

Commerzbank
German Investment Seminar 2017

9 – 10 January 2017

TUI

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.

Agenda

1 Overview & Business Model

2 Investing in Transformational Growth

3 Financing Growth & Outlook

Strong performance in 2015/16

Turnover: €17.2bn
-1.9% / +1.4%[1]

Including Travelopia
Underlying EBITA: €1,030m
+2.9% / +12.5%[1]

Excluding Travelopia, now reported as Discontinued
Underlying EBITA: €1,001m
+5.0% / +14.5%[1]

Normalised Operating Cash flow[2]:
€0.9bn

ROIC[3]:
21.9%

Dividend per Share:
63 cents

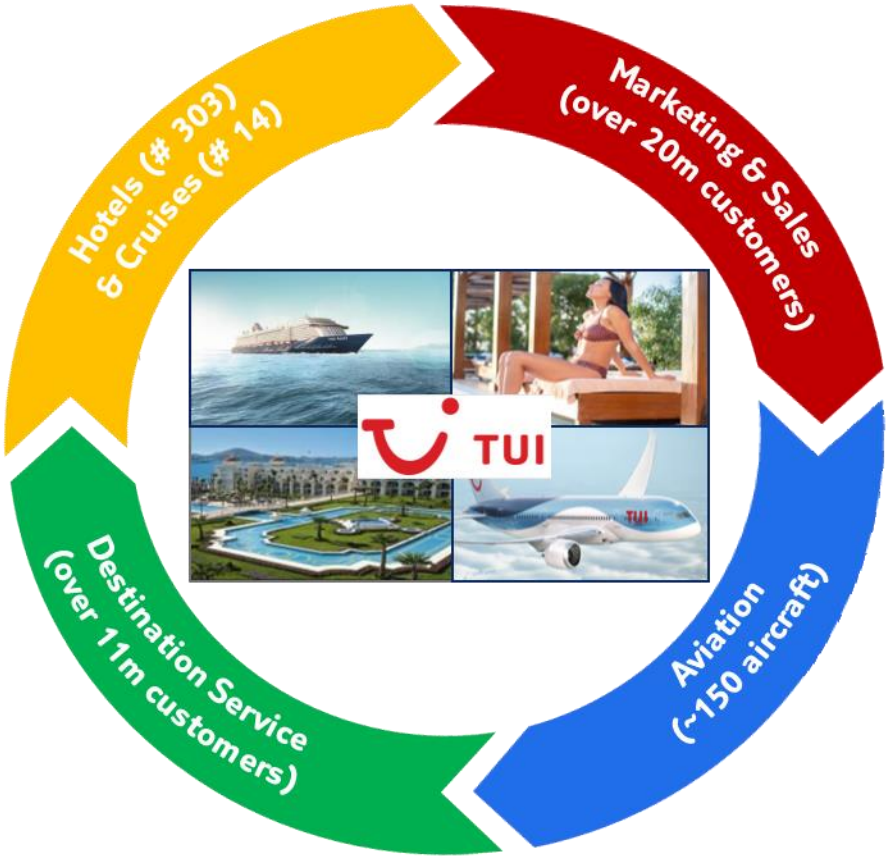
- **Second year of strong performance post-merger with 12.5%** increase in underlying EBITA including Travelopia, or **14.5%** for continuing operations[1]
- Strong performance driven by our strategy as the **world's leading integrated tourism business**
- Normalised operating cash flow of **€0.9bn**
- Continuing to deliver **ROIC significantly in excess of our cost of capital**
- **Dividend per share** of 63 cents reflects underlying growth in earnings
- At least **10% underlying EBITA CAGR** guidance **extended to 2018/19**[1]

We believe our growth strategy creates value for our customers, our people and our shareholders alike

[1] *At constant currency rates*
[2] *Operating cash flow pre net capex and investments and dividend payments, assuming normalised working capital inflow and excluding additional UK pension top-up of €174m in 2015/16.*
[3] *ROIC (return on invested capital) is calculated as the ratio of underlying EBITA to the average for invested interest bearing capital for the Group or relevant segment.*

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

Control over content - hotels and cruises - is key to achieving **differentiation** from the competition and to delivering **growth**



Growth is **de-risked** through our strong **distribution** capability and our **direct customer relationships**

Focussed on delivering transformational growth with ROIC significantly in excess of our cost of capital

TUI Group – A clear structure to deliver growth and value

Tourism

Marketing & Sales in Source Markets	Hotels & Resorts	Cruises
Tour operator • *Travel Agencies* • *Internet Portals* • *Mobile Services* • *Destination Services* • *Airlines*	***Hotelportfolio*** • *303 hotels* • *213,500 beds* • *Well known brands*	***Cruise ship fleet*** • *14 cruise ships across 3 brands* • *TUI Cruises, Hapag-Lloyd Cruises & Thomson Cruises*[1]
Revenue €15.4bn	**Revenue €619m**	**Revenue €297m**
EBITA €635m	**EBITA €287m**	**EBITA €130m**
19.2 million customers[2]	**78% occupancy**	**103% occupancy**[3]

TUI Group – Revenue: €17.2bn, Underlying EBITA: €1,001m

1 Thomson Cruise result included within Source Market (UK) *2 Excludes strategic ventures in Canada and Russia/CIS* *3 TUI Cruises*

TUI Group – Our Transformation

Where we have come from

- Strong heritage as **trading companies**
- Based on **loose federation** of tour operators
- High level of **seasonality**
- Significant airline and hotel capacity **commitment**
- **Varying levels of efficiency** across markets
- **Competition** from online travel agents and low cost carriers

What we are delivering

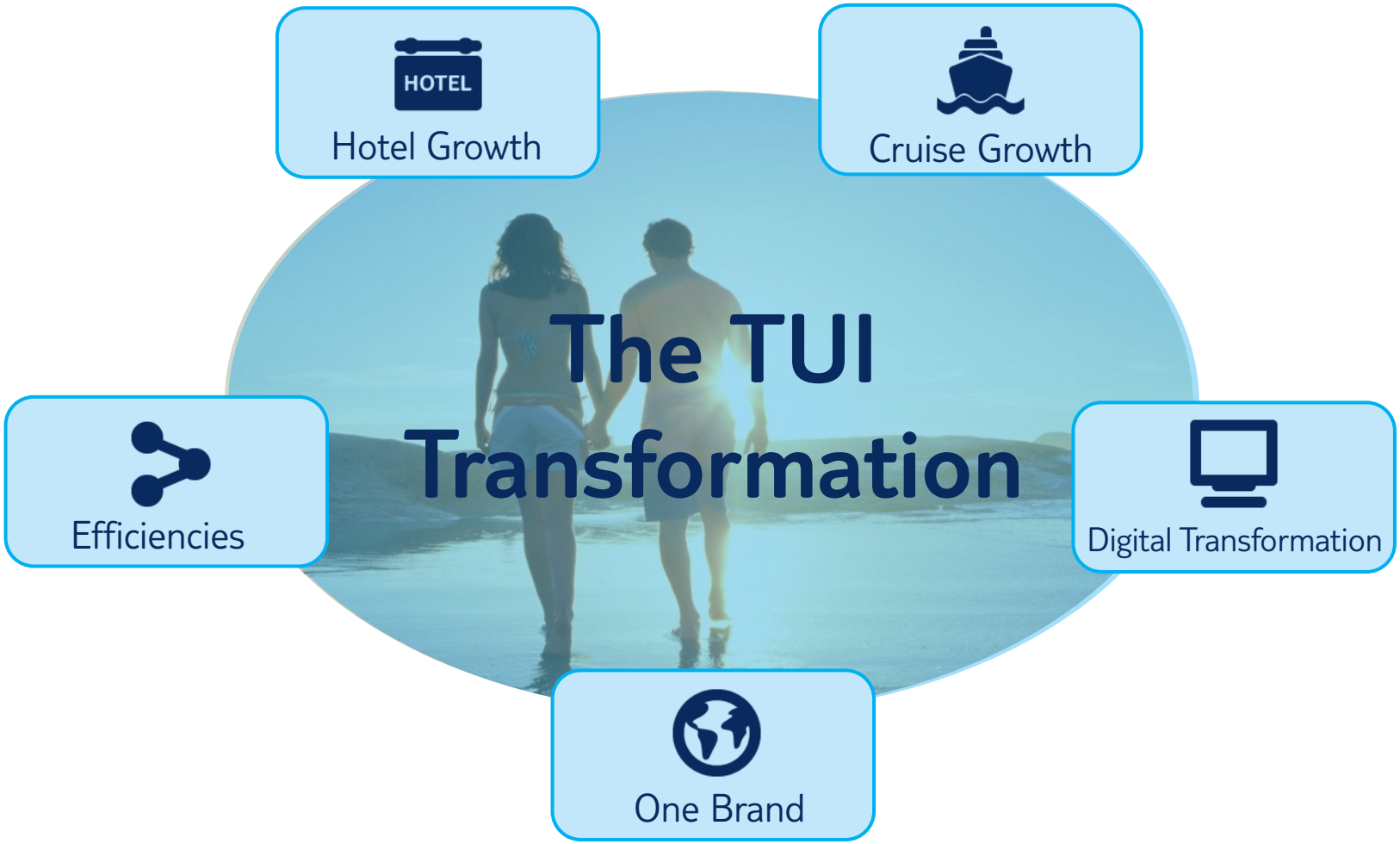
- End to end customer experience **across the value chain**
- **Integrated decision making and global scale** based on six common platforms – Brand, IT, Airline, Hotels, Cruises, Destination Services
- **Disciplined investments** in differentiation, in pockets of growth and where there is scarcity of supply
- **Integrated model** enables us to deliver **around 50%** of **earnings** from **content businesses***

**Hotels and Cruises (TUI Cruises, Thomson Cruises, and Hapag-Lloyd Cruises)*

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

Investing in Transformational Growth

What we are delivering



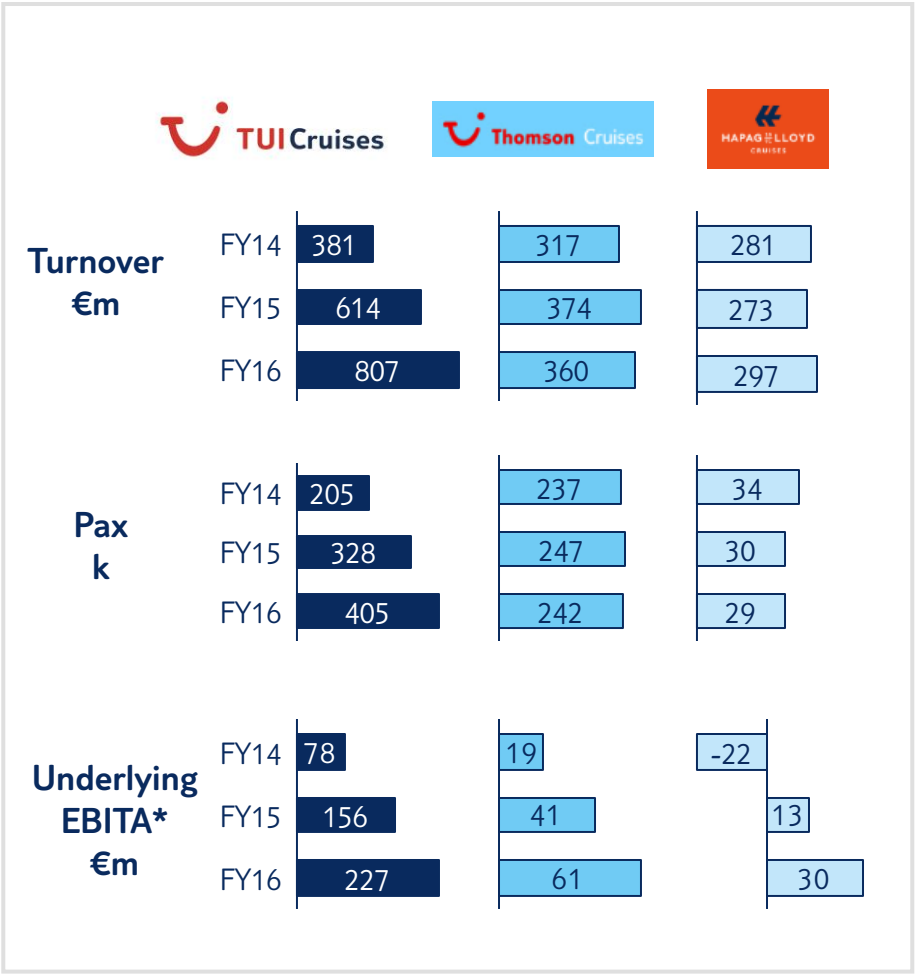
Cruise Growth

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







*Based on 100% for TUI Cruises and pro forma figures for Thomson Cruises

Cruise – Growth Roadmap

	TUI Cruises	Thomson Cruises	Hapag-Lloyd Cruises
Growth Roadmap 2017-2019	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





*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.

