

moments

TUI GROUP MAGAZINE 2018



total

Three stories reveal staff commitment to making TUI holidays special.

individual

Holiday countdown with Alexa? Book excursions in real time? TUI explores new horizons.

growth

The cruise business is booming. An Antarctic expedition illustrates why.

TUI GROUP IN FIGURES

16
CRUISE SHIPS



Holiday
Experiences

~150
AIRCRAFT



10 M
ONLINE
BOOKINGS

Markets &
Airlines

69,500
EMPLOYEES



380
HOTELS

27 M
CUSTOMERS

21 million from European
source markets



115
DESTINATIONS



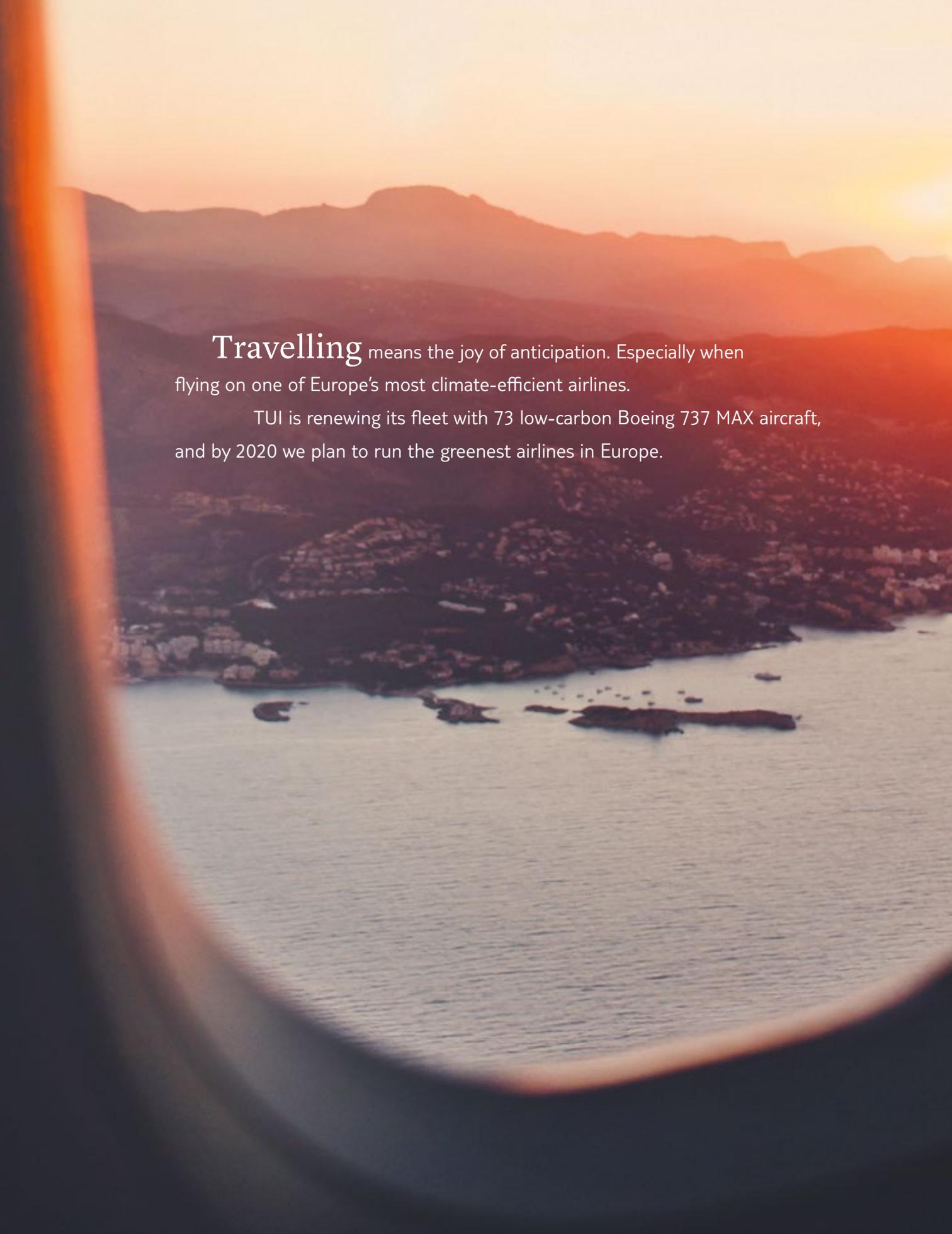
People want moments that last forever.

Moments as individual as people.

We offer our services to over 27 million customers along the entire value chain – from the perfect choice of destination to the special holiday experience and then a relaxed journey home. And thanks to digital technology we are learning more every moment about how to make every holiday a chain of unique experiences.

It all begins with a holiday dream. At least 27 million customers come to us for **inspiration** every year. All over the world, they place their trust in TUI's great strength: perfectly attuned services that turn a journey into a true experience. There are over 115 destinations to choose from.



A scenic view of a coastal town and mountains at sunset, seen through an airplane window. The sun is low on the horizon, casting a warm orange glow over the landscape. The town is built on a hillside overlooking the sea, and the mountains in the background are silhouetted against the bright sky.

Travelling means the joy of anticipation. Especially when flying on one of Europe's most climate-efficient airlines.

TUI is renewing its fleet with 73 low-carbon Boeing 737 MAX aircraft, and by 2020 we plan to run the greenest airlines in Europe.

The curtain rises: in our 380 hotels we want guests to experience that magic moment of **arrival** as something distinctly special. Booking is optimally managed by our unique blockchain technology-based capacity management.



The **discovery** of distant worlds enriches mind and soul.
We have been expanding our high-margin cruise programme,
adding even more breath-taking exclusive expeditions.



During the most valued time of the year, customers want a unique **experience**. This growing trend is driving our segment TUI Destination Experiences.

Customers will benefit in future from a one-stop shop inventory offering about 150,000 excursions and tours in 49 countries.



When people **share** their unforgettable memories with friends and family, they soon begin to dream about the next adventure. Every new journey builds on the last. TUI's database is learning continuously – so the next trip will feature even more personal preferences. Magic moments included.





Individual strength

CEO Fritz Jousen on personalisation and the analogue and digital power of TUI.

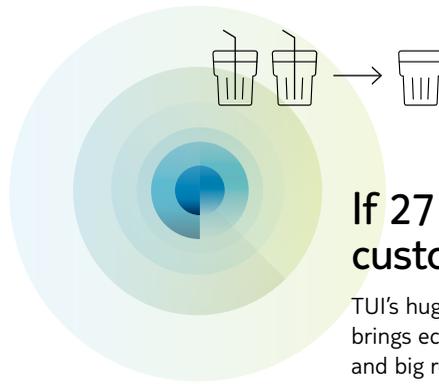
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Growth drivers

Malaysia is both a destination and a source market.

pp. 24 – 29



If 27 million customers ...

TUI's huge customer base brings economic opportunities and big responsibilities.

pp. 16 – 17



Digital thinking, agile working

From microchips under the skin to the six-eye principle – TUI Nordic shows the way.

pp. 48 – 53



New Work

A work camp on Majorca or the office in Hanover – New Work at TUI.

pp. 54 – 55

Sun soaked

The Robinson Club on the Cape Verde Isles is perfect for holidays – all year round.

pp. 30–35



»Tell me what I want«

How Alexa and blockchain are making travel more personal.

pp. 18–23

»No Problem«

However digital we are, people are TUI's trump card.

pp. 44–47



Cutting ice

The cruise business is booming. An Antarctic expedition illustrates why.

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Of small steps and milestones

New aircraft for less CO₂
How TUI is updating its fleet.

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New horizons

In Hué the TUI Academy launches youngsters into a new vocational future.

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»We have largely completed the transition from tour operator to integrated tourism Group. We are now on our way to becoming a digital company.«

Fritz Jousen



INDIVIDUAL STRENGTH

TUI is built on very stable pillars and plans to grow right along the value chain. A strategy chat with TUI CEO Fritz Joussem on moments of truth for the tourism Group. The trend towards greater personalisation and associated investments. The opportunities and potential in ancillaries. And the growth potential from TUI's customers.



Mr Joussem, what was your special TUI moment last year?

