

TUI Group

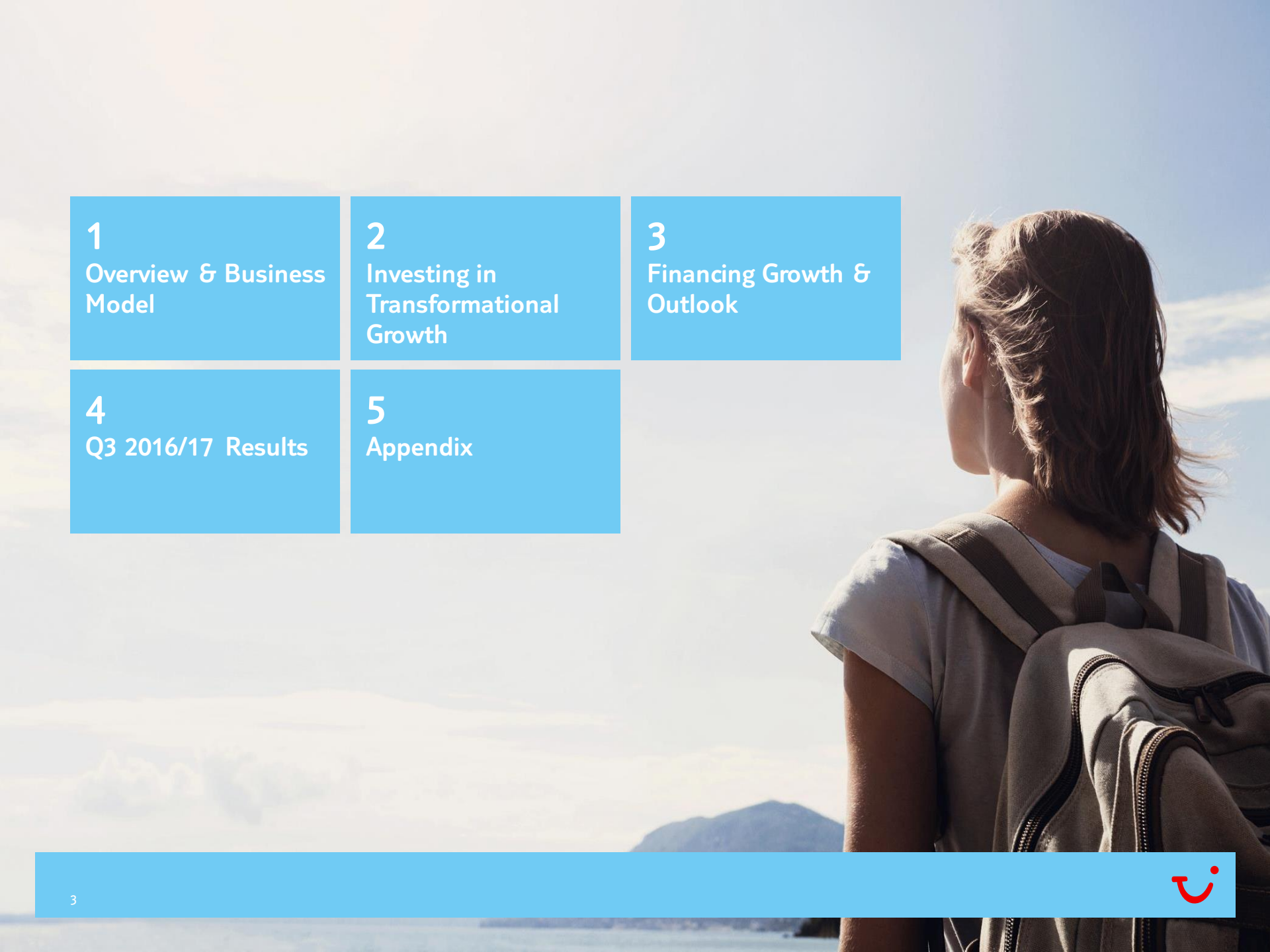
Investor Presentation

September 2017

FORWARD-LOOKING STATEMENTS

This presentation contains a number of statements related to the future development of TUI. These statements are based both on assumptions and estimates. Although we are convinced that these future-related statements are realistic, we cannot guarantee them, for our assumptions involve risks and uncertainties which may give rise to situations in which the actual results differ substantially from the expected ones. The potential reasons for such differences include market fluctuations, the development of world market fluctuations, the development of world market commodity prices, the development of exchange rates or fundamental changes in the economic environment. TUI does not intend or assume any obligation to update any forward-looking statement to reflect events or circumstances after the date of these materials.





1
Overview & Business Model

2
Investing in Transformational Growth

3
Financing Growth & Outlook

4
Q3 2016/17 Results

5
Appendix

Strong Q3 performance

TURNOVER **€4.8bn**

+12.6% /+16.4%[1]

UNDERLYING EBITA **€221.6m**

+37.7% /+18.7%[2]

REPORTED EBITA **€200.2m**

+46.2%/+23.4%[2]

9M OPERATING CASHFLOW IMPROVEMENT

+€0.4bn

- **Strong revenue growth**
- **Strong profit growth** – underlying and reported
- **Strong demand growth** with customer volume +7% YTD
- Disposal of **Travelopia** and **Hapag-Lloyd AG** shares **complete**
- **On track** to deliver growth strategy and **reiterate guidance for FY17**

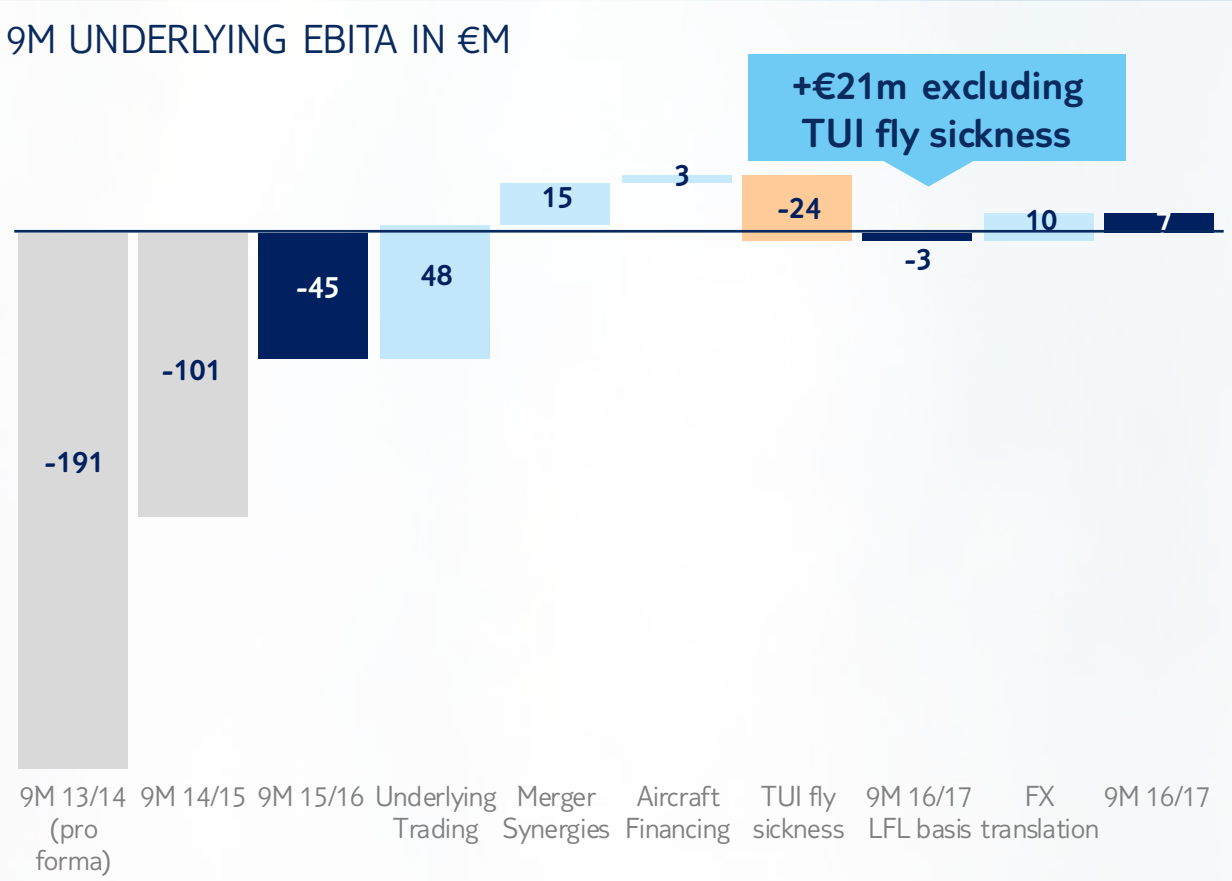
1 At constant currency rates
2 On LFL basis at constant currency and excluding timing benefit of Easter

Consistently delivering our content growth strategy

HOTELS & RESORTS	CRUISES	MARKETING & SALES IN SOURCE MARKETS
• **Strong growth** • **+16%** in underlying EBITA on **LFL basis**[1] • Organic growth **progressing to plan: 28 hotel openings** by end of **FY17** (~60 hotels by FY19)	• Continued **success story** • **+54%** in underlying EBITA on **LFL basis**[1] • Organic growth **progressing to plan**: clear delivery schedule of **new capacity**	• **Germany** and **Nordic strong**, partially offset by **UK** and **Western** • **+7%** in underlying EBITA on **LFL basis**[1] • **CRM** driven **efficiency** and **revenue enhancement** programme defined

1 On constant currency basis and excluding timing benefit of Easter

TUI profitable on 9M underlying basis for the first time

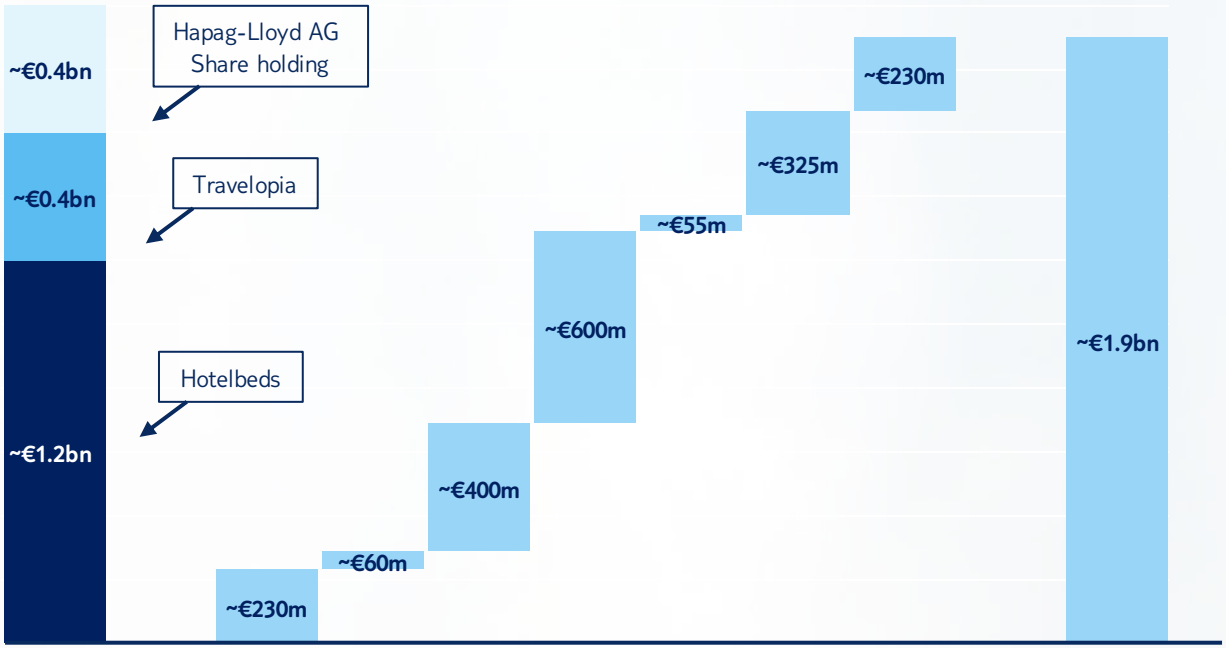


- Strength of **business model** evident in delivery of TUI Group's **first profitable 9M result**
- **Growth strategy** is delivering **margin enhancement, lower seasonality** and **improved operating cashflow**
- On track to deliver at **least 10% underlying EBITA** growth for FY17[1]
- **Good demand** for rest of Summer 2017

