

1st QUARTER RESULTS 2012/13

TUI Analysts' Conference Call

Hanover, 13 February 2013

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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.

Review Q1 2012/13

Financial statements Q1 2012/13

Outlook financial year 2012/13

Overview 1st quarter 2012/13

Business development

- **TUI Group** with an overall successful start into financial year 2012/13
- **TUI Travel** seeing strong trading momentum and improved operating performance*
- **TUI Hotel & Resorts** with continued strong development (additional gain from sale of a hotel)
- **Cruises:** TUI Cruises well on track; Hapag-Lloyd Kreuzfahrten below expectations

Key figures

€m	Q1 2012/13	Q1 2011/12	%	
Turnover	3,495.7	3,448.6	+	1.4
Underlying EBITA	-141.5	-147.3	+	3.9
Reported EBITA	-175.6	-151.4	-	16.0
Net result (before minorities)	-183.8	-137.0	-	34.2

*excluding the impact of empty leg accounting which has no full-year impact

Turnover and earnings Q1 2012/13

Turnover (€m)	Q1 12/13	Q1 11/12	%	FX effect GBP	Q1 12/13 Constant currency	%
TUI Travel	3,356.6	3,312.8	+1.3	+80	3,277	-1
TUI Hotels & Resorts	84.7	83.5	+1.4			
Cruises	51.5	40.1	+28.4			
Central Operations	2.9	12.2	-76.2			
Group	3,495.7	3,448.6	+1.4			

Underlying EBITA (€m)	Q1 12/13	Q1 11/12	%	FX effect GBP	Q1 12/13 Constant currency	%
TUI Travel	€-119m excl. empty legs -146.9	-130.4	-12.7	-5	-142	-9
TUI Hotels & Resorts	€19m excl. disposal gain 34.3	13.2	+159.8			
Cruises	-11.2	-8.2	-36.6			
Central Operations	-17.7	-21.9	+19.2			
Group	-141.5	-147.3	+3.9			

TUI Travel

Operating performance

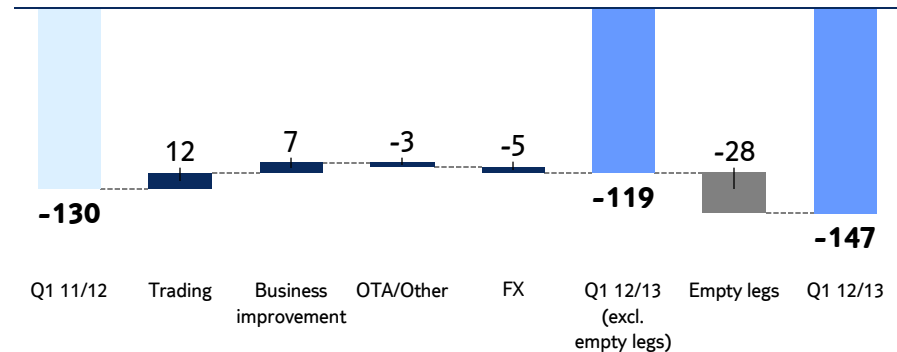


Turnover and Earnings (€m)

	Q1 12/13	Q1 11/12	%
Turnover	3,356.6	3,312.8	+1.3
Underlying EBITA	-146.9	-130.4	-12.7
Reported EBITA	-181.0	-156.4	-15.7
<i>For information purposes only:</i>			
<i>Underl. EBITA (excl. empty leg)*</i>	-119	-130	+8.5

* Further details please see slide 7

Bridge Underlying EBITA (€m)



Turnover grew by 1.3% to €3.4bn mainly driven by positive FX effect from the translation of GBP into €

Underlying EBITA improved by €11.5m y-o-y excluding impact from empty leg accounting of €28m

- UK continued to outperform the market as sales of unique content remained strong with pleasing price performance; Nordic region up driven by improved trading in the tour operator
- Germany profited from good sales of long-haul products and delivered on business improvement programme
- France reported small improvement in operating losses; tour operator benefited from efficiency savings
- A&D sector reported improved volumes of the Accommodation Wholesaler and Accommodation OTA

