

TUI Travel PLC

Q1 2013 Results

7 February 2013



More than a smile



Thomson Platinum Montego Bay, Jamaica

Agenda

Q1 Results & Overview – Peter Long

Current Trading – Peter Long

Why our strategy is working – Peter Long

Financial Performance - Will Waggott

Outlook – Peter Long

Q&A

Strong underlying trading

- 15% reduction in Q1 underlying operating loss ¹
- Strong trading momentum
- Further market share gains in the UK - higher demand for our unique holidays
- Demand for the overseas holiday remains strong
- Outperformance & growth in the UK & Nordics

1. Excluding the impact of empty leg accounting. Empty legs relate to the cost incurred by aircraft returning from the beginning and end of each season without customers (an empty leg of a round trip). As a result of the change in estimate in empty leg accounting referred to in the year-end accounts, the phasing of the empty leg costs will change in each quarter but there will be no full-year cost impact.

Current Trading – Winter 2012/13

UK

- Bookings are flat in line with capacity
- Average selling prices up by 4%

Nordics

- Bookings are up by 4%
- Average selling prices up by 5%

Germany

- Bookings down 4% broadly tracking capacity cuts
- Average selling prices up by 8%

France

- Bookings down 29% as anticipated, reflecting capacity cuts of 33%

Accommodation Wholesaler

- Bookings up 15% and sales (TTV) up 24% versus the prior year

Specialist & Activity

- Sales down 3% versus the prior year

Current Trading – Summer 2013

UK

- Strong Summer 2013 bookings where we continue to outperform the market and take share
- UK bookings up by 9% ahead of a 3% increase in capacity
- Average selling prices up by 4%

Nordics

- Strong trading with bookings up by 10%
- Average selling prices up by 5%

Germany

- Package bookings up year-on-year
- Overall bookings down by 1%
- Average selling prices up by 5%

Accommodation Wholesaler

- TTV up by 9%, driven by Latam and Asia (+23%)

UK Summer 2013 Market Share

	Summer 2012	Summer 2013
Cumulative	+1 ppt	+4 ppt
Month of January	+7 ppt	+2 ppt

- Demand for unique holidays driving market share gains
- Growth during key January booking period and on cumulative basis
- Growth builds on share gains last year

Why our strategy is working

We have:

- A deep understanding of our customers
- Market leading tour operator brands
- Innovative product development
- Track record of delivering unique holiday experiences with our partners
- Strong natural traffic to our leading websites
- In depth travel expertise