I had so many special moments – with customers, business partners and our own employees. Opening new hotels, launching the new cruise liner Mein Schiff 1. On Fuerteventura, the first ever club in our Robinson brand has been beautifully restored since December; in the UK, the shift to the TUI brand has been a resounding success; and in Scandinavia, we are proving that today's TUI is digital through and through. In Germany, after an initiative taken by the Group Works Council, we have rolled out newWork@TUI. We have acquired two more companies for our destinations business, including the Italian digital start-up Musement. Those were all highlights in 2018. And in economic terms too, 2018 was a very good business year. For the fourth year in a row we grew our earnings by a two-digit figure, i.e. more than 10 per cent. We all have a share in that achievement. Around 70,000 employees made it happen. They are our brand ambassadors. For our customers, they are the face of the company. I want to thank them for that.

Early in the year the prospects looked even better. Were there surprises in store?

First and foremost, we delivered what we promised. Earnings growth of more than ten per cent is not something many companies achieve as sustainably as TUI has now done for several years in a row – despite the challenging environment. 2018 was not an easy year. The performance of sterling after the Brexit referendum was a tangible factor, especially for British consumers and holiday makers. In addition, it was an extremely hot summer in northern and central Europe. Lots of people spontaneously opted for a staycation. But our robust result demonstrates that our Group and our business are well positioned.

One important factor was the change in strategy – away from a straight tour operator towards an integrated tourism Group with a focus on hotels and cruises. Where does TUI stand today?

We are still reaping the rewards of that decision in 2013 to shift from being a simple tour operator and holiday broker towards becoming our own developer, investor and operator. Our business is far more evenly spread across the year, our dependence on the summer quarter has declined, and we are earning higher margins with our hotels and cruises. We have by and large completed that

transition from tour operator to integrated tourism Group. Now about 70 per cent of revenues are earned in the segments Hotels and Cruises and from our activities and services in the destinations.

What now?

The change continues. In summer we streamlined our Group organisation. With one clear objective: to be faster, more efficient and more dynamic. We are on our way to becoming a digital company. We want half our earnings growth to come from digitalisation in future. And I'm not talking about online distribution here. Obviously we've been doing that for a long time already. In some markets we sell almost exclusively online, while in others travel agencies

»We increasingly manage our worldwide hotel capacities centrally through blockchain.«

and personal advice are still very much in demand. We are always as digital as our customers in that market want us to be. I mean that we have been digitalising our business processes. First of all around the services and products we offer our customers: if I know my customer, I can tailor the product to suit whatever that person likes to do. So we are developing services that are relevant to our guests, to make their holiday nicer and easier – and to increase our own turnover as a result. Customers are happy to pay for good services. Secondly, digitalisation is advancing on the supply side. We increasingly manage our worldwide hotel capacities centrally through blockchain. That ensures a high level of transparency in all our markets, optimum management of occupancy rates and greater profitability.

27 million customers, terms like “package holiday” and “all-inclusive” – none of that sounds very personalised. How do these things fit together?

It all fits together very nicely. Maybe that term “package holiday” is old-fashioned. But the offering that underlies it is totally up-to-date. Our customers want a very individual holiday experience, a special moment that stays engraved in the memory. And they value a wide choice of options, quality, service and personal attention in their destination. It begins when they are planning the trip and continues with the flight and the hotel. The activities and services available at the destination are increasingly important to them.

How do you manage that with 27 million guests?

It's precisely because we have 27 million guests a year that we can offer those special services at the destination – something for everyone at affordable prices. The key lies in only offering custom-

ers the things that match their tastes. Nobody knows the travel habits and holiday preferences of our customers better than we do. TUI is sitting on a treasure chest with a huge amount of knowledge, and in recent years we have learnt to process that data and put it to good use for our customers. When a customer books a holiday with TUI, there are usually a few months between booking and departure. We want to make better use of that window to offer customers products and services tailored to their preferences before they set off. We want to target those offers individually, because our customers are individuals. As we all know, nobody likes being pestered by spam. We aim to be so good that one suggestion in five triggers a purchase.

How will you obtain that accurate understanding of what customers want?

There are three dimensions to that: looking at the historical data, analysing the patterns of other customers, and forecasting the future. What are our customers' habits, what preferences have they already expressed for destinations, hotels, rooms, excursions and activities, when will they be travelling? What do other customers of a similar age or background like to do? We are a service company and we know our customers well – not least because TUI has so many loyal regulars. Here too, digitalisation helps. We will be drawing on cutting-edge IT, artificial intelligence and algorithms. Our investments in people and technology have paid off, so in digital terms we are very well set up already. We have quite consciously invested in recruitment too, establishing completely new job profiles at TUI and bringing managers and experts from global technology companies into the Group.

You mentioned an increasing focus on individuals. But where do those personalised offers come from?

Our Spanish subsidiary TUI Destination Experiences has been playing a key role in this. It's no accident that we recently renamed the business. These days our colleagues are not simply providing destination services. They are creating experiences, activities, moments that make the holiday special. We have been investing again and we now have visibility as TUI in almost 50 countries. But that is not enough in itself. That's why we recently bought the start-up Musement. The Italian tech company operates a platform that can bring destination activities and users together. We will be expanding that platform substantially so that we can offer our customers as many products and activities as possible. I see very big potential there.

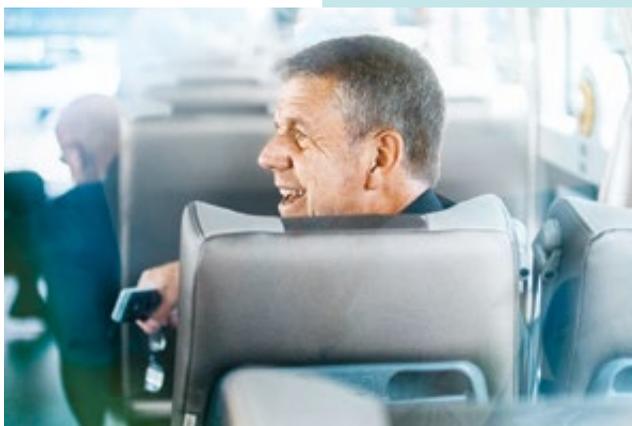
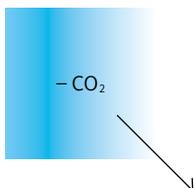
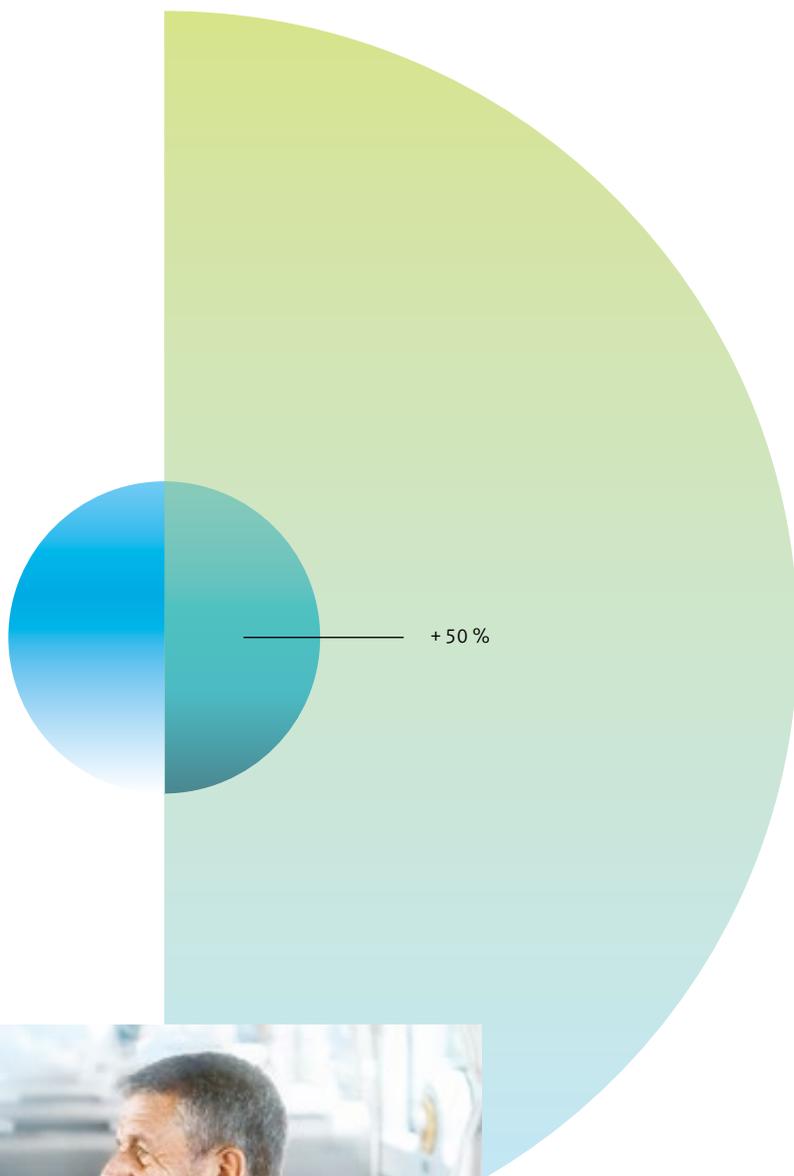
Can you give us an example?