1 At constant currency rates and based on current Group structure

Transformational growth investments funded entirely by disposal proceeds

DISPOSAL PROCEEDS & REINVESTMENT



Deconsolidated EBITA from divestments

Targeted EBITA yield from reinvestments[3]

- Post merger **disposal** programme **concluded**
- Divestments proceeds reinvested in higher yield businesses, leading to **€118m net EBITA enhancement** and **better earnings quality** (less seasonal)
- Ongoing normalised **cash generation not impacted** by reinvestment programme FY16-FY19[4]

1 Including working capital/cash effect
2 Assumes MS1+2 purchase as cash transaction/final decision on transaction structure/financing not yet taken
3 Based on targeted EBITA run rate; UK pensions based on notional interest impact – see detailed slide 21 in appendix
4 Based on normalised capex of between 3-3.5% of revenue

Investments in Transformational Growth

Cruise Growth

	TUI Cruises	Thomson Cruises	Hapag-Lloyd Cruises
TURNOVER €M			
FY14	381	317	281
FY15	614	374	273
FY16	807	406	297
PAX K			
FY14	205	237	34
FY15	328	247	30
FY16	405	245	29
UNDERLYING EBITA* €M			
FY14	78.	19	-22
FY15	156	41	13
FY16	227	61	30

*Based on 100% for TUI Cruises

Focused on **developing our position** in **Europe** and **in luxury/expedition cruising**

- **TUI Cruises** - three new additions since merger
- Modernisation of **Thomson Cruises** underway
- Turnaround of **Hapag-Lloyd Cruises** now complete



Cruise – Growth Roadmap

GROWTH ROADMAP 2017-2019	TUI Cruises	Thomson Cruises	HAPAG-LLOYD CRUISES
	3 new builds invested within JV	3 further ships ~€200m per ship	2 new builds ~€145m per ship
CONTRIBUTION TO UND. EBITA	~€25m-€30m per new ship*	~€25m per new ship**	~€15m per new expedition ship





STRONG ROIC OF 21.3%* **
SIGNIFICANTLY AHEAD OF SEGMENTAL WACC OF 7.5%

* Based on 50% share of EAT for TUI Cruises
** Includes MS1 and MS2 - these ships combined currently generate ~€25m share of EAT within TUI Cruises
*** Reflects TUI Cruises and Hapag-Lloyd Cruises ROIC

Cruise Ships & Aircraft Finance

CRUISE SHIPS

Cruise Fleet By Ownership Structure
as at 30/9/2016

Cruise Brand	Owned	Finance Lease	Operating Lease	Total
TUI Cruises (JV)	5	-	-	**5**
Thomson Cruises	-	3	2	**5**
Hapag-Lloyd Cruises	3	-	1	**4**

- New build ships typically **80% debt/20% equity finance**
- **TUI Cruises** investments ring fenced within joint venture (3 more ships to come)
- **Thomson Cruises - fleet modernisation,** 3 more ships to come, 1 owned, 2 to be determined

AIRCRAFT

Aircraft Fleet By Ownership Structure
as at 30/9/2016

Structure	Owned	Finance Lease	Operating Lease (FV)	Total
# of Aircraft	8	16	125	**149**
Financing	~€0.1bn*	~€1bn	~€2bn	**€3.0bn**

- Order book for 787s and 737-MAXs
- Net PDPs **~€200m/~€50m/~€75m** in next three years
- Financing method for new aircraft deliveries **typically by operating** or **finance lease** structures providing **100% financing** and will be reviewed on **a case by case basis**

*Reflects debt finance for two aircraft only, remaining aircraft wholly owned

Hotel Growth since Merger



- **By end of FY17 28 new hotel openings since merger**
- Focussed on scaling up **proven destinations** and where there are **pockets of growth**
- Growth delivered through our **core hotel, club** and **concept brands**

Hotels – Growth Roadmap

GROWTH ROADMAP 2018-2019

Indicative split of future growth capex by destination

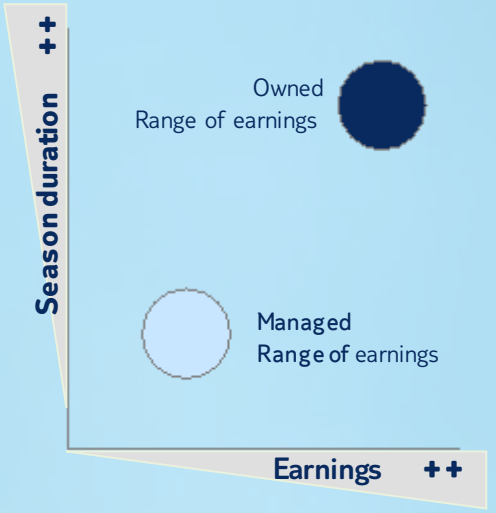


~30 additional hotel openings by end of **2018/19**

STRUCTURE

- Ownership/JV in **high growth regions**, where there is **scarcity of supply**
- Management elsewhere when possible

CONTRIBUTION TO UND. EBITA



On average ~€2m per new hotel*

*Based on profitability of Riu and Robinson and current mix of ownership models

Investment in IT and Digital Transformation

KEY PROJECTS		FEATURES	ROADMAP
"TUI APP"	 A rich, immersive experience at the **heart** of our **mobile vision**	• Holiday **search & book** • Holiday **information** & **ancillary booking** • Contact your rep	• Common platform live in all major Source Markets
CUSTOMER PLATFORM		• **Single view** of the customer • **Customer service app** for Destination Services	• First Version **live in Germany** • **Roll out** to come **FY17/FY18** • (UK Q4, Belgium Q4, Nordics Q2 FY18)
GROUP MARKETING PLATFORM	Using customer insight to provide **more personalised** customer service and marketing	• Capture & analyse **customer interactions** across all channels • **Campaign management** system across all channels • Implementation of **marketing programme** across the **customer experience**	• **Netherlands, Belgium, Nordics** live Germany Feb 2017, UK Sep 2017 (already working with previous version)
YIELD MANAGEMENT	**Bespoke** IT solution to automate the **management** and **pricing** of **holidays 24-7**	• Solution rolled out to **Nordics** in **2016**	• Targeting roll out to **further markets** including **Germany** over next **24 months**

Key elements of defined CRM driven efficiency and revenue enhancement programme – Details will be provided with strategy update in Dec. 2017

One Brand

TUI
Discover your smile

GROWTH POTENTIAL	Renaming offers opportunity to **reposition**	OPERATIONAL EFFICIENCY	Operational **efficiency** by optimising content and marketing production
360° EXPERIENCE	End to end **consistent** customer experience including media power	COMPETITIVE-NESS	Competitive **strength** against global platforms
DIGITAL PRESENCE	Opportunity for more impact through **centralised** URL	BRAND EQUITY	**One global brand, with local roots**

BRAND MIGRATION WILL BE FUNDED FROM ONGOING OPERATIONAL EFFICIENCY AND INCREASED REVENUES



Outlook

Growth Roadmap - Summary

DRIVERS		WHAT IMPACT?*	BY WHEN?	At least 10%* underlying EBITA CAGR to 2018/19
GROWTH IN OUR HOTEL & CRUISE BRANDS	• ~30 further openings in Group hotels • TUI Cruises - 3 new ships • MS1 & MS2 move to UK Fleet • Thomson Cruises - 3 new ships • HL Cruises - 2 new expedition ships	• ~€2m und. EBITA per hotel** • ~€25-30m share EAT per ship • Currently generate ~€25m share of EAT in TUI Cruises • ~€25m und. EBITA per ship • ~€15m und. EBITA per ship	• End of 2018/19 • S17, S18, S19 • S18, S19 • S17, S18, S19 • Spr & Aut 2019	**Earnings dilution from disposals offset by investment in transformational growth**
BRAND, IT AND EFFICIENCIES	• Profitable top line growth which outperforms the market • France – break even & deliver benefits of Transat acquisition • Deliver remaining synergies	• ~3% per annum • ~2.5% und. EBITA margin • ~€20m und. EBITA benefit	• Ongoing • End of 2018/19 • End of 2016/17	**Integrated model delivers sustainable growth**
BALANCE SHEET STRENGTH & FLEXIBILITY	• Investment in transformational growth, financed by disposal proceeds • Attractive dividend policy			**Balanced guidance approach**

**At constant currency rates*
***Based on profitability of RIU and Robinson and current mix of ownership models*

Financial Targets

- Current corporate credit ratings "BB" from S&P and "Ba2" from Moody's
  Upgraded by S&P from "BB-" in February 2017 and upgraded by Moody's from "Ba3" in April 2016
- We are committed to **improving our credit metrics**, therefore we are setting new financial targets for 2016/17 as follows:

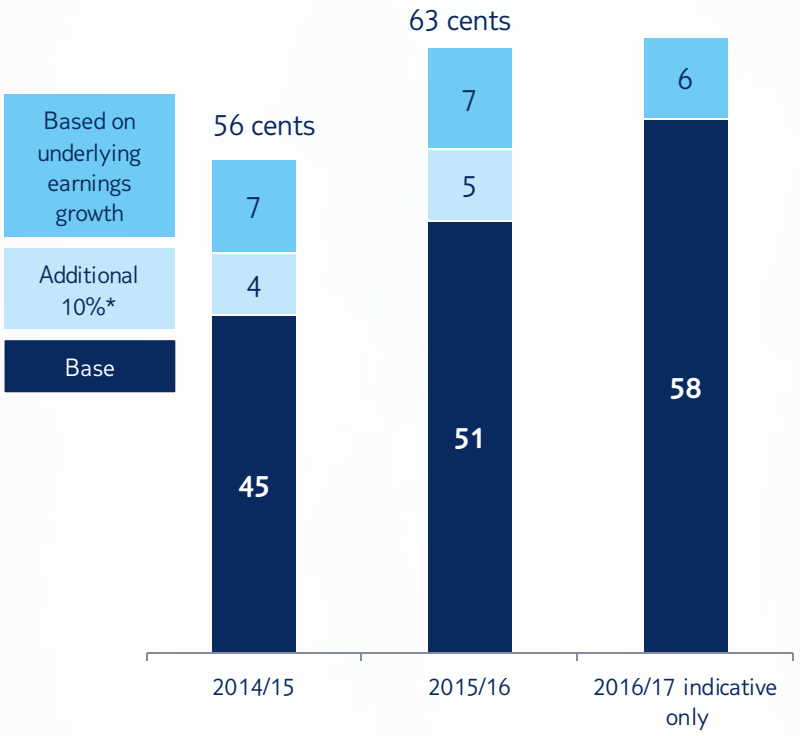
Ratio*	Target 2015/16	Actual 2015/16	Target 2016/17
Leverage ratio	**3.5 to 2.75 times**	3.3 times	**3.25 to 2.5 times**
Interest cover	**4.5 to 5.5 times**	4.8 times	**4.75 to 5.75 times**

- Ratios are based on gross debt including pensions and leases
- Focus on rating to obtain advantageous financing conditions and ensure access to debt capital markets

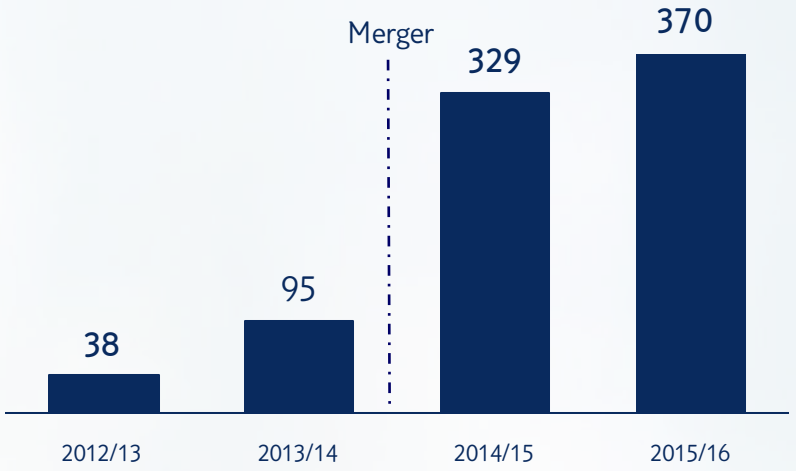


Committed to an Attractive Dividend Payout

DIVIDEND PER SHARE (IN €C)



