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Tap Pricing Term Sheet

28th June 2021



EUR 189.6 million tap issue of Senior Unsecured Convertible Bonds due 2028 convertible into ordinary registered shares of TUI AG

Summary Terms and Conditions

Issuer:	TUI AG (the "Issuer") (LEI number: 529900SL2WSPV293B552)
Securities Offered:	Euro denominated senior unsecured convertible bonds (the "New Bonds"), convertible into new and/or existing no-par value ordinary registered shares of the Issuer (the "Shares") to be fully fungible, as of the Closing Date, with the Issuer's EUR 400 million Senior Unsecured Convertible Bonds due 2028 issued on 16 April 2021 (the "Existing Bonds" and together with the New Bonds, the "Bonds"); see the summary terms and conditions set forth in the pricing term sheet of the Existing Bonds dated 9 April 2021 attached as an appendix hereto (the "Initial Term Sheet")
Issue Size of the Existing Bonds:	EUR 400 million

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Summary Terms and Conditions

Additional Issue Size of the New Bonds:	EUR 189.6 million
Underlying Shares:	New and/or existing Shares of the Issuer listed on XETRA ISIN DE000TUAG00 / German WKN TUAG00 / Bloomberg TUI1 GY / Reuters TUIGn.DE
Rating:	The Issuer is rated Caa1, Stable (Moody's) and CCC+, Stable (S&P) The Existing Bonds are not rated. The New Bonds will not be rated
Launch Date:	28 June 2021
Pricing Date:	29 June 2021
Closing Date:	6 July 2021 (T+ 5)
Denomination:	EUR 100,000 (the " Principal Amount ")
Initial Tap Price:	104.75% of the Principal Amount
Accrued Interest:	5.00% of the Principal Amount per annum, accrued from and including 16 April 2021 (being the issue date of the Existing Bonds) to but excluding the Closing Date
Final Tap Price:	EUR 105,856.56 per New Bond (105.857% of the Principal Amount) Final Tap Price = Initial Tap Price + AI, where: AI = EUR 1,106.56 Accrued Interest per Bond
Redemption Price:	100% of the Principal Amount
Use of Proceeds:	TUI intends to use the proceeds from the Offering for refinancing in particular to further reduce drawings under the KfW facilities and towards a subsequent repayment of such facilities
Form:	The New Bonds will be in bearer form, represented by a global certificate to be held permanently by Clearstream Banking AG, Frankfurt, in its book-entry system, with a register of holders (the " Bondholders ")
Lock-up:	For the Issuer and its subsidiaries from the Pricing Date until 60 calendar days after the Closing Date
Selling Restrictions:	Institutional private placement, Reg S only, Category 1, no Rule 144A, TEFRA Rules do not apply No offers or sales into the US, Australia, Japan or South Africa Sales in the EEA or in the UK to Qualified Investors only and not to retail investors (as defined in the EU PRIIPs Regulation and UK PRIIPs Regulation, respectively). No key information document (within the meaning of the EU or UK PRIIPs Regulation) will be prepared In Canada, sales only to investors that are not individuals, that are both an "Accredited Investor" and a "Permitted Client" and are resident in Ontario, Québec, British Columbia or Alberta (with investor letter) MiFID II Professionals/Eligible Counterparties-only / No EU PRIIPS or UK PRIIPS KID / No sales to retail investors in the EEA, the UK or elsewhere Standard selling restrictions apply elsewhere
EU MiFID Target Market:	Eligible counterparties and professional clients only. No EU PRIIPs or UK PRIIPs key information document (KID) has been prepared as not available to retail investors in EEA or the UK
Governing Law:	German Law
Listing of the New Bonds:	Application is intended to be made for the New Bonds to be included in the trading of the Existing Bonds on the Open Market segment (<i>Freiverkehr</i>) of the Frankfurt Stock Exchange
Clearing Systems:	Clearstream Banking AG Frankfurt, and also for Euroclear Brussels and Clearstream Luxembourg.

