



TUI Group Factbook

December 2016



TUI Group at a glance

A clear structure to deliver growth and value

Tourism		
Marketing & Sales in Source Markets	Hotels & Resorts	Cruises
<p><u>Tour operator</u></p> <ul style="list-style-type: none"> • Travel Agencies • Internet Portals • Mobile Services • Destination Services • Airlines 	<p><u>Hotelfolio</u></p> <ul style="list-style-type: none"> • 303 hotels • 213,500 beds • Well known brands 	<p><u>Cruise ship fleet</u></p> <ul style="list-style-type: none"> • 14 cruise ships across 3 brands • TUI Cruises, Hapag-Lloyd Cruises & Thomson Cruises¹ 
Revenue €15.4bn	Revenue €619m	Revenue €297m
EBITA €635m	EBITA €287m	EBITA €130m
19.2 million customers	78% occupancy	103% occupancy ²
TUI Group – Revenue: €17.2bn, Underlying EBITA: €1,001m		

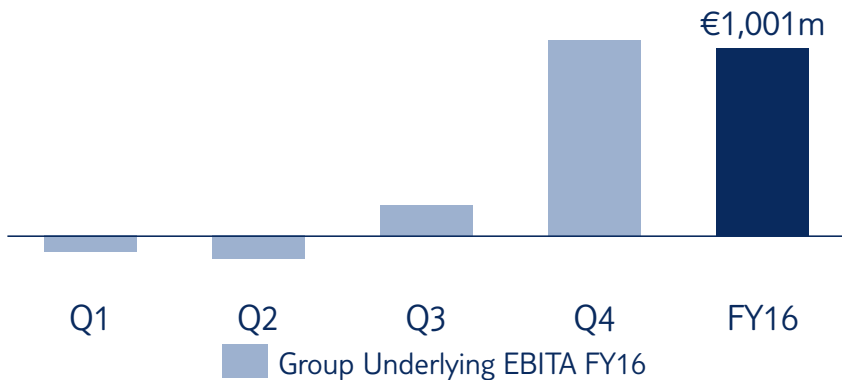
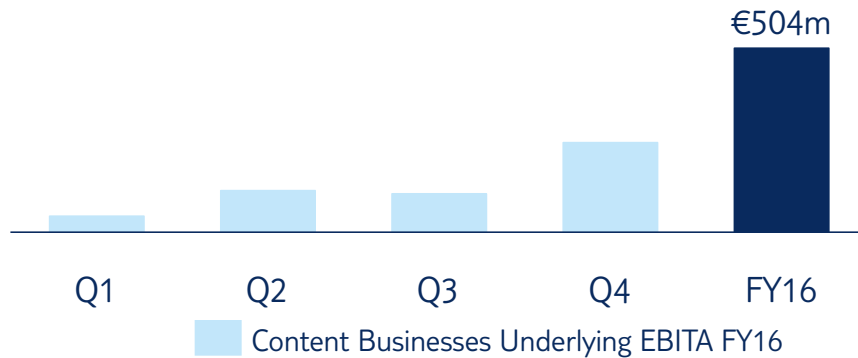
¹ Thomson Cruise result included within Source Market (UK)

² TUI Cruises

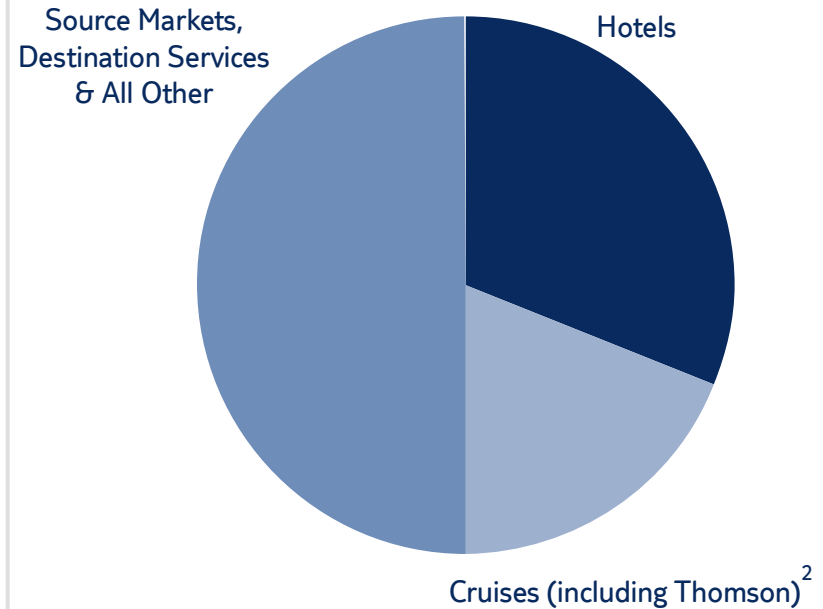


Integrated model enables us to deliver around 50% of earnings from content

Our content businesses are less seasonal



Content businesses mix ¹



¹ Hotels and Cruises (TUI Cruises, Thomson Cruises, & Hapag-Lloyd Cruises)

² Pro forma numbers for Thomson Cruises

Growth in content is de-risked through our direct customer relationships



Income Statement – Key Figures

2014/15 to 2015/16

€m	2015/16	2014/15
Turnover	17,184.6	17,515.5
Underlying EBITDA	1,379.6	1,344.1
Underlying EBITA	1,000.5	953.3
Adjustments	-102.4	-158.7
EBITA	898.1	794.6
EBIT	898.1	794.6
Interest result	-179.5	-182.6
Impairment Hapag-Lloyd	-100.3	-147.1
Equity result Hapag-Lloyd	-	0.9
EBT	618.3	465.8
Income taxes	-153.4	-58.2
Group result continuing operations	464.9	407.6
Discontinued operations	687.3	-28.0
Minority Interest	-114.8	-39.2
Group result after minorities	1,037.4	340.4

Variances due to rounding effects



Underlying EBITDA*

2014/15 to 2015/16

In €m	2015/16	2014/15	Change
Northern Region	541.7	629.8	-88.1
Central Region	109.0	127.9	-18.9
Western Region	108.3	85.5	22.8
Source Markets	759.0	843.2	-84.2
Hotels & Resorts	377.9	343.2	34.7
Cruises	148.9	97.6	51.3
Other Tourism	65.3	73.2	-7.9
Tourism	1,351.1	1,357.4	-6.3
All Other Segments	28.5	-13.2	41.8
TUI Group continuing operations	1,379.6	1,344.1	35.5

* unaudited figures

Earnings Per Share (continuing operations)

€m	Reported		Pro forma*		
	2015/16	2014/15	2015/16	2014/15	
EBITA	898	795	1,001	953	
Net interest expense	-180	-183	-180	-163	↗ Excludes convertible bond interest
H-L AG book value adjustment and equity result	-100	-146	-	-	
EBT	618	466	821	790	
Tax rate	25%	12%	25%	25%	↗ Underlying effective tax rate calculated based on underlying EBT, adjusted for convertible bond interest
Tax charge	-153	-58	-205	-197	
Minority interest	-111	-56	-111	-90	→ Pro forma minority interest excludes TUI Travel for full year
Hybrid dividend	-	-11	-	-11	
Net income	354	341	504	492	
Basic number of shares	584	513	587	587	→ Pro forma NOSH based on issued share capital as at 30.9.16
Basic Earnings per Share (€)	0.61	0.66	0.86	0.84	