TUI Travel

Empty leg accounting – y-o-y forecast

	GBPm	€m
Q1	-23	-28
Q2e	+10	+12
Q3e	-10	-12
Q4e	+23	+28
FY 13	No impact	No impact

- 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, the phasing of the empty leg costs will change in each quarter

There will be no full-year cost impact

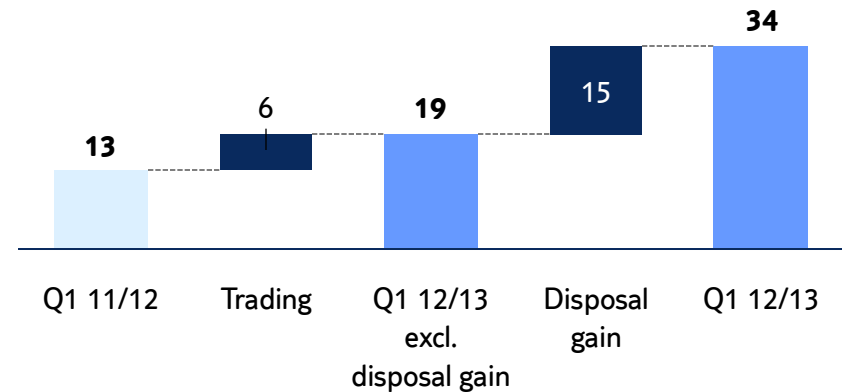
TUI Hotels & Resorts

Operating performance

Turnover and Earnings (€m)

	Q1 12/13	Q1 11/12	%
Total Turnover	179.4	180.9	-0.8
Turnover 3rd party	84.7	83.5	+1.4
Underlying EBITA	34.3	13.2	+159.8
<i>For information purposes only:</i>			
<i>Underl. EBITA (excl. disposal gain)</i>	19	13	+46.2

Bridge Underlying EBITA (€m)



Total turnover at €179m almost on last year's level with capacity nearly unchanged

Underlying EBITA improved strongly by €6m to €19m (excluding the sale of a Riu hotel)

- Riu continued its strong development, especially in Spain and the Caribbean
- Robinson delivered a stable performance
- Iberotel with satisfying results in an ongoing challenging market environment

Cruises

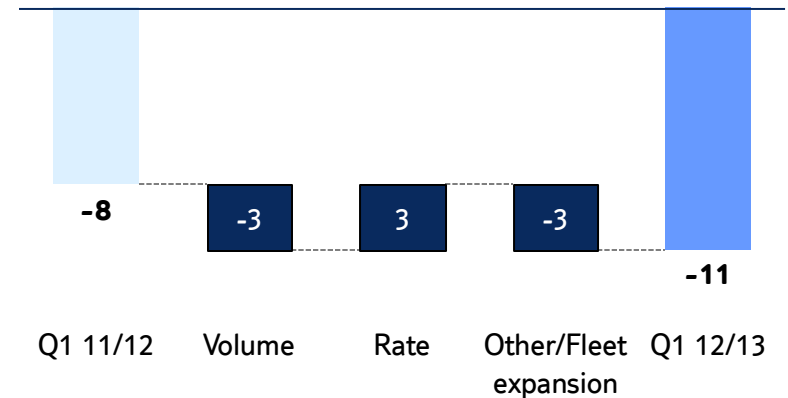
Operating performance

Turnover and Earnings (€m)

	Q1 12/13	Q1 11/12	%
Turnover	51.5	40.1	+28.4
Underlying EBITA	-11.2	-8.2	-36.6
Reported EBITA	-11.2	-8.2	-36.6

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

Bridge Underlying EBITA (€m)



Turnover grew by 28% to €52m (€40m) due to capacity expansion in Hapag-Lloyd's fleet

Underlying EBITA decreased to €-11m (€-8m)

- TUI Cruises sustained its positive performance with further improved KPIs
- Hapag-Lloyd Kreuzfahrten reported decline in earnings due to start-up costs in connection with fleet expansion (Europa 2) and lower than expected booking development

Occupancy rate

- TUI Cruises at 100% (99%)
- Hapag-Lloyd Kreuzfahrten at 68% (74%)