Strong ROIC of 21.3%[1], significantly ahead of segmental WACC of 7.5%

[1] Reflects TUI Cruises and Hapag-Lloyd ROIC

Hotel Growth since Merger

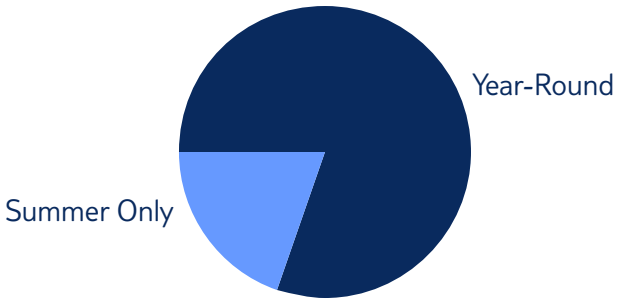


- **18 group hotels additions plus further third party concept openings** since merger
- Focussed on scaling up **proven destinations** and where there are **pockets of growth**
- Growth delivered through our **core hotel, club** and **concept brands**

Hotels – Growth Roadmap

Growth Roadmap 2017-2019

Indicative split of future growth capex by destination

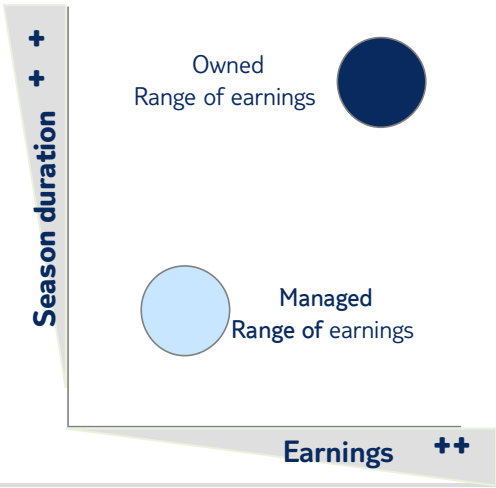


~40-45 additional hotel openings by end of **2018/19**

Structure

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

Contribution to Und. EBITA



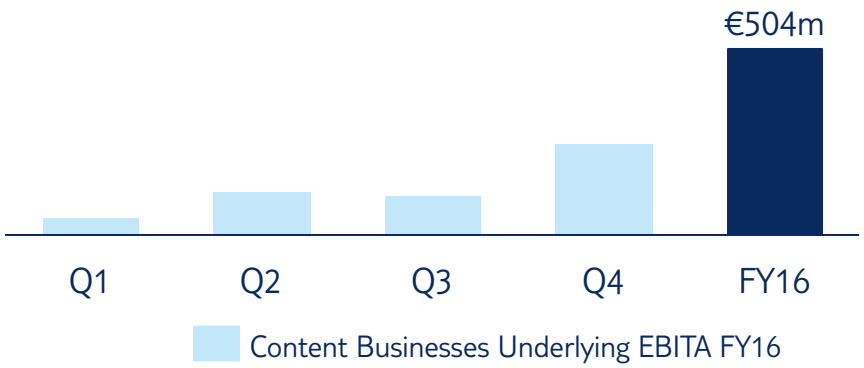
On average ~€2m per new hotel*

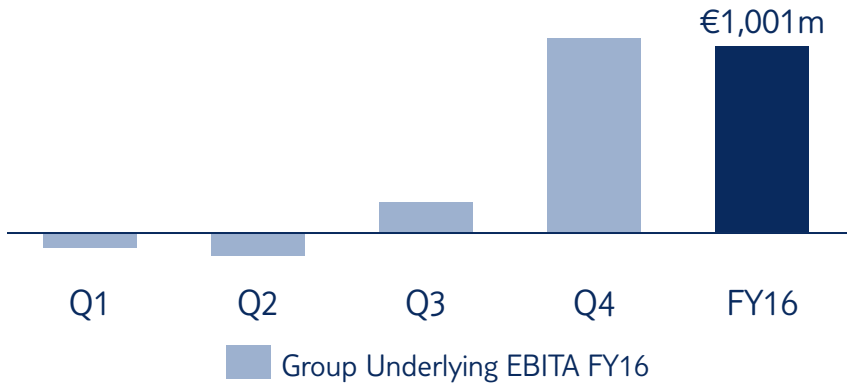
**Based on profitability of Riu and Robinson and current mix of ownership models.*

ROIC hurdle of 15% is significantly ahead of segmental WACC of 6.5%

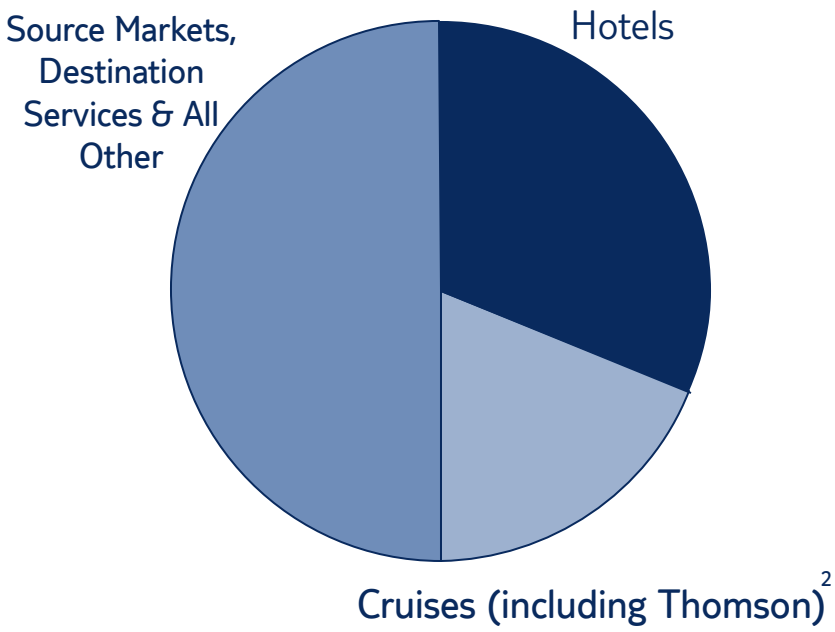
Integrated model enables us to deliver around 50% of earnings from content

Our content businesses are less seasonal





Content businesses[1] mix



[1] *Hotels and Cruises (TUI Cruises, Thomson Cruises, & Hapag-Lloyd Cruises)*
[2] *Pro forma numbers for Thomson Cruises*

Growth in content is de-risked through our direct customer relationships

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 Source Markets** except Germany, which will be rolled out in mid-December.
Customer Platform	 Using customer insight to provide **more personalised** customer service and marketing.	• **Single view** of the customer • **Customer service app** for Destination Services	• First Version **live in Germany** • **Roll out** to come **FY17/FY18** • (Destination services Q2, UK Q4, Belgium Q4, Nordics Q2 FY18)
Group Marketing Platform		• 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.**

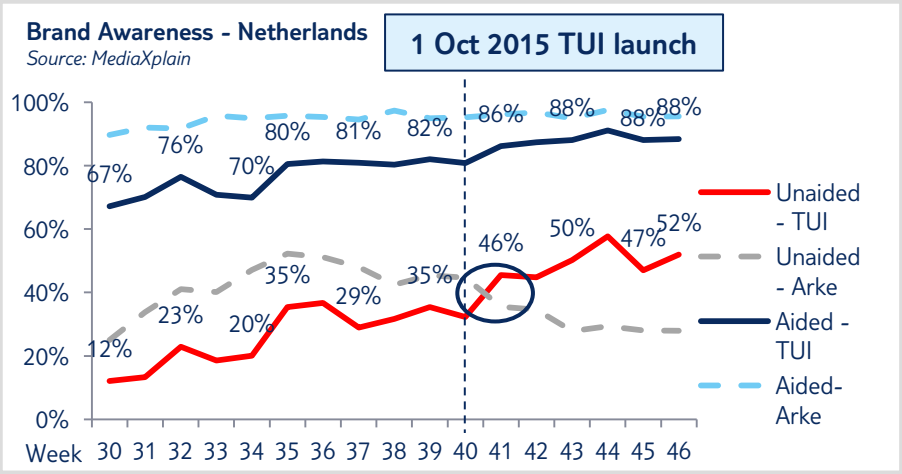
Digital transformation focused on customer experiences and business efficiency

One Brand

Growth Potential	Renaming offers opportunity to **reposition**
360° Experience	End to end **consistent** customer experience including media power
Digital Presence	Opportunity for more impact through **centralised** URL
Operational Efficiency	Operational **efficiency** by optimising content and marketing production
Competitiveness	Competitive **strength** against global platforms
Brand Equity	**One global brand, with local roots**

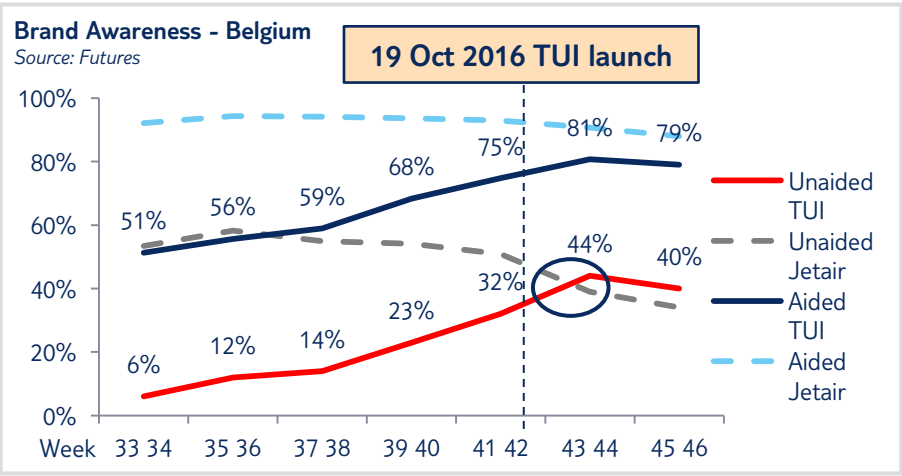
Brand migration will be funded from ongoing operational efficiency and increased revenues

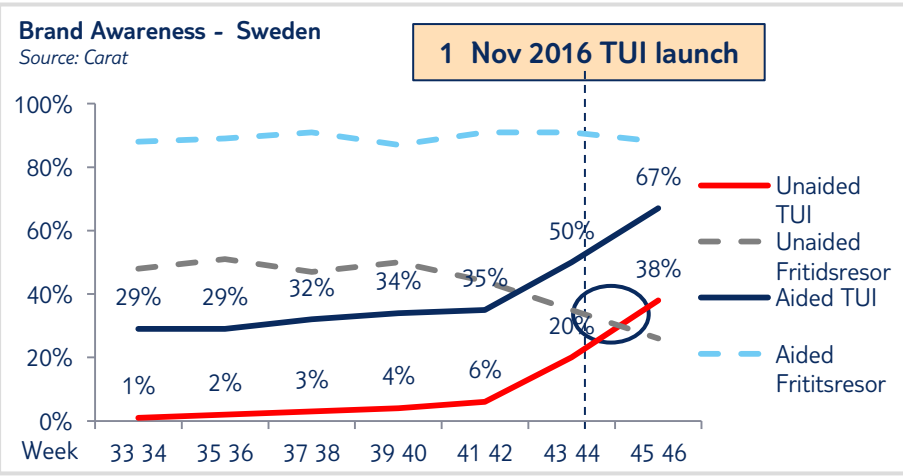
TUI Rebrand Belgium & Nordics Underway



Experience of Netherlands rebranding

- Rebrand in Netherlands **paid back** within **the year**
- **Market share gain** post rebrand
- FY16 saw **+3ppts increase** of online mix to **50%**
- We are seeing a similar pattern of **higher unaided TUI brand awareness** shortly after rebranding in both **Belgium** and the **Nordics**
- **Confident** in planned **UK migration**





Brand migration is progressing well in both Belgium and Nordics

Efficiencies

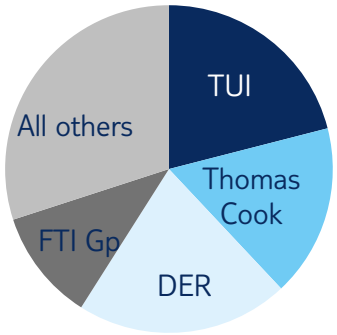
One Aviation	Central platform for local airlines	• One central organisation across five AOCs • Purchasing & Finance - one procurement organisation, leveraging scale on all contracts • Maintenance - One engineering & maintenance function • Interoperability among fleet and crew
Destination Services	Unique Destination Services brings the TUI brand alive	• > 100 destinations and > 11 million customers • Carve out complete – from Hotelbeds to Tourism • Seamless cloud based customer platform, the same as we will use in the Source Markets
Consolidation	Opportunities for consolidation to strengthen our market position	• Completion of Transat acquisition, will deliver ~€25-30m of efficiencies