* Pro forma number of shares excludes 6.5m shares relating to employee stock options and Employee Benefits Trust; figures are rounded



Cash Flow

In €m	2015/16	2014/15*
EBITA reported**	898.1	794.6
Depreciation**	407.0	420.2
Working capital	271.8	-82.8
Other cash effects	63.7	17.5
At equity income**	-187.2	-114.0
Dividends received from JVs and associates	82.2	81.3
Tax paid	-186.4	-148.4
Interest (cash)	-71.2	-73.3
Pension contribution	-335.6	-184.3
Operating Cashflow	942.4	710.8
Net capex	-533.4	-496.8
Net investments	758.9	-174.1
Net pre-delivery payments	-48.7	11.9
Free Cashflow	1,119.2	51.8
Dividends & Hybrid Interest	-341.1	-306.3
Movement in Cash Net of Debt	778.1	-254.5

*Prior year restated due to exclusion of Hotelbeds & Travelopia in reported EBITDA

**Continuing ops basis – non-continuing adjustment in Other cash effects



Net Financial Position, Pensions and Operating Leases

€m	30 Sep 2016*	30 Sep 2015
Financial liabilities	-2.041	-1.887
- Finance Leases	-1.232	-982
- Other Asset Finance	-392	-457
- High Yield Bond	-306	-300
- Other liabilities	-111	-147
Cash	2.073	1.673
Net cash/(debt)	32	-214
- Net Pension Obligation	1.451	1.147
- FV of Operating Leases	3.144	3.541

* Based on continuing operations



Key Sources of Funding 30 September 2016

Instrument	Issue	Maturity	Amount €m	Interest % p.a.*
Revolving Credit Facility	Sep 14	Dec 20	1,750**	E/L +1.55
High Yield Bond	Sep 14	Oct 19	300	4.5
Finance leases	Various	Various	1,232	Various

*Upgrade of our rating by Moody's has reduced our RCF interest margin from 1.7% to 1.55% p.a as of 27/04/2016.

**Including a tranche of €215.0m for the issue of bank guarantees

Note: €300m Senior Notes with a coupon of 2.125% p.a was issued post Balance Sheet date on 26 October 2016. The notes will mature on 26 October 2021.

The High Yield Bond was repaid in full post Balance Sheet date on 18 November 2016.



FX and Fuel

Hedging	Winter 2016/17	Summer 2017	Winter 2017/18
Euro	95%	82%	40%
US Dollars	90%	75%	45%
Jet Fuel	92%	88%	66%

Hedging as at 2 December 2016



Financial Target Ratios 2015/16

In €m	15/16
<i>Gross debt</i>	2,041
<i>Pensions</i>	1,451
<i>NPV operating leases</i>	3,320
Debt	6,812
Reported EBITDAR	2,050
Leverage Ratio	3.3x
Reported EBITDAR	2,050
<i>Rentals - interest component*</i>	248
<i>Net interest expense</i>	180
Interest charges	428
Coverage Ratio	4.8x

* Simplified approach - one third of long-term rental expense



Source Markets

Summary 2015/16

	Northern Region	Central Region	Western Region	Total Source Markets
Customers (000)*	7,388	6,828	5,016	19,231
External turnover (€m)	7,001	5,567	2,870	15,438
Underlying EBITA (€m)	461	88	86	635
EBITA Margin (%)	6.6	1.6	3.0	4.1
Direct distribution mix	92	47	70	72
Online mix	62	15	52	43

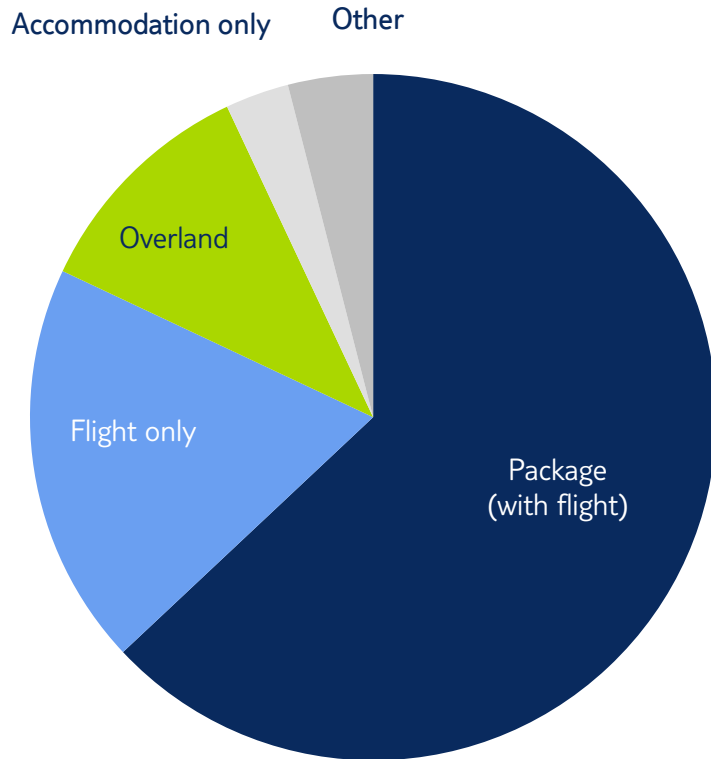
Figures shown as a percentage of revenue unless otherwise stated

** Excludes strategic ventures in Canada and Russia/CIS*

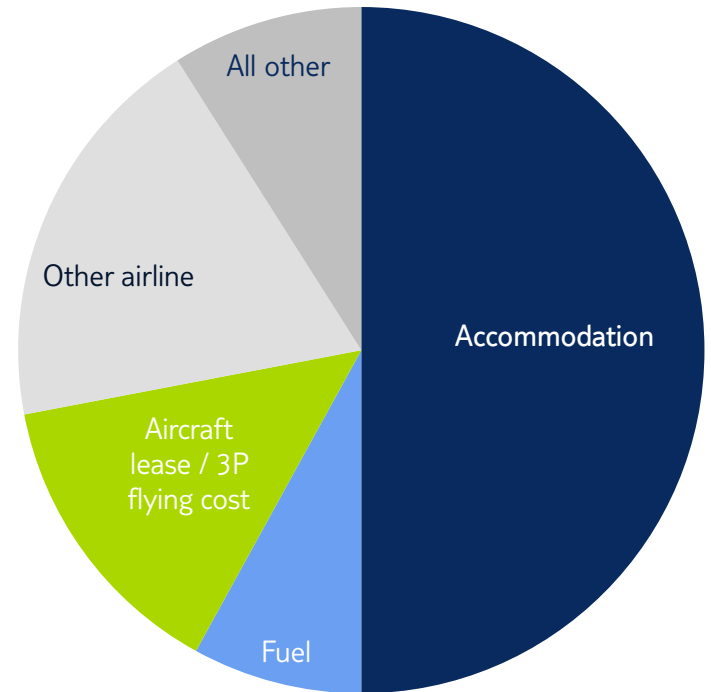


Source Markets Summary 2015/16

Customers split by holiday type

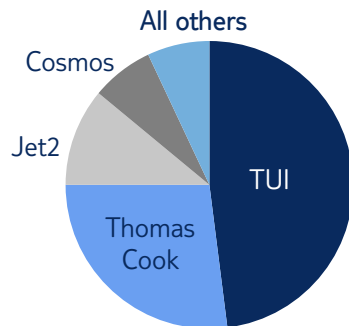


Direct Operating Cost split



Source Markets: Northern Region – UK (2015/16)