DIVIDEND PAYOUTS (IN €M)**



We are committed to delivering a growth strategy which will enable superior returns for our shareholders

* for FY 2014/15 and 2015/16 as announced at the time of the merger
**TUI AG dividend relating to financial years, paid out in the following calendar year

Outlook 2016/17*

OUTLOOK GUIDANCE

Metric	2015/16	2016/17e
Turnover	€17,154m Restated	In excess of 3% growth Previous guidance ~3% growth
Underlying EBITA	€1,001m	Reiterated at least 10% growth FX translation ~€10m negative
Adjustments	€102m	~€100m
Net Interest	€180m	~€140m
Net Capex & Investments**	€642m (excluding PDPs)	~€1bn (excluding PDPs)
Net Cash/Debt	€32m net cash	~Broadly Neutral Previous guidance ~€0.8bn net debt
Underlying Effective Tax Rate	25%	20%

*Assuming constant foreign exchange rates are applied to the result in the current and prior period and based on the current Group structure;
** 2015/16 excludes Hotelbeds Group proceeds and 2016/17 excludes Travelopia and Hapag-Lloyd AG proceeds

Consistently delivering our growth strategy

The world's leading integrated tourism business based on own hotel and cruise brands

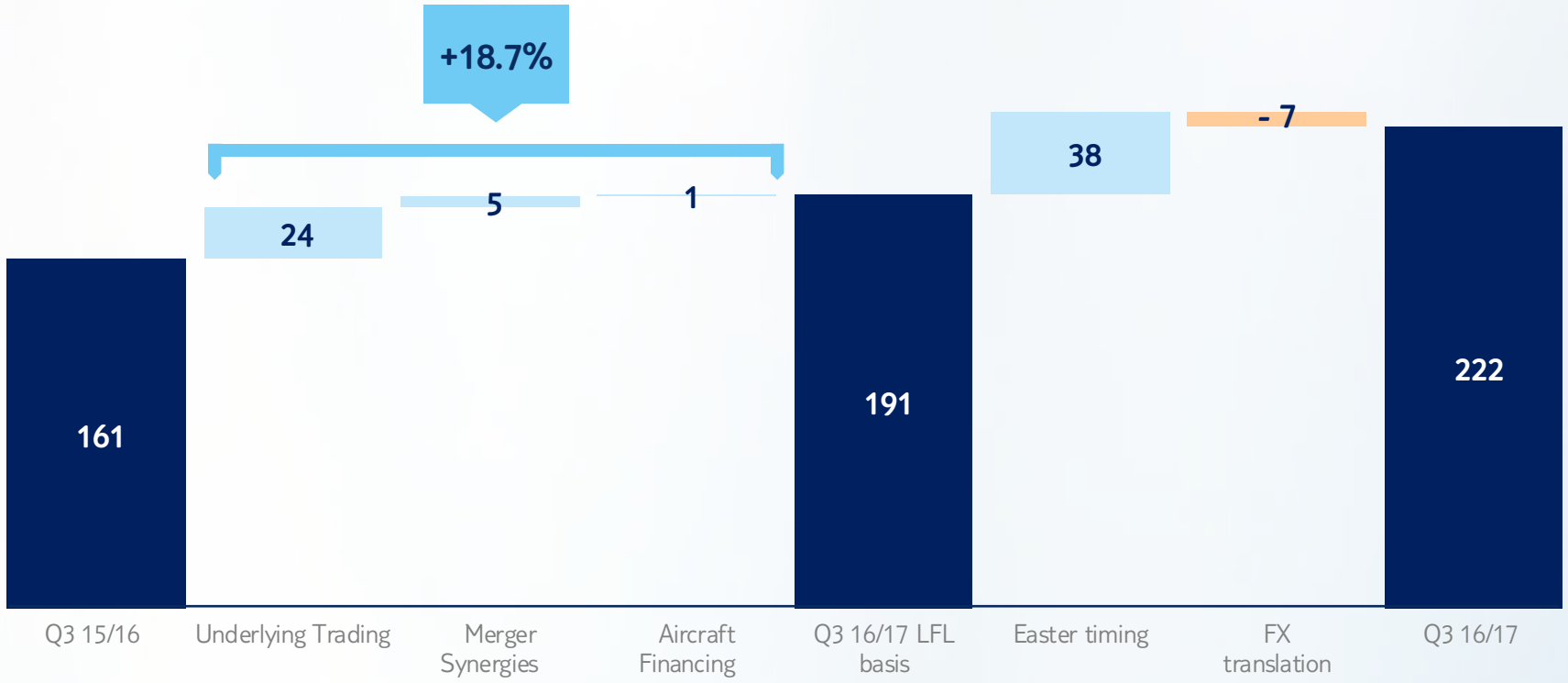
- ✓ Consistent delivery against guidance since merger
- ✓ Transforming business with disposal proceeds
- ✓ Well placed to deliver sustainable growth
- ✓ Reiterate 10% underlying EBITA CAGR to FY2018/19[1]
- ✓ Growth strategy update at full year results in December 2017

[1] At constant currency rates and based on current Group structure

Q3 2016/17 Results

Strong growth in Q3

Q3 UNDERLYING EBITA IN €M



18.7% GROWTH ACROSS THE BUSINESS ON LFL BASIS

LFL basis at constant currency and excluding timing benefit of Easter

Hotels & Resorts
Good performances in Riu, Robinson & Blue Diamond

AVERAGE OCCUPANCY[2]

74%

+3ppts

AVERAGE REVENUE PER BED[2]

€54.6

+2%

NEW HOTEL OPENINGS

10 YTD

28 SINCE MERGER

UNDERLYING EBITA **€77.7m**

+35.8%

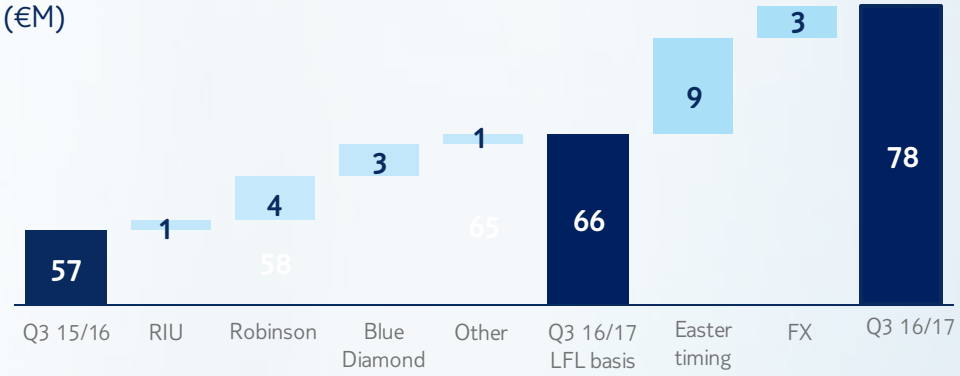
/+15.8%[1]

1 On LFL basis at constant currency and excluding timing benefit of Easter
2 Excludes Blue Diamond

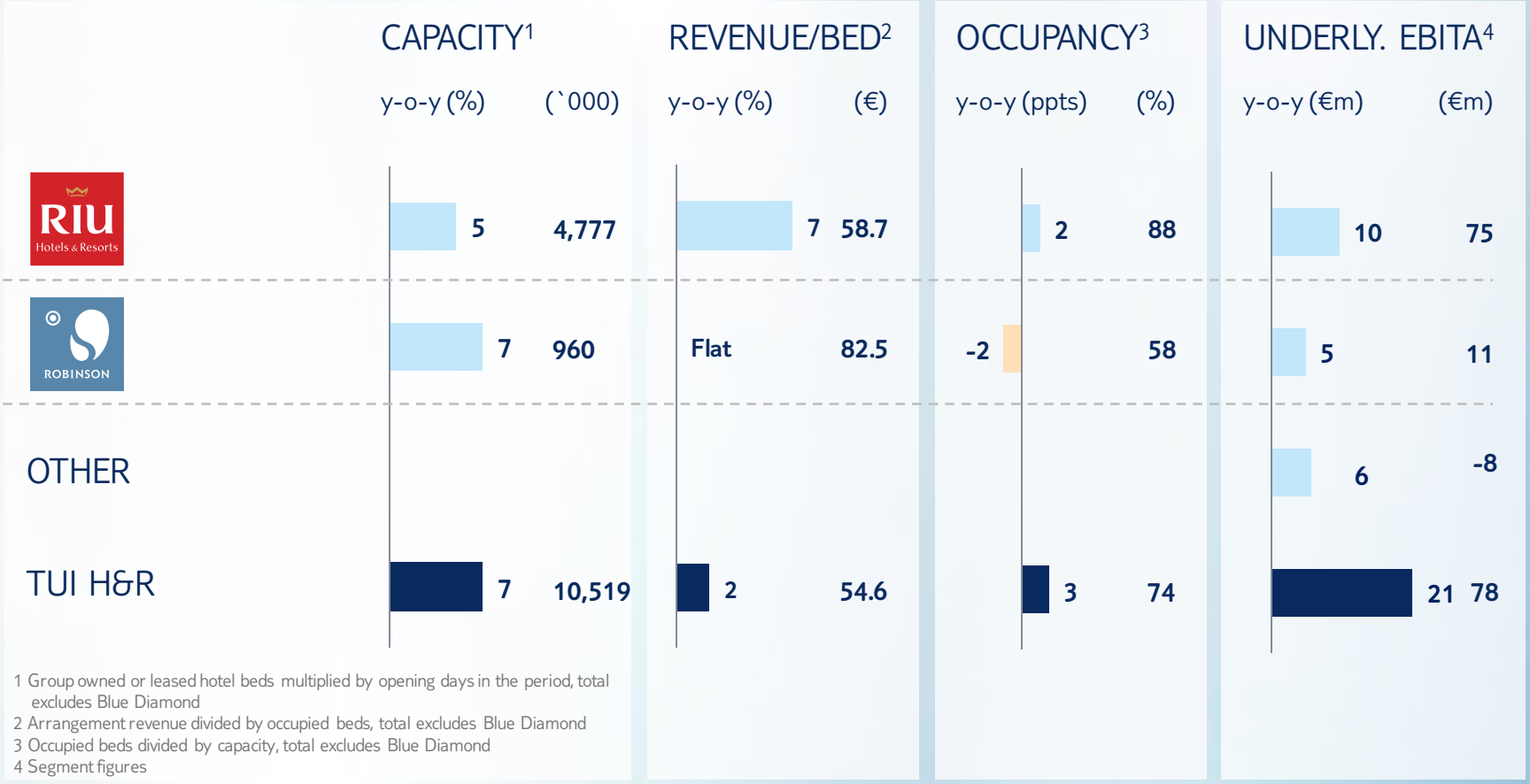
TURNOVER AND EARNINGS (€M)

	Q3 16/17	Q3 15/16	%
Turnover	151.3	143.2	5.7
Underlying EBITA	77.7	57.2	35.8
o/w Equity results	*17.0*	*11.3*	*50.4*

BRIDGE UNDERLYING EBITA (€M)



Hotels & Resorts
KPIs Q3 2016/17



1 Group owned or leased hotel beds multiplied by opening days in the period, total excludes Blue Diamond
2 Arrangement revenue divided by occupied beds, total excludes Blue Diamond
3 Occupied beds divided by capacity, total excludes Blue Diamond
4 Segment figures

Cruises
Continues to deliver strong growth

NEW SHIPS

TUI Cruises

MEIN SCHIFF 6

Thomson Cruises

TUI DISCOVERY 2

AVERAGE DAILY RATE

TUI Cruises	+2%
Thomson Cruises	+6%
HAPAG-LLOYD CRUISES	+3%

AVERAGE OCCUPANCY

TUI Cruises	101%
Thomson Cruises	100%
HAPAG-LLOYD CRUISES	73%

UNDERLYING EBITA €67.1m

+49.1%/+54.2%[1]