Operational efficiencies delivered through central control

Delivering growth in Germany

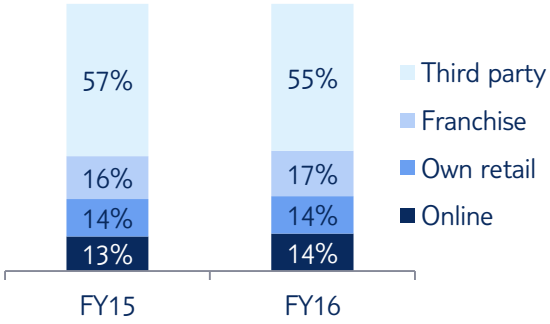
- Germany has the DNA to be a **successful market**; Large population with affluent demographics, TUI voted Germany's most trusted travel brand[1], with high average customer spend.
- Significant overcapacity in German aviation market – we intend to address this with our **Joint Venture discussion with Etihad Aviation Group**.
- With a new airline group established on a more beneficial commercial structure, we intend to gain from a **broader market access**, effecting change to our current level of **distribution.**
- Important step in our **3-5 year journey** of **improvement in Germany.**

Market Share*

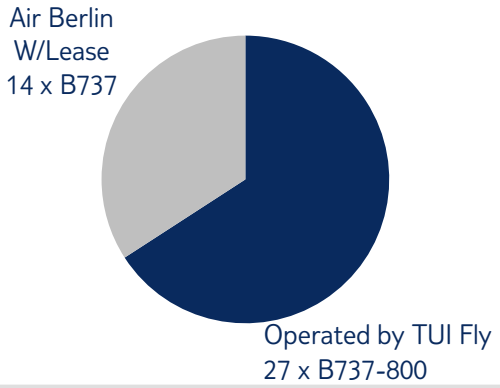


* Company estimates, 2015 data - rebased based on GfK Tour Operator Market Share data

Distribution



TUIfly Fleet

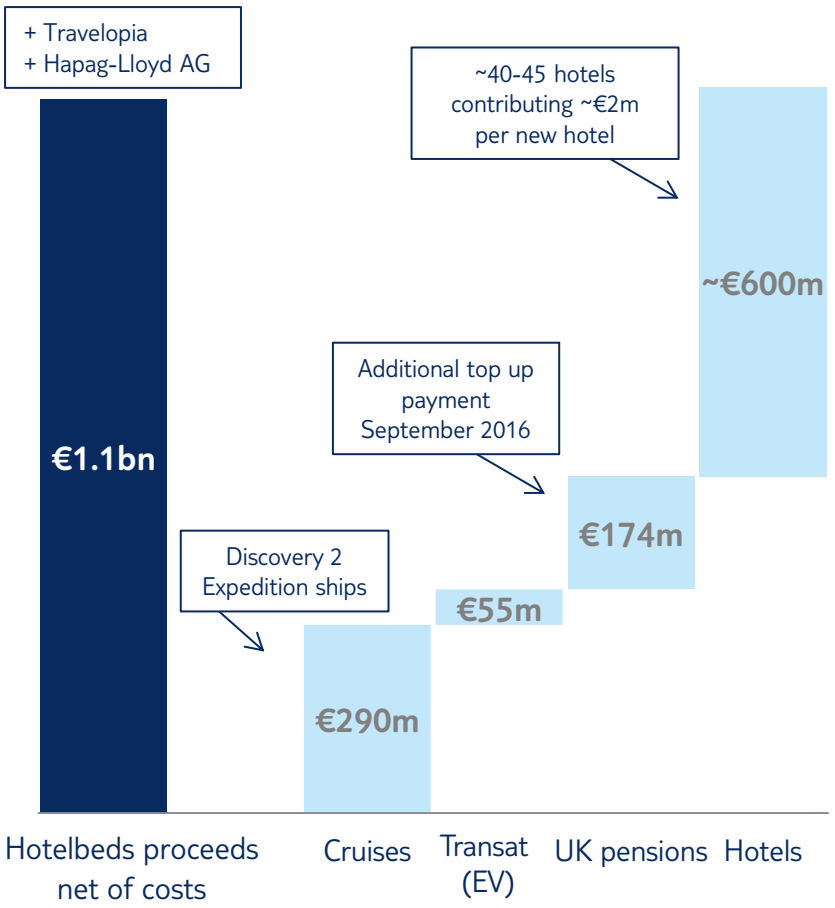


[1] *Source: Reader's Digest Trusted Brand 2016*

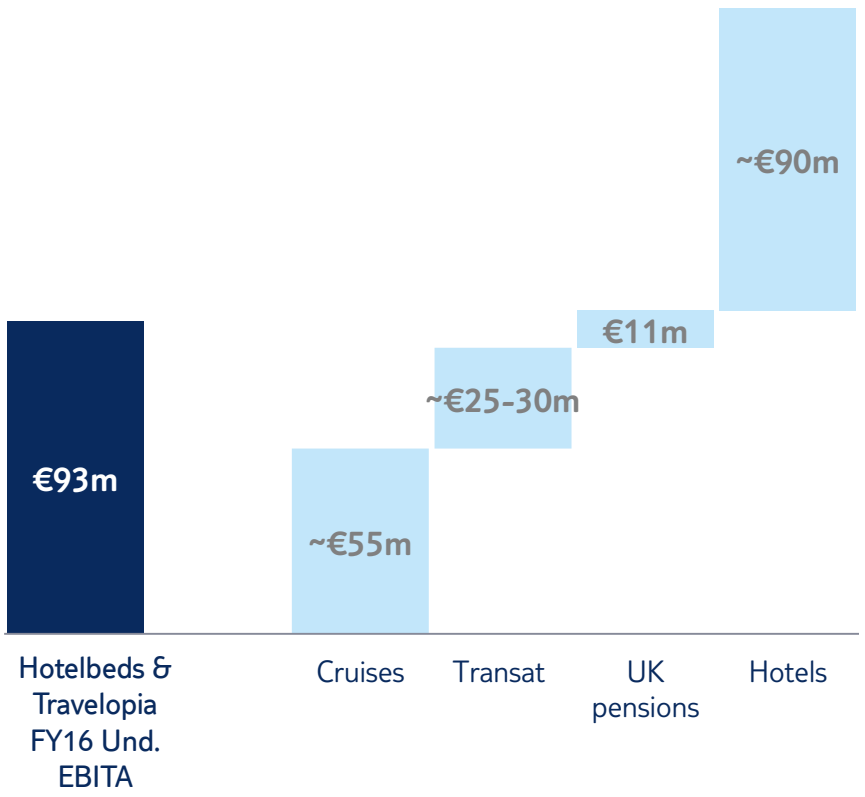
Financing Growth & Outlook

Financing Growth & Mechanics of Transformation

Disposal Proceeds & Reinvestment

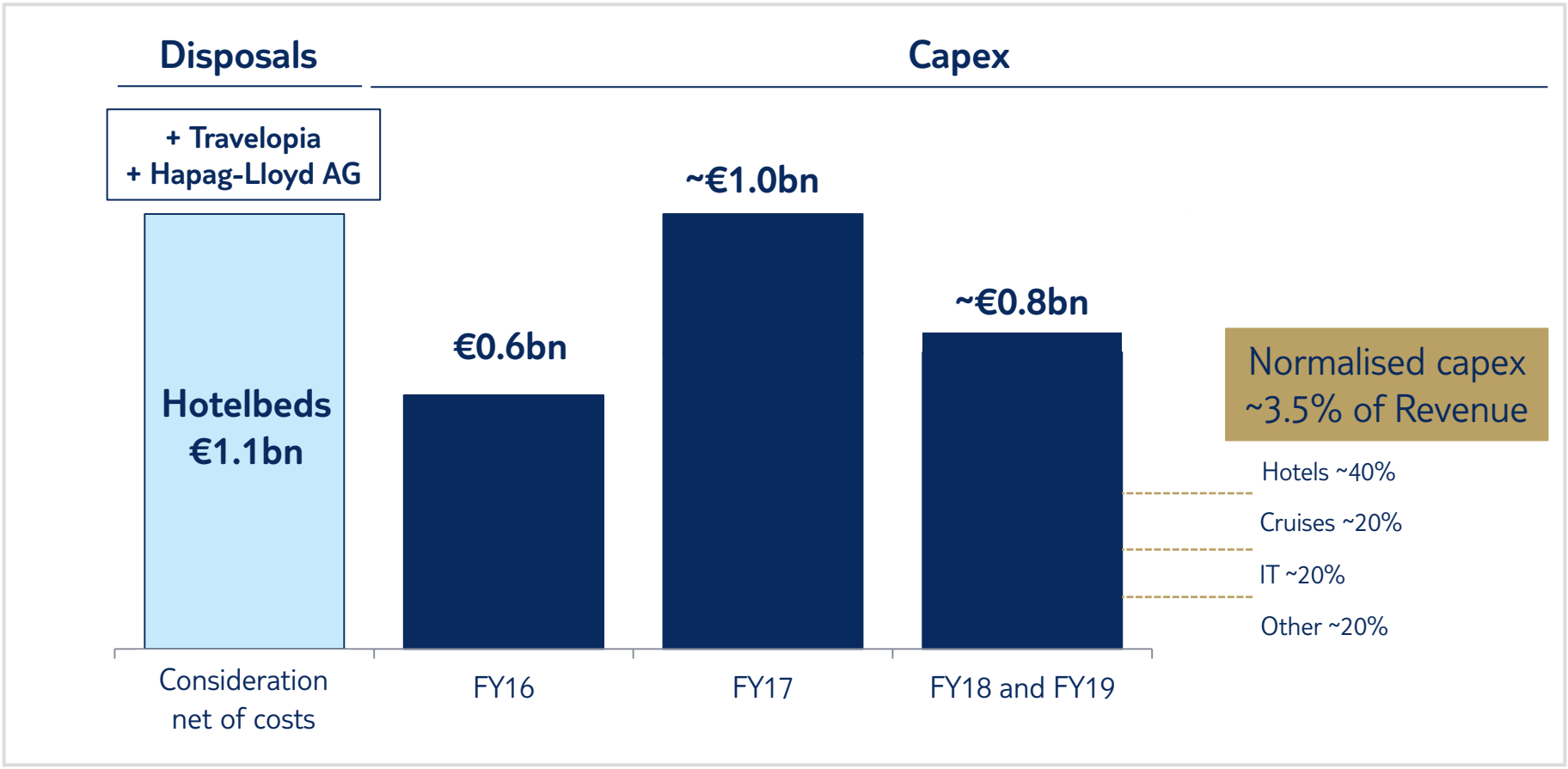


Earnings Transformation FY16 to FY20*



** Based on underlying EBITA run rate; UK pensions based on notional interest impact*

Investing in Transformational Growth



** Guidance **excludes** aircraft order book finance (pre delivery payments and liquidations, owned and finance leased aircraft); Net PDPs ~€200m/~€100m/~€100m in next three years.*

Financial Targets

- Current corporate credit ratings "BB-" (S&P) and "Ba2" (Moody's, upgraded 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:

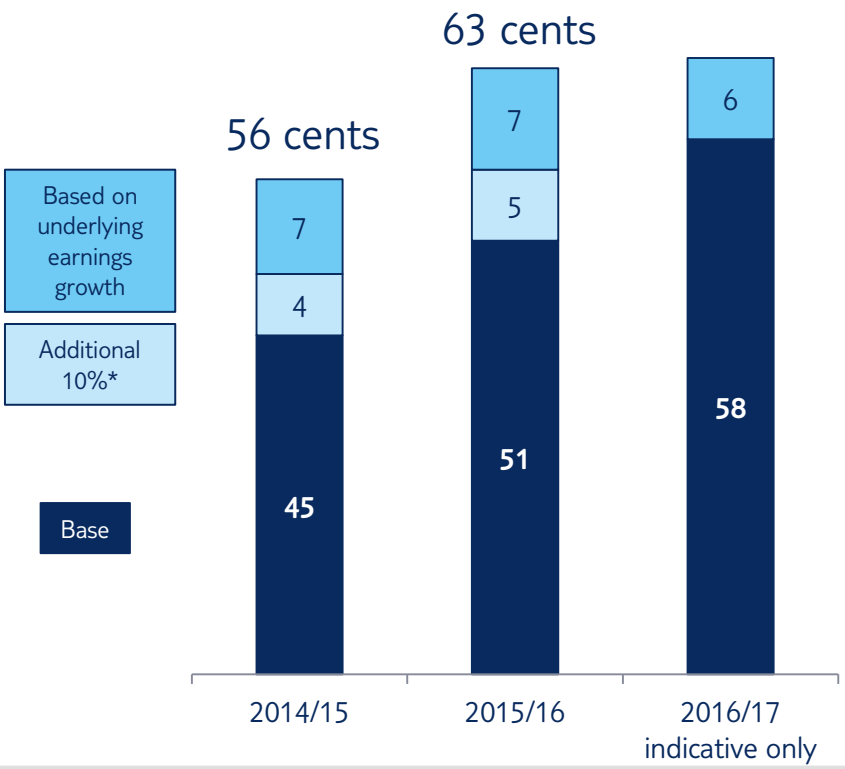
Ratio*	Target 2015/16	Actual 2015/16	Target 2016/17
Leverage ratio	**3.5 to 2.75 times**	3.3 times	**3.25 to 2.5 times**
Interest cover	**4.5 to 5.5 times**	4.8 times	**4.75 to 5.75 times**