Market Share*



* Company estimates, 2015 data

Positioning

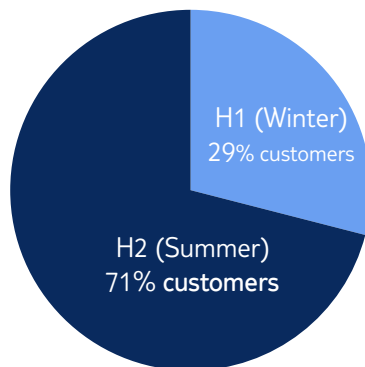
- **Leading** tourism brands with high levels of **direct** distribution and **unique & differentiated** holidays driving superior performance
- **Key growth drivers** - broader & more flexible customer offering, modernised cruise offering, long-haul
- **Platform improvements** (IT, airline) delivering improved customer experience and enabling opportunities for profitable top-line growth

Key Figures

Customers	6.0m
EBITA Margin	7.0%

Holidays

Seasonality

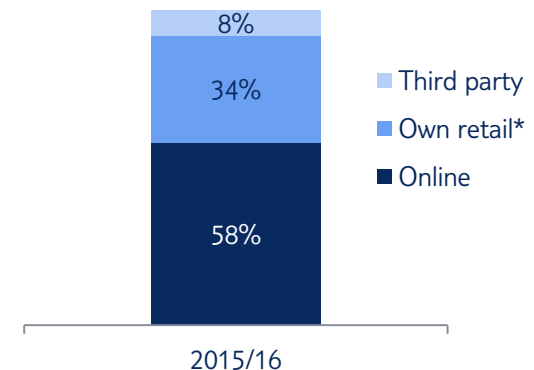


over 90% of pax flown by own airlines

S16 top 3 destinations

- Spain (incl. Canaries)
- Greece
- Cyprus

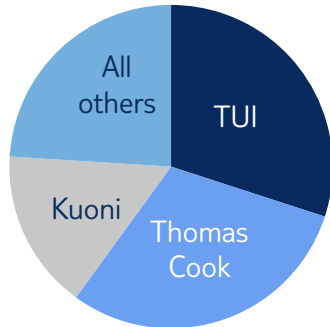
Distribution



* includes Owned Retail, Franchise Retail and Call Centre

Source Markets: Northern Region – Nordic (2015/16)

Market Share*



* Company estimates, 2015 data

Positioning

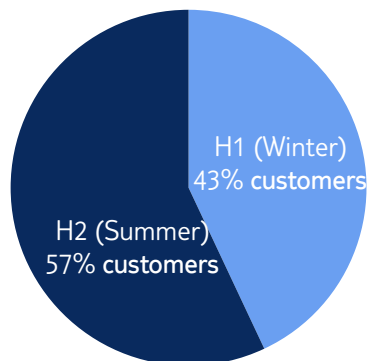
- **Online driven** business
- High levels of **unique** content
- **Higher** proportion of **winter holidays** than other European source markets
- TUI rebrand commenced November 2016

Key Figures

Customers	1.4m
EBITA Margin	3.2%

Holidays

Seasonality

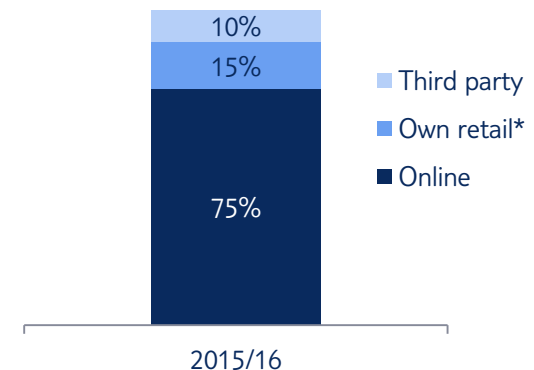


c55% of pax flown by own airlines

S16 top 3 destinations

- Greece
- Spain (incl. Canaries)
- Cyprus

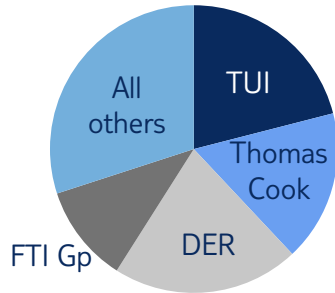
Distribution



* includes Owned Retail, Franchise Retail and Call Centre

Source Markets: Central Region – Germany** (2015/16)

Market Share*



* Company estimates, 2015 data - rebased based on GfK Tour Operator Market Share data

Positioning

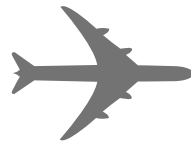
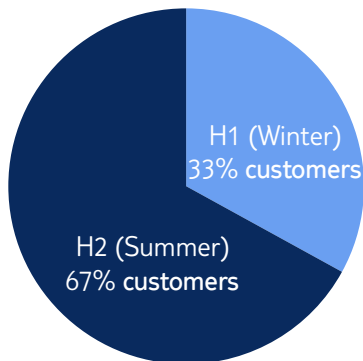
- **Strong** holiday brands
- Fragmented market, dominated by **large number of third party travel agencies**
- Focussed on **increasing controlled distribution** (both offline and online) and profitably growing **market share** and driving **further operational efficiency improvements**

Key Figures

Customers	6.3m
EBITA Margin	1.5%

Holidays

Seasonality

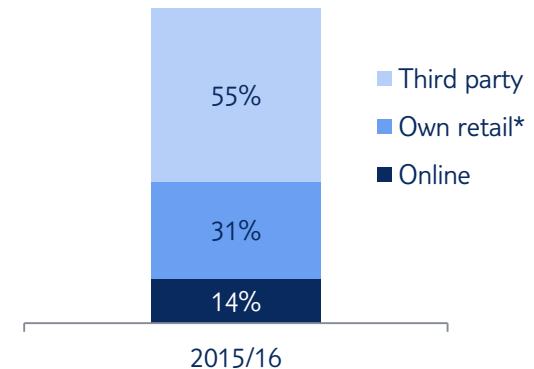


c60% of pax flown by own airline

S16 top 3 destinations

- Spain (incl. Canaries)
- Greece
- Turkey

Distribution



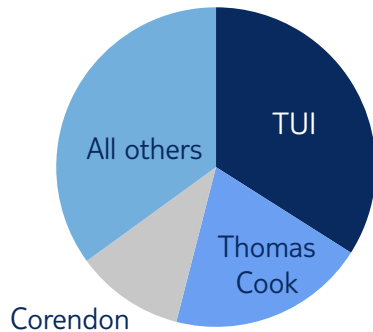
*includes Owned Retail, Franchise Retail and Call Centre