It might sound a bit obvious, but a young family with small children is probably more interested in a day trip to a theme park than in visiting a museum. And a group of young adults are perhaps more likely to take a tour in the hills on mountain bikes.

Why do you think this is so important?

If we want to continue our success story, we must respond to our customers' personal preferences. Ancillaries are a highly profitable business. But you have to go about it the right way. In the

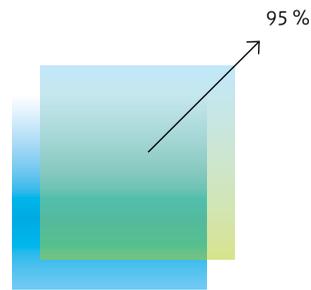
50 per cent of earnings growth is due to digitalisation.



1st & 3rd

place for TUI Airways and TUI fly Germany in the 2017 global carbon index.

»27 million customers a year means: we can scale up – and also enhance the personal holiday experience.«



Caribbean holidays are gaining traction fast: take-up of TUI hotels is **95** per cent.

classical tour operator business, margins are expressed in low, single-digit figures. In hotels and cruises we earn much more for every euro spent – that's why we are investing heavily in that area. With the ancillaries, those margins are equally attractive.

How come?

Take that much-loved seat on the plane right next to the emergency exit. You can give it to the first person who asks for it during check-in. Or you can offer that seat in advance to someone who prefers it. Today a hotel guest can usually choose between a room overlooking the sea or the garden. But every room is different. Near the lift, well away from the lift, a corner room, close to the pool or the kids' club or else as far away as possible. Those are all options that we don't offer with our products yet. If we go about it the right way, the scale-up from ancillaries could be huge. I'm thinking primarily of the potential we have with our 21 million customers in the European source markets. We can achieve further growth – while at the same time enhancing the personal holiday experience.

Will tourism carry on being so successful?

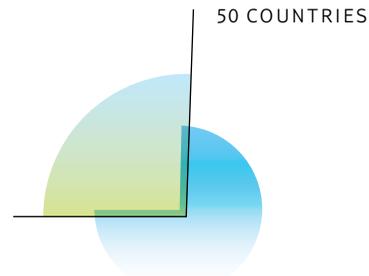
There are no indications that it won't. In the last 15 years tourism has consistently grown faster than GDP – except for the year after the financial crisis, in 2009. Of course, growth comes hand in hand with greater responsibility, and as market leaders we are committed to that. The effects of tourism are mostly positive. It generates income, education, infrastructure, medical care and so forth.

But growth doesn't only have positive effects ...

And so we take great care to grow responsibly. We know that sustainability plays an outstanding role. Our airlines in the UK and Germany rank first and third in the global carbon efficiency index. We already have one of the most state-of-the-art cruise fleets in the world and the new Mein Schiff vessels ordered for 2024 and 2026 will run on liquefied petroleum gas. Besides, the TUI Care Foundation launched by TUI makes a major contribution by ensuring that as many people as possible in the destinations can benefit sustainably from tourism – for example, through education programmes or support for local start-ups or conservation campaigns. The basic principle is that wherever tourism evolves, social and environmental standards improve. The infrastructure, for instance, becomes cleaner and greener. Wherever tourists go bathing there is more awareness about healthy beaches and an unspoiled environment. Farmers adopt organic methods and supply regional hotels and restaurants. All that strengthens the local economy in these countries and creates jobs.

Finally, what trends are you seeing, where is TUI growing?

Cruising is and remains a growth market. Apart from the new acquisitions at TUI Cruises and Marella Cruises, the fleet at Hapag-Lloyd Cruises will expand in 2019 by adding two luxury expedition vessels. Caribbean holidays are gaining traction. The hotels there are running to 95 per cent of capacity. This is reflected in our investments in the area. And last but not least, we are growing at global level. We want to translate our success in the Caribbean over



In 2018 TUI operated under the TUI brand in nearly **50** countries and over 115 destinations.

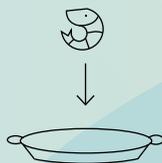


to Asia, taking our offering to China, Malaysia, India and Brazil and expanding our customer base there. We want the hotels we operate under our Group brand in Sri Lanka, Vietnam, the Maldives and Thailand to set the benchmark for holiday hospitality in Asian markets. The new Robinson Club Khao Lak, for example, became an insider tip in no time. As long as people still want to travel – and all the signs suggest that is not about to change – we are operating in an attractive market and we will continue to play an active role in defining it. You might say that we are creating unique moments for our customers millions of times over.

Thank you for your time, Mr Jousen.

...took 1 more TUI excursion (on average) per holiday,

they would make their holiday even more fascinating – and we would know more about what they like doing. That will help us to offer them more personalised activities in the future. Bold spirits shoot the rapids in Costa Rica while hobby cooks practise paella on Majorca – just two examples out of about 150,000 options in our inventory. For our customers, these are unforgettable memories, but we profit too: by growing in one of the most attractive segments in tourism.



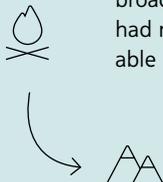
...also booked excursions and activities in their destination with TUI,



that would generate huge potential for our turnover and growth. Initially we are focusing our campaigns on the 21 million customers who book their holidays with our own subsidiaries in the European source markets. In theory this sounds like a simple lever, but in reality there is nothing trivial about it at all. Because, of course, customers will only pay more for an additional service if they recognise a benefit. So we work on these details all the time: our employees are continually expanding the TUI product spectrum. They generate new options like preferred rooms or apply appropriate IT and artificial intelligence to design experiences more in tune with customer preferences – and create the framework for holiday makers to enjoy an unforgettable experience in the destination.

...told two friends about their holiday with TUI,

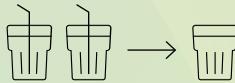
we would reach another 54 million potential customers. It isn't just about the quantity of these contacts: quality is at least as important. If someone hears a friend talking about an exotic place, perhaps it will tempt them to broaden their own horizons – and travel somewhere they had never thought about before or feel more comfortable about exploring new countries and cultures.



IF 27 MILLION

... rejected one more plastic straw while away,

or else replaced it with one made of sustainable material, the environment would benefit hugely. These drinking aids account for about four per cent of global annual plastic waste. It's well worth getting by without them. TUI sets a good example here: passengers on the Mein Schiff fleet and guests at Riu hotels in Spain, Portugal and Cape Verde are given compostable straws, and in 2019 these will be introduced in the Caribbean. Other hotels under the Robinson, TUI Blue and TUI Magic Life brands have launched similar initiatives.



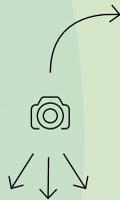
... rated TUI online after their holiday,

we would receive 27 million direct, honest opinions to evaluate and put to good use. For example, by placing hotels with the best scores higher on our websites, by adjusting our ancillary programme or by sending our customers personal feedback.



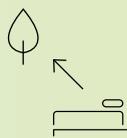
... posted their favourite memories on #DiscoverYourSmile,

we would reach many of Instagram's billion users in the most authentic manner. And the more people post those holiday moments, the more potential customers will sense the magic behind our brand. That way – and no ad campaign can achieve this – customer recommendations alone will prove that holiday memories are one of the key features of our product. As so many Instagram users are young, we also reach the real decision-makers in the family: it's not unusual for children to determine where the next holiday should be spent.



... stayed at a hotel with a sustainability certificate,

the positive impact would be enormous: per bednight, compared with uncertified hotels, that means on average ten per cent less CO₂ emitted, 24 per cent more waste avoided, 19 per cent less fresh water used and 23 per cent more green energy consumed. The domestic employment rate increases by nine per cent, and on top of all this customers are more satisfied. TUI is working constantly to certify more hotels: 80 per cent of our own hotels have already received awards for their environmental commitment and social responsibility. And with 9.2 million guests, a considerable share of TUI holidaymakers travelled green already.



CUSTOMERS...