- 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

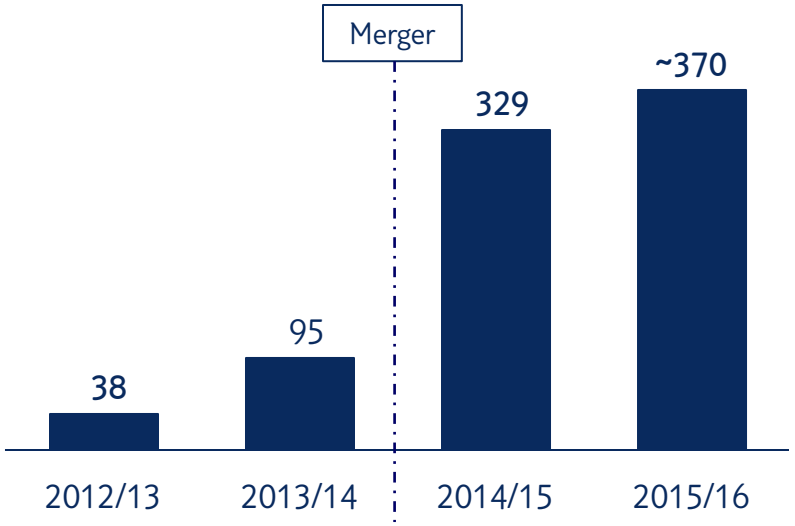
** See appendix for detailed calculation*

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

**TUI AG dividend relating to financial years, paid out in the following calendar year*

** for FY 2014/15 and 2015/16 as announced at the time of the merger*

Growth Roadmap - Summary

Drivers		What Impact?*	By When?	
Growth in Our Hotel & Cruise Brands	• ~40-45 further openings in Group hotels	• ~€2m und. EBITA per hotel**	• End of 2018/19	**At least 10%* underlying EBITA CAGR to 2018/19**
	• TUI Cruises - 3 new ships • *MS1 & MS2 move to UK Fleet*	• ~€25-30m share EAT per ship • *Currently generate ~€25m share of EAT in TUI Cruises*	• S17, S18, S19 • *S18, S19*	**Earnings dilution from disposals offset by investment in transformational growth**
	• Thomson Cruises – 3 new ships • HL Cruises – 2 new expedition ships	• ~€25m und. EBITA per ship • ~€15m und. EBITA per ship	• S17, S18, S19 • Spr & Aut 2019	
Brand, IT and efficiencies	• Profitable top line growth which outperforms the market	• ~3% per annum	• Ongoing	**Integrated model delivers sustainable growth**
	• France – break even & deliver benefits of Transat acquisition	• ~2.5% und. EBITA margin	• End of 2018/19	
	• Deliver remaining synergies	• ~€20m und. EBITA benefit	• End of 2017/18	
Balance Sheet Strength & Flexibility	• Investment in transformational growth in medium term, financed by strong operating cash flow and 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.*

Outlook 2016/17* – Continuing operations basis

Metric	2015/16	2016/17e
Turnover	€17,185m	**~3% growth**
Underlying EBITA	€1,001m	**At least 10% growth**
Adjustments	€102m	**~€80m**
Net Interest	€180m	**~€160m**
Net Capex & Investments**	€642m	**~€1.0bn**
Net Cash/Debt	€32m net cash	**~€0.8bn net debt**
Underlying Effective Tax Rate	25%	**25%**

**Assuming constant foreign exchange rates are applied to the result in the current and prior period and based on the current group structure; guidance relates to continuing operations and excludes any disposal proceeds for Travelopia and Hapag-Lloyd AG*

*** Excludes Hotelbeds Group proceeds and net of PDPs*

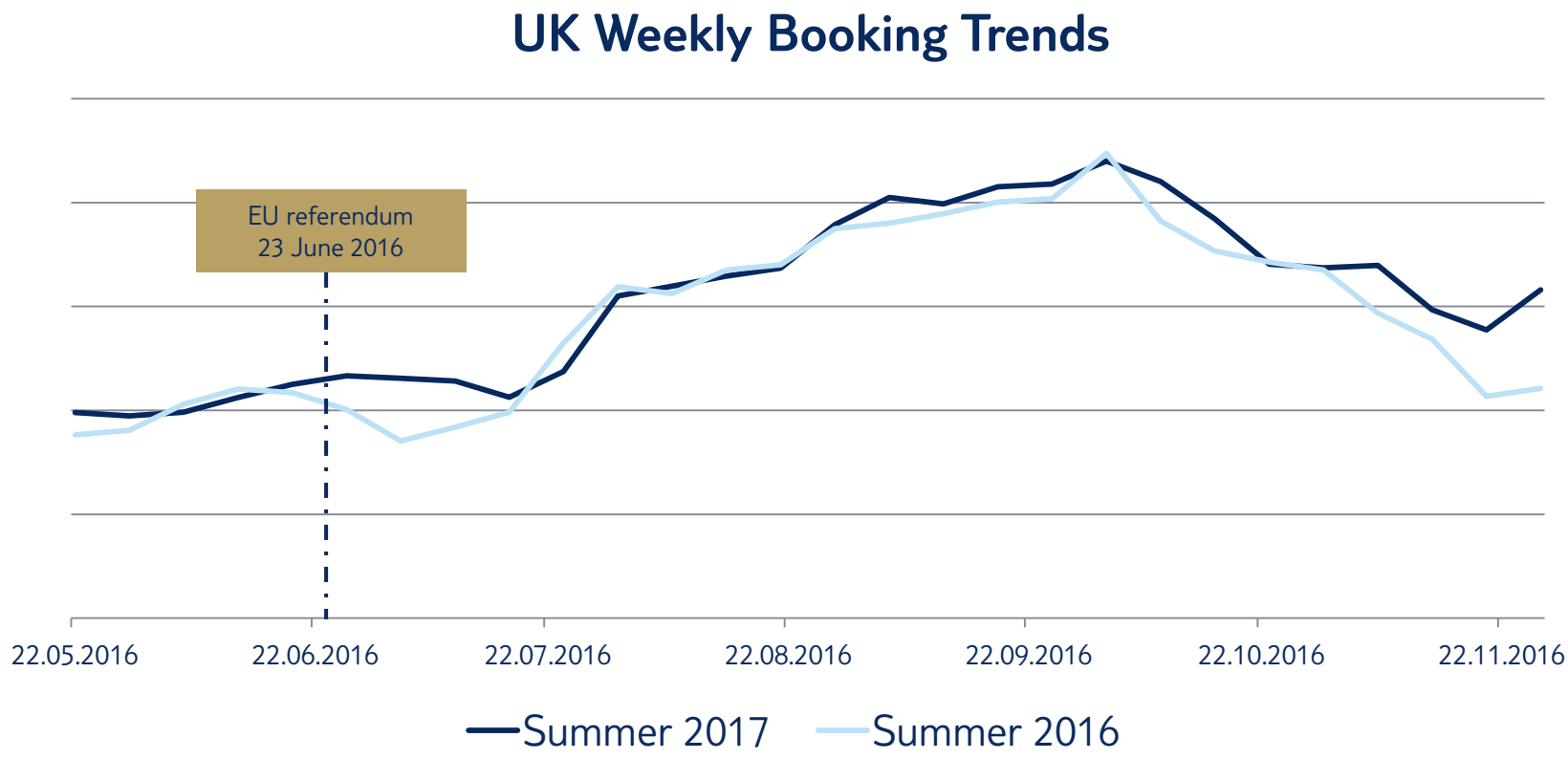
Winter 2016/17 and Summer 2017

- **Winter 2016/17**
  - Source Markets programme **60% sold to date** with revenues **up 9%**
  - Strong growth in **UK long haul and cruise**
  - Nordics and Belgium rebrand launched and progressing well
  - New hotel openings in **Jamaica, Tenerife** and further expansion of our tour operator concepts in third party hotels in **Lanzarote, Thailand, Mauritius and Cape Verde**
  - First winter of operations for **Mein Schiff 5** and **TUI Discovery**
- **Summer 2017**
  - Trading for the Source Markets is at an early stage
  - UK over 20% sold with revenues **up 16%** and bookings **up 9%** demonstrating continued **resilience in demand** for our holidays
  - New hotel openings in **Rhodes, Croatia** and **Italy** and a new Robinson club in **South East Asia** plus further expansions of our tour operator concepts in third party hotels in **Sardinia, Croatia, Spain, Greece and Bulgaria**
  - Bookings for **Mein Schiff 6** and **TUI Discovery 2** also going well

Current trading is in line with our expectations

These statistics are up to 27 November 2016 and are shown on a constant currency basis

UK Current Trading



UK bookings pattern has remained resilient post Brexit vote

Weekly booking volume data from 22 May 2016 to 27 November 2016

Summary

- **Disposal** of Hotelbeds Group **complete** and disposal process for Travelopia **underway**
- **Focussed on delivering** transformational growth in our own hotel and cruise brands, supported by a **strong and flexible balance sheet**
- Medium term cash flow will **reflect reinvestment of proceeds** from Hotelbeds Group disposal
- We are committed to an **attractive dividend payout**
- **We expect to deliver** at least 10% growth in underlying EBITA in 2016/17[1], and **reiterate** our previous guidance of at least 10% underlying EBITA CAGR **to 2018/19**[1]

[1] *At constant currency*

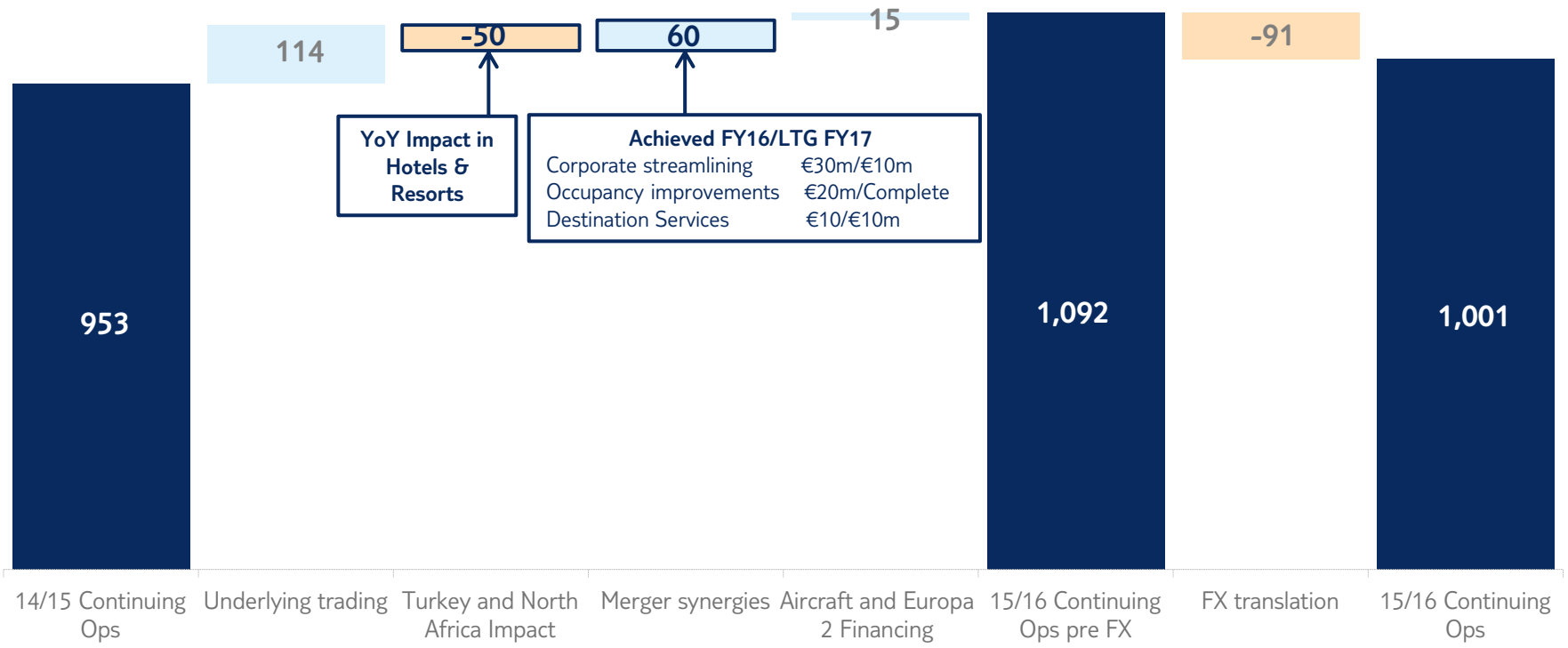
Appendix

Income Statement – Key Figures 2014/15 to 2015/16

€m	2015/16	2014/15
Turnover	**17,184.6**	**17,515.5**
Underlying EBITDA	1,379.6	1,344.1
Underlying EBITA	**1,000.5**	**953.3**
Adjustments	-102.4	-158.7
EBITA	**898.1**	**794.6**
EBIT	**898.1**	**794.6**
Interest result	-179.5	-182.6
Impairment Hapag-Lloyd	-100.3	-147.1
Equity result Hapag-Lloyd	-	0.9
EBT	**618.3**	**465.8**
Income taxes	-153.4	-58.2
Group result continuing operations	**464.9**	**407.6**
Discontinued operations	687.3	-28.0
Minority Interest	-114.8	-39.2
Group result after minorities	**1,037.4**	**340.4**

