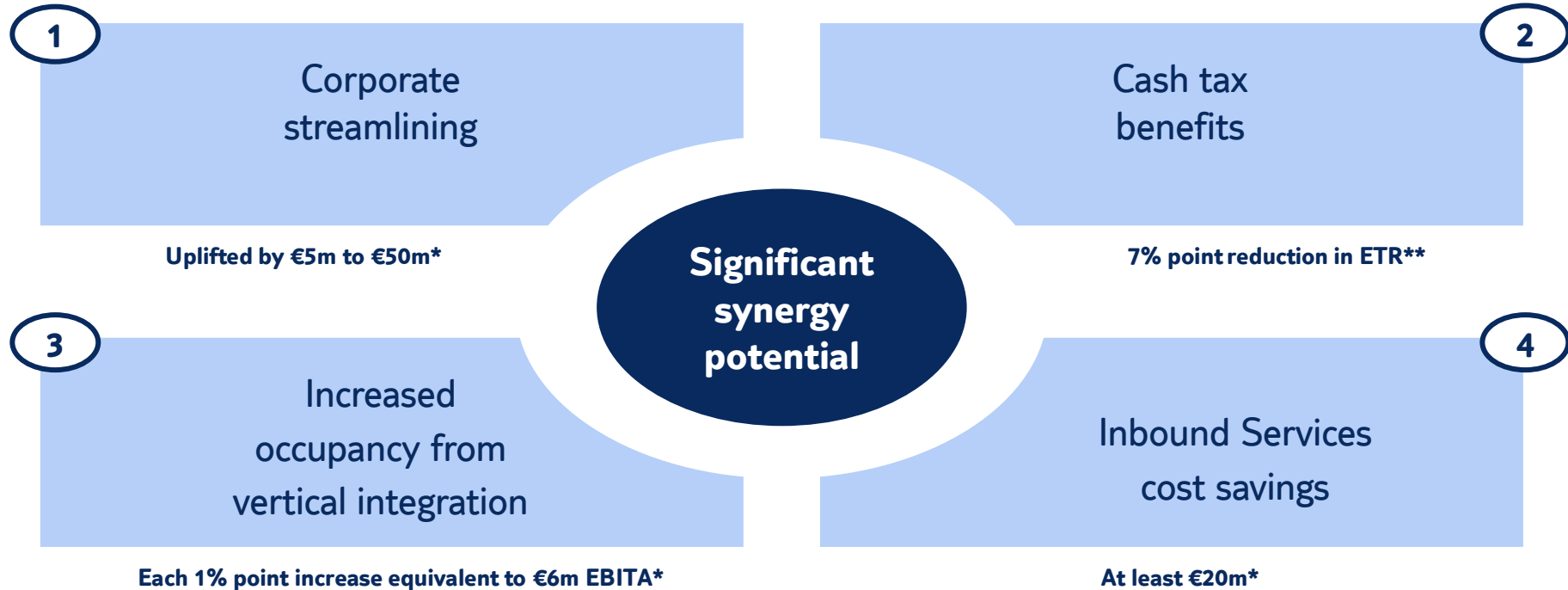
## LateRooms Group

- **Held for sale**

## Hapag Lloyd AG

- **Held for sale**
- CSAV merger complete, expect to deliver significant synergies and business expected to return to profitability in 2015
- Our shareholding is now <15% and we continue to hold the business for sale
- Agreed upon **IPO** with other shareholders