» TELL ME WHAT I WANT «



Voice assistant Alexa can help with holiday inspiration and preparation. Our customers can book the latest excursions with the aid of blockchain – and the Museum platform brings them a variety of cultural experiences: TUI is researching and testing digitalisation across the board to create a holiday experience that is personalised, easy to manage and exactly right.

Alexa, what's new?

Every evening for the last week, the Smith family have been sitting around the dinner table together. It's time to plan next summer's holiday. The four of them haven't decided yet where they want to go – but Alexa will help. The Amazon voice assistant inspires them – by telling the parents and children interesting facts about destinations across the world as well as travel offers that might be just perfect for them: "The Spanish island of Majorca is home to the amazing Caves of Drach. These 4 huge cave chambers have millennia-old stalactites and stalagmites with names like the Buddha or Snowy Mountain. In the last cavern you can take a boat ride on one of the world's biggest underground lakes, Lake Martel, while musicians provide live music."

This interaction with the cloud-based Amazon service is happening on millions of speakers around the world and in dozens of different languages thanks to what we call "skills" – rather like apps for smart phones or tablets. There are currently about 50,000

of these on the market, most of them specialising in themes like music, news or cinema films. TUI has designed and tested three of these skills for the travel market. The Smiths are using TUI Travel News to find out more about destinations around the globe. And for money-saving inspiration they go to TUI Deals – an application with up-to-date TUI deals, discount codes, and ongoing offers like free kids' places. These skills are also linked to the Alexa smart phone app, and create special 'cards' inside that app, so that the family can read more info, view pictures, and book what Alexa told them about.

Once the family have booked their trip, they can use the TUI Holiday Countdown skill. Every day, as their departure draws closer, they can then get new practical and inspirational advice from Alexa to feel prepared for their holiday and look forward to it even more. "Only six days until your flight to Majorca," says the voice assistant, as the Smiths relax in the evening, and – after giving them a very practical preparation tip first – surprises them with an inspirational tip for their destination: "You really must try the ensaïmadas, a sweet bun that comes with different fillings. You might like to take some home for your friends afterwards. Up until two days before departure you can still add extra luggage to your flight booking. Find out how to do this on today's Alexa card."



Virtual travel advice, inspiration, and of course direct access to the customer. For TUI, Alexa and her sisters are an important step towards the future of travel: "Besides the websites and mobile apps, smart speakers – and voice in general – will be just another channel to reach our customers in a targeted manner," says Carin Campanario, Technology Innovation Strategist with TUI UK.

She and her team developed the Alexa skills and trialed them for one month only. Over a hundred people used the skills, and the tracked usage data as well as qualitative user feedback are now helping the team to fine-tune the 'TUI Voice' strategy. "Customers loved the Holiday Countdown content, but they want a lot more personalisation from Alexa as well as more direct links to buy and book what Alexa mentions," says Carin Campanario, as she sums up the findings. "For example, they would like tips that are more closely matched to the hotel they have chosen or their hobbies or family situation. In order to meet these customers' needs, we can let Alexa ask more questions during the one-off skill set-up for now, and hopefully let customers log in to their TUI account securely in the future."

Blockchain connects partners

Island tours and city walks, rambles and diving courses, desert safaris: the accompanying programme is at least as important to a great holiday these days as the hotel, beach and pool. To identify and perfect these experiences for the customer, TUI Destination Experiences has teamed up with TUI Group's Blockchain Lab to devise an innovative IT solution based on blockchain technology, which will make it faster and more flexible to use.

TUI Destination Experiences works with thousands of tour guides, sports instructors and entertainment agencies. In the past, their offerings have always been entered manually into the database for the portal gotui.com that customers use for bookings. However, having to perform this stage of the operation has always held things up to some extent. "We aim to achieve real-time operation," says Martin Schreck, Chief Information Officer for Contracting & Inventory. If the weather



»The aim is a self-expanding tourist network.«

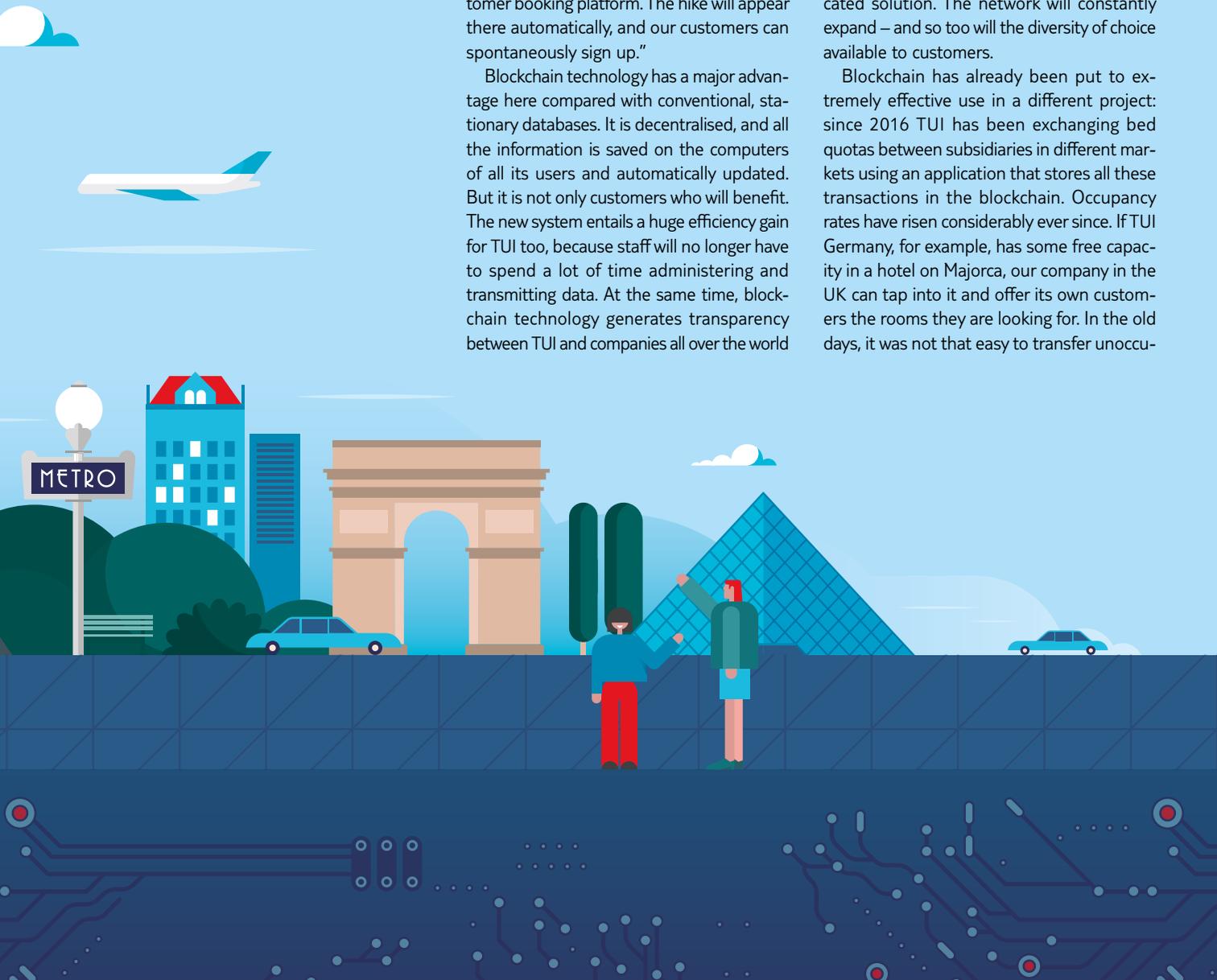
forecast looks good, for instance, and a guide decides at short notice to organise a hike the next morning to a scenic spot, he can post that on the supplier platform. "The portal has an interface linking it to the customer booking platform. The hike will appear there automatically, and our customers can spontaneously sign up."

Blockchain technology has a major advantage here compared with conventional, stationary databases. It is decentralised, and all the information is saved on the computers of all its users and automatically updated. But it is not only customers who will benefit. The new system entails a huge efficiency gain for TUI too, because staff will no longer have to spend a lot of time administering and transmitting data. At the same time, blockchain technology generates transparency between TUI and companies all over the world

who organise excursions and events. Both parties have permanent access to the virtual contracts and the latest details, and suppliers can even adapt their products and prices whenever they want. "The pilot project for this new solution was launched in autumn on the Canary Isles," Martin Schreck reveals. "As soon as the system is running stably we can quickly implement it in other destinations too."