Variances due to rounding effects

TUI Group
Underlying EBITA Continuing Operations Bridge 2015/16 in €m



Second year of strong performance post-merger

2015/16 Turnover by Segment (excludes intra-group turnover)*

In €m	2015/16	2014/15	Change	FX	Change ex FX
Northern Region	7,001.5	7,348.4	-346.9	-539.1	192.2
Central Region	5,566.6	5,600.9	-34.3	-8.8	-25.5
Western Region	2,869.9	2,847.0	22.9	-	22.9
Source Markets	**15,438.0**	**15,796.3**	**-358.3**	**-547.9**	**189.6**
Riu	461.5	423.2	38.3	-19.7	58.0
Robinson	72.2	71.8	0.4	-0.1	0.5
Other (incl former TUI Travel hotels)	84.9	79.8	5.1	-4.2	9.3
Hotels & Resorts	**618.6**	**574.8**	**43.8**	**-24.0**	**67.8**
TUI Cruises	-	-	-	-	-
Hapag-Lloyd Cruises	296.7	273.3	23.4	-	23.4
Cruises	**296.7**	**273.3**	**23.4**	**-**	**23.4**
Other Tourism	665.5	704.8	-39.3	-2.4	-36.9
Tourism	**17,018.8**	**17,349.2**	**-330.4**	**-574.3**	**243.9**
All Other Segments	165.8	166.3	-0.5	-1.1	0.6
TUI Group continuing operations	**17,184.6**	**17,515.5**	**-330.9**	**-575.4**	**244.5**

*Table contains unaudited figures and rounding effects

2015/16 Underlying EBITA by Segment*

In €m	2015/16	2014/15	Change	FX	Change ex FX
Northern Region	460.9	538.4	-77.5	-95.0	17.5
Central Region	88.5	103.5	-15.0	-0.5	-14.5
Western Region	86.1	68.7	17.4	-	17.4
Source Markets	**635.5**	**710.6**	**-75.1**	**-95.5**	**20.4**
Riu	318.3	261.0	57.3	-11.3	68.6
Robinson	38.6	41.6	-3.0	0.5	-3.5
Other (incl former TUI Travel hotels)	-69.6	-68.0	-1.6	6.4	-8.0
Hotels & Resorts	**287.3**	**234.6**	**52.7**	**-4.4**	**57.1**
TUI Cruises	100.1	68.1	32.0	-	32.0
Hapag-Lloyd Cruises	29.5	12.4	17.1	-	17.1
Cruises	**129.6**	**80.5**	**49.1**	**-**	**49.1**
Other Tourism	4.6	8.4	-3.8	3.3	-7.1
Tourism	**1,057.0**	**1,034.1**	**22.9**	**-96.6**	**119.5**
All Other Segments	-56.5	-80.8	24.3	5.9	18.4
TUI Group continuing operations	**1,000.5**	**953.3**	**47.2**	**-90.7**	**137.9**

*Table contains unaudited figures and rounding effects

Deliver Merger Synergies

In €m	Per Capital Markets Update May 2015		Realised to FY15		Realised to FY16	
	Synergies	One-off costs to achieve	Synergies	One-off costs to achieve	Synergies	One-off costs to achieve
Corporate streamlining	50	35	10	31	40	35
Occupancy improvement	30	-	10	-	30	-
Destination Services*	20	42	-	17	10	31
TOTAL	**100**	**77**	**20**	**48**	**80**	**66**

Underlying effective tax rate for 2015/16 at 25%

On track to deliver synergies in full by end of 2016/17

** Excludes Hotelbeds Group. One-off costs include SDI's and Capex.*

Earnings Per Share (continuing operations)

In €m	Reported		Pro forma*	
	2015/16	2014/15	2015/16	2014/15
EBITA	898	795	1,001	953
Net interest expense	-180	-183	-180	-163
H-L AG book value adjustment and equity result	-100	-146	-	-
EBT	**618**	**466**	**821**	**790**
Tax rate	*25%*	*12%*	*25%*	*25%*
Tax charge	-153	-58	-205	-197
Minority interest	-111	-56	-111	-90
Hybrid dividend	-	-11	-	-11
Net income	**354**	**341**	**504**	**492**
Basic number of shares	584	513	587	587
Basic Earnings per Share (€)	**0.61**	**0.66**	**0.86**	**0.84**

Excludes convertible bond interest

Underlying effective tax rate calculated based on underlying EBT, adjusted for convertible bond interest

Pro forma minority interest excludes TUI Travel for full year

Pro forma NOSH based on issued share capital as at 30.9.16

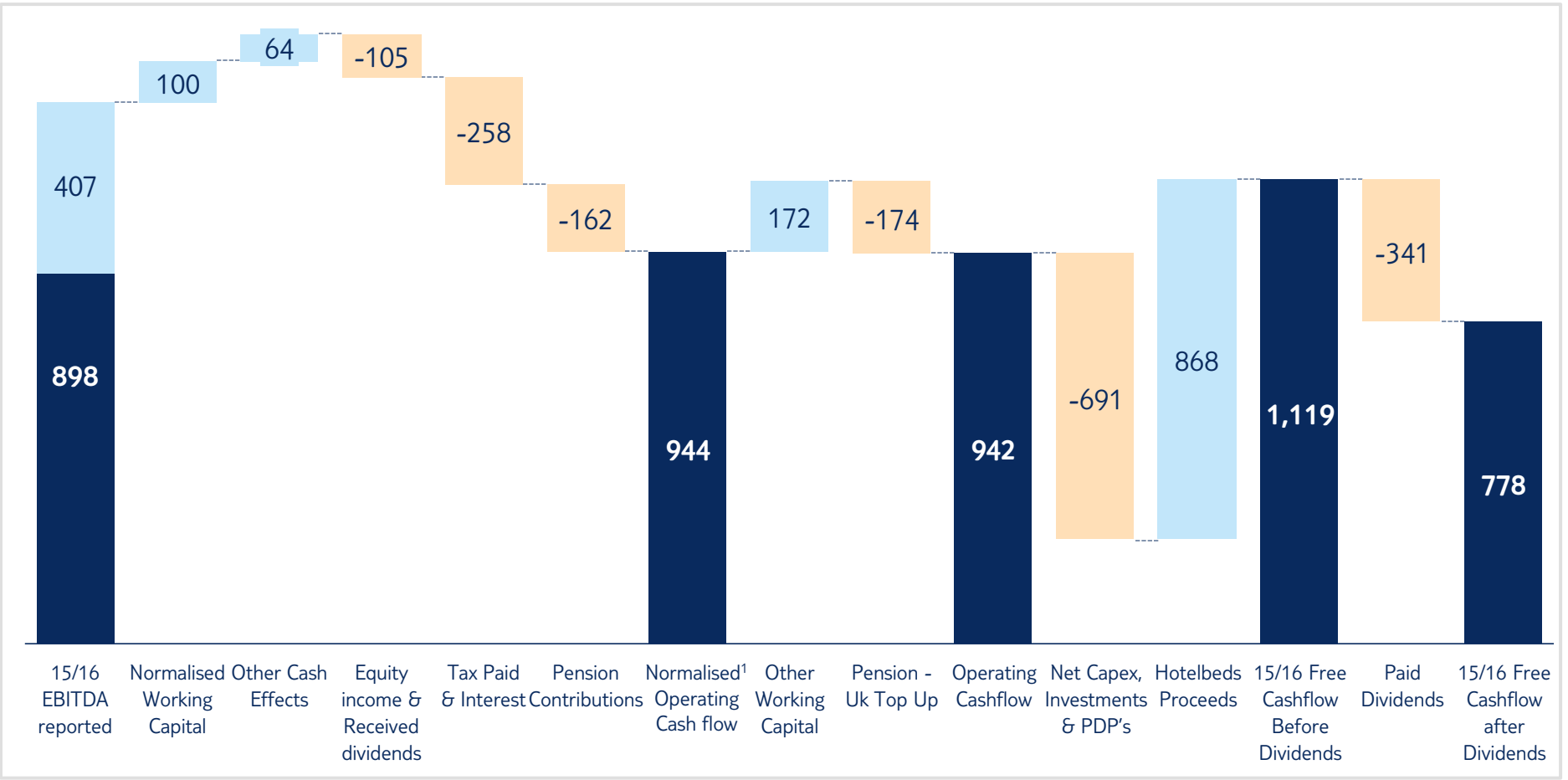
** Pro forma number of shares excludes 6.5m shares relating to employee stock options and Employee Benefits Trust; figures are rounded*

Cash Flow

In €m	2015/16	2014/15*
EBITA reported**	**898.1**	**794.6**
Depreciation**	407.0	420.2
Working capital	271.8	-82.8
Other cash effects	63.7	17.5
At equity income**	-187.2	-114.0
Dividends received from JVs and associates	82.2	81.3
Tax paid	-186.4	-148.4
Interest (cash)	-71.2	-73.3
Pension contribution	-335.6	-184.3
Operating Cashflow	**942.4**	**710.8**
Net capex	-533.4	-496.8
Net investments	758.9	-174.1
Net pre-delivery payments	-48.7	11.9
Free Cashflow	**1,119.2**	**51.8**
Dividends & Hybrid Interest	-341.1	-306.3
Movement in Cash Net of Debt	**778.1**	**-254.5**

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

Cash Flow Bridge 2015/16 in €m



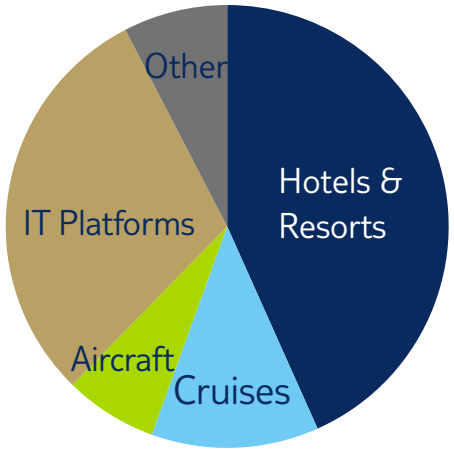
[1] Operating cash flow pre net capex and investments and dividend payments, assuming normalised working capital inflow and excluding additional UK pension top-up of €174m in 2015/16.

Strong operating cash flow generation

Cash Flow
Net Capex & Financial Investments Analysis

In €m	15/16	14/15
Gross capex	-605	-602
Capex divestments	72	105
Net capex	**-533**	**-497**
Net investments	-109	-174
Net pre-delivery payments	-49	12
Net Capex, Investments & PDP's (excluding Hotelbeds disposal proceeds)	**-691**	**-659**

Gross capex by Type



Net capex & investments reflects investment in transformational growth

** At constant currency rates*

Movement in Net Debt

€m	30 Sep 2016	30 Sep 2015
Opening net (debt)/ cash as at 30 September	**-214**	**293**
Movement in cash net of debt	778	-255
Foreign exchange movement	134	-135
Non cash movement in debt - Asset backed finance	-350	-693
Non cash movement in debt - Other	2	576
Closing net cash/(debt) including discontinued operations	**350**	**-214**
Discontinued operations - Travelopia	-318	
Closing net cash as per Balance Sheet	**32**	

Comment: As at 30 Sep 2016, cash and cash equivalents worth €129m were subject to disposal restrictions

Net Financial Position, Pensions and Operating Leases

€m	30 Sep 2016*	30 Sep 2015
Financial liabilities	**-2,041**	**-1,887**
- Finance Leases	-1,232	-982
- Other Asset Finance	-392	-457
- High Yield Bond	-306	-300
- Other liabilities	-111	-147
Cash	**2,073**	**1,673**
Net cash/(debt)	**32**	**-214**
- Net Pension Obligation	1,451	1,147
- FV of Operating Leases	3,144	3,541

** Based on continuing operations*

Financial Target Ratios 2015/16

In €m	15/16
Gross debt	*2,041*
Pensions	*1,451*
NPV operating leases	*3,320*
Debt	6,812
Reported EBITDAR	2,050
Leverage Ratio	**3.3x**

Reported EBITDAR	2,050
*Rentals - interest component**	*248*
Net interest expense	*180*
Interest charges	428
Coverage Ratio	**4.8x**

** Simplified approach - one third of long-term rental expense*

Pension – update on defined benefit obligation

Net unfunded obligation €0.9bn

- Generally adopted in Continental Europe.
- **Full obligation** sits within the balance sheet.