**Germany and Austria excl. L'tur



Source Markets: Western Region – Benelux (2015/16)

Market Share*



* Company estimates, 2015 data

Positioning

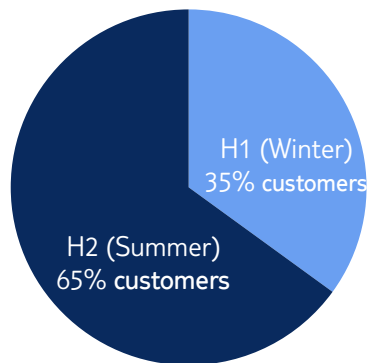
- **Leading** market position
- Strong **online** distribution capability
- TUI rebranding completed successfully in **Netherlands**
- Highly efficient airline cost base in **Belgium**

Key Figures

Customers	4.3m
EBITA Margin	4.7%

Holidays

Seasonality

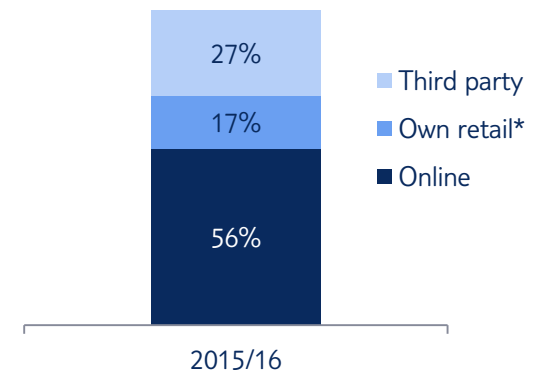


c90% of pax flown by own airline

S16 top 3 destinations

- Spain (incl. Canaries)
- Greece
- Turkey

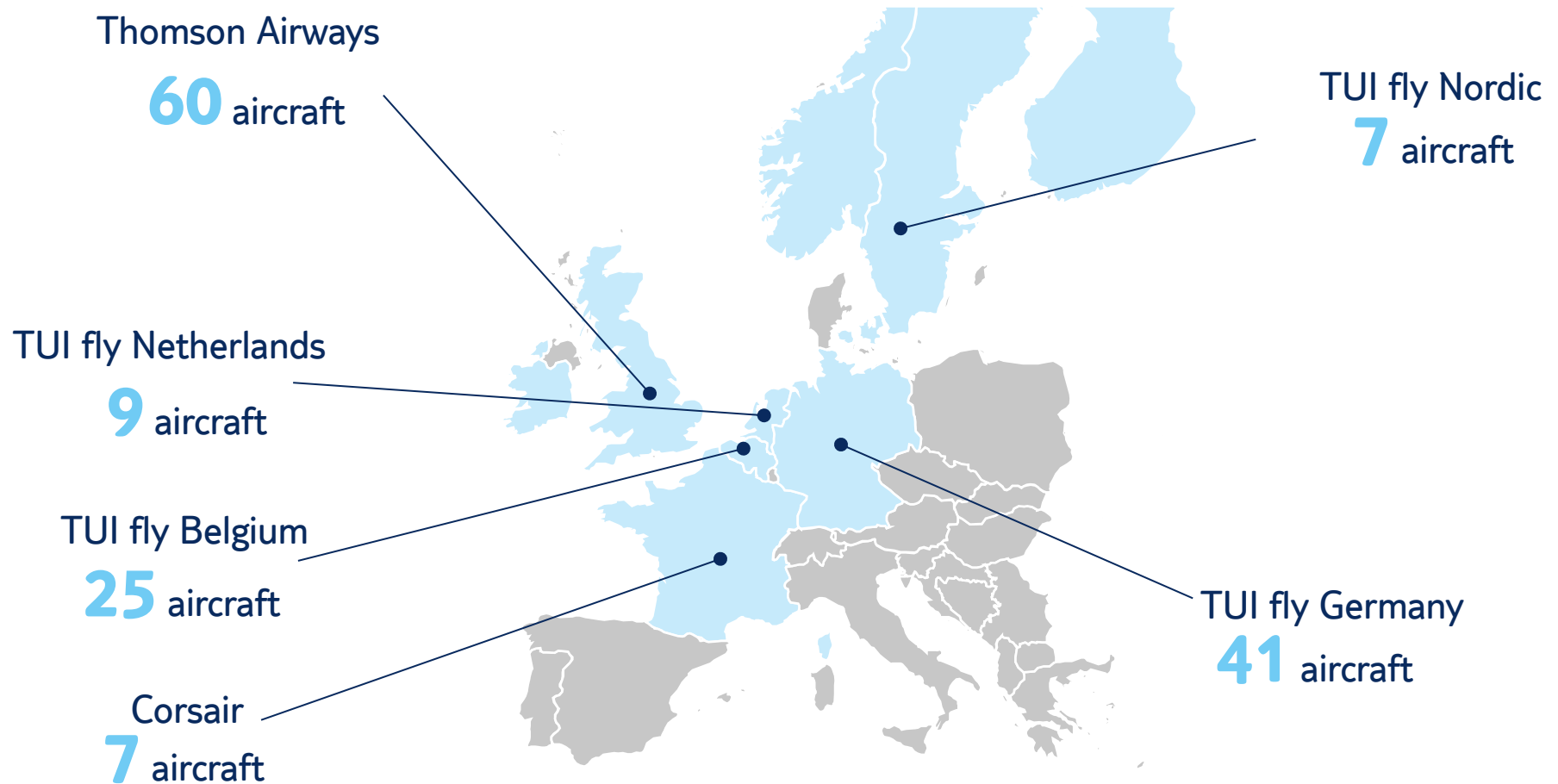
Distribution



* includes Owned Retail, Franchise Retail and Call Centre

Source Markets

Aircraft Fleet as of 30 September 2016*



* Includes aircraft leased from and operated on behalf of 3rd party airlines

Source Markets

Aircraft Order Book Deliveries

	16/17	17/18	18/19	19/20	20/21
B737 NG	-	-	-	-	-
B737-MAX	-	5	18	18	12
B787-8	-	-	-	-	-
B787-9	1	2	-	-	-
Firm order book deliveries 2017-2021	1	7	18	18	12

Financial Years (FY) ending 30 September; figures correct as at 30 September 2016

In addition to the above firm orders, TUI Group has further aircraft options :

	16/17	17/18	18/19	19/20	20/21
B737-MAX	-	-	-	2	9
B787-9	-	-	1	-	-
Option order book deliveries 2017-2021	-	-	1	2	9

Financial Years (FY) ending 30 September; figures correct as at 30 September 2016