For holiday makers, blockchain doesn't change anything. They book their activities the usual way via the website or the TUI app. For suppliers, the system is equally simple: they can register on the platform within minutes and list their tours. Over the next few months and years – Schreck and his team have no doubt – TUI will win over more suppliers to participate in this state-of-the-art, uncomplicated solution. The network will constantly expand – and so too will the diversity of choice available to customers.

Blockchain has already been put to extremely effective use in a different project: since 2016 TUI has been exchanging bed quotas between subsidiaries in different markets using an application that stores all these transactions in the blockchain. Occupancy rates have risen considerably ever since. If TUI Germany, for example, has some free capacity in a hotel on Majorca, our company in the UK can tap into it and offer its own customers the rooms they are looking for. In the old days, it was not that easy to transfer unoccu-



pied beds to a different company – with the bizarre consequence that customers were unable to book a hotel even though it still had free capacity.

At present, only TUI staff can access the blockchain to exchange bed quotas, but the project at TUI Destination Experiences is now allowing external partners onto the decentralised platform. This is an absolute first in the industry, and while it opens up plenty of opportunities, it also presents TUI with enormous challenges: “We have to treat our partners’ data in strict confidence and make sure that critical business process are unseen,” says Martin Schreck. “Although on blockchain everyone can tell which supplier is organising which excursion on TUI’s behalf, the confidential details are only ever visible to the two contracting parties.”

For TUI, the next step towards a big, decentralised network is to acquire experience. Then these smart contracts – which are blockchain transactions – will also be used for working with hotels and airlines. “This is still a very young technology and we learn more from every project,” comments Martin Schreck. “But the idea for the future is to let all this grow into a self-expanding tourism network.”

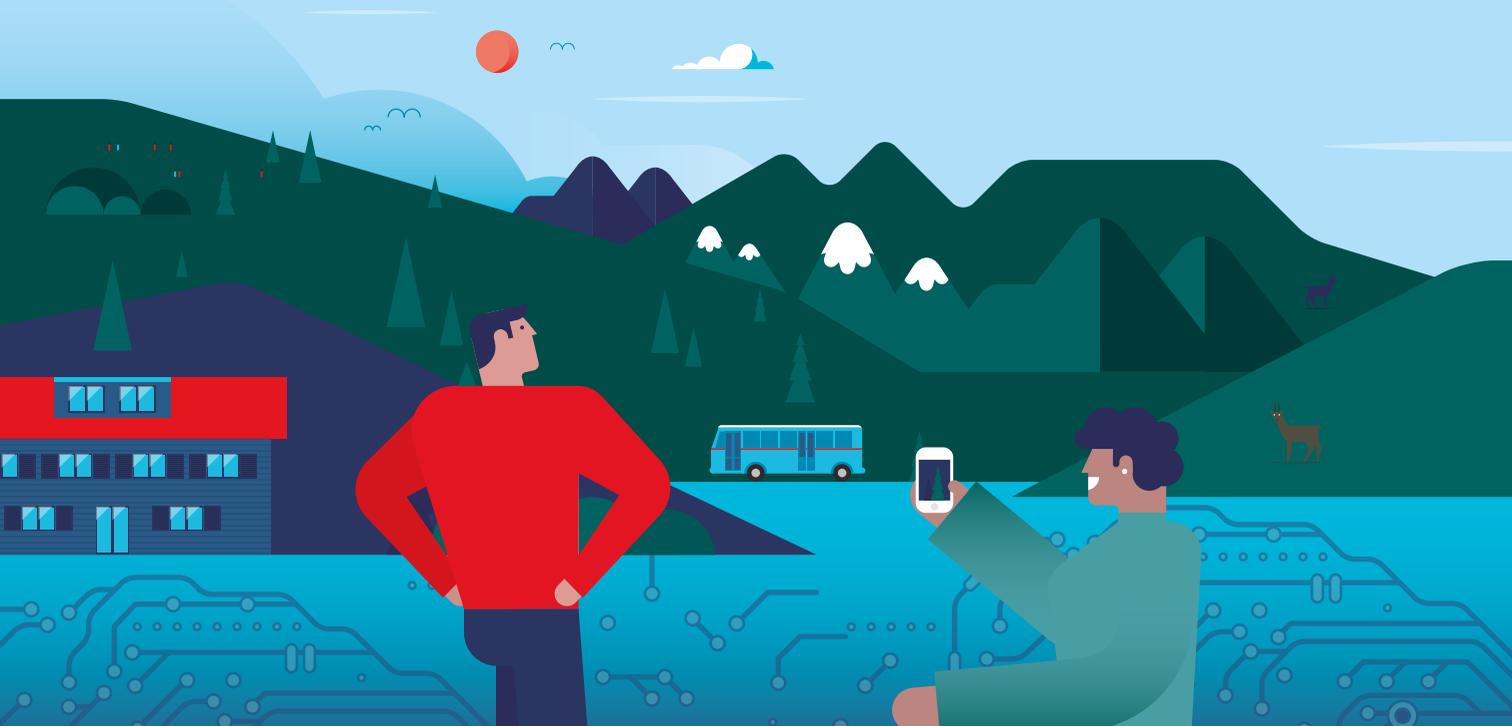
Experiences for every taste

The latest arrival in the TUI family is a significant new component alongside flights, hotels and excursions: in autumn TUI Group acquired the Italian technology start-up Musement. Musement offers 35,000 experiences in 1,100 places around the world, ranging from concerts and sporting fixtures via food and drink to museums and cultural events. If you are visiting Rome, for example, you can pick up a VIP ticket for the Vatican Museums complete with a guide in your own language, then take a culinary tour around the city to try out Italian cuisine, and for the next day you can book a trip to the Amalfi Coast.

“Musement is not only a perfect addition to our portfolio, it has also expanded and broadened our offering of excursions and experiences considerably,” says David Garcia, IT Director with TUI Destination Services. “But at the same time the cutting-edge technology behind the platform is a huge gain: it allows the customer to design a highly individual holiday experience. Besides, people don’t have to wait until they reach their destination to book. They can do it online before they leave home.”

Initially the start-up will remain an independent entity within TUI Destination Experiences. TUI is already using the Musement website and app as additional distribution channels for tours and excursions in Majorca, Crete and other holiday resorts, building the foundations with its customer base of over 20 million people. Musement, on the other hand, will be given an interface linking it to the TUI app and will be integrated as fast as possible into the company blockchain solutions.

Over the next three to five years, the two companies will build a new, standardised platform for holiday experiences. “We will design the new platform by combining the competence and best features of both systems. That will make it even easier for customers to identify and book the experiences that are perfect for them,” explains David Garcia. TUI’s goal is to be the leading fully digitalised provider for excursions and activities. In doing this, TUI is also performing ground-breaking work, because this platform will be completely open: to all providers of excursions and events, and to all users. In future, travellers who booked their holiday with our competitors will likewise be able to plan their excursions and tours with TUI from their destination.



»We want to be a tech company with knowledge that serves our customers.«

Elke Reichart, Chief Digital Officer, TUI Group

Blockchain, voice assistants, smart contracts – does a tourism company really need all that?

Definitely! We don't see those technologies as an end in themselves. Digitalisation is aimed at personalising the product and further enhancing the service. If we want to offer our customers fantastic, individual holiday experiences, we must get to know them better and understand what they want from us both before and during the trip. And the new technologies help us to do that.

What kind of things are we talking about?

Take a customer who has signed up for a golf course on all his recent holidays. Next time he books we can offer him a luggage upgrade for his golf clubs. He might have looked for that upgrade himself, but now he's happy because we saved him the trouble. With other customers we might offer them

excursions or courses in sport so they can register in good time. We look after our customers from the booking process until the journey home: they travel on our aircraft and cruise liners, live in our hotels. We learn a lot about them while they are doing that. That information needs to be evaluated and put to good use. Our customers should have the feeling: I can get anything I need from TUI, they understand me and know what I want.

How will digitalisation help to improve the service even more?

Right now, for example, we are looking at voice recognition. When customers phone our service centre or the hotel reception, their questions are often very simple: When is the bus leaving for the airport? Can I book a table for dinner? A chatbot could give them quick answers, and then the holiday maker doesn't have to waste any time in a loop. We want to be a tech company with knowledge that serves our customers.



Will the effort reap rewards for TUI as well?

We are focusing on the long term, but we can already see how positively our customers are responding. So both sides stand to gain. In the situation just described, our employees save time that they can use instead to look after our customers personally or for other tasks. Another example: we still have separate IT platforms in every country. We would like to standardise them so customers find them easier to navigate. At the same time, we will be more efficient ourselves because new IT solutions can be implemented everywhere at once.