Summary Terms and Conditions

Clearing Codes:	ISIN: DE000A3E5KG2 German WKN: A3E5KG Common Code: 233255149
Paying and Conversion Agent:	Citibank, N.A., London Branch
Calculation Agent:	Conv-Ex Advisors Limited
Joint Global Coordinators and Joint Bookrunners:	Citigroup Global Markets Europe AG, Crédit Agricole Corporate and Investment Bank, HSBC and UniCredit Bank AG
Settlement Agent:	Citigroup Global Markets Europe AG

IMPORTANT INFORMATION

For further information on this transaction, please call your regular contact at the Joint Bookrunners

This indicative term sheet should be read together with the full text of the Terms and Conditions of the Bonds.

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Each prospective investor should proceed on the assumption that it must bear the economic risk of an investment in the securities for an indefinite period. Neither the Issuer nor the Joint Bookrunners make any representation as to (i) the suitability of the securities for any particular investor, (ii) the appropriate accounting treatment and potential legal and/or tax consequences of investing in the securities or (iii) the future performance of the securities either in absolute terms or relative to competing investments.

In connection with the offering of the Bonds, the Joint Bookrunners or their respective affiliates may, for their own account, enter into asset swaps, credit derivatives or other derivative transactions relating to the securities and/or the underlying Shares at the same time as the offer and sale of the securities or in secondary market transactions. The Joint Bookrunners or any of their respective affiliates may from time to time hold long or short positions in or buy and sell such securities or derivatives or the underlying Shares. No disclosure will be made of any such positions. The amount of any such purchases will be determined at the time of pricing of the securities and will be subject to total demand received and final allocations.

In connection with the offering of the Bonds, each of the Joint Bookrunners and any of their respective affiliates acting as an investor for its own account may take up Bonds or the underlying Shares and in that capacity may retain, purchase or sell for its own account such securities and any securities of the Issuer or any related investments and may offer or sell such securities or other investments otherwise than in connection with the

offering of the Bonds. The Joint Bookrunners do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

The Joint Bookrunners are acting on behalf of the Issuer and no one else in connection with the securities and will not be responsible to any other person for providing the protections afforded to clients of the Joint Bookrunners, or for providing advice in relation to the securities.

Any allocation of the securities is made expressly subject to the terms and disclosure set out in the final terms and conditions relating to the Bonds to be produced in respect of the Bonds in due course, and on the condition that any offering of the securities completes and that the securities are issued. In particular, it should be noted that any such offering and formal documentation relating thereto will be subject to conditions precedent and termination events, including those which are customary for such an offering. Any such offering will not complete unless such conditions precedent are fulfilled and any such termination events have not taken place or the failure to fulfil such a condition precedent or the occurrence of a termination event has been waived, if applicable. The Joint Bookrunners reserve the right to exercise or refrain from exercising their rights in relation to the fulfilment or otherwise of any such condition precedent or the occurrence of any termination event in such manner as they may determine in their absolute discretion.

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The target market assessment is without prejudice to the requirements of any contractual or legal selling restrictions in relation to any offering of the Bonds and/or the Shares.

For the avoidance of doubt, the target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MIFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any action whatsoever with respect to the Bonds.

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The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or the United Kingdom (the "**UK**"). For these purposes, a "retail investor" means (a) in the EEA, a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MIFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MIFID II, and (b) in the UK, a person who is one (or more) of (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) no 2017/565 as it forms part of UK domestic law by virtue of the EUWA or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 of the UK (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA.

Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") or the EU PRIIPS Regulation as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPS Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA or the UK has been prepared and therefore offering or selling the Bonds or otherwise making them

available to any retail investor in the EEA or the UK may be unlawful under the EU PRIIPs Regulation and/or the UK PRIIPS Regulation.

In the case of any securities being offered to you as a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, you will also be deemed to have represented and agreed that the securities acquired by you in the offering have not been acquired on behalf of persons in the EEA or the UK who are retail investors (as defined above) or persons in the United Kingdom and other member states (where equivalent legislation exists) for whom you have authority to make decisions on a wholly discretionary basis, nor have the securities been acquired with a view to their offer or resale in the EEA or the UK where this would result in a requirement for publication by the Issuer, the Joint Bookrunners or any other manager of a prospectus pursuant to Article 3 of the Prospectus Regulation, or in which the prior consent of the Joint Bookrunners has been obtained to such offer or resale.