Net externally funded obligation €0.5bn

- Generally adopted in the UK.
- Provision covers **shortfall** between plan assets and PV of benefit obligations only (IFRS methodology).
- Must comply with UK Pension Regulator requirements.
- Continuous dialogue with Pension Trustees - defined contribution plan in place.
- **€0.2bn additional top-up** payment made to UK pension post receipt of Hotelbeds disposal proceeds.
- **Triennial Valuation underway** – based on 30 September 2016.

Note: Balance sheet net obligation as at 30 September 2016

Key Sources of Funding 30 September 2016

Instrument	Issue	Maturity	Amount €m	Interest % p.a.*
Revolving Credit Facility	Sep 14	Dec 20	1,750**	E/L +1.55
High Yield Bond	Sep 14	Oct 19	300	4.5
Finance leases	Various	Various	1,232	Various

**Upgrade of our rating by Moody's has reduced our RCF interest margin from 1.7% to 1.55% p.a as of 27/04/2016.*
***Including a tranche of €215.0m for the issue of bank guarantees*
Note: €300m Senior Notes with a coupon of 2.125% p.a was issued post Balance Sheet date on 26 October 2016. The notes will mature on 26 October 2021.
The High Yield Bond was repaid in full post Balance Sheet date on 18 November 2016.

Aircraft Commitments by Financing Type

	Operating Lease*	Finance Lease	Owned	Total
As at 30 September 2015	124	15	8	147
Order book financing	-	1	-	1
External Lessor deliveries	7	-	-	7
External Lessor Returns	(6)	-	-	(6)
As at 30 September 2016	**125**	**16**	**8**	**149**

** 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 NG	-	-	-	-	-
B737-MAX	-	5	18	18	12
B787-8	-	-	-	-	-
B787-9	1	2	-	-	-
Firm order book deliveries 2017-2021	**1**	**7**	**18**	**18**	**12**

Financial Years (FY) ending 30 September; figures correct as at 30 September 2016
TUI has flexibility to defer the delivery dates of B737MAX aircraft subject to appropriate notice and certain other conditions

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	-	-	-	2	9
B787-9	-	-	1	-	-
Option order book deliveries 2017-2021	**-**	**-**	**1**	**2**	**9**

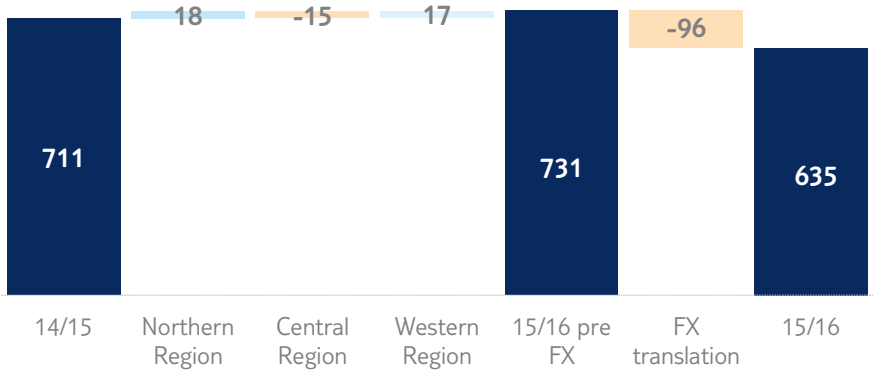
Financial Years (FY) ending 30 September; figures correct as at 30 September 2016

Source Markets

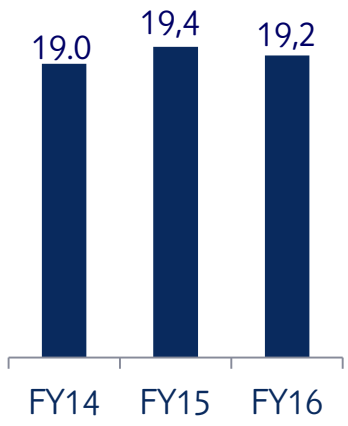
Turnover and Earnings (€m)

	15/16	14/15	%
Turnover	15,438.0	15,796.3	-2.3
Underlying EBITA	635.5	710.6	-10.6

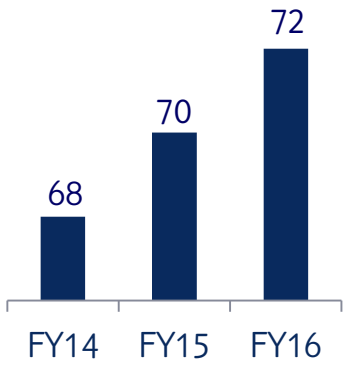
Bridge Underlying EBITA (€m)



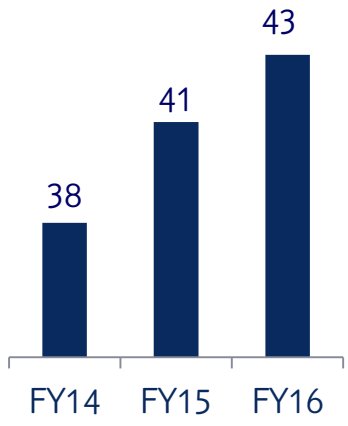
Customer Volumes m



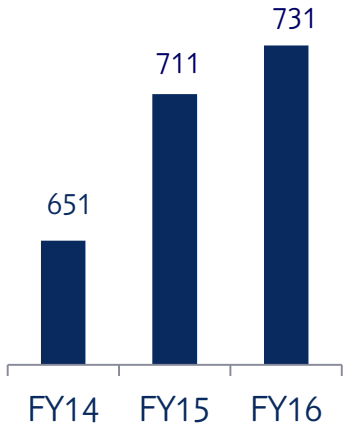
Direct Distribution %



Online Distribution %



Underlying EBITA[1] €m



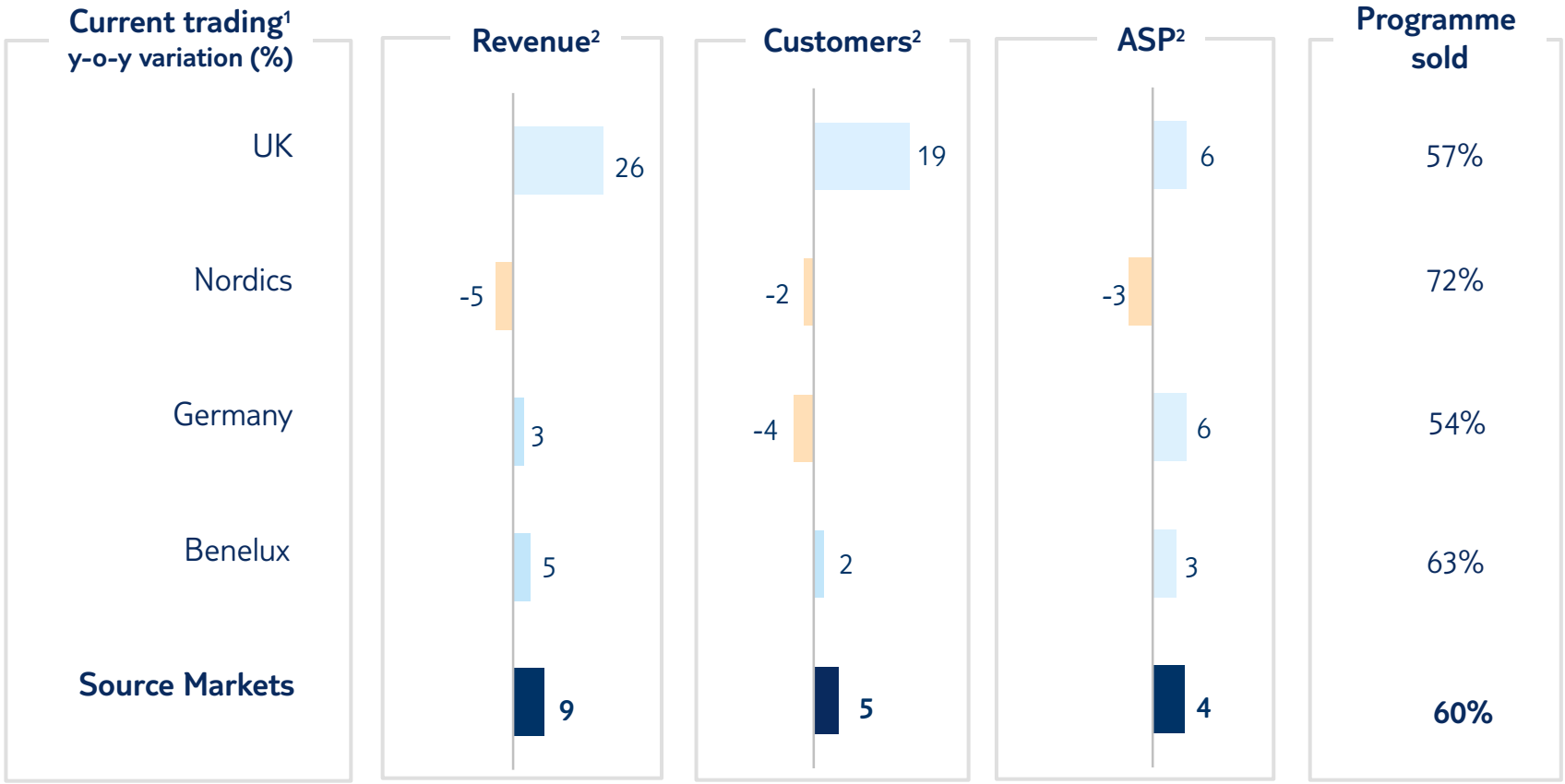
[1] *FY14, FY15 at reported and FY16 at constant currency*

Source Market KPIs[1]

	Direct Distribution		Online Distribution		Customers (000)	
	15/16	14/15	15/16	14/15	15/16	14/15
UK	92%	92%	58%	54%	6,004	5,773
Nordics	90%	90%	75%	72%	1,384	1,468
Germany[2]	45%	43%	14%	13%	6,289	6,628
Benelux	73%	70%	56%	52%	4,312	4,245
Total Source Markets[3]	**72%**	**70%**	**43%**	**41%**	**19,231**	**19,361**

[1] able contains unaudited figures
[2] Germany includes Austria
[3]Source Markets restated as Western now excludes Italy (reported in All Other Segments) and Northern now includes Crystal Ski, Thomson Lakes & Mountains (prev .in Specialist Group).

Source Markets
Current Trading – Winter 2016/17



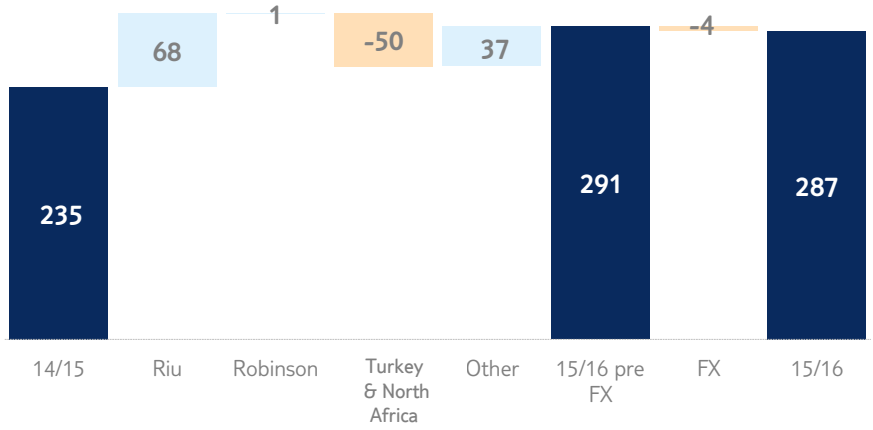
[1]These statistics are up to 27 November 2016 and are shown on a constant currency basis
[2]These statistics relate to all customers whether risk or non-risk

Hotels & Resorts

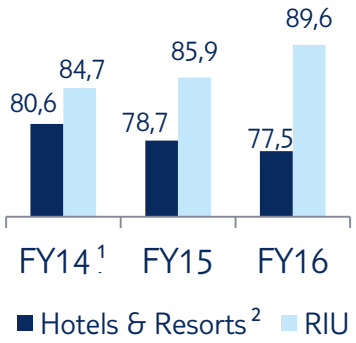
Turnover and Earnings (€m)

	15/16	14/15	%
Turnover	618.6	574.8	7.6
Underlying EBITA	287.3	234.6	22.5
o/w Equity result	*57.7*	*44.0*	*31.1*

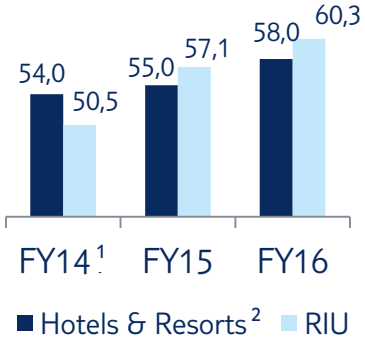
Bridge Underlying EBITA (€m)