# Deliver Merger Synergies

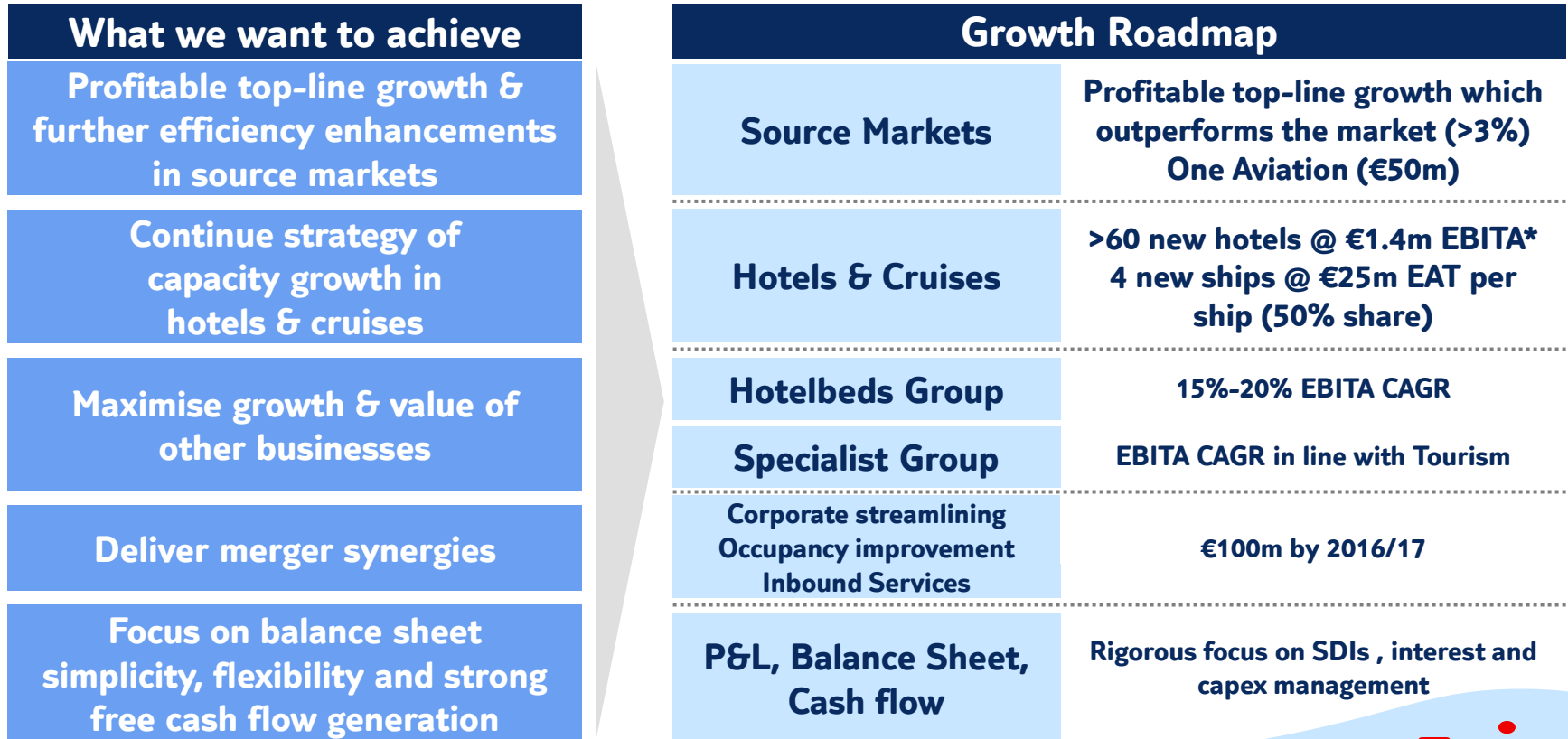


\* Synergy amounts relate to underlying EBITA

\*\* Underlying effective tax rate

Comment: One-off costs of €104m expected to achieve full synergy target

# Growth Roadmap - Growth Levers

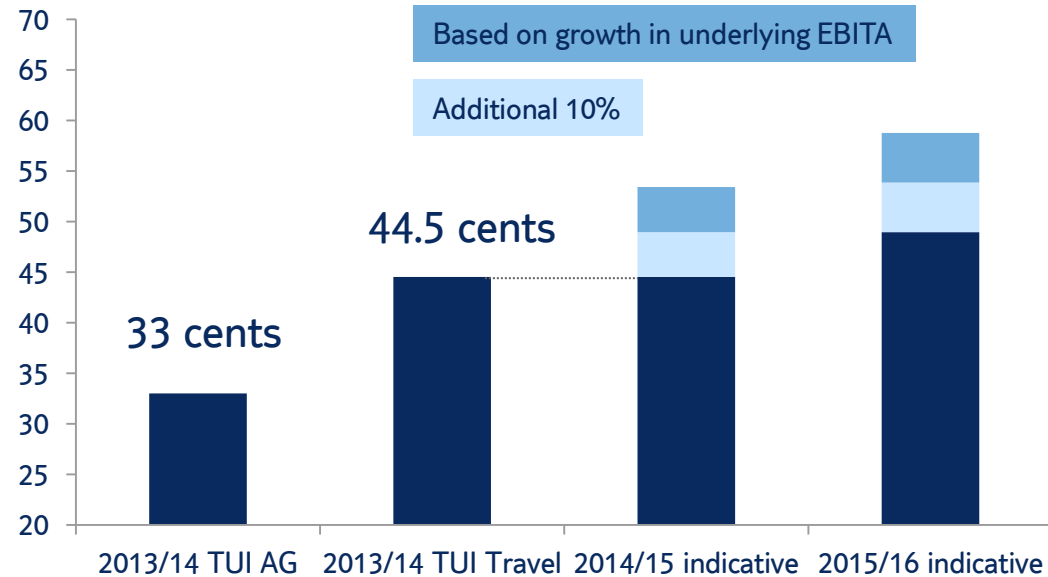


\* Hotel margin only

# Progressive dividend policy

- 2014/15 dividend will be based off **44.5 cents**
- Dividend in respect of 2014/15 and 2015/16 will grow **in line with growth in underlying EBITA** at constant currency
- **Additional 10%** in 2014/15 and 2015/16

## Indicative Dividend Growth



TUI Travel dividend 2013/14 (excl additional 10p)

14.55p

Converted at €0.82

17.76c

At exchange ratio 0.399

44.5c

# Taking TUI to the Next Level – the World's Leading Tourism Business

- **Merger integration** ahead of our original plan - we are working well together
- **New organisation structure** in place - a flatter, more agile structure
- **Strong and sustainable business model with exciting growth prospects**
  - Profitable top-line growth **>3%**
  - Tightening of FY 15 underlying EBITA guidance to **12.5%-15%** (from 10% - 15%)
  - Expect at least **10%** underlying EBITA CAGR over the next three years
- Committed to **progressive dividend growth**

**Well positioned to deliver underlying EBITA CAGR of at least 10%  
over the next three years**

Guidance on constant currency



# Appendix



# 9M 2014/15 Results

## 13 August 2015

# Introduction

## **This quarter was marked by the tragic events in Tunisia at the end of June**

- Supporting our customers, their families and our staff through this sad time remains our highest priority.
- Proud of the commitment and dedication our colleagues have shown throughout this unprecedented situation.

## **Q3 Performance**

- Strong growth in underlying EBITA which reflects the continued delivery of our strategy and resilience of our business model.
- Robust current trading overall for Summer 2015.
- Based on current trading we are confident of delivering underlying EBITA growth of 12.5% to 15% in the current financial year and at least 10% underlying EBITA CAGR over the next three years\*.

\* At constant currency

## Strong Q3 underlying EBITA growth

- **Group underlying EBITA improved to €194m** (Q3 2013/14: €164m)
- Includes **€11m** adverse Easter impact and **€10m** repatriation/cancellation costs for Tunisia, offset by **€20m** benefit from FX translation

## Source Markets

- **Northern** - Strong UK load factor and margin performance
- **Central** - Additional investment in distribution and margin pressure in Germany
- **Western** - Costs due to aircraft entry into service delay in Belgium

## Hotels & Resorts and Cruises

- **Hotels & Resorts** delivered significantly higher result, driven by strong **Riu** performance
- **Cruises** continued to grow profits, with full year operation of Mein Schiff 3, launch of Mein Schiff 4 and continued turnaround of Hapag-Lloyd Kreuzfahrten

## Hotelbeds Group

- Increase in underlying EBITA driven by **20% growth in roomnights**

**Strong growth in Q3 underlying EBITA demonstrates the resilience of our integrated business model**

# Update on Tunisia and Greece

## Tunisia

- Q3 cost **€10m**
- **UK, Belgium and Netherlands** governments have issued advice against travelling to Tunisia
- Our **scale model and strong supplier relationships** allow us to offer customers holidays to alternative destinations
- **Most** customers flying to Tunisia this summer have **rebooked** an alternative destination with TUI
- No owned hotels in Tunisia (14 leased; 10 managed)

## Greece

- Cumulative bookings to Greece for Summer 2015 remain **ahead of prior year**
- Trading impacted end of June/first half of July, particularly from **Germany and Belgium**
- 27 hotels in Greece (c25% of hotels owned)