GROWTH DRIVERS

South East Asia is a very special destination and TUI has a carefully thought-out strategy for opening it up to holiday makers from Europe and Asia. But in recent years a counterflow has started to emerge: in countries like Vietnam, Thailand and Indonesia a growing middle class is able and eager to holiday in far-away places. Malaysia is a case in point. In this interview Frank Vahldiek, Director International Partnerships at TUI Group, explains the company's approach to the region.



By boat or as a trekking experience: unspoilt nature in South East Asia is impressive.

»Malaysia has worked closely with TUI for 45 years. In 2018 we raised our relationship to an even higher plane. More tourists will come to Malaysia from Europe – and vice versa. This will promote cultural exchange and benefit my people and our economy.«

Datin Sarah Albakri Devadason,
Ambassador of Malaysia in Berlin





»Structurally we understand what it takes to appeal to Asian target groups. Now we can upscale.«

Frank Vahldiek, Director International Partnerships & Country Head China, TUI Group

Mr Vahldiek, tourism is a key industry in South East Asia. How is TUI positioning its role?

Under our global growth strategy "TUI 2022" we are not merely building South East Asia as a destination – above all we are opening it up as a regional source market.

That sounds like a big plan. How will you put it into practice?

Let's take a step back to explain: TUI – in a nutshell – originally earned its spurs by taking holiday makers from the cold north to the warm south of Europe. Later we came up with a second business model and began opening up the Caribbean. But for many Europeans those destinations were too far away, which also made them very expensive in the early days. Logically, TUI then looked at North America as a source market and began to offer holidays in the Caribbean from there. We now have about 70 hotels in the region and these days they run to capacity all year round. We are now building on that experience and have adopted a systematic approach to South East Asia. We started out with our first Robinson Club on the Maldives and from the outset we reckoned on attracting holiday makers from Europe and China – and we did learn a great deal there about Oriental travel habits. Structurally we understand what it takes to appeal to these target groups. Now we can upscale.

Are there any more plans for hotels in South East Asia?

We are looking at options for hotels in Thailand, Vietnam, Malaysia, Indonesia and the Maldives – either newbuild or a change of brand for existing facilities. Lots of parallel processes are involved. Apart from distribution – flights, for example – we need to implement a completely new booking environment.

One current example for the way you do business in South East Asia is Malaysia. How does one establish a fully functioning system?

It all comes down to local infrastructure – for example, a whole range of hotels that can cater for the very different needs and habits of lone travellers, families, customers with very high standards. Only by offering a broad spectrum can we ensure that flights operate to high capacity. That in turn generates local economies of scale, such as in human resources and procurement. If we can cluster our offering in a country, we can then consolidate our social role there: after all, tourism means new jobs and revenues for restaurants and hotels, suppliers and service providers.

You mentioned flights: How do holiday makers get to Malaysia?

From 20 December 2018 TUI is flying weekly from three UK airports – London-Gatwick, Manchester and Birmingham – to Langkawi. That makes us the first and only European airline running direct flights to the island. As for short haul, we are also bringing holiday makers from China to South East Asia. Besides, all the TUI cruise companies stop in Malaysian ports and one ship will have its home port there in winter.

We have talked about flights and hotels. How do you ensure the all-round experience?

When TUI took on the destination management business on the Hotelbeds platform in 2017, Pacific World joined in. The company organises events and excursions at our various destinations.

Why so much effort?

The goal for TUI is always to provide a quality product from a single source – right across the value chain. Otherwise it may happen that a customer is unhappy with a locally organised excursion and this one bad experience will taint the overall holiday with TUI. Of course we can't organise everything ourselves. But together with our strategic partners we can provide that all-round experience and set the standards for quality.

How does a country like Malaysia profit from tourism?

At present the travel sector contributes about five per cent to its gross domestic product (GDP) and to domestic employment. The potential is huge: the World Travel & Tourism Council calculates that over the next decade 250,000 new jobs could be created in tourism. The overall employment effect is 650,000 jobs.

Will these good prospects help to develop Malaysia as a source market as well as a destination?

In many countries of the world, a foreign company seeking to take nationals abroad on holiday needs a licence. In Malaysia we negotiated this with the Ministry of Tourism and Culture and we signed an agreement on 12 October 2018. To implement it we founded TUI International Holidays Malaysia, which now manages our business there.

What are your next steps?

We are designing holiday packages for travellers from South East Asia. That applies both to destinations close by like Sri Lanka, but also long-haul trips like London, where we can offer local hotels in addition to the flights. Naturally the holiday makers can fly anywhere they want, as we also work with partner hotels all over the world. But the aim is a package so that tourists from Malaysia and the region as a whole can enjoy the complete TUI holiday experience.

Thank you, Mr Vahldiek.

»We are convinced that Southeast Asia will develop similar potential for us as the Caribbean has.«

Frank Rosenberger, Member of the Executive Board, IT & Future Markets



Batu Caves is home to several Hindu temples and is one of the main tourist attractions in Malaysia.

SOURCE MARKET

More and more tourists from South East Asia are travelling within the region and to Europe. TUI is creating attractive products for them.

FLIGHTS

From winter 2018 TUI is running direct connections between Europe and the island of Langkawi.

LICENCE

In 2018 TUI received the licences it needs from the Malaysian government to develop the country as a source market.



CRUISES

TUI cruise companies are calling in more often at the Malaysian ports Langkawi, Port Klang and Penang.

HOME PORT

One Marella liner will have its home port on Langkawi and use it as a base for regional routes.

HOTELS

To strengthen tourism in the region, TUI plans to build and purchase more hotels.

Sun soaked



01



01

The Cape Verde Islands are a haven for water sports and home to some big names in kite surfing

02

Colourful houses and Creole culture – Cape Verde is a melting pot for Europe and Africa

02



Endless sandy beaches, a perfect place for water sports, and on average 350 days of sunshine every year. As a popular year-round destination, Cape Verde is not simply an increasingly sought-after alternative to the Canary Isles. 350,000 people visited the Atlantic archipelago with TUI in 2018. When the Robinson Club Cabo Verde opens in late 2019 it will bring in a few more. But how sustainable is such hotel growth in a remote island state? And how does the design for a new Club take the wishes of its guests into account? We glide in between the wind and the waves to visit the island of Sal.



03

Habib Rahmouna strides through the empty entrance hall of the hotel in Santa Maria waving his arms and calling as he goes. The little town on the southern tip of the Cape Verde island of Sal is a magnet for tourists with its long sandy beach, colourful fishing boats and local surfers. For now though, visitors are being handed a hard hat rather than a long, cool drink. "We've only just taken over the complex and we are in the middle of demolition," explains Habib. He is a project manager with Robinson and has been working for the TUI Group's premium club brand for 27 years. Here in Sal he is coordinating construction for the future Robinson Club Cabo Verde. "For this Club we have taken over an existing hotel and we are going to carry out a lot of adjustments for our Robinson guests," continues Habib. The local community will benefit from this employment. About 60 per cent of the 300 workers are African. Today, amid all the machinery and tarpaulin, Habib will be meeting Fernando Maurício dos Santos, the project architect, to discuss opening up the buildings towards the beach. After all, in a destination with so few rainy days, most Club activities will be taking place outside.

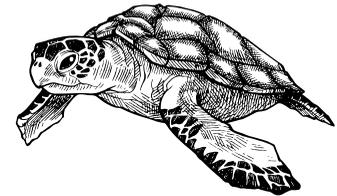
From salt pan to surfing mecca

We ask the locals on Sal about their rainy season, and it seems to be a very well-contained affair: "It only rains on a few days of the year, and those are all in September." Add to the guaranteed sunshine the island motto – "No stress" – and you have all the ingredients you need for a relaxing holiday.

The Cape Verde Islands lie over 500 kilometres off the coast of Senegal, and until their discovery in 1445 they were uninhabited. European settlers mingled with African slaves, and a new Creole culture was created. For a long time, the people on Sal made a living by raising cattle and mining salt. Only later did surfers, divers and sea bathers arrive to make the most of the pleasant climate and constant trade wind. TUI and its hotel subsidiary Riu also believed in the potential offered by Cape Verde and invested continually to develop the infrastructure. The first Riu hotel opened in 2005. Now there are five hotels with 3,480 rooms on Sal and the neighbouring island Boa Vista, as well as a TUI Sensimar Hotel for the exclusive use of adults. These days tourism is the most important economic sector in the country. There are more and more flights from Europe, and TUI Destination Experiences employs more than 80 people to provide transfers and tours around the island.

