

TUI REACHES AGREEMENT WITH KKR TO SELL TRAVELOPIA

Inside Information according to article 17 MAR

- Agreement reached today between TUI AG ("TUI") and Kohlberg Kravis Roberts & Co. L.P. ("KKR") to sell Travelopia for an Enterprise Value of £325m (€381m¹)
- The disposal of Travelopia marks a further significant step in TUI's strategic development
- Proceeds will be reinvested in our transformation as the world's leading integrated tourism business, focussed on own hotel and cruise brands, and to further strengthen TUI's balance sheet

Hanover, 13 February 2017. TUI is pleased to announce that it has reached an agreement today with KKR to sell Travelopia for an Enterprise Value of £325m (€381m¹), 14.4 times Travelopia's 2015/16 underlying EBITA² or 7.7 times Travelopia's underlying EBITDA². As outlined in TUI's full year results presentation in December 2016, the proceeds from this Transaction will be reinvested in the transformation of TUI as the world's leading integrated tourism business, focussed on own hotel and cruise brands, and to further strengthen TUI's balance sheet.

There is no impact from the Transaction on TUI's previously stated underlying EBITA guidance of at least 10% growth at constant currency rates in 2016/17³. TUI will provide further detail on outlook in its Q1 2016/17 results, which will be published as planned on 14 February 2017.

Travelopia was previously part of Specialist Group and comprises a portfolio of more than 50 independently operated, sector leading specialist travel brands. Due to their differing business models and strategic focus, Travelopia has been operated independently from TUI's Tourism business in order to maximise growth and value, and has been reported as discontinued operations in the results of TUI since 30 September 2016. Following the disposal, Travelopia will continue to be managed by its current Board.

In the year ended 30 September 2016, Travelopia generated turnover of €1,171m², underlying EBITA of €26m² and underlying EBITDA of €50m². Total gross assets as at 30 September 2016 were €1,011m².

The Transaction is expected to result in a non-cash charge of approximately €133m relating to the disposal of the net assets of the discontinued operation and recycling of foreign exchange losses from equity to the income statement. This charge will be presented within discontinued operations.

The Transaction is still subject to customary closing conditions and certain regulatory approvals and is expected to complete in the beginning of the second half of the financial year ending 30 September 2016/17.

Citi (lead) and Barclays acted as advisors to TUI AG on the Transaction.

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1 Based on the GBP/EUR rate of 1.1725 as at 10 February 2017; excludes a maximum of £3.1m (€3.6m) contingent consideration payable within three years of completion.

2 Pro forma figures of disposed entity as at 30 September 2016.

3 Assuming constant foreign exchange rates are applied to the current and previous year, and based on the current Group structure