# Turnover

## Q3 and 9M 2014/15

€m	Q3 14/15	Q3 13/14	%	9M 14/15	9M 13/14	%
Northern Region	1,866.3	1,660.0	12.4	4,025.1	3,629.6	10.9
Central Region	1,406.4	1,393.4	0.9	3,341.4	3,222.3	3.7
Western Region	772.0	782.8	-1.4	1,687.0	1,711.1	-1.4
<b>Source Markets</b>	<b>4,044.7</b>	<b>3,836.2</b>	<b>5.4</b>	<b>9,053.5</b>	<b>8,563.0</b>	<b>5.7</b>
<b>Hotels &amp; Resorts</b>	<b>135.8</b>	<b>105.0</b>	<b>29.3</b>	<b>381.2</b>	<b>316.6</b>	<b>20.4</b>
<b>Cruises</b>	<b>63.8</b>	<b>63.9</b>	<b>-0.2</b>	<b>200.0</b>	<b>213.1</b>	<b>-6.1</b>
Other Tourism	96.5	95.9	0.6	328.9	319.7	2.9
<b>Tourism</b>	<b>4,340.8</b>	<b>4,101.0</b>	<b>5.8</b>	<b>9,963.6</b>	<b>9,412.4</b>	<b>5.9</b>
Specialist Group	462.8	395.5	17.0	1,355.5	1,166.6	16.2
Hotelbeds Group	259.3	262.0	-1.0	654.7	631.6	3.7
All Other Segments	18.2	18.5	-1.6	47.4	36.8	28.8
<b>TUI Group continuing ops</b>	<b>5,081.1</b>	<b>4,777.0</b>	<b>6.4</b>	<b>12,021.2</b>	<b>11,247.4</b>	<b>6.9</b>

# Underlying EBITA

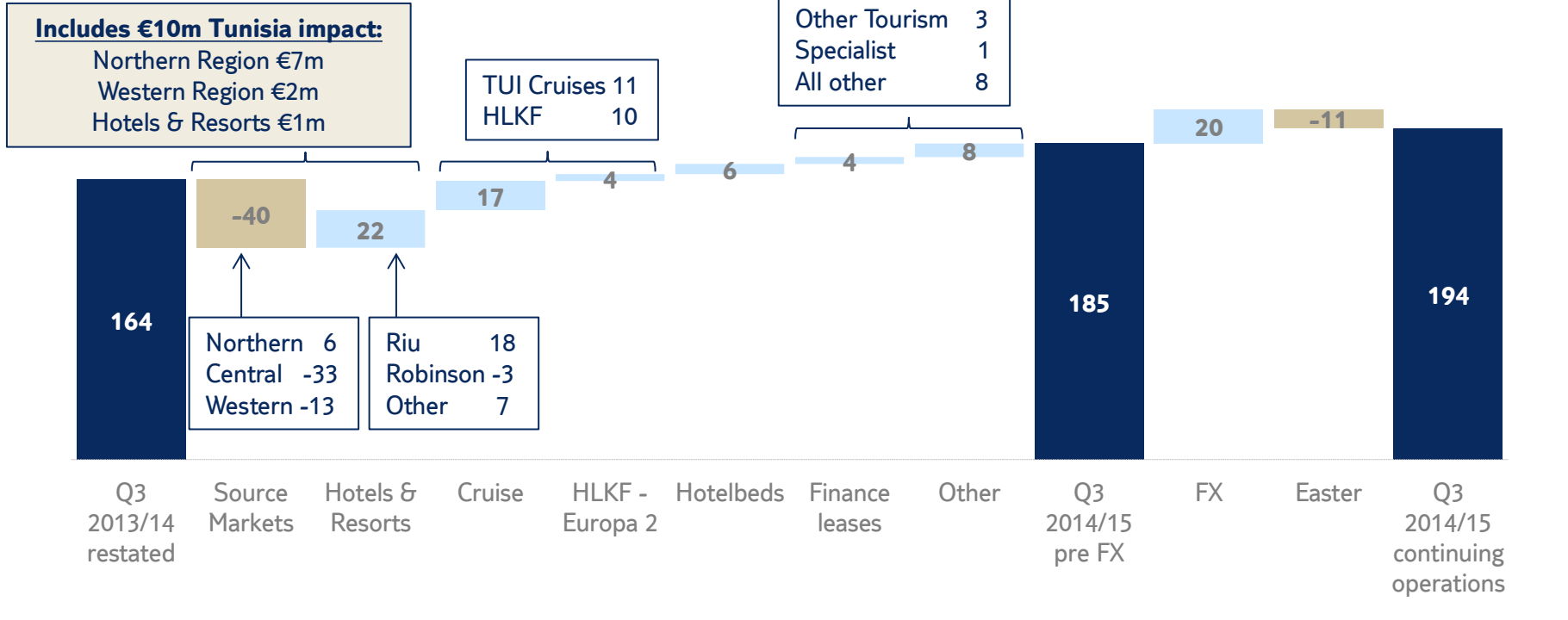
## Q3 and 9M 2014/15

€m	Q3 14/15	Q3 13/14	%	9M 14/15	9M 13/14	%
Northern Region	107.0	99.1	8.0	-2.6	-25.1	89.6
Central Region	-4.2	29.9	n/a	-97.9	-46.8	-109.2
Western Region	-11.1	2.0	n/a	-72.8	-67.8	-7.4
<b>Source Markets</b>	91.7	131.0	-30.0	-173.3	-139.7	24.1
<b>Hotels &amp; Resorts</b>	67.3	41.7	61.4	122.9	74.4	65.2
<b>Cruises</b>	19.3	-1.5	n/a	37.6	-17.7	n/a
Other Tourism	-20.6	-21.9	5.9	-40.2	-42.1	4.5
<b>Tourism</b>	<b>157.7</b>	<b>149.3</b>	<b>5.6</b>	<b>-53.0</b>	<b>-125.1</b>	<b>57.6</b>
Specialist Group	24.5	20.5	19.5	5.2	2.9	79.3
Hotelbeds Group	30.6	23.6	29.7	38.4	31.2	23.1
All Other Segments	-18.6	-29.7	37.4	-69.0	-86.7	20.4
<b>TUI Group continuing ops</b>	<b>194.2</b>	<b>163.7</b>	<b>18.6</b>	<b>-78.4</b>	<b>-177.7</b>	<b>55.9</b>