Source Markets

Aircraft Commitments by Financing Type

	Operating Lease*	Finance Lease	Owned	Total
As at 30 September 2015	124	15	8	147
Order book financing	-	1	-	1
External Lessor deliveries	7	-	-	7
External Lessor Returns	(6)	-	-	(6)
As at 30 September 2016	125	16	8	149
Financing	~€2bn	~€1bn	~€0.1bn	€3.0bn

* Includes aircraft leased from and operated on behalf of 3rd party airlines



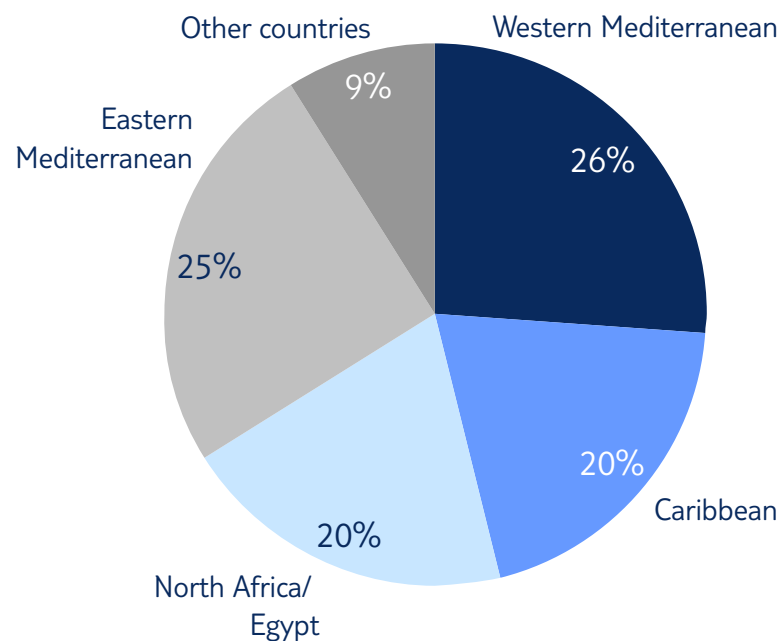
Hotels & Resorts

Summary 2015/16

Key facts

Total Turnover (€m)	1,278
o/w Turnover 3 rd party (€m)	619
Underlying EBITDA (€m)	378
Underlying EBITA (€m)	287
o/w Equity result (€m)	58
Number of hotels	303
Number of beds	213,503
Capacity ('000)	35,031
Revenue/bed (€)	58.0
Occupancy (%)	77.5

Hotel beds by region

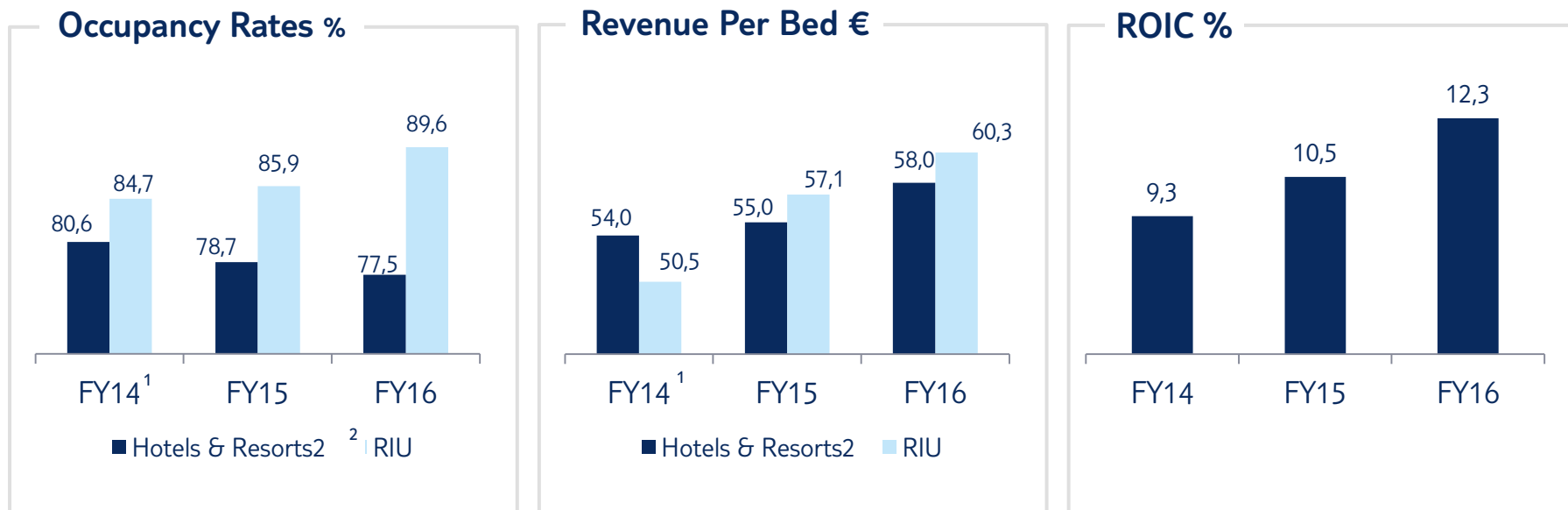


¹ Group owned or leased hotel beds multiplied by opening days per annum; ² Arrangement revenue divided by occupied beds;

³ Occupied beds divided by capacity; Note: capacity, revenue/bed and occupancy include former TUI Travel Hotels

Hotels & Resorts

Long-term Performance










ROIC increased from 10.5% to 12.3% in FY 16, compared with segmental WACC of 6.5%

¹ FY14 excludes TUI Travel Hotels ² Includes Hotels in Turkey



Hotels & Resorts

2016 Hotel Summary by concept

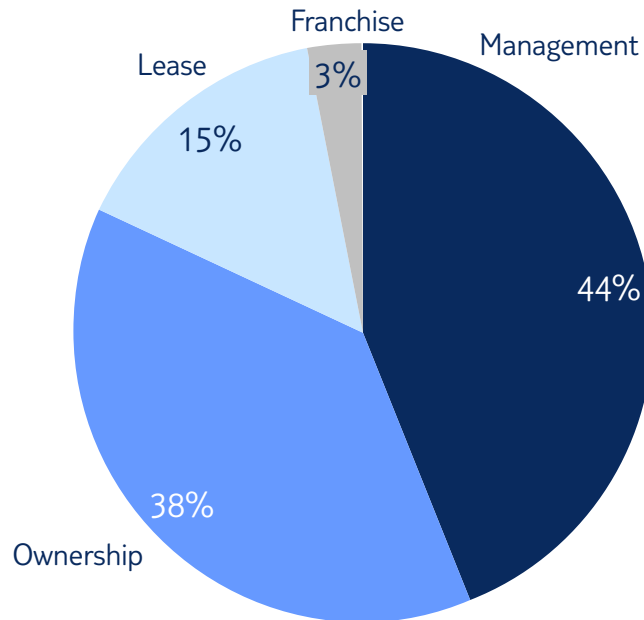
Hotel brand	FY15 Group Hotels	FY16 Openings	FY16 Closures	FY16 Repositionings	FY16 Group Hotels	3 rd Party Concept Hotels	FY16 Group & All Concepts
 RIU	104	4	(14)	-	94	-	94
 TUI BLUE	-	-	-	2	2	-	2
 ROBINSON	24	2	(2)	-	24	-	24
 TUI MAGIC LIFE	13	-	-	-	13	-	13
 TUI SENSATORI	4	1	-	-	5	5	10
 TUI SENSIMAR	9	-	-	11	20	28	48
 TUI FAMILY LIFE	-	-	-	17	17	12	29
Other	156	2	-	(30)	128	-	128
Total	310	9	(16)	-	303	45	348