Review Q1 2012/13

Financial statements Q1 2012/13

Outlook financial year 2012/13

P&L

Key figures Q1 2012/13

in €m	Q1 12/13	Q1 11/12
Turnover	3,495.7	3,448.6
Underlying EBITA	-141.5	-147.3
Adjustments	-34.1	-4.1
EBITA	-175.6	-151.4
Impairment of goodwill	-	-
EBIT	-175.6	-151.4
Interest result	-66.9	-51.8
Gains on investment in HL	-	5.1
Equity result HL	-8.1	-8.7
EBT	-250.6	-206.8
Income taxes	-66.8	-69.8
Group result	-183.8	-137.0
Minority interests	-46.8	-49.4
Hybrid dividend	-6.5	-6.5
Group result after min./hybrid	-143.5	-94.1
EPS (€)	-0.57	-0.37

Adjustments comprised a positive effect from a reversal of a provision in the previous year

Interest result declined despite lower average debt mainly due to the missing interest income from the redeemed Hapag-Lloyd hybrid and one-off costs from tender offer for Exchangeable Bonds

Minority interests relate to external shareholders of TUI Travel and TUI Hotels & Resorts

Underlying vs. reported EBITA – Adjustments

€m

	Q1 12/13	Q1 11/12
Underlying EBITA	-141.5	-147.3
Restructuring	-7.5	-1.0
Other one-off items	-6.1	+16.4
Purchase price allocation	-20.5	-19.5
Net adjustments	-34.1	-4.1
Reported EBITA	-175.6	-151.4

Adjustments comprise one-off items due to the reorganisation in France and the Specialist & Activity division as well as PPA

In Q1 2011/12 one-off items were positively impacted by a reversal of a provision