# Q3 2014/15

## Underlying EBITA bridge

### Underlying EBITA Q3 2014/15 bridge (€m)



Variations due to rounding effects



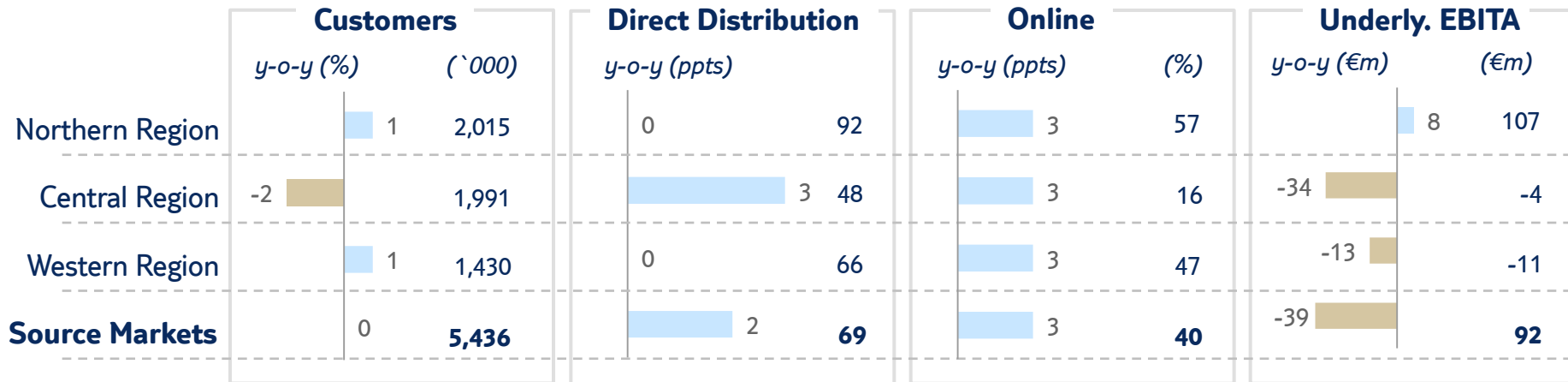
# Q3 2014/15

## Underlying EBITA by Segment

in €m	Q3 14/15	Q3 13/14 Restated	Change	Easter impact	FX	Change ex FX & Easter
Northern Region	107	99	8	-10	12	6
Central Region	-4	30	-34	-1	-	-33
Western Region	-11	2	-13	-	-	-13
<b>Source Markets</b>	<b>92</b>	<b>131</b>	<b>-39</b>	<b>-11</b>	<b>12</b>	<b>-40</b>
Riu	57	35	22	-	4	18
Robinson	5	8	-3	-	-	-3
Other (incl former TUI Travel hotels)	5	-1	6	-	-1	7
<b>Hotels &amp; Resorts</b>	<b>67</b>	<b>42</b>	<b>25</b>	<b>-</b>	<b>3</b>	<b>22</b>
TUI Cruises	19	8	11	-	-	11
Hapag-Lloyd Kreuzfahrten	-	-10	10	-	-	10
<b>Cruises</b>	<b>19</b>	<b>-2</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>21</b>
Other Tourism	-20	-22	2	-	-1	3
<b>Tourism</b>	<b>158</b>	<b>149</b>	<b>9</b>	<b>-11</b>	<b>14</b>	<b>6</b>
Specialist Group	24	20	4	-	3	1
Hotelbeds Group	31	24	7	-	1	6
All Other Segments	-19	-29	10	-	2	8
<b>TUI Group continuing operations</b>	<b>194</b>	<b>164</b>	<b>30</b>	<b>-11</b>	<b>20</b>	<b>21</b>

Variations due to rounding effects




# Source Markets KPIs Q3 2014/15



**Q3 performance impacted by Tunisia and Easter timing, with continued growth in direct/online distribution**

# Hotels & Resorts

## KPIs for owned and leased hotels Q3 2014/15

	Capacity <sup>1</sup>		Revenue/bed <sup>2</sup>		Occupancy <sup>3</sup>		Underly. EBITA /EAT <sup>4</sup>	
	y-o-y (%)	('000)	y-o-y (%)	(€)	y-o-y (ppts)	(%)	y-o-y (€m)	(€m)
	0	4,501	15	52.93	-2	82	22	57
	4	826	3	84.63	0	71	-3	5
	-3	654	10	41.40	11	71		
Other (incl former TUI Travel Hotels)							6	5
<b>TUI H&amp;R</b>	0	<b>6,435</b>	12	<b>54.94</b>	0	<b>79</b>	25	<b>67</b>

**Strong performance driven by Riu**

<sup>1</sup> Group owned or leased hotel beds multiplied by opening days per quarter

<sup>2</sup> Arrangement revenue divided by occupied beds

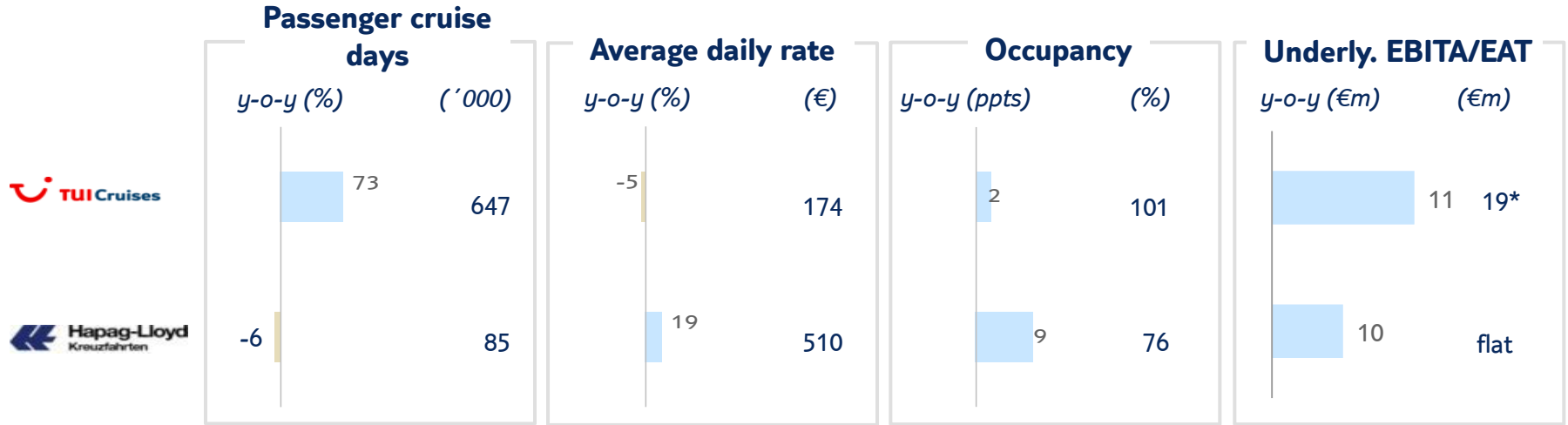
<sup>3</sup> Occupied beds divided by capacity