A sustainable equation

Back on the building site, Habib is tackling the next task: "Our aim is to make the Club as eco-friendly as possible and at the same time to cut energy costs." A real challenge in a country like Cape Verde with its dry climate and lack of natural resources. At least the sun helps by heating water. "We intend to produce our own solar energy, and by combining that with heat recovery from our air conditioning system we can produce all the hot water we need at no extra cost and with minimum emissions.



1 million sea turtles

That is the number TUI Care Foundation hopes to rescue by 2020. Under natural conditions, only one in a thousand hatched baby turtles would reach adulthood. Cape Verde is home to the world's third largest population of loggerhead turtles, one of the most endangered species in the world. Working with its local partners Project Biodiversity and BIOS.CV, TUI Care Foundation is protecting the breeding sites of loggerhead turtles. On the beach by the Riu Palace Cabo Verde, volunteers explain to holiday makers why it is so important to protect these turtles and offer practical advice for treating them responsibly during their stay.

04



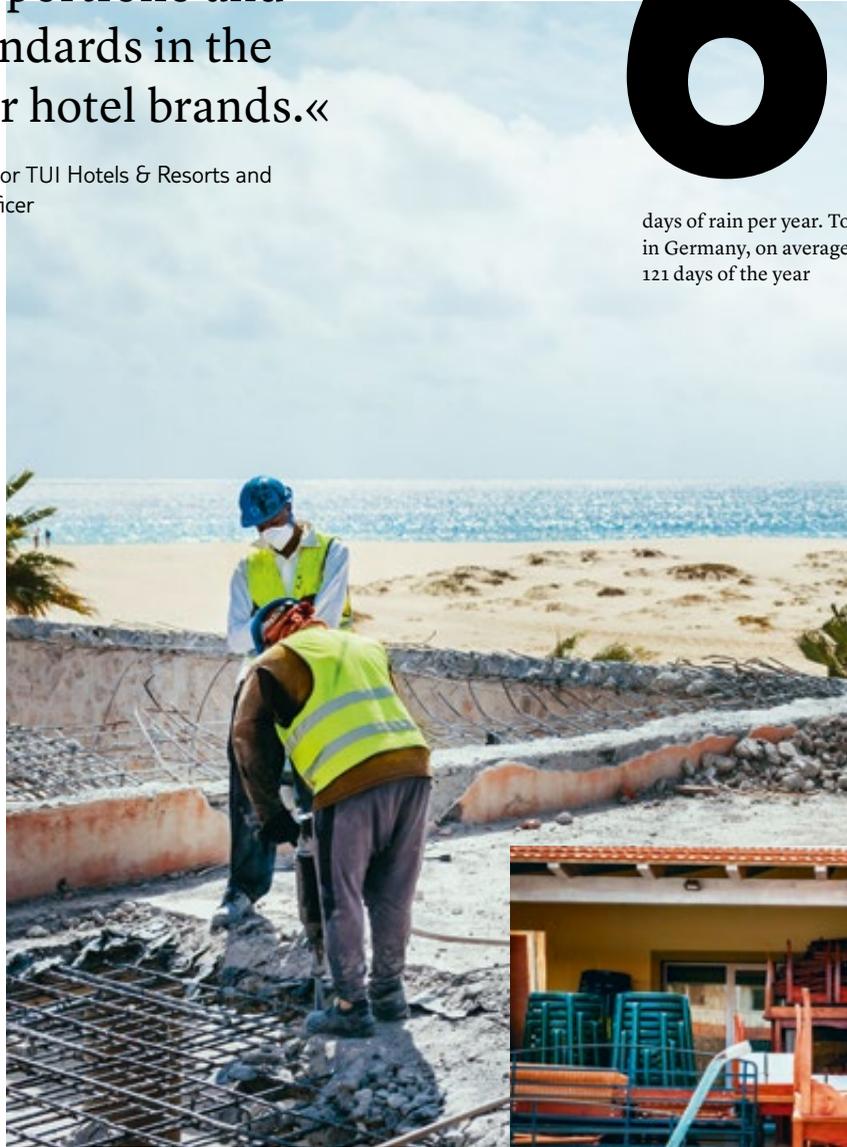
»We are further expanding our own hotel portfolio and are setting standards in the sector with our hotel brands.«

Erik Friemuth, Managing Director TUI Hotels & Resorts and TUI Group Chief Marketing Officer

6

days of rain per year. To compare: in Germany, on average, it rains on 121 days of the year

05



03
Regional manager Holger Reinshagen (left) and project manager Habib Rahmouna discuss the design for the new Club and the needs of Robinson guests.

04
A sure start in life: TUI Care Foundation involves residents and local stakeholders in protecting the turtles.

05
WellFit with sea views: the roof of the restaurant is being reinforced so that guests can enjoy the unique location while working out.

06
The hotel complex was taken over complete with contents. The existing furniture has been donated to a local orphanage and to the community.

06



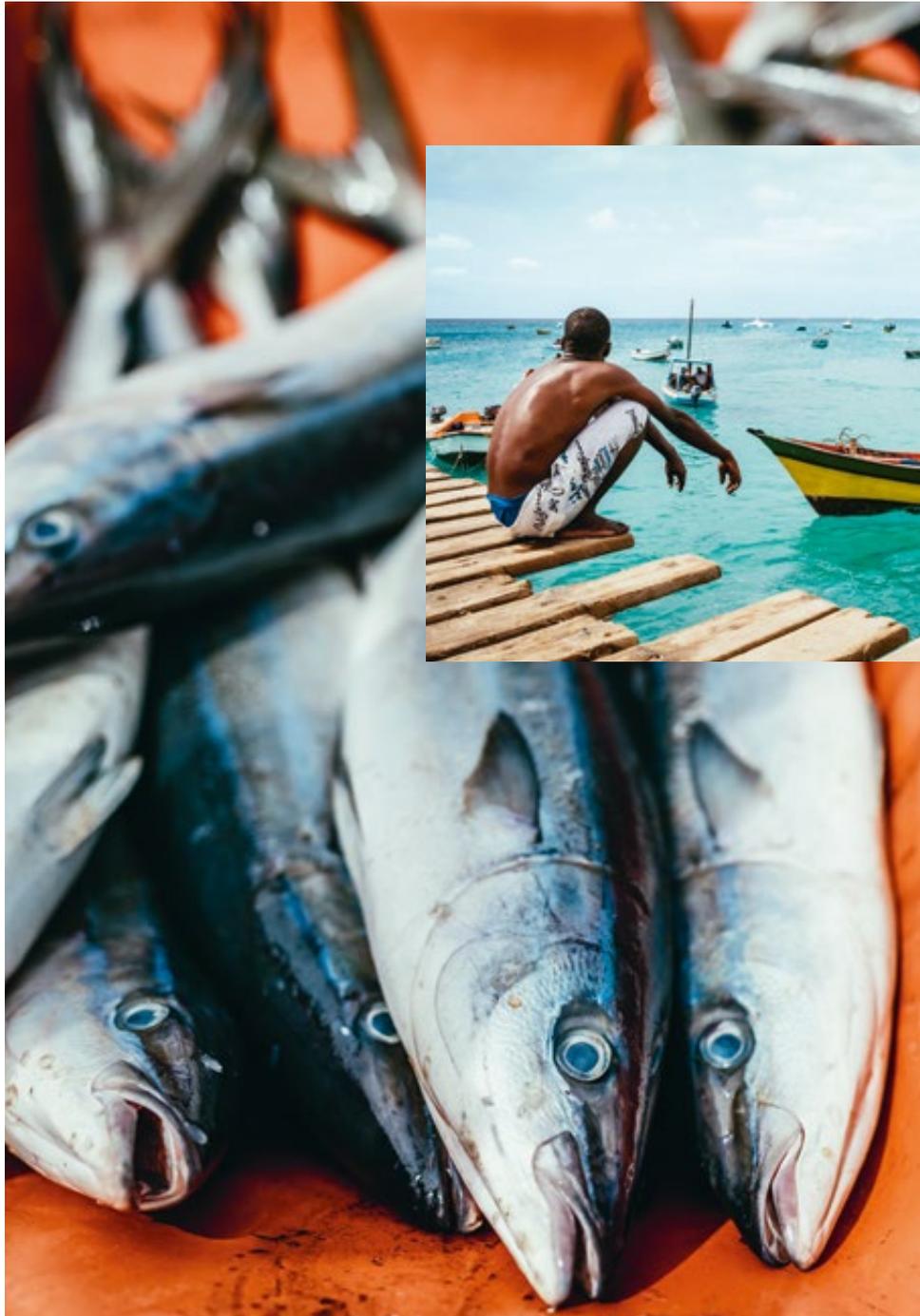
07

Fresh fish – one of the few foods consumed on Sal that don't have to be imported from overseas.