Long-term sustainable competitive advantage

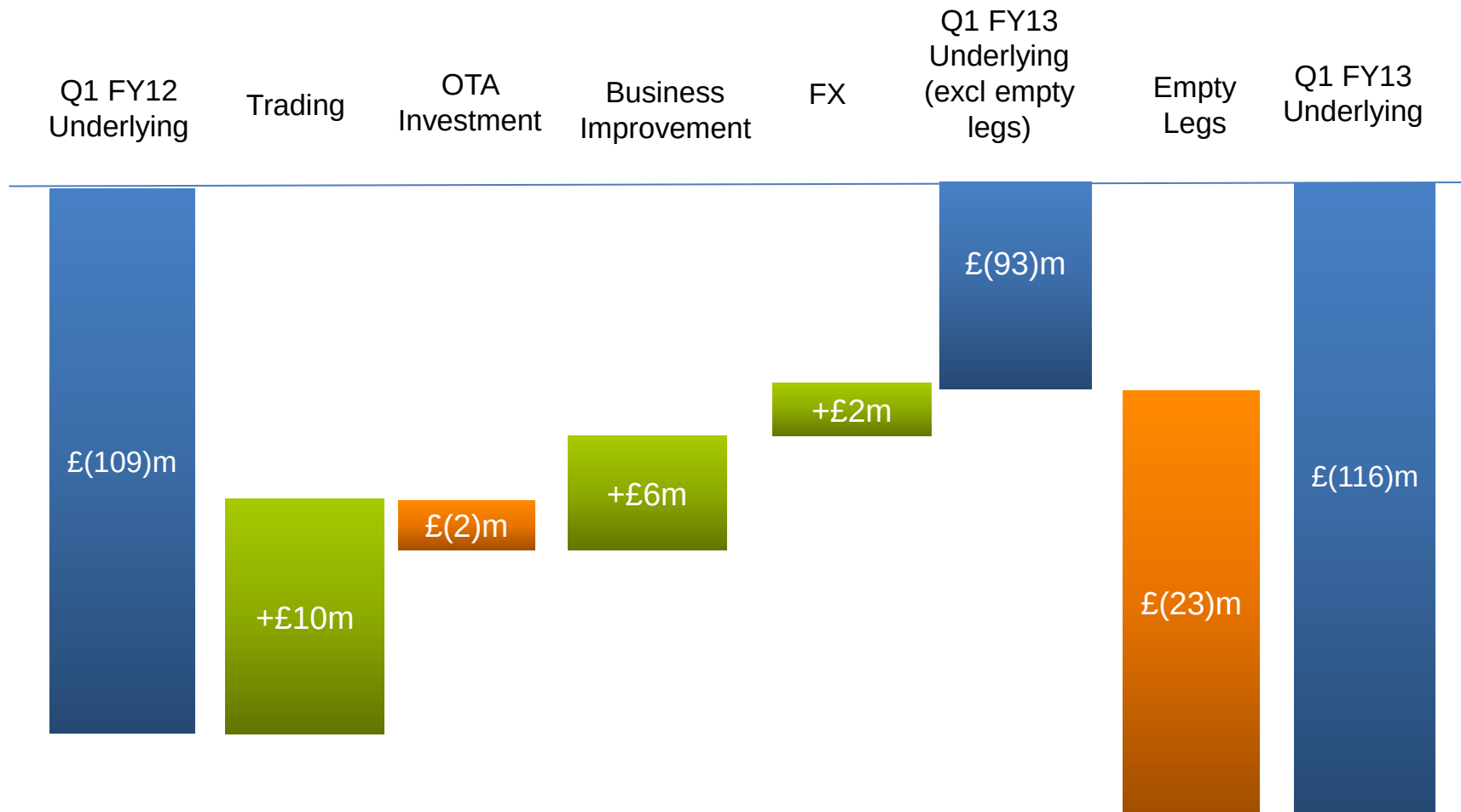
Financial Highlights

£m	Q1 FY13	Q1 FY12	Change %
Revenue	2,718	2,845	-4%
Underlying Operating Loss	(116)	(109)	-6%
Underlying Loss Before tax	(145)	(136)	-7%
Reported Loss Before tax	(178)	(158)	-13%

FX related;
Flat
organic
growth

£(93)m
excluding
empty legs

Group Operating Loss Bridge



Q1 underlying operating loss reduced by £16m to £93m

Group Profit & Loss

£m	Q1 FY13	Q1 FY12
Underlying Operating Loss	(116)	(109)
Underlying Interest	(29)	(27)
Underlying Operating Loss Before Tax	(145)	(136)
Acquisition Related Expenses	(17)	(17)
Separately Disclosed Items	(9)	(5)
Impairment of goodwill	(7)	-
Loss Before Tax	(178)	(158)
Tax	60	55
Loss for the Period	(118)	(103)

Segmental Analysis

Group Underlying Operating Loss Bridge

£m	Q1 FY13	Q1 FY12	Change	FX Impact	Change ex-FX
Mainstream	(86)	(85)	(1)	+2	(3)
Emerging Markets	(4)	(9)	+5	-	+5
Specialist & Activity	(22)	(15)	(7)	-	(7)
Accommodation & Destinations	5	8	(3)	-	(3)
Corporate	(9)	(8)	(1)	-	(1)
Underlying Operating Loss	(116)	(109)	(7)	+2	(7)

£(63)m
excluding
empty legs

Outlook

- Customer focused strategy driving performance
- Growth in demand for unique holidays across all key markets
- Positive trading momentum continues for Summer - a third of Mainstream summer holidays sold
- We expect to be towards the top end of our roadmap of 7-10% underlying operating profit growth for the financial year

A sustainable business model positioned for growth

Q & A