<sup>4</sup> Segment figures

Note: capacity, revenue/bed and occupancy restated to exclude Grecotel

# Cruises

## KPIs Q3 2014/15



**Growth driven by full year operation of Mein Schiff 3  
Hapag-Lloyd Kreuzfahrten continues to deliver its turnaround**

\* equity result

# 9M 2014/15

## Income Statement – Key Figures

in €m	9M 14/15	9M 13/14 restated
Turnover	12,021.2	11,247.4
<b>Underlying EBITA</b>	<b>-78.4</b>	<b>-177.7</b>
Adjustments	-160.7	-64.5
<b>EBITA</b>	<b>-239.1</b>	<b>-242.2</b>
Net interest expense	-141.9	-182.4
Equity result Hapag-Lloyd	0.9	-46.0
<b>EBT</b>	<b>-380.1</b>	<b>-470.6</b>
Income taxes	230.8	122.4
<b>Group result Continued operations</b>	<b>-149.3</b>	<b>-348.2</b>
Discontinued operations	-20.0	-7.4
Minority interest	-3.0	99.4
<b>Group result after minorities</b>	<b>-172.3</b>	<b>-256.2</b>
Hybrid dividend	-10.9	-17.4
<b>EPS (€) (continuing operations)</b>	<b>-0.33</b>	<b>-1.07</b>

**Adjustments €160.7m** comprise PPA (€57m), merger-related costs (€35m), other restructuring costs (€14m), value adjustment for a VAT receivable (€18m) and provision for a pending litigation (€14m)

**Interest** decrease of **€40.5m** driven by :

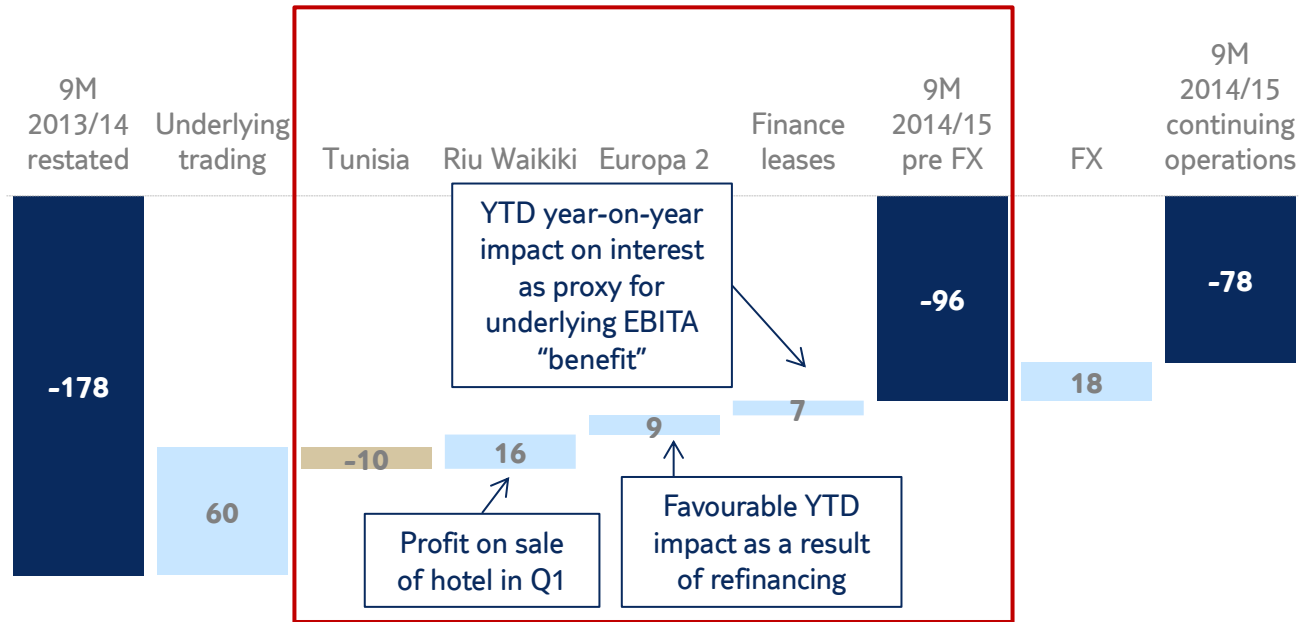
- Lower convertible bond interest €74m
- Partly offset by new high yield bond interest, higher interest in relation to asset-financing (aircraft and Europa 2)

**Tax income** is partly attributable to the **seasonality of the tour operator business**; the merger-related reassessment of deferred tax assets on tax loss carry-forwards led to a **tax credit of €117m**

# 9M 2014/15

## Underlying EBITA bridge

### Underlying EBITA 9M 2014/15 bridge (€m)



# 9M 2014/15

## Interest

€m	9M 14/15	9M 13/14 restated	%
Debt related interest	-103	-154	33
Non-debt related charge	-50	-47	-6
Interest income	11	19	-42
<b>Net interest result*</b>	<b>-142</b>	<b>-182</b>	<b>22</b>

\* thereof cash interest 9M 2014/15 €68m (9M 2013/14: €117m)

**Significant decrease in interest charge**

# 9M 2014/15

## Group Cash Flow

in €m	9M 14/15	9M 13/14 restated
<b>EBITA reported</b>	<b>-239</b>	<b>-242</b>
Depreciation	333	287
Working Capital	897	787
Other cash effects	-275	-240
Received dividends	9	23
Tax paid	-102	-124
Interest (Cash)	-68	-117
Pension Contribution UK	-118	-120
<b>Operating Cashflow</b>	<b>437</b>	<b>254</b>
Gross capex incl. PDPs	-664	-400
Divestments incl. PDP liquidations	336	261
Net financial investments	-136	-58
<b>Free Cashflow before dividends</b>	<b>-27</b>	<b>57</b>
Dividends	-291	-139
Hybrid interest	-15	-17
<b>Free Cashflow after dividends</b>	<b>-333</b>	<b>-99</b>

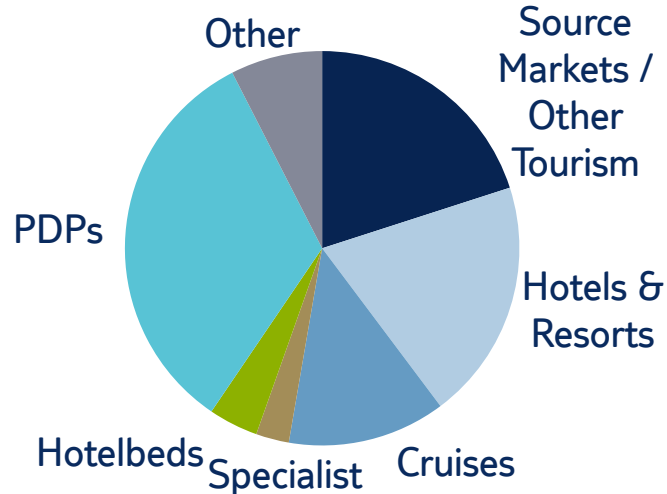
	9M15	9M14
PDPs	-219	-132
Liquidations	237	189
<b>Net</b>	<b>18</b>	<b>57</b>