Note RIU Calypso in Fuerteventura operates as a Sensimar hotel but is counted within RIU in the table above

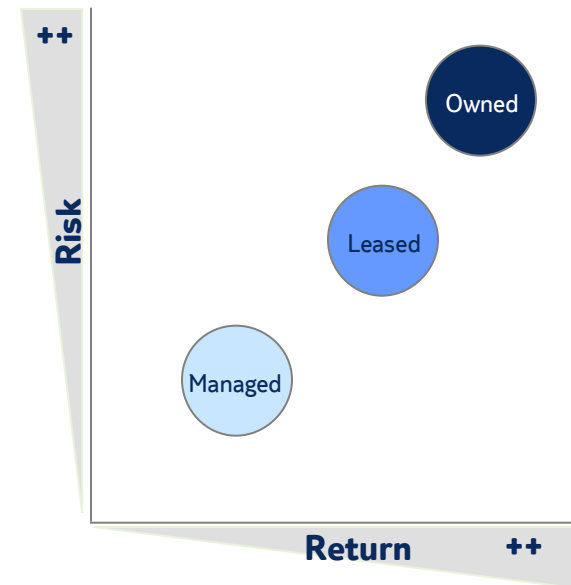
Hotels & Resorts

Financing Structure 2015/16

Financing structure



Risk and return profile (illustrative)



**Average duration of management, Lease & Franchise contracts:
10 years, mainly with option for renewal for another 5 years**

Hotels & Resorts

Profit analysis 2015/16

Owned & leased hotels*	Capacity	Occupancy	Rate	Bed revenue
160	35,031	77.5%	58.00€	€1,574m

X X =

€m	Bed revenue	Other	Total	o/w fully consolidated	o/w associated
Turnover owned & leased	1,574	324	1,898	1,278	620
o/w turnover internal				659	
o/w turnover 3 rd party				619	
Underlying EBITDA (incl. associated EAT)			378	320	58
Underlying EBITA (incl. associated EAT)			287	229	58

Tables contain unaudited figures and includes former TUI Travel Hotels

* As at 30/9/2016 - financing structure : Management 44%, Ownership 38%, Lease 15%, Franchise 3%

Hotels & Resorts

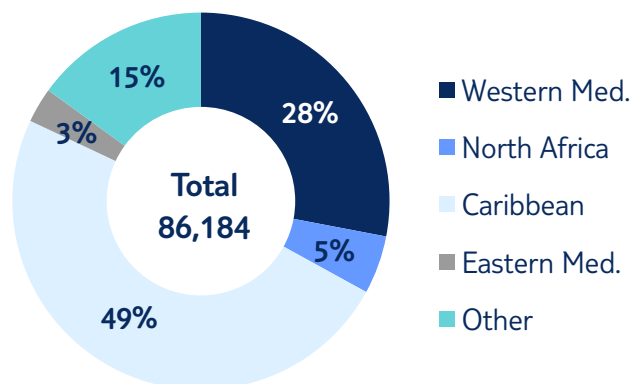
RIU – Key figures 2015/16



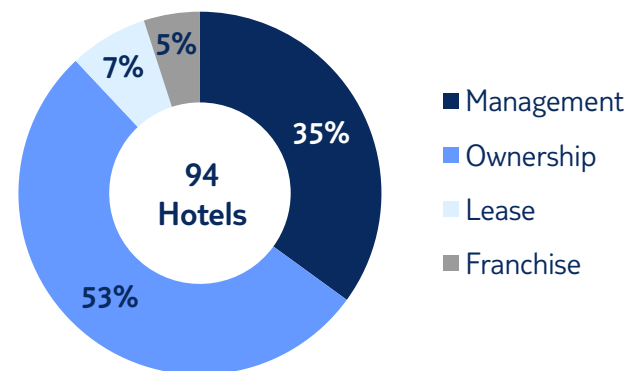
€m

Riu 100%-view*	Total	o/w RIUSA II (fully consolidated)	o/w Riu Hotels (consolidated at equity)	Riu in TUI accounts
Turnover	1,112	796	316	796
Underlying EBITA	405	273.5	131	318.3
EBITA-Margin	36%			
EAT	314	221	93	
o/w EAT to TUI (50%)	156	111	44.8	156
ROIC (incl. Goodwill)	20%			
ROIC (excl. Goodwill)	26%			

Hotel beds by region (%)



Financing structure (%)