Group balance sheet 31 December 2012

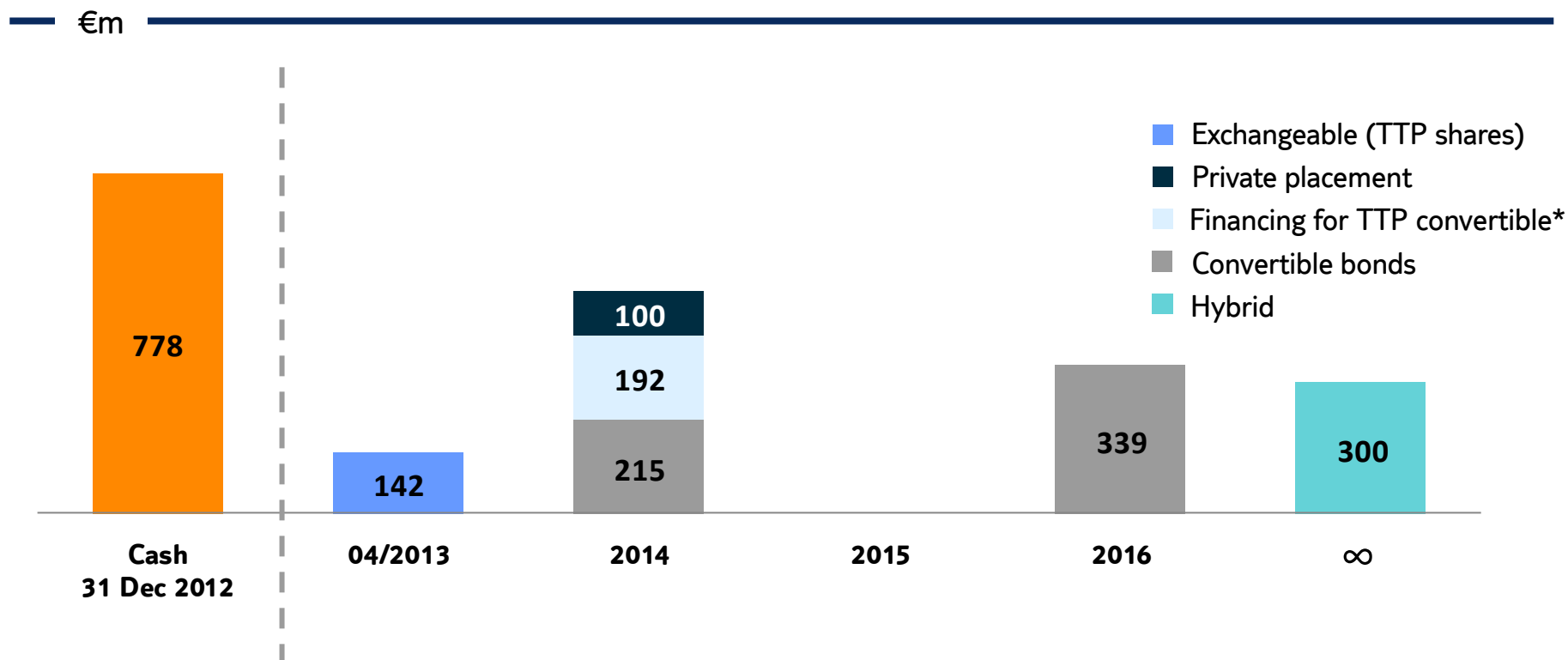
Net financial debt

— €m

	31 Dec 2012	30 Sep 2012	31 Dec 2011
Financial liabilities	3,318	2,457	3,566
thereof non-current	2,888	1,811	3,067
thereof current	430	646	499
Cash	1,379	2,278	1,190
Net debt	1,939	178	2,376

- Y-o-y the net financial debt position was significantly reduced due to monetisation of Hapag-Lloyd investment
- Compared with September 2012, the net financial debt position increased mainly due to the typical seasonal cash flow pattern

Maturity profile long-term financing TUI AG (HoldCo)



* figure includes €7m other financial liabilities

All maturities cash covered until 2015

Exit options for remaining stake in Hapag-Lloyd of 22%

- TUI has the right to call for an IPO with priority placement of its shares
- TUI entitled to sell to 3rd party investors

Current situation

- The Executive Boards of Hapag-Lloyd and Hamburg Süd, in agreement with their shareholders, are investigating if, and under what conditions, a merger of both companies would be of interest

Review Q1 2012/13

Financial statements Q1 2012/13

Outlook financial year 2012/13

Outlook FY 2012/13

Key figures (in €m)

FY 2010/11 ■ FY 2011/12 ■

Turnover	17,480	18,330
Underlying EBITA	600	746
Reported EBITA	445	539
Net result*	118	142
Net debt	817	178

Outlook

FY 2012/13e




positive


* before minorities

Outlook FY 2012/13

Expectations for underlying EBITA

TUI Travel

- Positive effects of business improvement programme
- Improved margins through higher sales of unique products
- ▪ On a like-for-like currency basis operating earnings are expected to improve
- ▪ Negative FX effects from translation of GBP into € expected
- In total earnings are currently expected to match the high level of last year



TUI Hotels & Resorts

- Slight reduction in capacity and bednights due to renovation
- Due to good operating performance and the gain realised in connection with the sale of a hotel in Q1, earnings are expected to grow slightly y-o-y



Cruises

- Continued positive performance of TUI Cruises
- Hapag-Lloyd Kreuzfahrten will be impacted by start-up costs for fleet expansion, reorganisation of fleet and a slower booking development
- Earnings are expected to decrease y-o-y



TUI Group

- Group underlying EBITA expected to match the high level of the previous year
- Group reported EBITA expected to grow y-o-y
- Positive Group result before minorities expected for FY 2012/13

Appendix



Earnings by segment

(in €m)	Reported EBITA			Underly. EBITA			Underly. EBITDA		
	Q1 12/13	Q1 11/12	%	Q1 12/13	Q1 11/12	%	Q1 12/13	Q1 11/12	%
TUI Travel	-181.0	-156.4	-15.7	-146.9	-130.4	-12.7	-97.0	-84.0	-15.5
TUI Hotels & Resorts	34.3	13.2	+159.8	34.3	13.2	+159.8	51.0	29.8	+71.1
Cruises	-11.2	-8.2	-36.6	-11.2	-8.2	-36.6	-8.8	-5.9	-49.2
Central Operations	-17.7	0.0	n.m.	-17.7	-21.9	+19.2	-16.0	-20.7	+22.7
Group	-175.6	-151.4	-16.0	-141.5	-147.3	+3.9	-70.8	-80.8	+12.4