9M 2014/15

Capex

**9M 14/15 Gross Capex €664m**



- Increase versus prior year driven by higher **pre-delivery payments** for aircraft, **hotel growth, Europa 2** and higher expenditure on **IT** projects to deliver digital transformation
- Full year outlook remains at **~€800m** including pre-delivery payments

**Capex reflects hotel growth strategy and profile of aircraft pre delivery payments**

# Group balance sheet 30 June 2015

## Movement in Net Debt

€m	30 June 2015	30 Sep 2014 restated	30 June 2014 restated
<b>Opening net cash / (debt)</b>	<b>293</b>	<b>-97</b>	<b>-97</b>
Movement in cash net of debt	-333	101	-99
Foreign exchange movement	-164	-136	-85
Non cash movement in debt - Asset backed finance*	-689	-167	-167
Non cash movement in debt - Other	586	592	123
<b>Closing net (debt) / cash</b>	<b>-307</b>	<b>293</b>	<b>-325</b>

\* incl. financing Europa 2 and seven new aircraft which are finance leased or debt-financed

Comment: As at 30 June 2015, cash and cash equivalents worth €194m were subject to disposal restrictions.

# Group balance sheet 30 June 2015

## Net financial debt

€m	30 June 2015	30 Sep 2014 restated	30 June 2014 restated
<b>Financial liabilities</b>	<b>1,883</b>	<b>1,965</b>	<b>2,240</b>
o/w non-current	1,672	1,748	1,418
o/w current	211	217	822
<b>Cash</b>	<b>1,576</b>	<b>2,258</b>	<b>1,915</b>
<b>Net (debt)/cash</b>	<b>-307</b>	<b>293</b>	<b>-325</b>

- **Decrease in financial liabilities since 30 September 2014** driven by conversion of bonds, partly offset by increase in asset-financing (aircraft and Europa 2)
- Increase in net debt since 30 September 2014 driven by **typical seasonal cash outflows**, primarily within the tour operators
- We expect a **broadly net debt neutral position at year-end** mainly due to higher capex (growth in hotels, Europa 2), asset-financing, redemption of hybrid and dividend payments made in December and February, partly offset by bond conversions

# Current Trading Summer 2015

- **86%** sold to date for Summer 2015, in line with prior year
- **Source Markets** bookings and average selling prices **up 2%** year-on-year
  - Capacity remixed from **Tunisia** to alternative destinations
  - Trading for **Greece** impacted end of June/first half of July, particularly from Germany and Belgium; bookings have been **recovering** in recent weeks
  - **Direct** bookings make up **69%** of the total, with **online** bookings at **39%**
- **Hotels & Resorts** performing well with good progress being made on joint occupancy management
- **Cruises** – launch of Mein Schiff 4 (June 2015) drives strong bookings; Hapag-Lloyd Kreuzfahrten continues its turnaround

**Robust current trading for Summer 2015**

# Trading Update Summer 2015



1. These statistics are up to 3 May 2015 and are shown on a constant currency basis

2. These statistics relate to all customers whether risk or non-risk

# Current Trading

## Future Seasons

- **Winter 2015/16 in line with expectations at this early stage**
  - Overall bookings up 1%, average selling prices up 4%
  - UK 21% sold, in line with prior year – bookings up 4% with strong growth in long-haul
  - Continuing to shape our programme to reflect demand in our various source markets to different destinations
- Good start to UK trading for **Summer 2016**
- Cruises – pleased with bookings progress for **Mein Schiff 4 and 5**

**Winter 2015/16 in line with expectations**

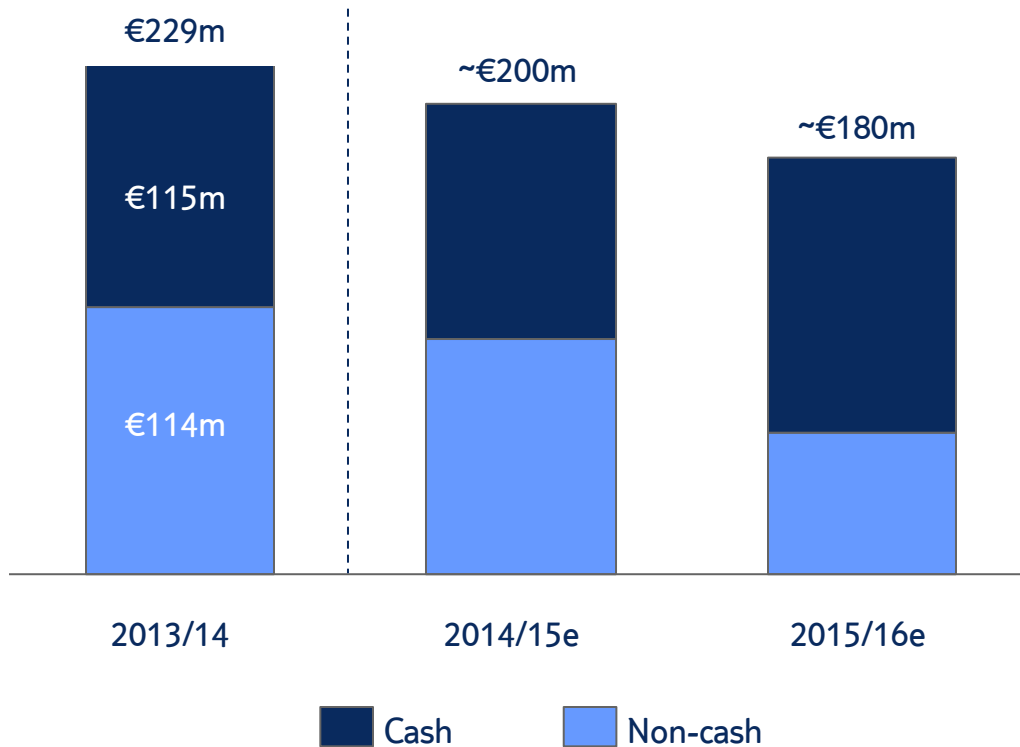
# Outlook FY 2014/15

€m	FY 13/14 <sup>1</sup>	FY 14/15e <sup>2</sup>
<b>Turnover</b>	18,537	<b>2-4%</b>
<b>Underlying EBITA</b>	870	<b>12.5%-15%</b>
<b>Adjustments</b> (incl. merger related items)	93	<b>~220</b>