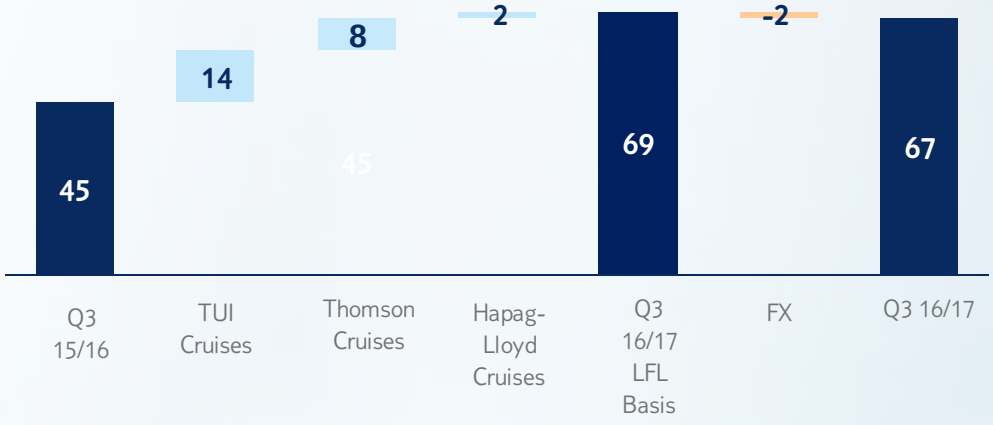
1 On LFL basis at constant currency

TURNOVER AND EARNINGS (€M)

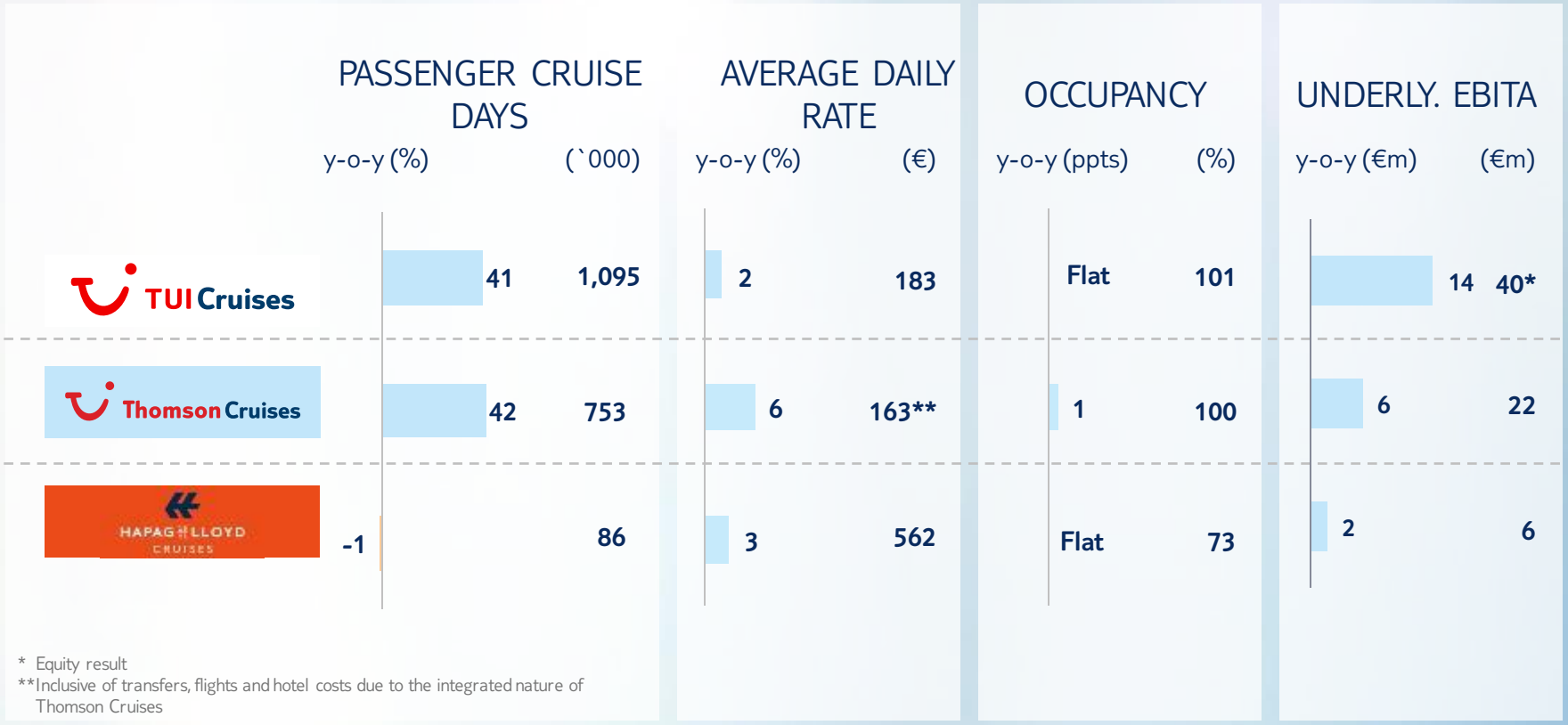
	Q3 16/17	Q3 15/16	%
Turnover	214.3	171.0	25.3
Memo: TUI Cruises Turnover	*260.7*	*181.1*	*43.9*
Underlying EBITA	67.1	45.0	49.1
*o/w EAT TUI Cruises**	*39.6*	*25.8*	*53.6*

* TUI Cruises joint venture (50%) is consolidated at equity

BRIDGE UNDERLYING EBITA (€M)



Cruises
KPIs Q3 2016/17



* Equity result
**Inclusive of transfers, flights and hotel costs due to the integrated nature of Thomson Cruises

Source Markets – Sales & Marketing
Improved performance in Germany and Nordic

CUSTOMERS
5.8M
+11%

DIRECT DISTRIBUTION
73%
Flat

ONLINE DISTRIBUTION
46%
+2ppts

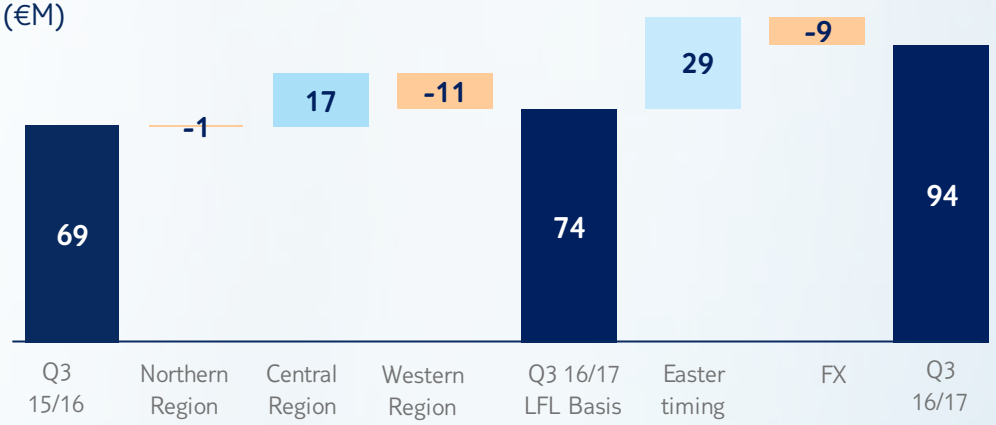
UNDERLYING EBITA **€93.6m**
+35.8%
/+7.1%[1]

1 On LFL basis at constant currency and excluding timing benefit of Easter

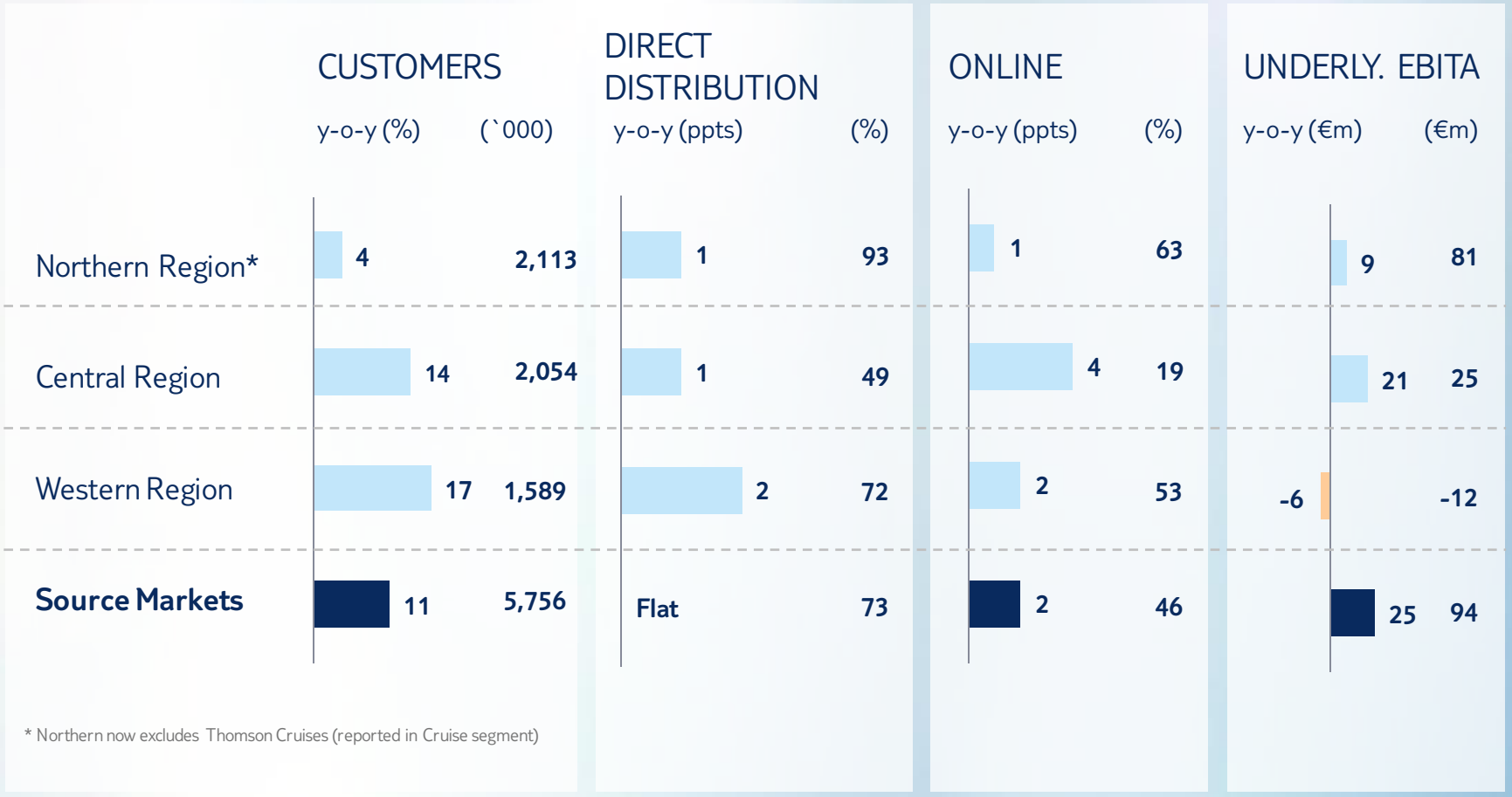
TURNOVER AND EARNINGS (€M)

	Q3 16/17	Q3 15/16	%
Turnover	4,211.6	3,741.6	12.6
Underlying EBITA	93.6	69.0	35.8

BRIDGE UNDERLYING EBITA (€M)



Source Markets
KPIs Q3 2016/17



* Northern now excludes Thomson Cruises (reported in Cruise segment)

Source Market Q3 & 9M KPIs by country[1]

	Direct Distribution		Online Distribution		Customers (000)	
	Q3 16/17	Q3 15/16	Q3 16/17	Q3 15/16	Q3 16/17	Q3 15/16
UK	93%	93%	60%	59%	1,790	1,712
Nordics	91%	91%	80%	77%	323	314
Germany[2]	47%	46%	19%	14%	1,861	1,672
Benelux	75%	73%	59%	56%	1,226	1,125
Total Source Markets[3]	**73%**	**73%**	**46%**	**44%**	**5,756**	**5,197**