Group profit and loss statement

€m	Q1 12/13	Q1 11/12	%
Turnover	3,495.7	3,448.6	+1.4
Cost of sales	3,301.6	3,266.1	+1.1
Gross profit	194.1	182.5	+6.4
Admin. expenses	392.4	335.0	+17.1
Other income and expenses	+16.3	+1.6	+918.8
Impairment of goodwill	-	-	-
Financial result	-67.9	-44.3	-53.3
Equity result	-0.7	-11.6	+94.0
Earnings before taxes	-250.6	-206.8	-21.2
Reconciliation to underlying earnings			
Earnings before taxes	-250.6	-206.8	-21.2
Equity result container shipping	8.1	8.7	-6.9
Interest result (incl. gains on HL investments)	66.9	46.7	+43.3
Impairment of goodwill	-	-	-
Reported EBITA	-175.6	-151.4	-16.0
Adjustments	34.1	4.1	+731.7
Underlying EBITA	-141.5	-147.3	+3.9
Income taxes	-66.8	-69.8	+4.3
Group result	-183.8	-137.0	-34.2
Minorities	-46.8	-49.4	+5.3
Group result attr. to shareholders	-137.0	-87.6	-56.4

Group balance sheet

€m	31 Dec 2012	30 Sep 2012
Assets		
Goodwill	3,028.5	3,046.4
Other intangible assets	884.4	890.9
Investment property	63.2	54.9
Property, plant and equipment	2,710.0	2,651.3
Investments in joint ventures and associates	1,389.0	1,394.0
Financial assets available for sale	75.7	75.5
Trade receivables and other assets	350.2	358.1
Derivative financial instruments	19.4	28.4
Deferred tax assets	282.9	168.7
Non-current assets	8,803.3	8,668.2
Inventories	123.2	113.9
Trade receivables and other assets	1,935.5	1,956.0
Derivative financial instruments	95.1	131.5
Current tax assets	72.7	48.1
Cash and cash equivalents	1,379.4	2,278.4
Assets held for sale	27.3	16.5
Current assets	3,633.2	4,544.4
	12,436.5	13,212.6

€m	31 Dec 2012	30 Sep 2012
Equity and liabilities		
Subscribed capital	645.2	644.9
Capital reserves	957.6	957.4
Revenue reserves	-29.9	185.2
Hybrid capital	294.8	294.8
Equity before non-controlling interests	1,867.7	2,082.3
Non-controlling interests	-121.4	-15.2
Equity	1,746.3	2,067.1
Pension provisions and similar obligations	1,227.9	1,146.9
Other provisions	540.6	537.5
Non-current provisions	1,768.5	1,684.4
Financial liabilities	2,888.6	1,810.5
Derivative financial instruments	15.9	31.8
Current tax liabilities	107.8	108.3
Deferred tax liabilities	52.7	69.5
Other liabilities	85.3	68.2
Non-current liabilities	3,150.3	2,088.3
Non-current provisions and liabilities	4,918.8	3,772.7
Pension provisions and similar obligations	37.1	39.7
Other provisions	482.5	509.8
Current provisions	519.6	549.5
Financial liabilities	430.1	646.1
Trade payables	2,137.3	3,260.0
Derivative financial instruments	139.8	163.1
Current tax liabilities	90.7	96.5
Other liabilities	2,453.9	2,657.6
Current liabilities	5,251.8	6,823.3
Liabilities related to assets held for sale	-	-
Current provisions and liabilities	5,771.4	7,372.8
	12,436.5	13,212.6

TUI Travel

Mainstream customer numbers

in '000	Q1 12/13	Q1 11/12	%
UK & Ireland	882	866	+1.8
Nordic region	303	293	+3.5
Germany	1,192	1,254	-5.0
France tour operators	198	280	-29.3
Other	998	1,006	-0.8
TOTAL MAINSTREAM	3,573	3,699	-3.4

TUI Travel

Trading update Winter 2012/13



Current Trading ¹ y-o-y variation (%)	Risk only				
	ASP ²	Sales ²	Customers ²	Capacity ³	Left to sell ³
UK	+4	+4	Flat	Flat	-2
Nordic region	+5	+9	+4	+4	+7
Germany	+8	+4	-4	-3	-21
France tour operators	+7	-25	-29	-33	-35
Other ⁴	+1	Flat	-1		
MAINSTREAM	+5	+1	-4		
SPECIALIST & ACTIVITY	N/A	-3	N/A		
Accommodation Wholesaler⁵	+8	+24	+15		

