Inside Information according to article 17 MAR

TUI updates on expected earnings for financial year ending 30 September 2019 - now expecting underlying EBITA rebased to be broadly stable compared with record year FY18 - based on early visibility of Summer 2019 margins in Markets & Airlines - growth strategy intact

Hanover, 06.02.2019. TUI AG now expects FY19 underlying EBITA[1] rebased at constant currency to be broadly stable compared with the record performance in FY18 of EUR 1,177m[2]. Consequently, we are not reiterating our guidance of at least 10% CAGR in underlying EBITA at constant currency for the three years to FY20.

Update based on Markets & Airlines Summer 2019 bookings

34% of the Markets & Airlines Summer 2019 programme has been booked to date[3]. Bookings are broadly in line with prior year, however, margins are not. This is driven by a continuation of the sector headwinds already discussed at our FY18 results presentation in December 2018, in particular:

- negative impact from the extraordinary hot weather in 2018, resulting in later bookings and weaker Markets & Airlines margins;
- shift in demand from the Western to Eastern Mediterranean, which has created overcapacities in certain destinations such as the Canaries, resulting in lower margins for Markets & Airlines; and
- continued weakness of the Pound Sterling, making it difficult to improve margins on holidays sold to UK customers.

Previously, it was anticipated that these headwinds would impact primarily H1 (Winter), however we are seeing from current bookings an additional impact on H2 (Summer), and have updated our guidance accordingly.

Addressing Markets & Airlines Headwinds

We are already taking specific measures to address Markets & Airlines headwinds, including harmonisation under one leadership to drive cost savings and efficiencies; reducing distribution costs by shifting to more direct, more online, more mobile; and increasing upselling of activities & excursions to drive revenue and margin benefits. We also expect that the continued sector headwinds may trigger market consolidation, and that TUI could be a beneficiary of this.

Growth Strategy Intact

Despite the challenges experienced by Markets & Airlines, demand for leisure travel continues to grow in our core markets. We have positioned TUI to benefit from this through the successful transformation as an integrated provider of Holiday Experiences (hotels, cruises and activities & excursions), based on its

strong strategic and financial position. On top of that, we are planning to enter into new markets generating €1 billion of revenue from 1 million customers by 2022, driving more demand for our own hotels. Holiday Experiences delivered 70% of earnings in FY18 and we expect continued strong performance from these parts of our business. Having delivered this transformation, we expect the ongoing digitalisation and platforming of our business to drive future earnings, positioning TUI to continue to benefit from the strong mid- to long-term growth in consumer demand for leisure travel.

Dividend Confirmed

We confirm the proposal to the forthcoming AGM of €0.72 dividend per share for FY18.

FY19 Q1 Results

As planned, TUI AG's FY19 Q1 results will be released on Tuesday, 12 February 2019 followed by a call for analysts and investors. The AGM will take place on the same day.

[1] Underlying EBITA has been adjusted for gains/losses on disposal of investments, restructuring costs according to IAS 37, ancillary acquisition costs and conditional purchase price payments under purchase price allocations and other expenses for and income from one-off items. EBITA comprises earnings before interest, taxes and goodwill impairments. It includes amortisation of other intangible assets and it does not include the result from the measurement of interest hedges.

[2] Rebased in December 2018 to EUR 1,187 to take into account EUR 40m impact for revaluation of Euro loans balances within Turkish Lira entities in FY18 and further rebased to EUR 1,177m for retrospective application of IFRS 15.

[3] These statistics are up to 3 February 2019, shown on a constant currency basis and relate to all customers whether risk or non-risk.

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FORWARD-LOOKING STATEMENTS

This announcement 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 this announcement.