	Direct Distribution		Online Distribution		Customers (000)	
	9M 16/17	9M 15/16	9M 16/17	9M 15/16	9M 16/17	9M 15/16
UK	92%	92%	59%	58%	3,574	3,366
Nordics	90%	90%	77%	73%	902	910
Germany[2]	47%	45%	18%	14%	3,841	3,751
Benelux	75%	72%	60%	56%	2,785	2,645
Total Source Markets[3]	**73%**	**72%**	**46%**	**44%**	**12,100**	**11,333**

3 Source Markets customer numbers restated to now exclude Thomson Cruises (reported in Cruise Segment)

Current Trading
In line with expectations

SUMMER 2017

- **Good demand** for remainder of the season – **88% sold**, bookings up **+4%** and average selling price up **+5%**
- Growth driven by **Greece, Bulgaria, Croatia, Italy, Cape Verde** and **long haul**
- **Strong** demand for our cruise brands
- Encouraging improvement in demand for **North Africa** and **Turkey**
- **UK demand resilient**: bookings remain at the **high levels** achieved last Summer

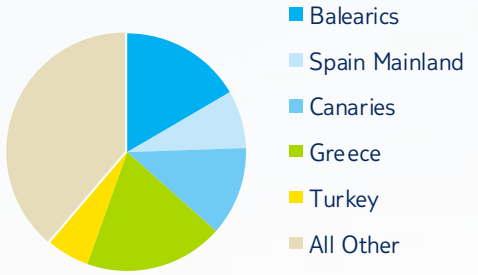
FUTURE SEASONS

- Trading at **early stage** for Winter 17/18 – **~25% sold**, bookings up **+9%** and average selling price up **+3%**
- **Five new openings** scheduled in Group hotels & clubs this **Winter**
- New cruise ships launches **next Summer** – new **Mein Schiff 1** and **TUI Explorer** (UK)
- Significant degree of **flexibility** in capacity planning for next year

These statistics are up to 30 July 2017 and shown on a constant currency basis and relate to all customers whether risk or non-risk

GOOD DEMAND FOR S17 PROGRAMME

Source Markets S17 Top 5 Destinations



Bookings up to 30 July 2017

Source Markets
Current Trading – Summer 2017

CURRENT TRADING[1] Y-O-Y VARIATION (%)	REVENUE	CUSTOMERS	ASP	PROGRAMME SOLD
UK (excl. Thomson Cruises)	7	Flat	7	88%
Nordics	13	5	8	89%
Germany	7	4	3	86%
Benelux	7	3	3	90%
Source Markets	**8**	**4**	**5**	**88%**

1These statistics are up to 30 July 2017 and shown on a constant currency basis and relate to all customers whether risk or non-risk

Income Statement

In €m	9M 16/17	9M 15/16
Turnover	11,129.2	10,389.3
Underlying EBITA	**7.3**	**-45.5**
Adjustments (SDI's and PPA)	-59.0	-58.5
EBITA	**-51.7**	**-104.0**
Net interest expense	-91.0	-114.7
Hapag-Lloyd AG	35.2	-100.3
EBT	**-107.5**	**-319.0**
Income taxes	22.6	48.0
Group result continuing operations	**-84.9**	**-271.0**
Discontinued operations	-151.8	-17.0
Minority interest	-78.5	-74.0
Group result after minorities	**-315.2**	**-362.0**
Basic EPS (€, continuing)	-0.28	-0.59

INTEREST

Reduced by €24m, in line with reduced guidance interest for full-year

HAPAG-LLOYD AG

Book profit €35m realised on disposal of shares up to end of June 2017
Further book profit of ~€138m anticipated in Q4

TAX CREDIT

Reflects underlying effective tax rate reduction to **20%**

DISCONTINUED OPERATIONS

Completion of Travelopia disposal in Q3; charge of €131m relating to disposal of net assets and recycling of FX losses realised in the quarter

Cash Flow

In €m	9M 16/17	9M 15/16*
EBITA reported**	**-51.7**	**-104.0**
Depreciation**	301.3	271.1
Working capital	1,415.8	1,184.6
Other cash effects	4.4	17.2
At equity income**	-159.9	-103.3
Dividends received from JVs and associates	76.8	39.6
Tax paid	-107.4	-160.4
Interest (cash)	-45.7	-58.8
Pension contribution	-110.8	-119.8
Operating Cashflow	**1,322.8**	**966.2**
Net capex	-622.0	-367.1
Net financial investments	-22.9	-7.3
Net pre-delivery payments	-195.9	-17.4
Free Cashflow	**482.0**	**574.4**
Dividends	-456.6	-329.9
Movement in Cash Net of Debt as of 30 June 2017	**25.4**	**244.5**

*Prior year restated due to exclusion of Hotelbeds & Travelopia in reported EBITA
**Continuing ops basis – non-continuing adjustment in Other cash effects

IMPROVEMENT IN WORKING CAPITAL +€0.2bn

OVERALL IMPROVEMENT IN 9M OPERATING CASH FLOW +€0.4bn

TRAVELOPIA

Completed sale to KKR on 15 June 2017, at agreed enterprise value of £325m

HAPAG-LLOYD AG SHARES

€86m disposal proceeds generated in 9M to date. All remaining shares in Hapag-Lloyd AG disposed in Q4, generating total net proceeds of ~€407m

Previously accounted as a financial asset available for sale, held at an impaired value of ~€234m

Anticipated book profit of ~€173m to be realised in FY17

2016/17 Q3 Turnover by Segment (excludes Intra-Group Turnover)*

In €m	Q3 16/17	Q3 15/16	Change	FX	Change ex FX
Northern Region	1,727.8	1,660.7	67.1	-148.8	215.9
Central Region	1,557.5	1,346.3	211.2	3.8	207.4
Western Region	926.3	734.6	191.7	0.2	191.5
Source Markets	**4,211.6**	**3,741.6**	**470.0**	**-144.8**	**614.8**
Riu	107.2	106.5	0.7	-	0.7
Robinson	19.5	18.5	1.0	-0.2	1.2
Blue Diamond	-	-	-	-	-
Other	24.6	18.2	6.4	-3.0	9.4
Hotels & Resorts	**151.3**	**143.2**	**8.1**	**-3.2**	**11.3**
TUI Cruises	-	-	-	-	-
Thomson Cruises	135.6	99.7	35.9	-13.0	48.9
Hapag-Lloyd Cruises	78.7	71.3	7.4	-	7.4
Cruises	**214.3**	**171.0**	**43.3**	**-13.0**	**56.3**
Other Tourism	145.5	143.8	1.7	-	1.7
Tourism	**4,722.7**	**4,199.6**	**523.1**	**-161.0**	**684.1**
All Other Segments	52.7	40.1	12.6	0.3	12.3
TUI Group continuing operations	**4,775.4**	**4,239.7**	**535.7**	**-160.7**	**696.4**

*Table contains unaudited figures and rounding effects; restated to treat Hotelbeds Group and Travelopia as discontinued operations, plus the reclassification of a Destination Services company from Central Region to Other Tourism, and Thomson Cruises from Northern Region to Cruise segment

2016/17 9M Turnover by Segment (excludes Intra-Group Turnover)*

In €m	9M 16/17	9M 15/16	Change	FX	Change ex FX
Northern Region	3,932.1	3,989.9	-57.8	-415.0	357.2
Central Region	3,585.5	3,333.4	252.1	4.3	247.8
Western Region	2,040.3	1,650.2	390.1	0.4	389.7
Source Markets	**9,557.9**	**8,973.5**	**584.4**	**-410.3**	**994.7**
Riu	351.4	326.5	24.9	-8.2	33.1
Robinson	51.9	43.2	8.7	-0.1	8.8
Blue Diamond	-	-	-	-	-
Other	48.0	39.5	8.5	-4.1	12.6
Hotels & Resorts	**451.3**	**409.2**	**42.1**	**-12.4**	**54.5**
TUI Cruises	-	-	-	-	-
Thomson Cruises	331.1	265.5	65.6	-43.5	109.1
Hapag-Lloyd Cruises	229.1	214.4	14.7	-	14.7
Cruises	**560.2**	**479.9**	**80.3**	**-43.5**	**123.8**
Other Tourism	435.9	433.8	2.1	-0.8	2.9
Tourism	**11,005.3**	**10,296.4**	**708.9**	**-467.0**	**1,175.9**
All Other Segments	123.9	92.9	31.0	0.2	30.8
TUI Group continuing operations	**11,129.2**	**10,389.3**	**739.9**	**-466.8**	**1,206.7**

*Table contains unaudited figures and rounding effects; restated to treat Hotelbeds Group and Travelopia as discontinued operations, plus the reclassification of a Destination Services company from Central Region to Other Tourism, and Thomson Cruises from Northern Region to Cruise segment

2016/17 Quarterly Turnover by Segment (excludes Intra-Group Turnover)*

In €m	Q1 16/17	Q2 16/17	Q3 16/17	9M 16/17
Northern Region	1,108.0	1,096.3	1,727.8	3,932.1
Central Region	1,140.9	887.1	1,557.5	3,585.5
Western Region	549.4	564.6	926.3	2,040.3
Source Markets	**2,798.3**	**2,548.0**	**4,211.6**	**9,557.9**
Riu	115.5	128.7	107.2	351.4
Robinson	16.4	16.0	19.5	51.9
Blue Diamond	-	-	-	-
Other	9.3	14.1	24.6	48.0
Hotels & Resorts	**141.2**	**158.8**	**151.3**	**451.3**
TUI Cruises	-	-	-	-
Thomson Cruises	89.7	105.8	135.6	331.1
Hapag-Lloyd Cruises	62.2	88.2	78.7	229.1
Cruises	**151.9**	**194.0**	**214.3**	**560.2**
Other Tourism	150.6	139.8	145.5	435.9
Tourism	**3,242.0**	**3,040.6**	**4,722.7**	**11,005.3**
All Other Segments	39.9	31.3	52.7	123.9
TUI Group continuing operations	**3,281.9**	**3,071.9**	**4,775.4**	**11,129.2**

*Table contains unaudited figures and rounding effects; restated to treat Hotelbeds Group and Travelopia as discontinued operations, plus the reclassification of a Destination Services company from Central Region to Other Tourism, and Thomson Cruises from Northern Region to Cruise segment

2016/17 Q3 Underlying EBITA by Segment*

In €m	Q3 16/17	Q3 15/16	Change	FX	Change ex FX
Northern Region	81.0	71.9	9.1	-9.5	18.6
Central Region	24.5	3.5	21.0	0.1	20.9
Western Region	-11.9	-6.4	-5.5	0.2	-5.7
Source Markets	**93.6**	**69.0**	**24.6**	**-9.2**	**33.8**
Riu	74.7	64.6	10.1	0.3	9.8
Robinson	10.6	6.0	4.6	0.5	4.1
Blue Diamond**	3.4	0.5	2.9	0.2	2.7
Other	-11.0	-13.9	2.9	1.5	1.4
Hotels & Resorts	**77.7**	**57.2**	**20.5**	**2.5**	**18.0**
TUI Cruises**	39.5	25.8	13.7	-	13.7
Thomson Cruises	22.0	15.7	6.3	-2.3	8.6
Hapag-Lloyd Cruises	5.6	3.5	2.1	-	2.1
Cruises	**67.1**	**45.0**	**22.1**	**-2.3**	**24.4**
Other Tourism	-6.3	-5.4	-0.9	0.3	-1.2
Tourism	**232.1**	**165.8**	**66.3**	**-8.7**	**75.0**
All Other Segments	-10.5	-4.9	-5.6	1.3	-6.9
TUI Group continuing operations	**221.6**	**160.9**	**60.7**	**-7.4**	**68.1**

*Table contains unaudited figures and rounding effects; restated to treat Hotelbeds Group and Travelopia as discontinued operations, plus the reclassification of a Destination Services company from Central Region to Other Tourism, Blue Diamond to Hotels& Resorts and Thomson Cruises to Cruise segment both from Northern Region
**Equity result