1) These statistics are up to 3 February 2013 and are shown on a constant currency basis

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

3) These statistics include all risk capacity programmes

4) Other includes Austria, Belgium, Netherlands, Poland and Switzerland and excludes Emerging Markets

5) These statistics refer to online accommodation wholesaler only; Sales refer to total transaction value (TTV) and customers refers to roomnights

TUI Travel

Trading update Summer 2013



Current Trading ¹ y-o-y variation (%)	Risk only				
	ASP ²	Sales ²	Customers ²	Capacity ³	Left to sell ³
UK	+4	+13	+9	+3	Flat
Nordic region	+5	+15	+10	+7	+6
Germany	+5	+3	-1	+1	+2
France tour operators	-3	-11	-8	-12	
Other ⁴	Flat	-3	-3		
MAINSTREAM	+4	+6	+2		
SPECIALIST & ACTIVITY	N/A	-4	N/A		
Accommodation Wholesaler⁵	+6	+9	+3		

1) These statistics are up to 3 February 2013 and are shown on a constant currency basis

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3) These statistics include all risk capacity programmes

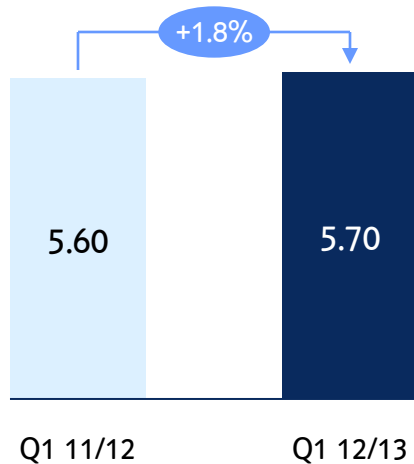
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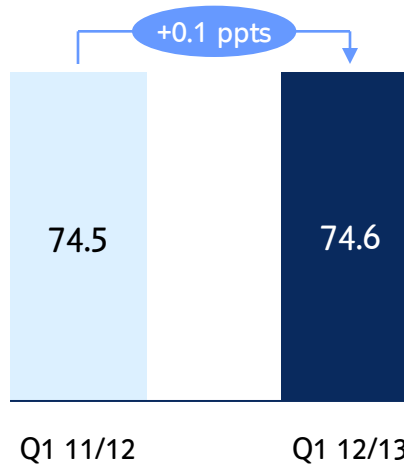
TUI Hotels & Resorts

KPIs for owned and leased hotels

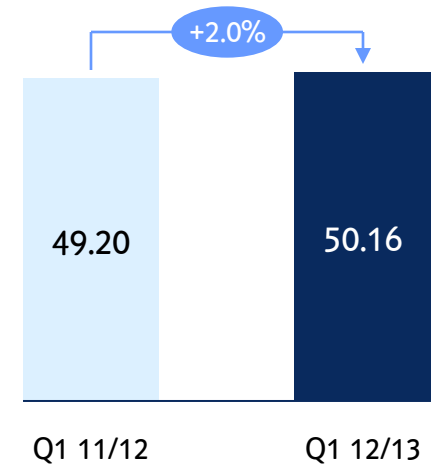
Capacity (m) (hotel beds available)¹⁾



Occupancy (%)²⁾



Average revenue per bed (€)³⁾



- 1) Group owned or leased hotel beds multiplied by number of days open per quarter
- 2) Occupied beds divided by capacity
- 3) Arrangement turnover divided by occupied beds



	Q1 12/13	Q1 11/12	%
Passenger days ('000)	82.2	70.3	+16.9
Occupancy (% p.)	68.1	74.1	-6.0
Average rate (€)*	373	345	+8.1



	Q1 12/13	Q1 11/12	%
Passenger days ('000)	353.5	348.5	+1.4
Occupancy (% p.)	100.2	98.8	+1.4
Average rate (€)*	135	131	+3.1

*per day and passenger

Financial calendar

13 February 2013 Annual General Meeting

13 February 2013 First Quarter 2012/13

15 May 2013 Half Year 2012/13

August 2013 Third Quarter 2012/13

December 2013 Financial Year 2012/13

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