Inside Information according to article 17 MAR

After 737 MAX grounding: TUI secures additional flight capacity to guarantee customers' holidays / Update on guidance of underlying EBITA[1] rebased for FY19

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Hanover, 29 March 2019. Following the grounding of the 737 MAX aircraft, TUI has made arrangements in order to guarantee customers' holidays. The Group is utilising spare aircraft of its fleet, extending expiring leases for aircraft that were supposed to be replaced by 737 MAX aircraft, as well as leasing in additional aircraft. TUI's fleet, which comprises around 150 aircraft, currently includes 15 grounded 737 MAX for the UK, Belgium, the Netherlands and Sweden. A further eight 737 MAX are scheduled for delivery by the end of May 2019.

Considerable uncertainty around when the 737 MAX will return to service

No dates have yet been announced for modifications of the existing aircraft model by the manufacturer, neither for approval of such modifications by the Federal Aviation Administration (FAA) and the European Aviation Safety Agency (EASA). Therefore, TUI has taken precautions along with other airlines, covering the time until mid-July, in order to be prepared for the Easter-, Whitsun- and start of the summer holiday season and to secure holidays for its customers and their families.

Update on guidance for underlying EBITA[1] rebased

Assuming 737 MAX flight resumption latest by mid-July, the Group currently expects to see a one-off impact on underlying EBITA[1] rebased of approx.
EUR 200m in connection with the 737 MAX grounding. This impact is especially attributable to costs related to the replacement of aircraft, higher fuel costs, other disruption costs, and the anticipated impact on trading. As a result of this

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one-off impact, the Executive Board of TUI AG has decided today to update the guidance and now expects an underlying EBITA[1] rebased for FY19 of approx. minus 17% (previously "broadly flat") compared with FY18 of EUR 1,177m[2]. Should it not become clear within the coming weeks that flying the 737 MAX will resume by mid-July, TUI will need to extend the abovementioned measures until the end of the summer season. The current assumption for this additional one-off impact until 30 September 2019 is up to EUR 100m. For this scenario the Executive Board of TUI AG has also decided today to update the guidance for the underlying EBITA[1] rebased for FY19 to up to minus 26% compared with FY18 of EUR 1,177m[2].

TUI Group's management is holding a conference call on 29 March 2019, at 02:00pm GMT (03:00pm CET) to give more insight on the ad-hoc announcement.

The dial in details for the call will follow in shortly.

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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.

[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 1,187m 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.