2016/17 9M Underlying EBITA by Segment*

In €m	9M 16/17	9M 15/16	Change	FX	Change ex FX
Northern Region	-57.0	-49.0	-8.0	14.6	-22.6
Central Region	-119.2	-107.1	-12.1	-	-12.1
Western Region	-114.2	-82.1	-32.1	-	-32.1
Source Markets	**-290.4**	**-238.2**	**-52.2**	**14.6**	**-66.8**
Riu	249.9	218.2	31.7	-4.6	36.3
Robinson	11.9	2.2	9.7	1.6	8.1
Blue Diamond**	18.5	12.8	5.7	0.7	5.0
Other	-79.8	-80.0	0.2	1.9	-1.7
Hotels & Resorts	**200.5**	**153.2**	**47.3**	**-0.4**	**47.7**
TUI Cruises**	77.8	55.6	22.2	-	22.2
Thomson Cruises	43.5	24.8	18.7	-5.4	24.1
Hapag-Lloyd Cruises	20.8	13.9	6.9	-	6.9
Cruises	**142.1**	**94.3**	**47.8**	**-5.4**	**53.2**
Other Tourism	-19.6	-22.1	2.5	-4.5	7.0
Tourism	**32.6**	**-12.8**	**45.4**	**4.3**	**41.1**
All Other Segments	-25.3	-32.7	7.4	5.4	2.0
TUI Group continuing operations	**7.3**	**-45.5**	**52.8**	**9.7**	**43.1**

*Table contains unaudited figures and rounding effects; restated to treat Hotelbeds Group and Travelopia as discontinued operations, plus the reclassification of a Destination Services company from Central Region to Other Tourism, Blue Diamond to Hotels& Resorts and Thomson Cruises to Cruise segment both from Northern Region

**Equity result

2016/17 Quarterly Underlying EBITA by Segment*

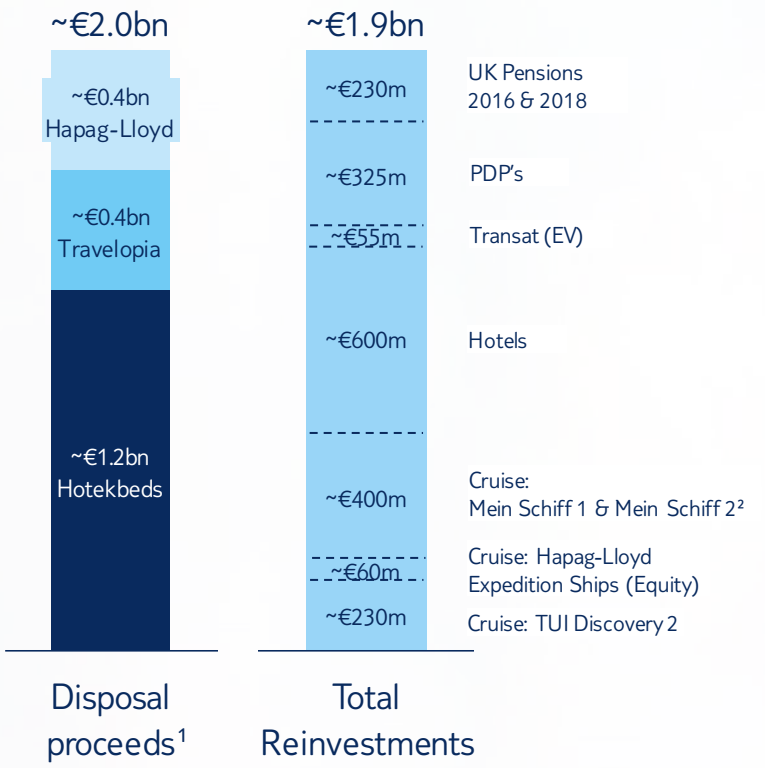
In €m	Q1 16/17	Q2 16/17	Q3 16/17	9M 16/17
Northern Region	-29.4	-108.6	81.0	-57.0
Central Region	-52.4	-91.3	24.5	-119.2
Western Region	-47.7	-54.6	-11.9	-114.2
Source Markets	**-129.5**	**-254.5**	**93.6**	**-290.4**
Riu	76.3	98.9	74.7	249.9
Robinson	1.7	-0.4	10.6	11.9
Blue Diamond**	0.2	14.9	3.4	18.5
Other	-29.0	-39.8	-11.0	-79.8
Hotels & Resorts	**49.2**	**73.6**	**77.7**	**200.5**
TUI Cruises**	16.9	21.4	39.5	77.8
Thomson Cruises	9.0	12.5	22.0	43.5
Hapag-Lloyd Cruises	2.2	13.0	5.6	20.8
Cruises	**28.1**	**46.9**	**67.1**	**142.1**
Other Tourism	-0.4	-12.9	-6.3	-19.6
Tourism	**-52.6**	**-146.9**	**232.1**	**32.6**
All Other Segments	-7.7	-7.1	-10.5	-25.3
TUI Group continuing operations	**-60.3**	**-154.0**	**221.6**	**7.3**

*Table contains unaudited figures and rounding effects; restated to treat Hotelbeds Group and Travelopia as discontinued operations, plus the reclassification of a Destination Services company from Central Region to Other Tourism, Blue Diamond to Hotels& Resorts and Thomson Cruises to Cruise segment both from Northern Region
**Equity result

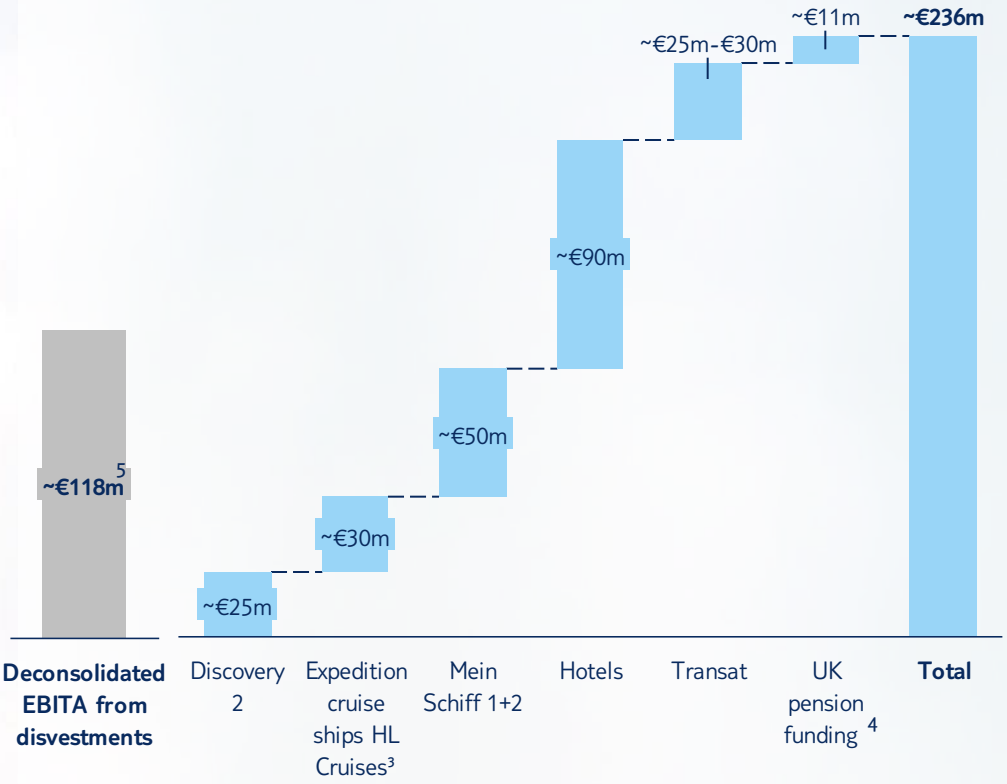
Appendix

Clear reinvestment strategy leading to strong profitability enhancement

DISPOSAL PROCEEDS COVER REINVESTMENTS

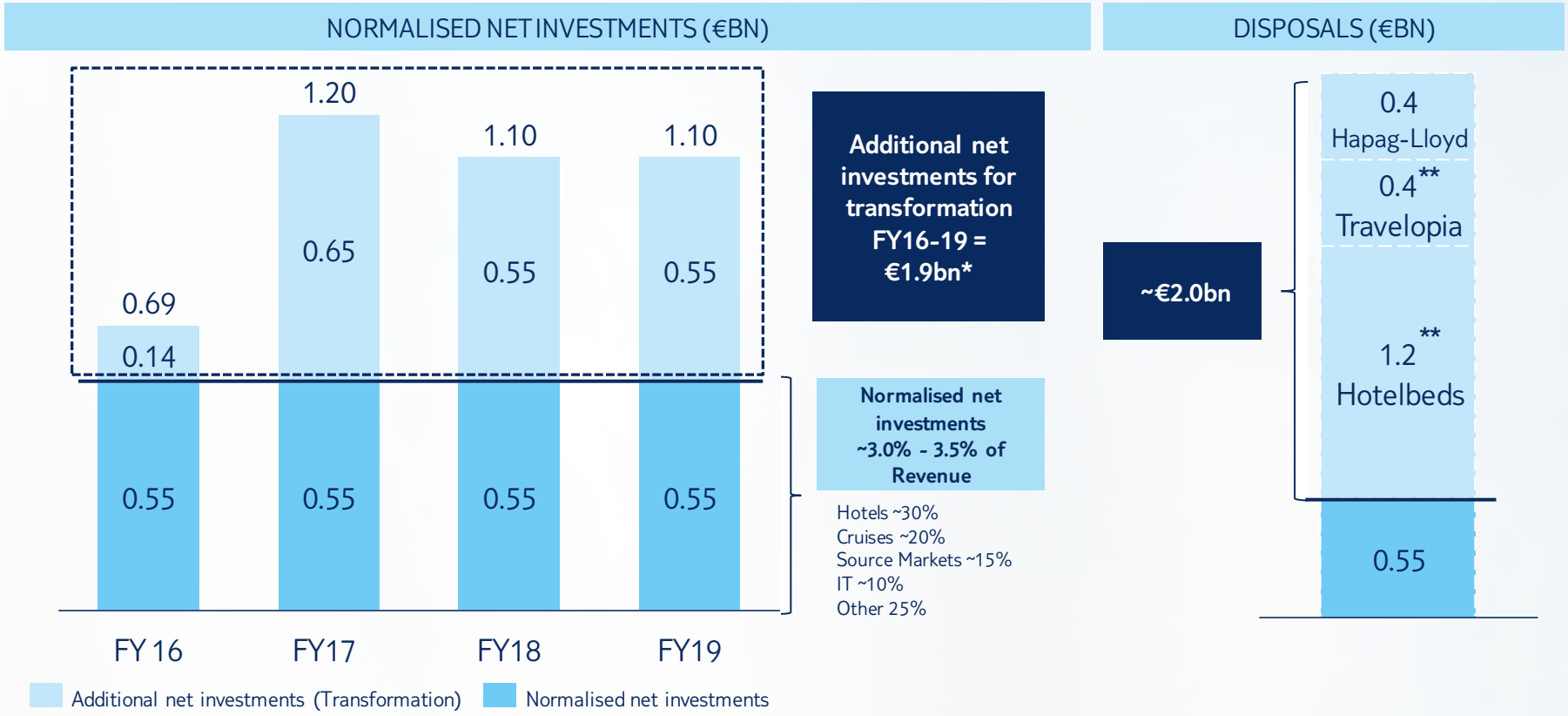


EBITA ENHANCEMENT & BETTER EARNINGS QUALITY



1 Net of costs & including WC/cash effect; 2 Assumes MS1+2 purchase as cash transaction/final decision on transaction structure/financing not yet taken; 3 Equity-contribution;
4 UK pensions based on notional interest impact; 5 Number includes €93m EBITA of HBG & Travelopia as well as EAT of MS 1 + 2 within TUI Cruises of €25m due transferring the ships to UK market

Transformational Growth Investments funded by Disposal Proceeds



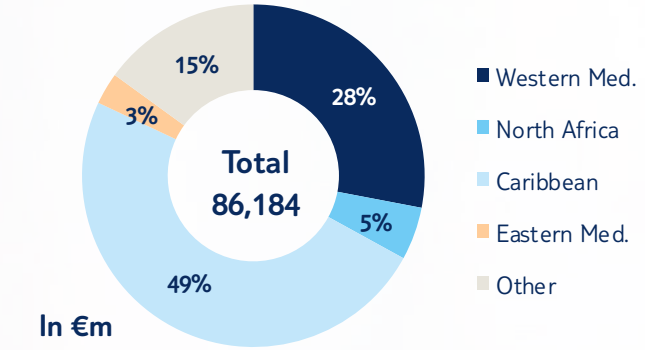
*Assumed MS1+2 purchase as cash transaction / final decision on transaction structure/financing not yet taken