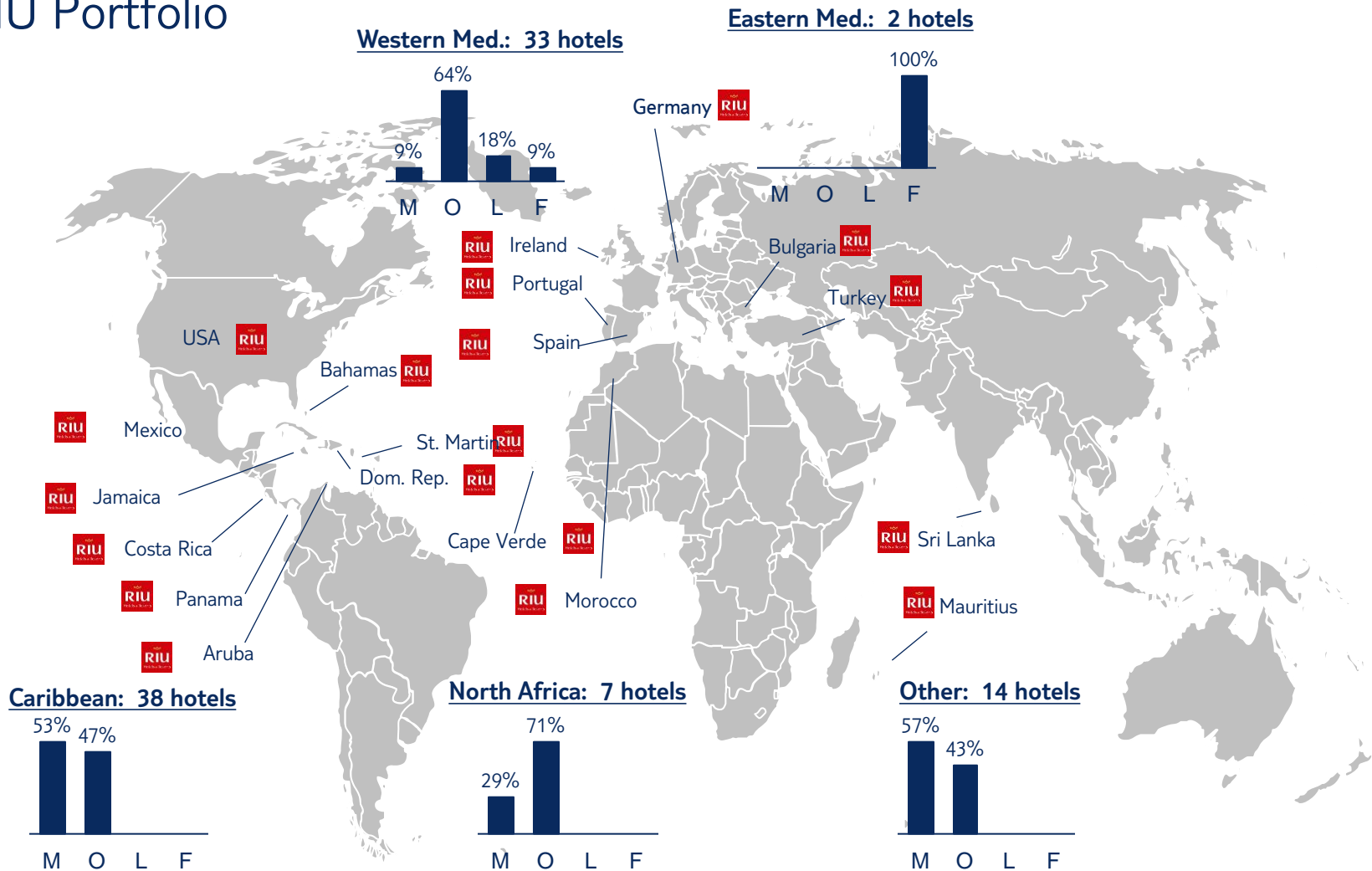


* unaudited figures



Hotels & Resorts

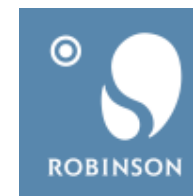
RIU Portfolio



M = Management; O = Ownership; L = Lease; F = Franchise; figures at 30 Sep 2016

Hotels & Resorts

Robinson – Key figures 2015/16



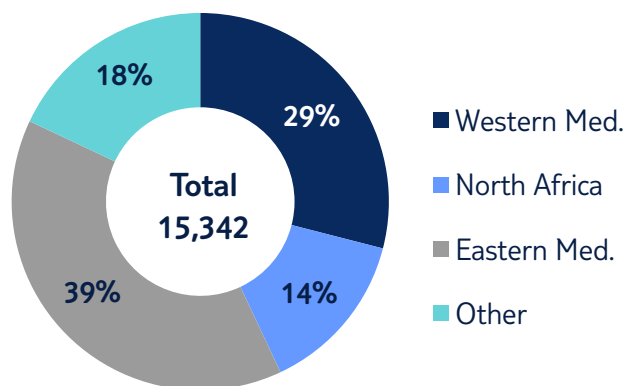
€m

Robinson in TUI accounts*	15/16	14/15
Turnover	194	192
Underlying EBITA	39	42
EBITA-Margin	20%	22%
EAT (100% TUI)	15	12
ROIC	13%	14%

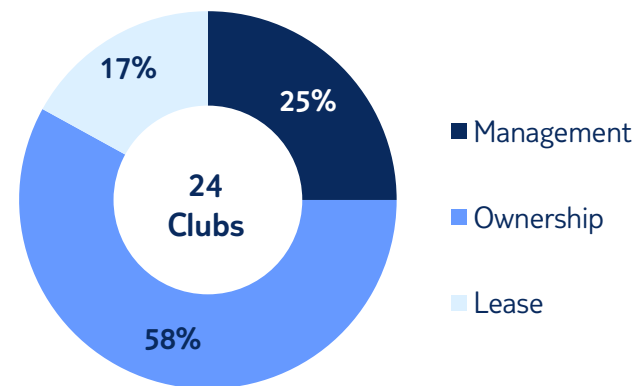


Robinson Club Maldives

Hotel beds by region (%)



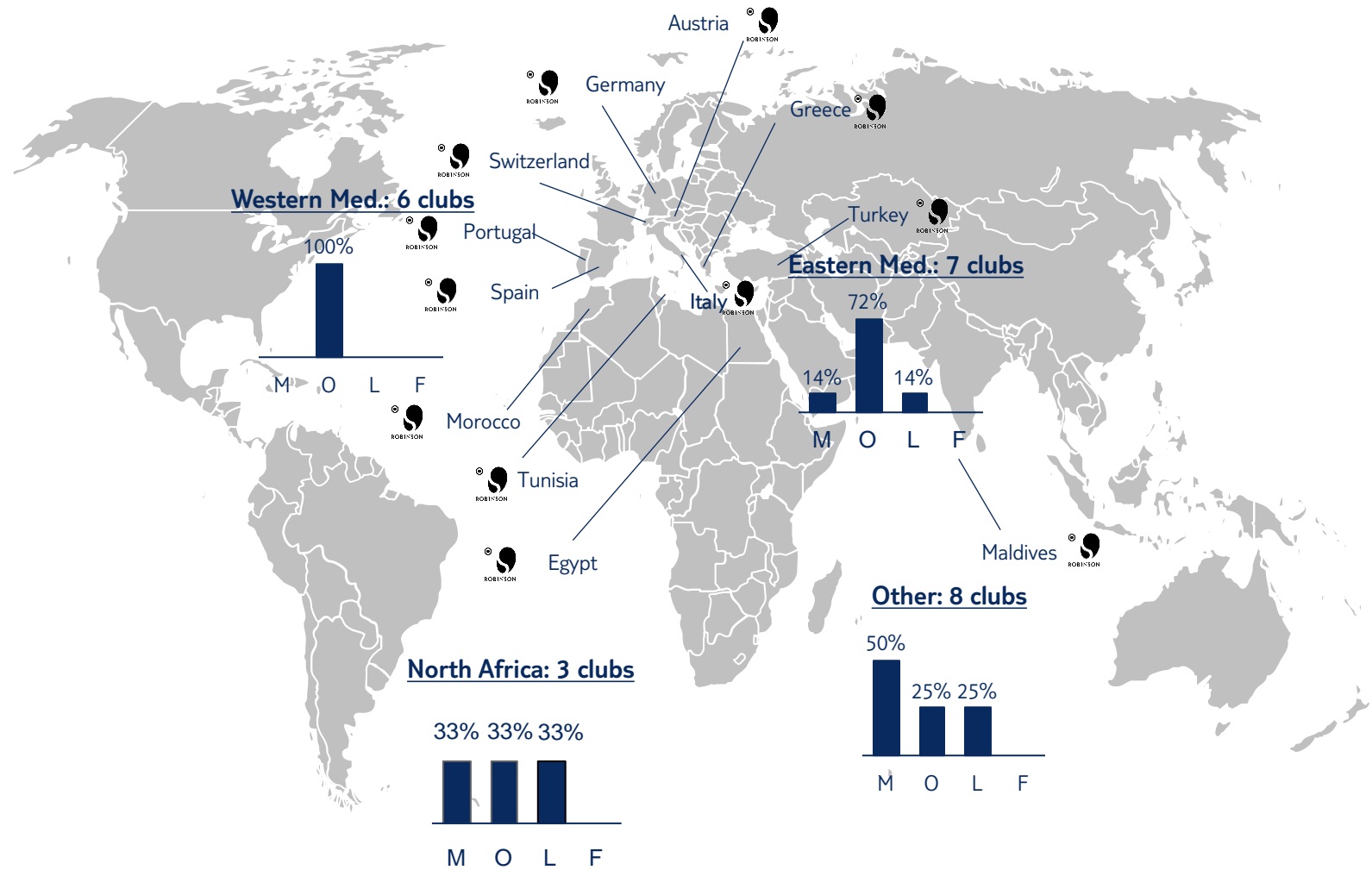
Financing structure (%)