The Issuer and the Joint Bookrunners and others will rely upon the truth and accuracy of the foregoing representations, acknowledgements, and agreements. Notwithstanding the above, a person who is not a Qualified Investor and who has notified the Joint Bookrunners of such fact in writing may, with the written consent of the Joint Bookrunners, be permitted to purchase securities.

Appendix

Initial Term Sheet

Pricing Term Sheet

9th April 2021

EUR 400 million Senior Unsecured Convertible Bonds due 2028 convertible into ordinary registered shares of TUI AG

Summary Terms and Conditions

Issuer:	TUI AG (the “ Issuer ”) (LEI number: 529900SL2WSPV293B552)
Securities Offered:	Euro denominated senior unsecured convertible bonds (the “ Bonds ”), convertible into new and/or existing no-par value ordinary registered shares of the Issuer (the “ Shares ”)
Issue Size:	EUR 400 million
Underlying Shares:	New and/or existing Shares of the Issuer listed on XETRA ISIN DE000TUAG00 / German WKN TUAG00 / Bloomberg TUI1 GY / Reuters TUIGn.DE
Status:	The Bonds will constitute direct, unconditional, unsubordinated and, subject to the negative pledge, unsecured obligations of the Issuer, ranking <i>pari passu</i> among themselves and <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Issuer
Rating:	The Issuer is rated Caa1, Stable (Moody’s) and CCC+, Stable (S&P) The Bonds will not be rated
Launch Date:	9 April 2021
Pricing Date:	9 April 2021
Closing Date:	16 April 2021
Maturity Date:	16 April 2028 (7 years)
Bondholder Put Date:	16 April 2026 (5 years)
Denomination:	EUR 100,000 (the “ Principal Amount ”)
Issue Price:	100% of the Principal Amount
Redemption Price:	100% of the Principal Amount
Coupon:	5.00% per annum, payable semi-annually in arrear in equal instalments on 16 April and 16 October in each year, commencing on 16 October 2021, Actual/Actual, following business day convention unadjusted
Yield to Maturity:	5.00% per annum
Conversion Premium:	25% above the Reference Price
Reference Price:	EUR 4.2905, being the Volume Weighted Average Price (“ VWAP ”) of the Shares on XETRA between launch and pricing on the Launch Date
Conversion Price:	EUR 5.3631 initially, equal to the Reference Price x (1 + Conversion Premium), subject to adjustment as provided in the Terms and Conditions
Conversion Ratio:	18645.9324 Shares per Bond initially – and from time to time the number of Shares corresponding to the Principal Amount divided by the prevailing Conversion Price
Conversion Right:	Unless previously redeemed, or purchased and cancelled, the Bonds will be convertible into Shares at any time during the Conversion Period at the prevailing Conversion Price