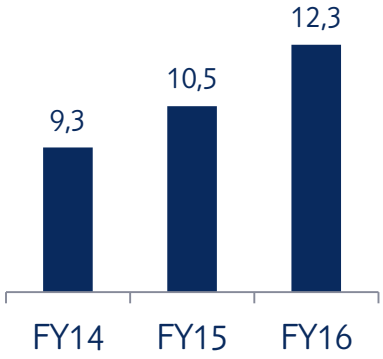
Occupancy Rates %



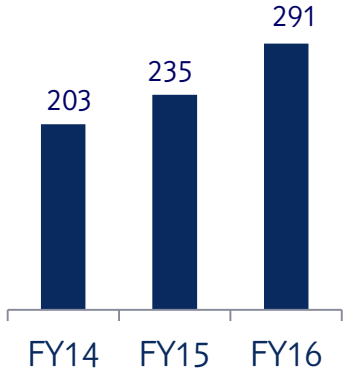
Revenue Per Bed €



H&R ROIC %

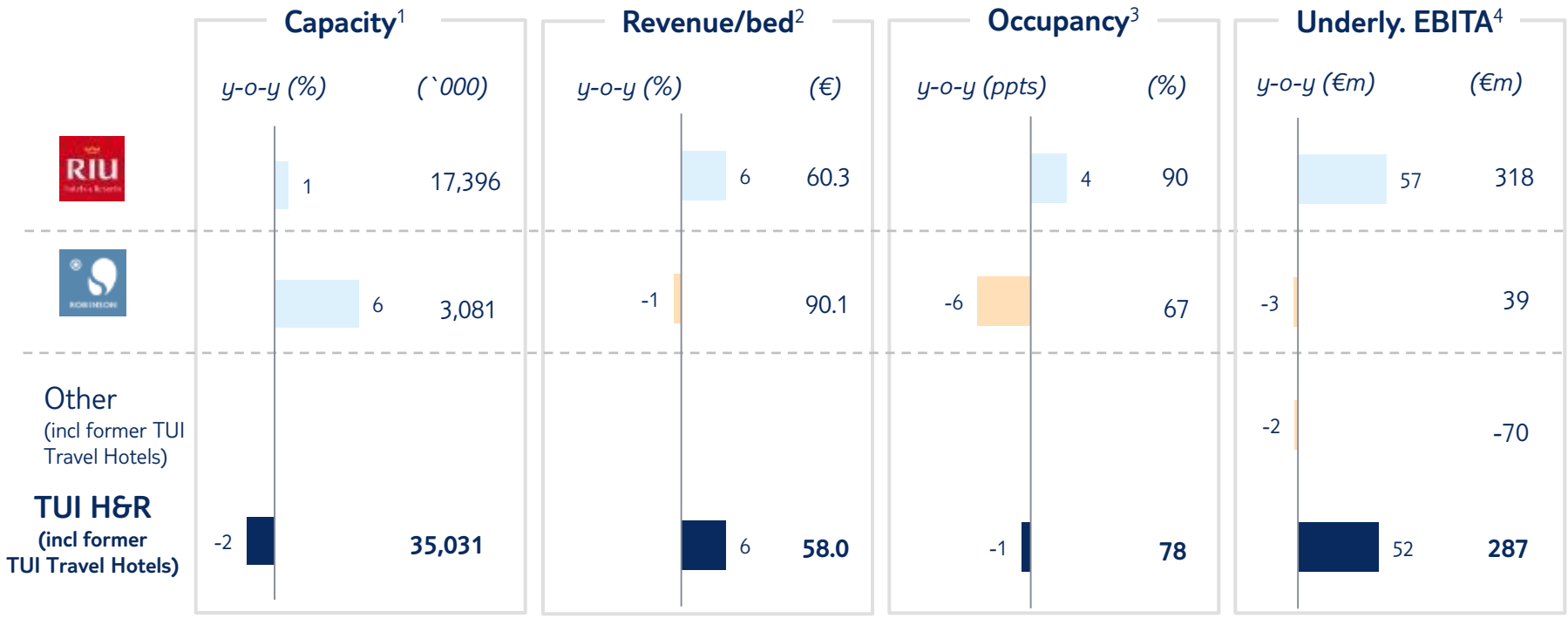


Underlying EBITA[3] €m



[1] *FY14 excludes TUI Travel Hotels* [2] *Includes Hotels in Turkey* [3] *FY14, FY15 at reported and FY16 at constant currency*

Hotels & Resorts
KPIs 2015/16



[1] *Group owned or leased hotel beds multiplied by opening days per quarter*
[2] *Arrangement revenue divided by occupied beds*
[3] *Occupied beds divided by capacity*
[4] *Segment figures*
Note: capacity, revenue/bed and occupancy have been restated to exclude Grecotel which was disposed during 2014/15

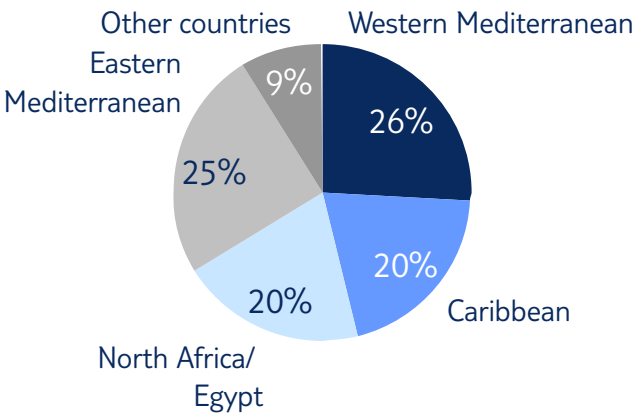
2015/16 Hotel Summary

Hotel brand	FY15 Group Hotels	FY16 Openings	FY16 Closures	FY16 Repositionings	FY16 Group Hotels	3rd Party Concept Hotels	FY16 Group & All Concepts
RIU Hotels & Resorts	104	4	(14)	-	94	-	94
TUI BLUE	-	-	-	2	2	-	2
ROBINSON	24	2	(2)	-	24	-	24
TUI MAGIC LIFE	13	-	-	-	13	-	13
TUI SENSATORI	4	1	-	-	5	5	10
TUI SENSIMAR	9	-	-	11	20	28	48
TUI FAMILY LIFE	-	-	-	17	17	12	29
Other	156	2	-	(30)	128	-	128
Total	**310**	**9**	**(16)**	**-**	**303**	**45**	**348**

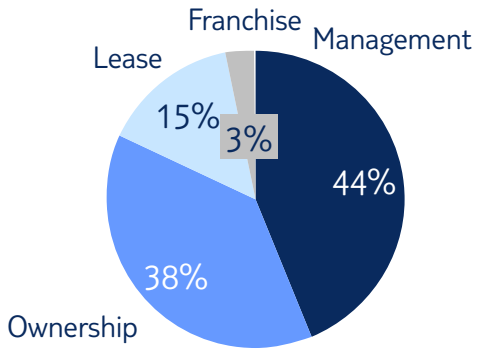
Note RIU Calypso in Fuerteventura operates as a Sensimar hotel but is counted within RIU in the table above

Hotels & Resorts
Summary 2015/16

Hotel beds by region



Hotels financing structure



Key facts	
Total Turnover (€m)	1,278
o/w Turnover 3rd party (€m)	619
Underlying EBITDA (€m)	378
Underlying EBITA (€m)	287
o/w Equity result (€m)	58
Number of hotels	303
Number of beds	213,503
Capacity ('000) [1]	35,031
Revenue/bed (€) [2]	58.0
Occupancy (%) [3]	77.5

[1] Group owned or leased hotel beds multiplied by opening days per annum; [2] Arrangement revenue divided by occupied beds;
[3] Occupied beds divided by capacity; Note: capacity, revenue/bed and occupancy include former TUI Travel Hotels

Hotels & Resorts
Profit analysis 2015/16

Owned & leased hotels*		Capacity		Occupancy		Rate		Bed revenue
160		**35,031**	X	**77.5%**	X	**58.00€**	=	€1,574m

€m	Bed revenue	Other	**Total**	o/w fully consolidated	o/w associated
Turnover owned & leased	1,574	324	1,898	**1,278**	620
o/w turnover internal				**659**	
o/w turnover 3rd party				**619**	
Underlying EBITDA (incl. associated EAT)			**378**	320	58
Underlying EBITA (incl. associated EAT)			**287**	229	58

Tables contain unaudited figures and includes former TUI Travel Hotels

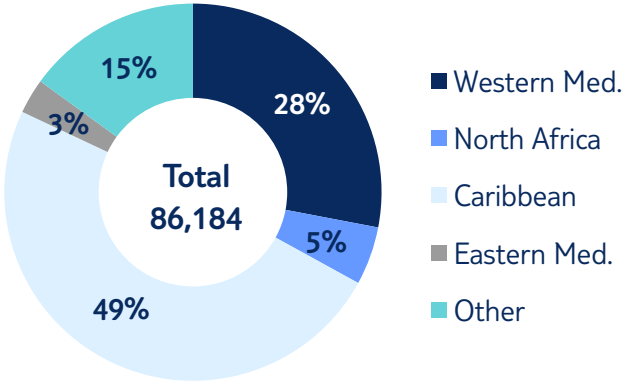
** As at 30/9/2016 - financing structure : Management 44%, Ownership 38%, Lease 15%, Franchise 3%*

Hotels & Resorts
RIU – Key figures 2015/16

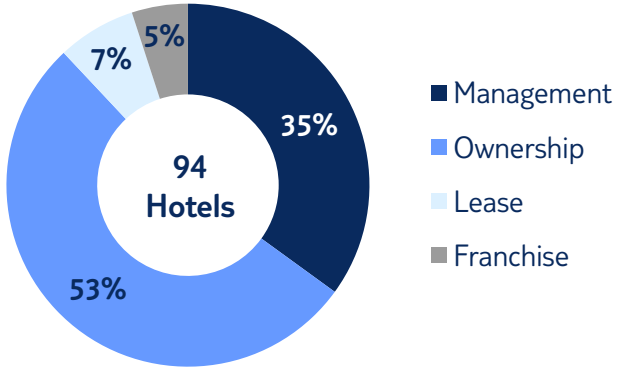
In €m

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 (%)

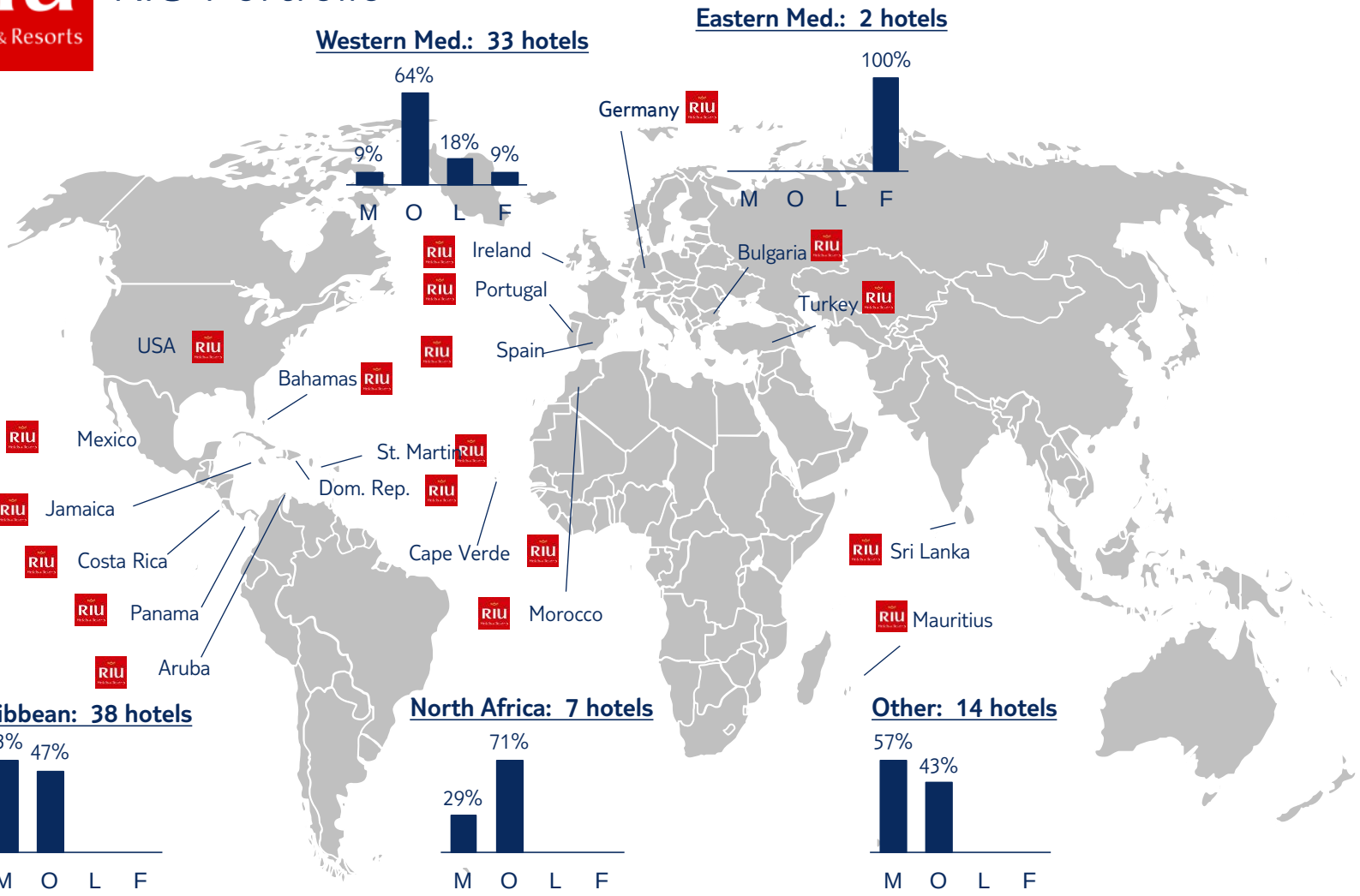


Financing structure (%)