<sup>1</sup> proforma financials (restated and continuing operations only)

<sup>2</sup> at constant currency

# Interest Guidance

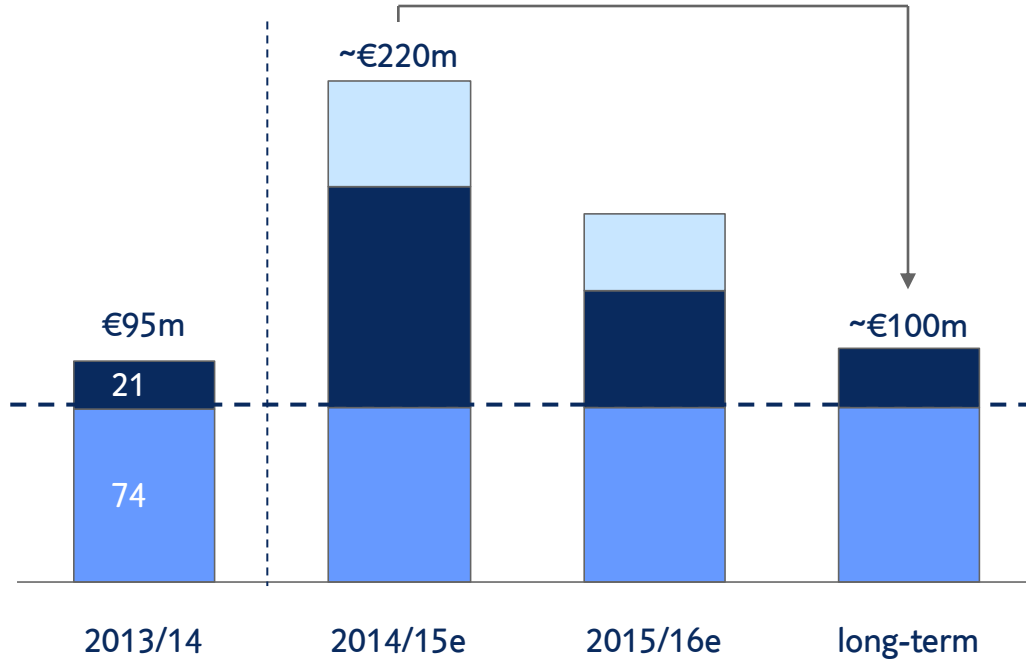


- **Lower 2015/16e P&L interest** driven by removal of four convertible bonds, partially offset by expected increase in asset financing costs (aircraft, hotels, cruise ships)
- **Hybrid finance charge** reduced to nil from 2015/16 (not included in interest)
- Long-term financing charge likely to reflect financing requirements for **aircraft and growth in hotels**

Constant currency basis



# Separately Disclosed Items Guidance

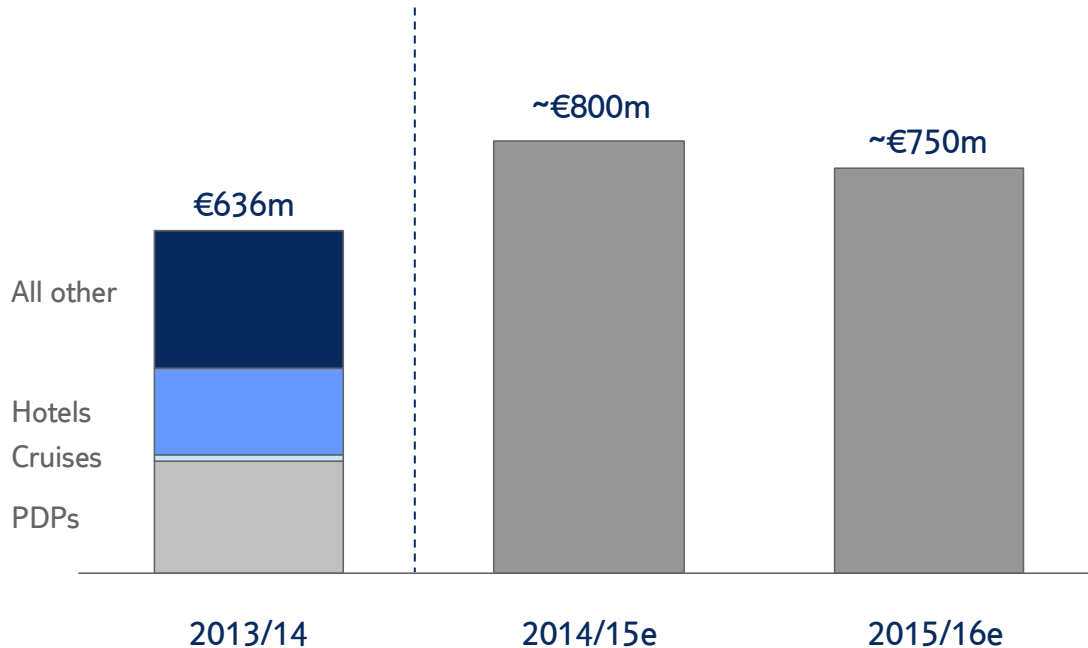


- **Strict focus on SDI management**
- Purchase price allocation stable at ~€75m per annum
- SDI guidance does not include M&A transactions or significant new restructuring projects

Merger related   Non-merger   Non-cash PPA

Constant currency basis

# Capex strategy reflects growth plans



- Higher 2014/15e capex driven by **growth capex for hotels** and **Europa 2**
- Capex strategy reflects growth plans:
  - **Source Markets**  
Customer platform (SAP solution), strategic marketing platform / eCRM (IBM)
  - **Hotels**  
Growth of core brands (asset right model, assumes current mix of ~50% managed, targeting 15% ROIC for new hotels)
  - **Pre delivery payments for new aircraft** with corresponding disposal proceeds when financed

**Long term gross capex guidance equivalent to ~3% of turnover (excluding aircraft pre delivery payments)**

Constant currency basis

## Summary

- We continue to deliver our growth strategy as **the world's leading tourism business**
- **Strong growth in Q3** underlying EBITA, despite the events in Tunisia and Greece
- This demonstrates the **resilience of our business model**
- **Robust Summer 2015 trading**, start of Winter 2015/16 trading in line with our expectations

**Confident of delivering full year underlying EBITA growth 12.5%-15%\* and at least 10% CAGR over the next three years\***