Summary Terms and Conditions

Conversion Period:	Bonds are convertible at the option of the Bondholder from 27 May 2021 (<i>41st calendar day following the Closing Date</i>) to the close of business on the 10 th business day prior to the Maturity Date or, on any early redemption at the option of the Issuer, to the close of business on the 10 th business day prior to the date set for redemption
Cash Payment in Lieu of Delivery of Shares in Certain Circumstances:	Yes, but only if, due to legal reasons, on the relevant settlement date the Issuer is unable to issue Shares from conditional capital, and in addition, the Issuer does not hold treasury shares, which the Issuer is legally authorised to deliver upon the exercise of a Conversion Right
Early Redemption at the Option of the Issuer:	<p>The Bonds may be redeemed in whole but not in part at their Principal Amount together with accrued but unpaid interest subject to a minimum of 30 days' and a maximum of 60 days' prior notice:</p> <ul style="list-style-type: none"> • at any time on or after 7 May 2026 (<i>5 years and 21 days following the Closing Date</i>), if the Parity Value on at least 20 trading days in any period of 30 consecutive trading days ending not earlier than 7 trading days prior to the giving of the notice of redemption in respect of a Bond in the principal amount of EUR 100,000 exceeds EUR 130,000; or • at any time, if 20% or less of the aggregate principal amount of the Bonds originally issued remains outstanding <p>“Parity Value” of a Bond in respect of any dealing day means the Principal Amount of such a Bond divided by the Conversion Price in effect on such day, multiplied by the Volume Weighted Average Price of a Share on XETRA on such dealing day, as further described in the Terms and Conditions</p>
Dividend Entitlement:	The Shares to be delivered by the Issuer upon conversion will be entitled to profits (to be paid out by way of dividends, if any) for the then current and all following financial years as from the beginning of the financial year of the Issuer in which such Shares are issued, and may initially carry a separate securities code if a dividend for the previous financial year has not been paid yet.
Dividend Protection:	Downward adjustment of the Conversion Price for any cash dividends per Share paid by the Issuer
Anti-dilution Provisions:	Standard German market anti-dilution protection in relation to Shares, as further described in the Terms and Conditions
Change of Control and Take-Over Bid Protection:	<p>If a Change of Control occurs, the Issuer will, as soon as practicable after becoming aware thereof, fix the Control Record Date and give notice of the Change of Control, the adjusted Conversion Price determined in accordance with the formula below and the Control Record Date</p> <p>If a Change of Control occurs and a Bondholder validly exercises the Conversion Right in respect of any Bond during the period from and including the date on which the Issuer gives notice of a Change of Control to and including 4:00 p.m. (Frankfurt time) on the Control Record Date, then the Conversion Price will be adjusted in accordance with the formula below:</p>

$$CP_a = \frac{CP}{1 + Pr \times \frac{c}{t}}$$

where:

- CP_a = the adjusted Conversion Price;
- CP = the Conversion Price on the day immediately preceding the day on which the Acceptance Event or the Change of Control, as applicable, occurs;
- Pr = the initial conversion premium of 25 per cent.;
- c = the number of days from and including the date on which the Change of Control or the Acceptance Event occurs to but excluding the Maturity Date; and
- t = the number of days from and including the Closing Date to but excluding the Maturity Date

Summary Terms and Conditions

If any Bidder publishes a Take-over Bid in accordance with § 14(2) WpÜG, the Issuer will give notice of the Take-over Bid and of the prospective Acceptance Record Date as soon as practicable after becoming aware of the publication. If the Issuer gives such notice, each Bondholder has the right to exercise the Conversion Right in respect of any Bond at the Conversion Price adjusted in accordance with the formula set out above by giving a conversion notice that is conditional on the occurrence of an Acceptance Event (the "**Conditional Conversion Notice**"). The Conditional Conversion Notice must be received by the Principal Conversion Agent before 4:00 p.m. (Frankfurt time) on the last day of the Conditional Conversion Notice Period. In addition, the Bondholder is required to deliver to the Principal Conversion Agent the Bonds to be converted before the end of the Conditional Conversion Notice Period. Any Conditional Conversion Notice becomes unconditional at the end of the day on which the Acceptance Event occurs, regardless of whether or not that point in time falls within an Excluded Period. If an Acceptance Event occurs, the Issuer will give notice of this fact, the adjusted Conversion Price and the Acceptance Record Date as soon as practicable after the publication by the Bidder of the announcement triggering the occurrence of the Acceptance Event

Please refer to the Terms and Conditions for the more detailed description of the conversion procedure in case of the occurrence of a Conditional Take-Over Bid

Where:

An "**Acceptance Event**" occurs when upon a Take-over Bid (i) after the expiry of the Initial Acceptance Period, the Bidder has published an announcement pursuant to § 23(1) sentence 1 No. 2 WpÜG according to which the Take-over Bid has been accepted at least for a number of Shares which (together with Shares already held by or attributable to the Bidder pursuant to the provisions of § 30 WpÜG) corresponds at least to such number of Shares as are necessary to provide Control, and (ii) the Bidder has published an announcement according to which all offer conditions (including any minimum acceptance thresholds) have been satisfied at the latest upon expiry of the Initial Acceptance Period, except for (x) such offer conditions that have been validly waived and (y) such offer conditions the satisfaction of which may remain pending upon the expiration of the Initial Acceptance Period (such as conditions in relation to regulatory approvals, in particular merger control approvals or the completion of capital measures of the Bidder in order to secure the offer consideration); provided, however, that an Acceptance Event cannot occur anymore if any offer condition cannot be fulfilled (already before or at the same time) any longer and the offer has, thus, failed

"**Acceptance Record Date**" means the last day of the Initial Acceptance Period (taking into account extensions of this period, if any, pursuant to, or in accordance with, applicable laws and regulations)

"**Bidder**" is the person or partnership making the Take-over Bid or the Mandatory Offer

A "**Change of Control**" will be deemed to have occurred (i) if after the date of issue of the Bonds any person or persons or any partnership ("**Relevant Person(s)**") and/or any person or persons acting on behalf of any such Relevant Person(s), (irrespective of whether the management board (*Vorstand*) or the supervisory board (*Aufsichtsrat*) of the Issuer has given its consent thereto) acquire(s) Control of the Issuer (unless the acquirer is a credit institution, financial service provider or agent that acquires the relevant Shares only temporarily in a transitory function in connection with the implementation of a capital measure or corporate action) or (ii) in case of a merger of the Issuer with or into a Third Person or the merger of a Third Person with or into the Issuer, or the sale of all or substantially all of the assets (determined on a consolidated basis) of the Issuer to a Third Person other than in connection with transactions following which (A) in the case of a merger, holders that represented 100% of the voting rights of the Issuer hold at least the majority of the voting rights of the surviving entity immediately after such merger and (B) in the case of a sale of all or substantially all of the assets of the Issuer, the acquiring entity is or becomes a subsidiary of the Issuer and becomes a guarantor in respect of the Bonds.

"**Conditional Conversion Notice Period**" means the period commencing on the day on which the Issuer gives notice and ending at 4:00 pm (Frankfurt time) on the Acceptance Record Date

Summary Terms and Conditions

"Control" means direct or indirect, legal and/or beneficial, ownership of Shares (including by a group of persons acting in concert within the meaning of §§ 2(5)), carrying an aggregate 50 per cent. or more of the voting rights in the Issuer. **"Control Record Date"** means the business day fixed by the Issuer which will be not less than 40 and no more than 60 days after the date on which the notice of the Change of Control is published in accordance with the Terms and Conditions

"Initial Acceptance Period" means the acceptance period pursuant to § 16(1) WpÜG (not the additional acceptance period pursuant to § 16(2) WpÜG)

"Mandatory Offer" means any mandatory offer (*Pflichtangebot*) for Shares, according to the WpÜG or – in case the Issuer is not or no longer subject to the WpÜG but to the comparable takeover regulation of another jurisdiction – according to this comparable takeover regulation, which is addressed to shareholders of the Issuer by any person or partnership other than the Issuer

"Take-over Bid" means any voluntary take-over bid for Shares, according to the WpÜG or – in case the Issuer is not or no longer subject to the WpÜG but to the comparable takeover regulation of another jurisdiction – according to this comparable takeover regulation, which is addressed to the shareholders of the Issuer by any person or partnership other than the Issuer

"Third Person" means any person other than a subsidiary of the Issuer

"WpÜG" means the German Securities Acquisition and Take-Over Act (*Wertpapiererwerbs- und Übernahmegesetz*), as amended from time to time

In the case of a Take-over Bid, in connection with which an Acceptance Event as well as a Change of Control occurs, the Conversion Price shall be adjusted only once (and as of the time at which the first of these events occurs)

In no event shall the Conversion Price be adjusted more than once during any period starting with the notice by the Issuer of a Change of Control or a Take-over Bid and ending on the Change of Control Record Date (in case of a Change of Control) or the day of the settlement of the Take-over Bid (in case of a Take-over Bid)