** unaudited figures*

RIU Portfolio



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

Hotels & Resorts
Robinson – Key figures 2015/16

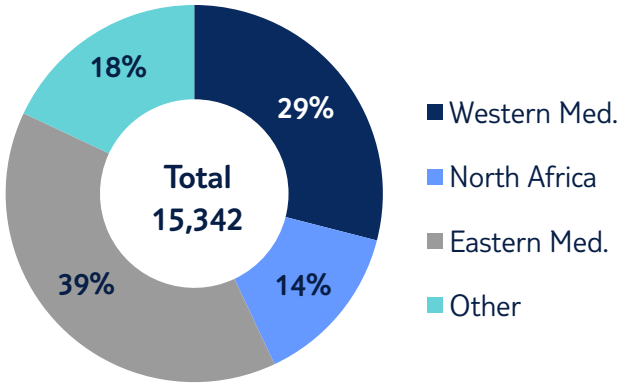
€m

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%

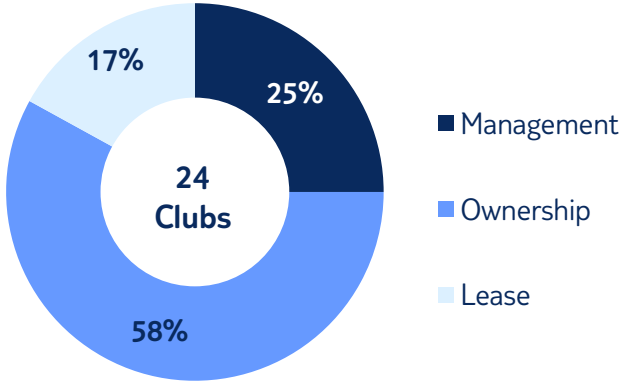


Robinson Club Maldives

Hotel beds by region (%)

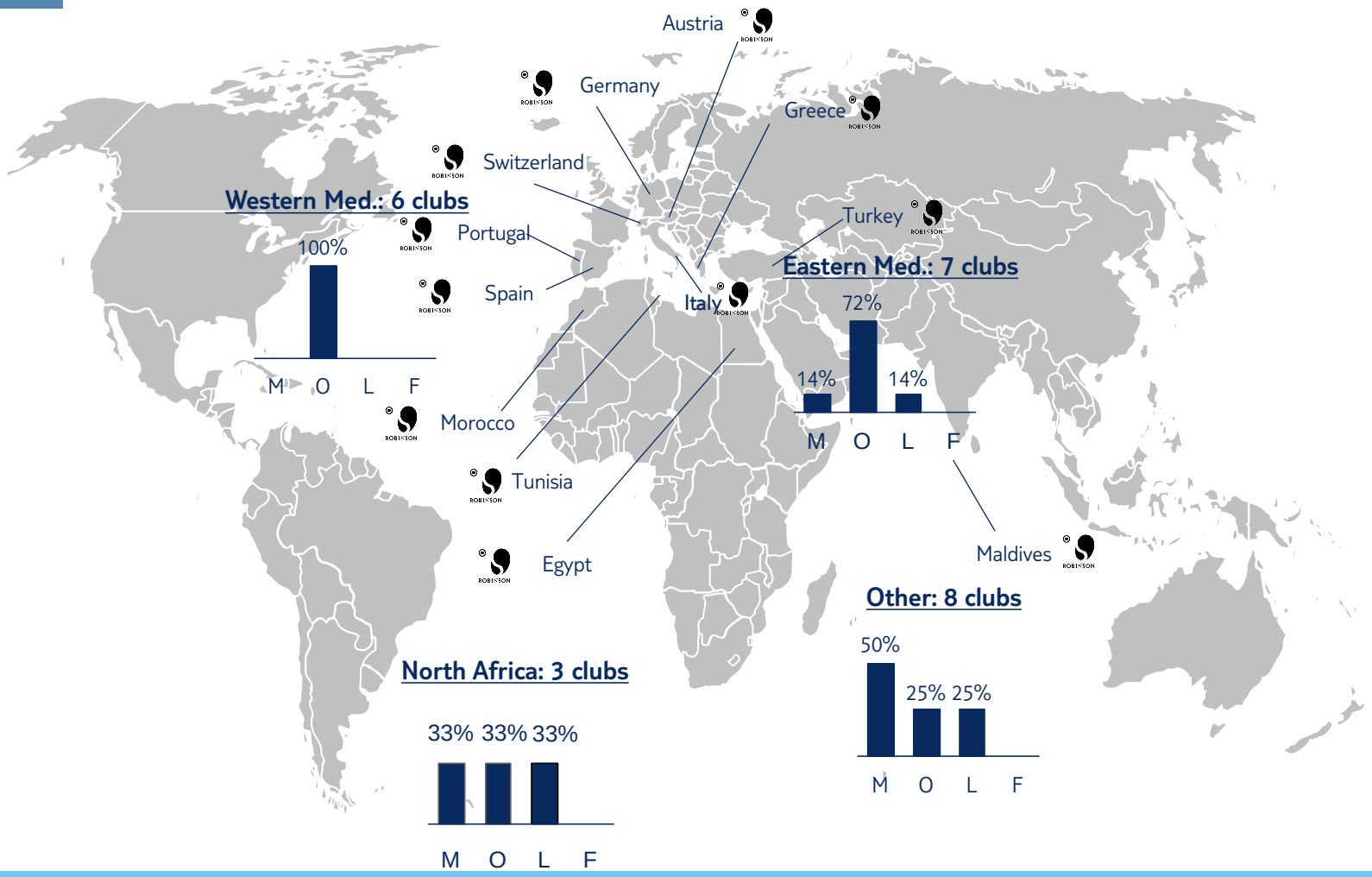


Financing structure (%)



** unaudited figures*

Robinson Portfolio



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

Cruises

Turnover and Earnings (€m)

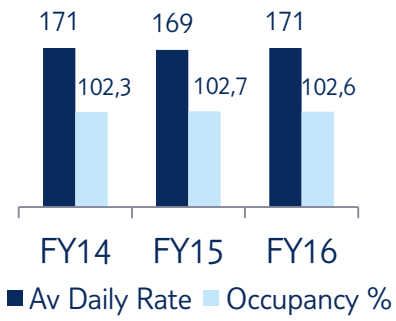
	15/16	14/15	%
Turnover HL Cruises	296.7	273.3	8.6
Memo: TUI CruisesTurnover	*807.3*	*614.1*	*31.5*
Underlying EBITA	129.6	80.5	61.0
*o/w EAT TUI Cruises**	*100.1*	*68.1*	*47.0*

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

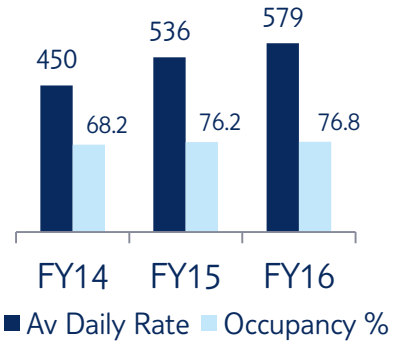
Bridge Underlying EBITA (€m)



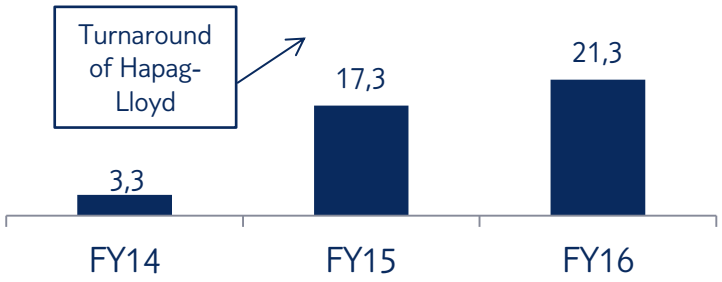
TUI Cruises



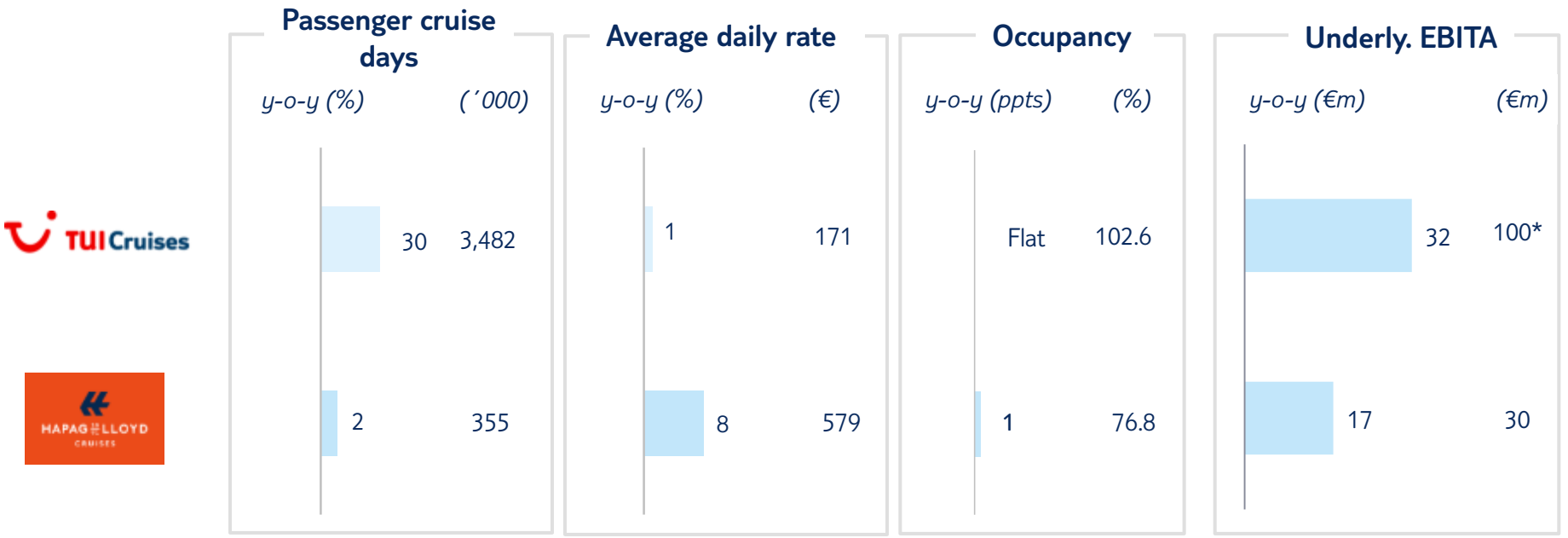
Hapag-Lloyd Cruises



Cruises ROIC %



Cruises
KPIs 2015/16



* *Equity result*

TUI Cruises
Key Figures – 100% View

TUI Cruises 100%*	15/16	14/15	%
Turnover	807	614	31%
Underlying EBITA	227	156	46%
EBITA-Margin	28%	25%	
EAT	200	136	47%
o/w TUI EAT (50%)	*100*	*68*	*47%*
ROIC	9%	10%	
ROE	36%	26%	

** unaudited figures*

Destination Update

Tunisia

- Adverse travel advice in UK, Belgium and Netherlands still in place
- TUI has **11 leased hotels** – most have been temporarily closed
- Not included in Summer 2017 programme

Egypt

- Adverse travel advice to Sharm el Sheikh airport in UK, Nordics and Russia
- Several hotels temporarily closed
- **44 hotels operating** end September 2016 – 12 owned, 1 leased, 29 managed, 2 franchised

Turkey

- Programmes operating from source markets but with subdued demand
- Programme remixed to Western Mediterranean and other alternative destinations
- **26 hotels operating** end September 2016 – 9 owned, 13 leased, 2 managed, 2 franchised

Financial Calendar 2017

14 February 2017	Q1 2016/17 Report and Annual General Meeting
29 March 2017	Pre-close trading update
15 May 2017	Q2 2016/17 Report
10 August 2017	9M 2016/17 Report
28 September 2017	Pre-close trading update
13 December 2017	Annual Report for financial year 2016/17

Contact



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