\* At constant currency

# Pro Forma Turnover 2012/13 & 2013/14

€m	FY 12/13	Q1 13/14	Q2 13/14	Q3 13/14	Q4 13/14	FY 13/14
Northern Region	6,037.2	1,047.6	922.0	1,660.0	2,571.2	6,200.8
Central Region	5,524.8	1,022.7	806.2	1,393.4	2,203.7	5,426.0
Western Region	3,019.4	494.2	434.1	782.8	1,259.1	2,970.2
<b>Source Markets</b>	<b>14,581.4</b>	<b>2,564.5</b>	<b>2,162.3</b>	<b>3,836.2</b>	<b>6,034.0</b>	<b>14,597.0</b>
<b>Hotels &amp; Resorts</b>	<b>462.3</b>	<b>101.2</b>	<b>110.4</b>	<b>105.0</b>	<b>199.4</b>	<b>516.0</b>
<b>Cruises</b>	<b>261.0</b>	<b>55.2</b>	<b>94.0</b>	<b>63.9</b>	<b>67.9</b>	<b>281.0</b>
Other Tourism	440.6	110.2	116.6	102.8	148.8	478.4
<b>Tourism</b>	<b>15,745.3</b>	<b>2,831.1</b>	<b>2,483.3</b>	<b>4,107.9</b>	<b>6,450.1</b>	<b>15,872.4</b>
Specialist Group	1,698.1	331.0	437.1	388.6	468.8	1,625.5
Hotelbeds Group	815.0	186.8	182.8	261.9	368.1	999.6
All Other Segments	38.4	-5.4	23.7	18.6	2.4	39.3
<b>TUI Group continuing operations</b>	<b>18,296.8</b>	<b>3,343.5</b>	<b>3,126.9</b>	<b>4,777.0</b>	<b>7,289.4</b>	<b>18,536.8</b>

Note: The numbers are restated to reflect the new segment structure and the LateRooms Group has been classified as a discontinued operation

# Pro Forma Underlying EBITA 2012/13 & 2013/14

€m	FY 12/13	Q1 13/14	Q2 13/14	Q3 13/14	Q4 13/14	FY 13/14
Northern Region	402.7	-43.8	-80.4	99.1	423.4	398.3
Central Region	152.7	-10.2	-66.5	29.9	209.8	163.0
Western Region	23.2	-27.1	-42.7	2.0	149.5	81.7
<b>Source Markets</b>	578.6	-81.1	-189.6	131.0	782.7	643.0
<b>Hotels &amp; Resorts</b>	198.1	12.6	20.1	41.6	128.5	202.8
<b>Cruises</b>	-14.0	-15.9	-0.3	-1.5	27.4	9.7
Other Tourism	-8.8	-12.0	-8.9	-21.9	20.5	-22.3
<b>Tourism</b>	<b>753.9</b>	<b>-96.4</b>	<b>-178.7</b>	<b>149.2</b>	<b>959.1</b>	<b>833.2</b>
Specialist Group	44.3	-18.0	1.1	20.5	41.9	45.5
Hotelbeds Group	94.8	7.4	0.2	23.6	70.6	101.8
All Other Segments	-128.6	-32.8	-24.2	-29.7	-23.8	-110.5
<b>TUI Group continuing operations</b>	<b>764.4</b>	<b>-139.8</b>	<b>-201.6</b>	<b>163.6</b>	<b>1,047.8</b>	<b>870.0</b>

Note: The numbers are restated to reflect the new segment structure and the LateRooms Group has been classified as a discontinued operation

# Pro Forma Income Statement – Key Figures

## 2012/13 & 2013/14

€m	FY 12/13	Q1 13/14	Q2 13/14	Q3 13/14	Q4 13/14	FY 13/14
<b>Turnover</b>	<b>18,296.8</b>	<b>3,343.5</b>	<b>3,126.9</b>	<b>4,777.0</b>	<b>7,289.4</b>	<b>18,536.8</b>
Underlying EBITDA	1,090.4	-64.3	-124.7	248.6	1,140.3	1,199.9
Depreciation	-325.9	-75.7	-76.6	-85.1	-92.5	-329.9
<b>Underlying EBITA</b>	<b>764.5</b>	<b>-139.8</b>	<b>-201.6</b>	<b>163.5</b>	<b>1,047.8</b>	<b>870.0</b>
Adjustments	-160.7	-18.7	26.0	-71.8	-28.1	-92.7
<b>EBITA</b>	<b>603.8</b>	<b>-158.5</b>	<b>-175.6</b>	<b>91.7</b>	<b>1,019.6</b>	<b>777.4</b>
Impairment goodwill	-8.2	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>595.5</b>	<b>-158.5</b>	<b>-175.6</b>	<b>91.7</b>	<b>1,019.6</b>	<b>777.4</b>
Interest result	-251.5	-58.0	-62.0	-62.4	-41.8	-224.2
Equity result Hapag-Lloyd	-22.3	-9.7	-26.8	-9.5	-8.2	-54.2
<b>EBT</b>	<b>321.7</b>	<b>-226.2</b>	<b>-264.4</b>	<b>19.8</b>	<b>969.5</b>	<b>498.8</b>
Income taxes	-145.1	70.8	73.7	-22.1	-334.9	-212.5
<b>Group result continuing operations</b>	<b>176.6</b>	<b>-155.4</b>	<b>-190.7</b>	<b>-2.2</b>	<b>634.6</b>	<b>286.3</b>
Discontinued operations	-10.7	0.9	-4.8	-3.5	-8.0	-15.5
Minority Interest	177.0	-45.0	-75.2	20.6	279.9	180.4
<b>Group result after minorities</b>	<b>-11.0</b>	<b>-109.5</b>	<b>-120.3</b>	<b>-26.4</b>	<b>346.6</b>	<b>90.4</b>
Hybrid dividend	-23.6	-5.7	-5.7	-6.0	-5.4	-22.8
<b>EPS (€)</b>	<b>-0.14</b>	<b>-0.46</b>	<b>-0.50</b>	<b>-0.13</b>	<b>1.34</b>	<b>0.26</b>

Note: The LateRooms Group has been classified as a discontinued operation

# TUI Group

## Bond financing & maturity profile 30 June 2015

### Debt Finance

Instrument	Issue	Maturity	Volume €m	Interest % p.a.
Revolving Credit Facility	Sep 14	June 18	1,750	c2% margin on average above LIBOR
High Yield Bond	Sep 14	Oct 19	300	4.5

# Financial Calendar

30 September 2015

Pre-close trading update

10 December 2015

Annual Report for financial Year 2014/15

9 February 2016

Annual General Meeting