Bondholder Put:

The Bonds may be redeemed at the option of the Bondholders:

- (i) at the Principal Amount plus accrued interest on the Bondholder Put Date (subject to giving notice no more than 60 business days and no later than 45 business days prior to the Bondholder Put Date); and
- (ii) upon the occurrence of a Change of Control or Transferring Merger, at par plus accrued interest, as further described in the Terms and Conditions

Negative Pledge:

Yes, in respect of the Issuer and the Issuer's Material Subsidiaries in respect of capital markets indebtedness, as further described in the Terms and Conditions (subject to customary exceptions)

Events of Default:

Customary Euro-market events of default in relation to the Issuer and its Material Subsidiaries, as described in the Terms and Conditions

Cross Default:

Yes, in respect of the Issuer and the Issuer's Material Subsidiaries including a cross default threshold of EUR 50 million, as further described in the Terms and Conditions

Material Subsidiary:

A subsidiary of the Issuer which has total assets or net sales (excluding intra-group items) representing 5% or more of the total assets or net sales of the Issuer and its subsidiaries, calculated on a consolidated basis, as further described in the Terms and Conditions

Tax Call / Gross-Up:

None

Use of Proceeds:

The Issuer intends to use the proceeds from the Offering to further improve its liquidity position as the Covid-19 crisis continues and subsequently for the repayment of existing financing instruments

Form:

The Bonds will be in bearer form, represented by a global certificate to be held permanently by Clearstream Banking AG, Frankfurt, in its book-entry system, with a register of holders (the **"Bondholders"**)

Summary Terms and Conditions

Lock-up:	For the Issuer and its subsidiaries from the Pricing Date until 60 calendar days after the Closing Date
Selling Restrictions:	<p>Institutional private placement, Reg S only, Category 1, no Rule 144A, TEFRA Rules do not apply</p> <p>No offers or sales into the US, Australia, Japan or South Africa</p> <p>Sales in the EEA or in the UK to Qualified Investors only and not to retail investors (as defined in the EU PRIIPs Regulation and UK PRIIPs Regulation, respectively). No key information document (within the meaning of the EU or UK PRIIPs Regulation) will be prepared</p> <p>In Canada, sales only to investors that are not individuals, that are both an "Accredited Investor" and a "Permitted Client" and are resident in Ontario, Québec, British Columbia or Alberta (with investor letter)</p> <p>MiFID II Professionals/Eligible Counterparties-only / No EU PRIIPS or UK PRIIPS KID / No sales to retail investors in the EEA, the UK or elsewhere</p> <p>Standard selling restrictions apply elsewhere</p>
EU MiFID Target Market:	Eligible counterparties and professional clients only. No EU PRIIPs or UK PRIIPs key information document (KID) has been prepared as not available to retail investors in EEA or the UK
Governing Law:	German Law
Listing of the Bonds:	Application is intended to be made for the Bonds to be included on the Open Market segment (<i>Freiverkehr</i>) of the Frankfurt Stock Exchange
Clearing Systems:	Clearstream Banking AG Frankfurt, and also for Euroclear Brussels and Clearstream Luxembourg.
Clearing Codes:	<p>ISIN: DE000A3E5KG2</p> <p>German WKN: A3E5KG</p> <p>Common Code: 233255149</p>
Paying and Conversion Agent:	Citibank, N.A., London Branch
Calculation Agent:	Conv-Ex Advisors Limited
Joint Global Coordinators and Joint Bookrunners:	Citigroup Global Markets Europe AG, BofA Securities Europe SA, Commerzbank Aktiengesellschaft and Société Générale
Joint Bookrunners:	Barclays Bank Ireland PLC, Crédit Agricole Corporate and Investment Bank, Deutsche Bank Aktiengesellschaft, HSBC, ING Bank N.V., Landesbank Baden-Württemberg and UniCredit Bank AG
Settlement Agent:	Citigroup Global Markets Europe AG