** Net of costs & including WC/cash effect

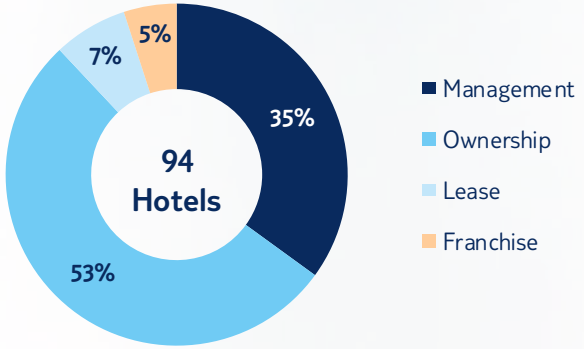
Hotels & Resorts
RIU – Key figures 2015/16

Riu 100%-view*	Total	o/w RIUSA II (fully consolidated)	o/w Riu Hotels (consolidated at equity)	Riu in TUI accounts
Turnover	1,112	796	316	796
Underlying EBITA	405	273.5	131	318.3
EBITA-Margin	36%			
EAT	314	221	93	
o/w EAT to TUI (50%)	156	111	44.8	156
ROIC (incl. Goodwill)	20%			
ROIC (excl. Goodwill)	26%			

HOTEL BEDS BY REGION (%)

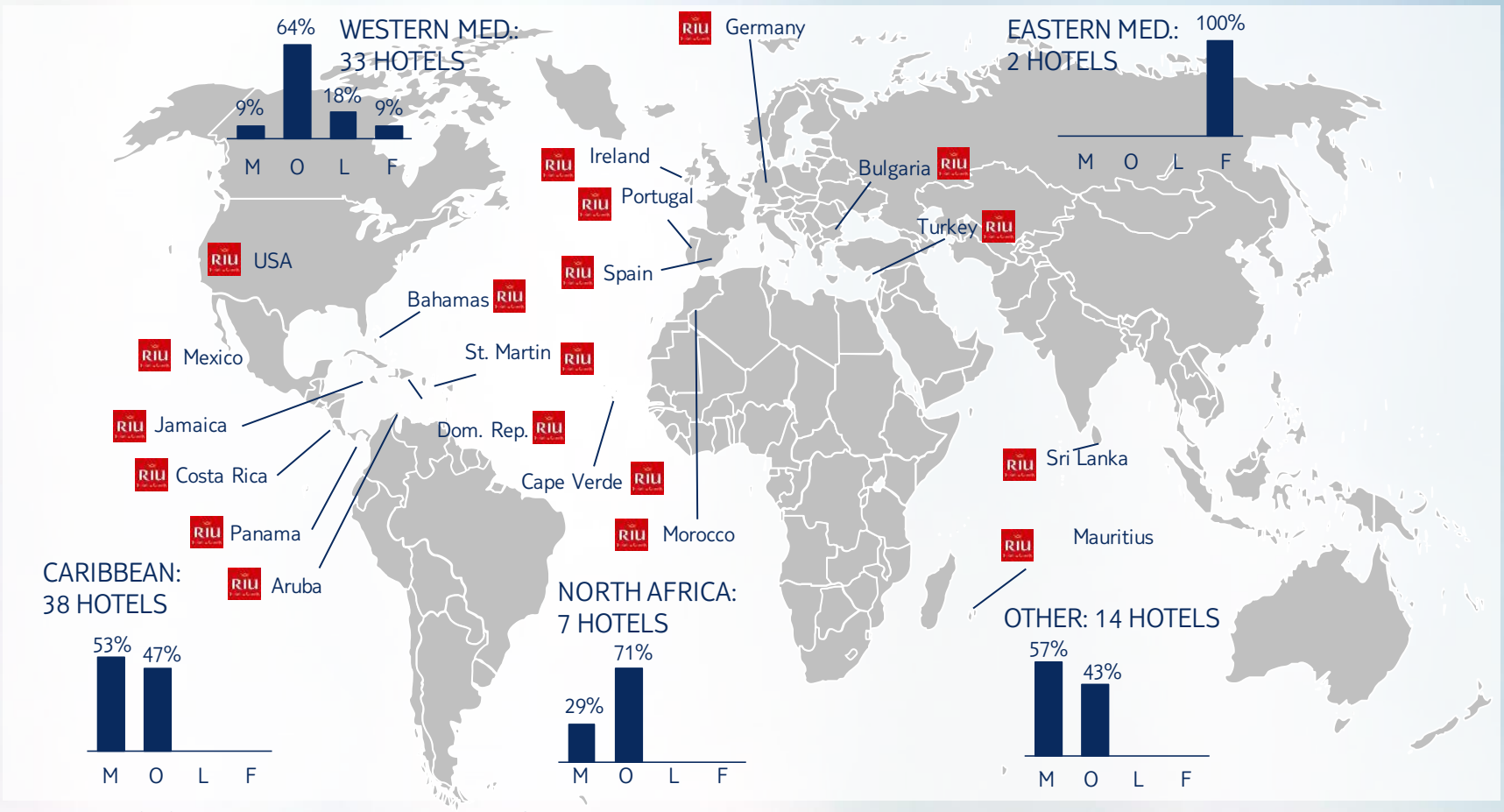


FINANCING STRUCTURE (%)



*unaudited figures

Hotels & Resorts
RIU Portfolio



M = Management; O = Ownership; L = Lease; F = Franchise; figures at 30 September 2016

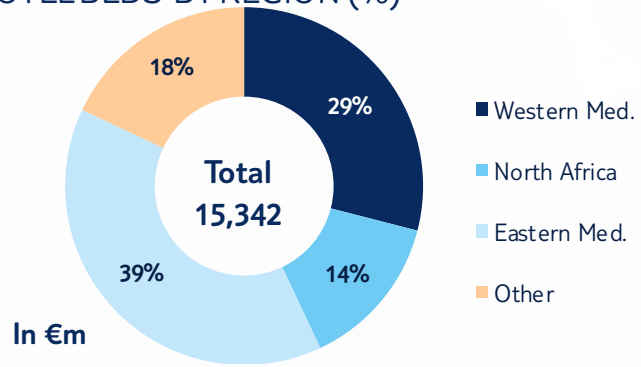
Hotels & Resorts
Robinson – Key figures 2015/16

ROBINSON IN TUI ACCOUNTS*

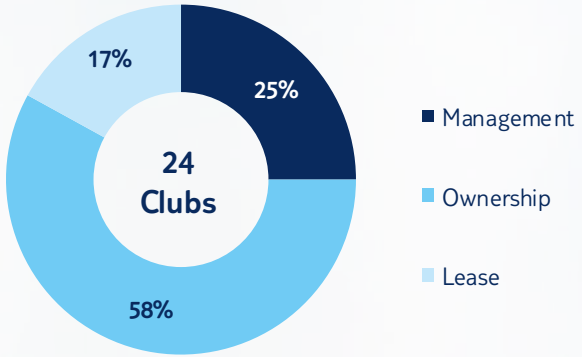
	15/16	14/15
Turnover	194	192
Underlying EBITA	39	42
EBITA-Margin	20%	22%
EAT (100% TUI)	15	12
ROIC	13%	14%


Robinson Club Maldives

HOTEL BEDS BY REGION (%)

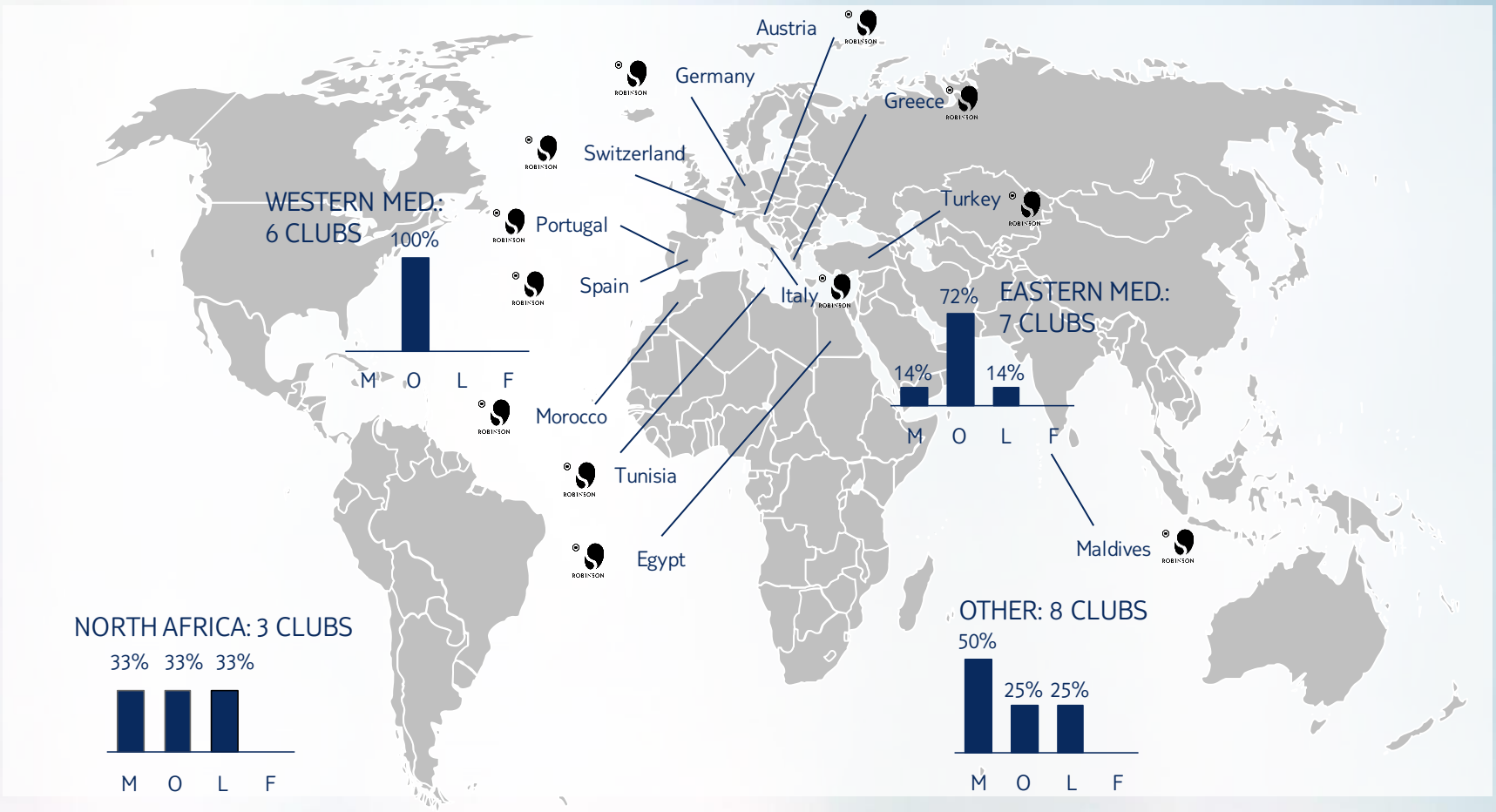


FINANCING STRUCTURE (%)



*unaudited figures

Hotels & Resorts
Robinson Portfolio



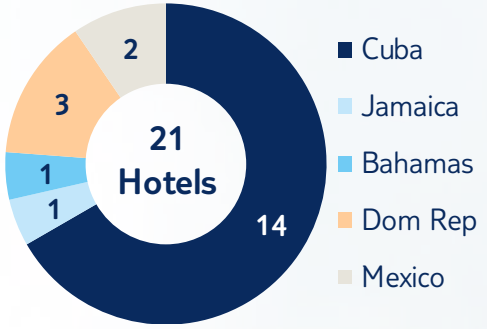
M = Management; O = Ownership; L = Lease; F = Franchise; figures at 30 September 2016