* unaudited figures



Hotels & Resorts Robinson Portfolio



M = Management; O = Ownership; L = Lease; F = Franchise; figures at 30 Sep 2016

Cruises

Summary 2015/16

€m

Turnover and Earnings (€m)

Turnover	297
<i>Memo: TUI Cruises Turnover</i>	<i>807</i>
Underlying EBITA	130
<i>o/w Equity result</i>	<i>100</i>

Memo Thomson Cruises :

<i>Turnover</i>	<i>360</i>
<i>Underlying EBITA</i>	<i>61</i>

Pro forma figures for Thomson Cruises; Result included within Source Market (UK)



Passenger days ('000)	3,482
Occupancy (%)	102.6
Average rate (€)	171

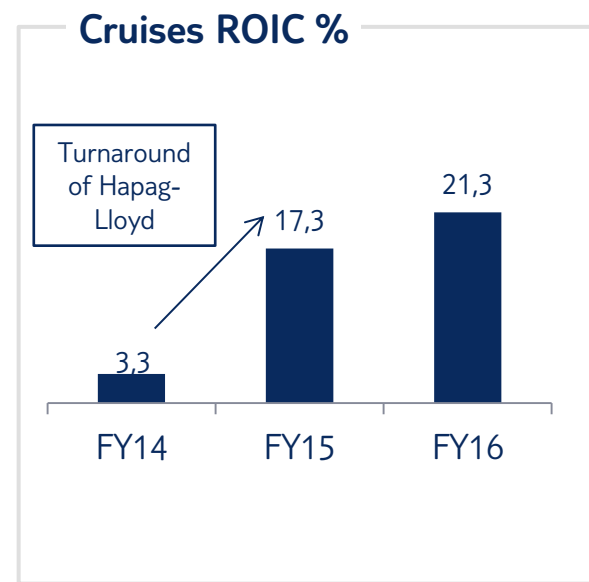
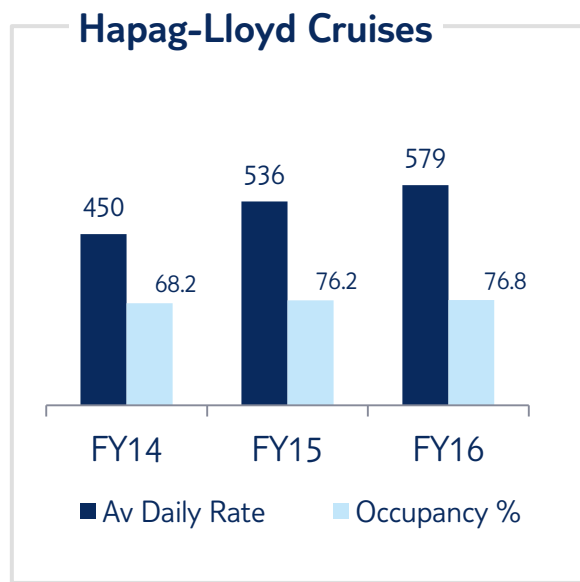
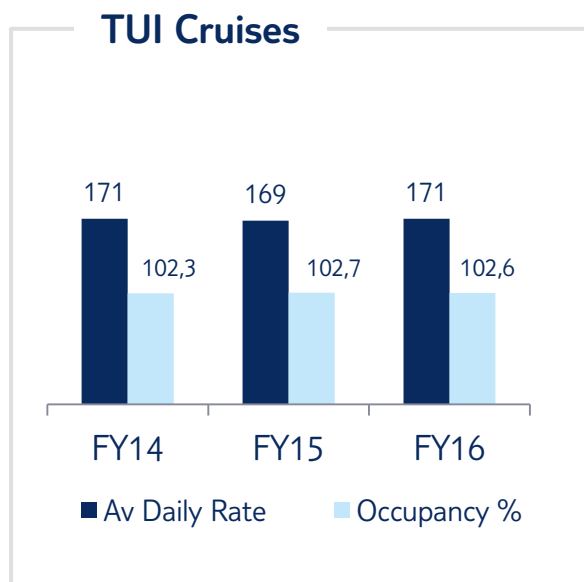


Passenger days ('000)	355
Occupancy (%)	76.8
Average rate (€)	579



Cruises









Long-term performance



ROIC increased from 17.2% to 21.3% in FY 16, compared with a segmental WACC of 7.5%

Cruises

TUI Cruises fleet

	Mein Schiff 1*	Mein Schiff 2*	Mein Schiff 3	Mein Schiff 4	Mein Schiff 5	Mein Schiff 6	New Mein Schiff 1	New Mein Schiff 2
								
Year of construction	1996	1997	2014	2015 (June)	2016 (July)	2017 (new build)	2018 (new build)	2019 (new build)
Berths	1,924	1,912	2,506	2,506	2,534	2,534	2,860	2,860
Operating model	Wholly owned	Wholly owned	Wholly owned	Wholly owned	Wholly owned	Wholly owned	Wholly owned	Wholly owned

* MS1 and MS2 to replace 2 ships in UK fleet following delivery of new MS1 and new MS2

Cruises

Hapag-Lloyd Cruises fleet

	Europa	Europa 2	Bremen	Hanseatic	Expedition New build	Expedition New build
						
Year of construction	1999	2013	1990	1993	2019	2019
Berths	408 ¹	516 ¹	155	175	240	240
Operating model	Wholly owned	Wholly owned	Wholly owned	Bareboatcharter Exp. 2018	Wholly owned	Wholly owned

1) Additional sofa-bed in most of the suites (usable for persons up to the age of 6, 10, 12 or 15 years)

Cruises

Thomson Cruises fleet

	Thomson Celebration	Thomson Dream	Thomson Majesty	Thomson Spirit	TUI Discovery	TUI Discovery 2 - 2017
						
Year of construction	1984	1986	1992	1983	1995	1994
Berths	1,262	1,533	1,462	1,254	1,830	1,836
Operating model	Finance Lease Exp. 2018	Finance Lease Exp. 2020	Operating Lease Exp. 2017	Operating Lease Exp. 2017	Finance Lease Exp. 2026	Wholly owned Built 1994

Thomson Cruises is reported within Source Markets (UK) and not in the Cruise segment