

TUI is repositioning its business in France: TUI France faces comprehensive restructuring - focus on core brands and third-party distribution

Hanover/Paris, 17 June 2020. TUI Group continues the repositioning of the company in the wake of the Corona pandemic. A comprehensive restructuring plan for the French regional entity TUI France was presented today. In future, TUI France will focus on the high-margin business with a few core brands. Offers that are high-volume but do not generate sufficient margins are removed from the portfolio. As a result, TUI France's business volume will decline. In addition, in France, the Group's own distribution network of 70 travel agencies is to be sold or closed.

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As a result of the newly tailored product range and the changed distribution model, the company will be significantly leaner. The project foresees a reduction of 583 jobs, in the scenario of the closing of all own retail shops, which is approximately 60 per cent of the current TUI France staff base. The changes are now being discussed with the relevant committees and employee representatives in France. The future plan should then enable TUI France to break even from 2021 onwards.

TUI France was already loss-making before the pandemic. In a structurally challenging market with a high cost structure and low margins, the company had been making losses in recent years. In the wake of the corona pandemic, the situation for TUI France has again deteriorated significantly. A far-reaching package of measures is now needed to create a perspective for the company within the Group.

In May 2020, TUI announced that as a consequence of the Corona crisis, all business operations would be reviewed in order to steer the Group as a whole safely through the crisis and provide it with a stable future. Subsidiaries and regional entities that had been loss-making in recent years should be restructured.

Overall, the TUI Group aims to reduce its overhead cost base by 30 per cent worldwide. The restructuring of TUI France is a step towards making TUI more competitive and then emerging from the crisis stronger.

About TUI Group

TUI Group is the world's leading integrated tourism group operating in more than 100 destinations worldwide. The company is headquartered in Germany. The TUI Group's share is listed in the FTSE 250 index, the leading index of the London Stock Exchange, and in the German open market.

In financial year 2019, TUI Group recorded turnover of around €19bn and an operating result of €893m. The Group employs more than 70,000 people worldwide. TUI offers its 28 million customers, including 21 million customers in European national companies, integrated services from a single source. It covers the entire tourism value chain under one roof. This comprises more than 400 hotels and resorts with premium brands such as RIU, TUI Blue and Robinson as well as 18 cruise ships ranging from the MS Europa and MS Europa 2 luxury class vessels and expedition ships to the Mein Schiff fleet of TUI Cruises and the vessels of Marella Cruises in the UK. The Group also includes leading European tour operator brands, five airlines with 150 modern medium- and long-haul aircraft and 1,600 travel agencies. Apart from the expansion of its core business with hotels, cruises and destination activities, TUI is increasingly investing in digital platforms. The Group is transforming as a digital company.

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Global responsibility for sustainable economic, ecological and social activity is a key feature of our corporate culture. TUI Care Foundation, initiated by TUI, promotes the positive effects of tourism, education and training as well as environmental and social standards with projects in 25 countries. It thus contributes to the development of the holiday destinations. TUI Care Foundation, operating around the world, initiates projects creating new opportunities for the next generation.

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