Hotels & Resorts
Blue Diamond – Key Figures 2015/16

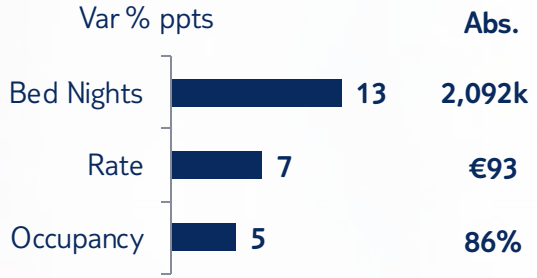
(€M)

Blue Diamond 100% view	Total
Turnover	312
EBITA	51
EBITA margin	16%
EAT	**34**
o/w EAT to TUI (49%)	17

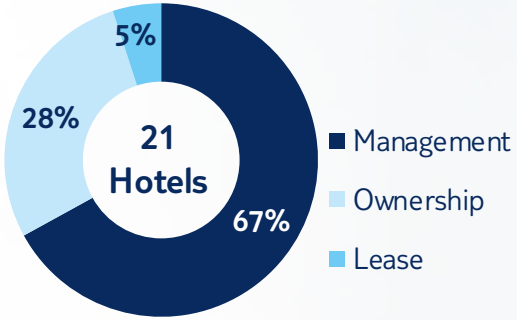
HOTEL LOCATIONS



CAPACITY & OCCUPANCY



FINANCING STRUCTURE (%)



Above analysis includes owned hotels only
If this included managed hotels, total bed nights would increase by 6,163k

Cruises
TUI Cruises - Key Figures 2015/16 – 100% View

TUI Cruises 100%*	15/16	14/15	%
Turnover	807	614	31 %
Underlying EBITA	227	156	4 %
EBITA-Margin	28%	25%	
EAT (100% TUI)	200	136	47 %
o/w TUI EAT (50%)	100	68	47 %
ROIC	9%	10%	
ROE	36%	26%	

*unaudited figures



Cruises
Thomson Cruises - Key Figures 2015/16

Turnover and Earnings (€m)	FY16
Turnover	406
Underlying EBITA	61

Passenger cruise days ('000)	2,081
Occupancy (%)	100.6
Average rate (€)	161
Passengers (k)	245
Fleet Size	5
Total Berths*	7,341

*Static count as at year-end

Thomson Cruises

OWNERSHIP	100%
INTEGRATION	• Within Thomson (UK Source Market) • ~100% Thomson Airways
PRODUCT	• UK leader in fly-cruising • Cruise & Stay
LANGUAGE FOCUS	English speaking

Cruises
TUI Cruises Fleet

Mein Schiff 1*	Mein Schiff 2*	Mein Schiff 3	Mein Schiff 4	Mein Schiff 5	Mein Schiff 6	New Mein Schiff 1	New Mein Schiff 2
							
1,924 BERTHS	1,912 BERTHS	2,506 BERTHS	2,506 BERTHS	2,534 BERTHS	2,534 BERTHS	2,894 BERTHS	2,894 BERTHS
Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL
1996 CONSTRUCTION	1997 CONSTRUCTION	2014 CONSTRUCTION	June 2015 CONSTRUCTION	July 2016 CONSTRUCTION	June 2017 CONSTRUCTION	New build 2018 CONSTRUCTION	New build 2019 CONSTRUCTION

*** MS1 and MS2 to replace 2 ships in UK fleet** following delivery of new MS1 and new MS2

Cruises
Hapag-Lloyd Cruises Fleet

Europa	Europa 2	Bremen	Hanseatic	Hanseatic Nature	Hanseatic Inspiration
					
408[1] BERTHS	516[1] BERTHS	155 BERTHS	175 BERTHS	230 BERTHS	230 BERTHS
Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL	Bare-boatcharter exp. 2018 OPERATING MODEL	Wholly owned OPERATING MODEL	Wholly owned OPERATING MODEL
1999 CONSTRUCTION	2013 CONSTRUCTION	1990 CONSTRUCTION	1993 CONSTRUCTION	New build 2019 CONSTRUCTION	New build 2019 CONSTRUCTION

[1] Additional sofa-bed in most of the suites (usable for persons up to the age of 6, 10, 12 or 15 years)

Cruises
Thomson Cruises fleet

Thomson Celebration	Thomson Dream	Thomson Majesty	Thomson Spirit	TUI Discovery	TUI Discovery 2	Currently Mein Schiff 1 (TUI Explorer- 2018)	Currently Mein Schiff 2 (TBC- 2019)
							
1,262 BERTHS	1,533 BERTHS	1,462 BERTHS	1,254 BERTHS	1,830 BERTHS	1,832 BERTHS	1,924 BERTHS	1,912 BERTHS
Finance Lease exp. 2021 OPERATING MODEL	Finance Lease exp. 2021 OPERATING MODEL	Operating Lease exp. Nov 2017 OPERATING MODEL	Operating Lease exp. Nov 2017 OPERATING MODEL	Finance Lease exp. 2026 OPERATING MODEL	Wholly owned OPERATING MODEL	TBC OPERATING MODEL	TBC OPERATING MODEL
1984 CONSTRUCTION	1986 CONSTRUCTION	1992 CONSTRUCTION	1983 CONSTRUCTION	1995 CONSTRUCTION	1994 CONSTRUCTION	1996 CONSTRUCTION	1997 CONSTRUCTION

*** MS1 and MS2 from TUI Cruises to replace 2 ships in UK fleet** following delivery of new MS1 and new MS2

Aircraft Commitments by Financing Type

	Operating Lease*	Finance Lease	Owned	Total
As at 30 September 2016	125	16	8	149
Order book financing	-	1	-	1
External Lessor deliveries	2	-	-	2
External Lessor Returns	(1)	-	-	(1)
As at 30 June 2017	**126**	**17**	**8**	**151**

* Includes aircraft leased from and operated on behalf of 3rd party airlines



Aircraft order book deliveries – FY 2017 to FY 2021

	16/17	17/18	18/19	19/20	20/21
B737-MAX	-	5	18	15	13
B787-9	1	2	-	2	-
Firm order book deliveries 2017-2021	**1**	**7**	**18**	**17**	**13**

Financial Years (FY) ending 30 September; figures correct as at 30 June 2017

In addition to the above firm orders, TUI Group has further aircraft options :

	16/17	17/18	18/19	19/20	20/21
B737-MAX	-	-	-	-	7
B787-9	-	-	-	-	1
Option order book deliveries 2017-2021	**-**	**-**	**-**	**-**	**8**

Financial Years (FY) ending 30 September; figures correct as at 30 June 2017

Pioneering Sustainability

2020 SUSTAINABILITY STRATEGY

TUI will influence, innovate and invest in more sustainable tourism:

- **Step lightly**: Cut carbon intensity of global operations by 10% by 2020 and operate most carbon-efficient airlines in Europe
- **Make a difference**: Deliver 10 million „greener and fairer" holidays by 2020 per year, enable more local people to share in the benefits of tourism
- **Lead the way**: Invest 10 million Euro per year by 2020 to support good causes and innovative projects in destinations with the help of the TUI Care Foundation
- **Care More:** Achieve a colleague engagement score of over 80 aligning us with the top 25 global companies by 2020

TUI CREDENTIALS

ESG Indices: TUI Group was named **industry leader** in the **Dow Jones Sustainability Index World & Europe** in 2016. listed on **FTSE4Good** and **STOXX Global ESG Leaders Index**

- Leading the way with **carbon-efficiency** - 66.8g of CO_2 per revenue passenger kilometre across TUI airlines in FY 2015/16 : TUI fly Germany and Thomson Airways ranked **'most efficient charter airlines'** in the 2016 global atmosfair index
- TUI Group achieved a **perfect score of 100 from CDP for carbon reporting** in 2016
- **6.3 million "greener & fairer" holidays** in FY 2015/16 (in hotels with sustainability certifications)
- **Supporting 41 projects in 20 locations** to date through the TUI Care Foundation, **€6.6 million raised** for research and good causes
- **Women in 29.4% of managerial positions** in FY 2015/16

Key Sources of Funding 30 June 2017

Instrument	Issue	Maturity	Amount €m	Interest % p.a.
Revolving Credit Facility	Sep 14	Jul 22	1,750**	E/L +1.40*
Senior Notes	Oct 16	Oct 21	300	2.125
Finance leases	Various	Various	1,277	Various

*Upgrade of our rating by S&P has reduced our RCF interest margin from 1.55% to 1.40% p.a. as of 14/02/2017
**Including a tranche of €215.0m for the issue of bank guarantees



2015/16 Restated Turnover by Quarter (excludes Intra-Group Turnover)*

In €m	Q1 2015/16	Q2 2015/16	Q3 2015/16	Q4 2015/16	FY 2015/16
Northern Region	1,184.6	1,144.6	1,660.7	2,574.5	6,564.4
Central Region	1,089.4	897.7	1,346.3	2,229.5	5,562.9
Western Region	486.9	428.7	734.6	1,219.7	2,869.9
Source Markets	**2,760.9**	**2,471.0**	**3,741.6**	**6,023.7**	**14,997.2**
Riu	106.9	113.1	106.5	135.1	461.6
Robinson	14.7	10.0	18.5	29.0	72.3
Blue Diamond	-	-	-	-	-
Other	10.8	10.5	18.2	45.3	84.7
Hotels & Resorts	**132.4**	**133.6**	**143.2**	**209.4**	**618.6**
TUI Cruises	-	-	-	-	-
Thomson Cruises	81.1	84.7	99.7	140.8	406.3
Hapag-Lloyd Cruises	53.9	89.1	71.3	82.3	296.6
Cruises	**135.0**	**173.8**	**171.0**	**223.1**	**702.9**
Other Tourism	147.9	142.2	143.8	235.6	669.5
Tourism	**3,176.2**	**2,920.6**	**4,199.6**	**6,691.8**	**16,988.2**
All Other Segments	32.4	20.4	40.1	72.9	165.8
TUI Group continuing operations	**3,208.6**	**2,941.0**	**4,239.7**	**6,764.7**	**17,154.0**

*Table contains unaudited figures and rounding effects; restated to treat Hotelbeds Group and Travelopia as discontinued operations, plus the reclassification of a Destination Services company from Central Region to Other Tourism and Thomson Cruises from Northern Region to Cruise segment

2015/16 Restated Underlying EBITA by Quarter*

In €m	Q1 2015/16	Q2 2015/16	Q3 2015/16	Q4 2015/16	FY 2015/16
Northern Region	-42.9	-78.0	71.9	432.1	383.1
Central Region	-27.0	-83.6	3.5	192.2	85.1
Western Region	-27.7	-48.0	-6.4	168.2	86.1
Source Markets	**-97.6**	**-209.6**	**69.0**	**792.5**	**554.3**
Riu	59.2	94.4	64.6	100.1	318.3
Robinson	0.9	-4.7	6.0	36.5	38.7
Blue Diamond**	3.2	9.1	0.5	3.7	16.5
Other	-34.9	-31.2	-13.9	10.3	-69.7
Hotels & Resorts	**28.4**	**67.6**	**57.2**	**150.6**	**303.8**
TUI Cruises**	13.2	16.6	25.8	44.6	100.2
Thomson Cruises	4.1	5.1	15.7	36.4	61.3
Hapag-Lloyd Cruises	-5.0	15.3	3.5	15.6	29.4
Cruises	**12.3**	**37.0**	**45.0**	**96.6**	**190.9**
Other Tourism	-10.1	-6.6	-5.4	30.0	7.9
Tourism	**-67.0**	**-111.6**	**165.8**	**1,069.7**	**1,056.9**
All Other Segments	-13.3	-14.5	-4.9	-23.7	-56.4
TUI Group continuing operations	**-80.3**	**-126.1**	**160.9**	**1,046.0**	**1,000.5**

*Table contains unaudited figures and rounding effects; restated to treat Hotelbeds Group and Travelopia as discontinued operations, plus the reclassification of a Destination Services company from Central Region to Other Tourism, Blue Diamond to Hotels& Resorts and Thomson Cruises to Cruise segment both from Northern Region
**Equity result

Financial Calendar 2017 & 2018

28 SEPTEMBER 2017

PRE-CLOSE TRADING UPDATE

13 DECEMBER 2017

ANNUAL REPORT FOR FINANCIAL YEAR 2016/17

13 FEBRUARY 2018

Q1 2017/18 REPORT & ANNUAL GENERAL MEETING





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