08

The pier at Santa Maria is teeming with life: fishing boats landing their catch, locals leaping into the water, and in the evening surfers big and small who wait eagerly for the next wave.

07



08



Sal

Lifeguard Silvio on his island far out in the Atlantic.

At the same time, we are building our own sewage treatment facility. By using the treated water to irrigate the gardens, we can save about 500 euros a day," calculates Habib. Efficient, centralised air conditioning and a state-of-the-art lighting concept based on LEDs will halve power consumption and reduce the Club's environmental footprint. But the Atlantic Ocean on the doorstep will also play a role: salt water will be converted into fresh water by osmosis, supplying a proportion of the hotel's daily requirements. "The next step will then be our own drinking water facility," predicts the project manager.

Sea all round

But first we take a tour of the building site with regional manager Holger Reinshagen. Strictly speaking, he is in charge of the Robinson Clubs in Spain and Portugal, but because there are such close links between Portugal and Cape Verde, it makes sense to include these islands in his brief. "Nearly all the building materials and food are imported here from Portugal and the Canaries," observes Holger. That's the downside to the extremely dry island climate. "But the Club's location is truly unique. We will give a lot of space to sea views and fully exploit the beach with relaxation and chill-out zones, our beach bar and our impressive water sports centre." The distinctive feature: from the outset Robinson Club Cabo Verde will exclusively target adults. Guests over 18 will be able to focus here on a personal water sport experience, relax in peace without daytime entertainment, try out some unusual culinary trends and sip an evening sun-downer on the beach. "To invest in a hotel complex these days, you need some genuine highlights," adds Habib. "For example, we will be building a top-class spa facility, including a sauna oasis with a sea view. Perhaps it will only appeal to some of the guests, but we will have made them happy and given them exactly what they want. That's what it's all about."

Atlantic recruiting

But the hotel still needs the right staff to cater for the wishes of its holiday makers. That is why Holger has to leave us at this stage: he has an appointment with a recruitment manager. A year-round destination has advantages for both employer and employees: TUI can minimise seasonal effects and can offer its customers a broader choice of attractive winter destinations. For local residents, meanwhile, there is an opportunity to work in the hospitality trade all year round. Nearly 40 per cent of the islanders already work in this sector. One of them is standing by the Buracona Lagoon with his floppy hat and wetsuit: Silvio, the lifeguard, passionately draws our attention to the spectacle of nature unfolding before our very eyes, where the sun is casting a shimmering blue eye on the surface of the sea. Suddenly he whistles and shouts a warning to a group of tourists who are too close to the surf breaking on the volcanic rocks. "I don't get how people can risk their necks just for a selfie," he muses. "A family on holiday should lock their mobile phones in the safe and make the most of their time together." Silvio has never heard of a digital detox. Why would he? He loves the ocean and this group of islands: "I was born here, I live here, and I intend to die here – on an island in the Atlantic." The deep bonds the people feel with the wind and the waves around Sal can be sensed wherever we go. And the tourism? Offers real prospects for a life on a sun-soaked isle in the middle of the sea.

Robinson's islands

The Robinson Club Cabo Verde is not alone in helping tourism to develop in this growing holiday destination. The brand's first-ever club in the world has also set its stamp on the history of tourism here. In the early 1970s, the striking "Torre", the multi-storey landmark belonging to the Robinson Club Jandia Playa on Fuerteventura, was one of the first places to provide accommodation for holiday makers on the sandy beach at Morro Jable. It was here that TUI set up the first of its Premium clubs. A million or so guests turned the Club Jandia Playa into a cult object, a catalyst for the expansion of tourism on Fuerteventura. Almost 50 years later, Robinson is building a new Torre for its heritage club: using sustainable construction techniques, with state-of-the-art suites, a roof terrace and an infinity pool 40 metres above the sea.



CUTTING ICE

01



01 + 02

An unrivalled spectacle: the BREMEN defies the ice with her reinforced hull.

Cruises are booming: Demand is growing not only for ships with a diverse on-board entertainment programme, but also for small expedition vessels bound for more remote regions off the traditional routes. By 2021 Hapag-Lloyd Cruises will take delivery of three new expedition ships in addition to the BREMEN. We set sail with her on a voyage to the Antarctic.





03

Rugged coast. Clouds hang heavy over the mountains. Snow cover. A glacier thrusts against a broad plain. Undulating tussock grassland. And countless penguins. Their squawking fills the air. Their smell too. The Zodiac pounds towards a provisional mooring. Eyes smart in the airstream. It is cold. Three degrees Celsius. A typical summer's day in South Georgia. The crew help us onto the shore, two, three strides in wellington boots through icy water. We reach Salisbury Plain, surrounded by thousands of creatures. A deep breath. Welcome to the "Serengeti of the South".

250,000 king penguins nest here. A few of them scuttle by, unabashed and with unconcealed curiosity. A group of experts are accompanying the trip and point out their distinguishing features: "The penguins that look like brown coffee pot warmers are young birds, still moulting." We are reminded to respect the five-metre rule. Not so easy. A baby fur seal flops towards us, gazing at us with eyes the size of saucers. One of the elephant seals, nearly five metres long, raises a head full of scars. Snorts. Then slumbers on. The Antarctic already has us in its spell – and we haven't even arrived yet.

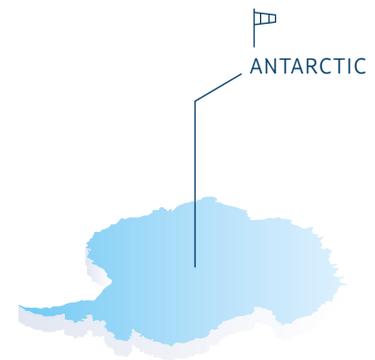
South Georgia lies between the southern tip of South America and the northern tip of the Antarctic Peninsula in the storm-blown latitudes of the Furious Fifties. The archipelago is one stage in an expedition cruise to the eternal ice, along with Drake Passage, the Falklands, the South Sandwich Islands and Graham Land. The continent of Antarctica is about a third larger than Europe. We can only see a tiny piece of it – as if a cruise to Europe had swung by the Aeolian Islands and Calabria. The vastness stretching away before us defies imagination. There is hardly anywhere else on the planet where a person can feel so alone.

Demand outstrips the fleet

More and more people are fascinated by this world. Between November 2012 and February 2013 there were 30,000 visitors, but during last year's Antarctic season that number had risen to almost 50,000. In 2019 ten more expedition vessels will enter service. And the Hapag-Lloyd Cruises fleet will expand too: the HANSEATIC nature will be launched in Hamburg in April, the HANSEATIC inspiration in Antwerp in October, and the HANSEATIC spirit will arrive in 2021. These three new liners will replace the

»Cruise offers are becoming more diverse and the way of travelling is gaining popularity also with new target groups. The demand for journeys on the world's oceans is booming.«

Sebastian Ebel, Member of the Executive Board, CEO Hotels & Resorts, Cruises, Destination Experiences



03

Sleepyhead. The sea elephants of South Georgia are the world's biggest seals – up to six metres long and four tonnes in weight.

04

Feather jumper. Gentoos swim faster than any other penguin. They seem to fly through the water.



04

original HANSEATIC, which left the fleet in October 2018 – after 25 years of expeditions to 148 countries, 128 Antarctic voyages and the first North-East Passage crossing by a non-Russian ship.

Hapag-Lloyd Cruises has set its stamp on the expedition format. And the company is convinced it has a strong position. “The HANSEATIC nature, HANSEATIC inspiration and HANSEATIC spirit cater to a need for which there is currently and foreseeably greater demand than there are ships available in the market,” says CEO Karl J. Pojer. “And Hapag-Lloyd Cruises can draw on outstanding expertise.”

Design inspired by nature

There is a name behind this experience: Isolde Susset. She is in charge of product management for Expedition Cruises. In 1988 she left her home in southern Germany to work for the Hamburg shipping line with its wealth of tradition, and she is familiar with every vessel. She and her team are responsible for planning the routes, choosing the lecturers – and managing the newbuild projects. The ships are based on a design concept called “inspired by nature” – curvy lines, clear shapes, warm colours. Susset says: “We want to bring the nature we visit on board.”

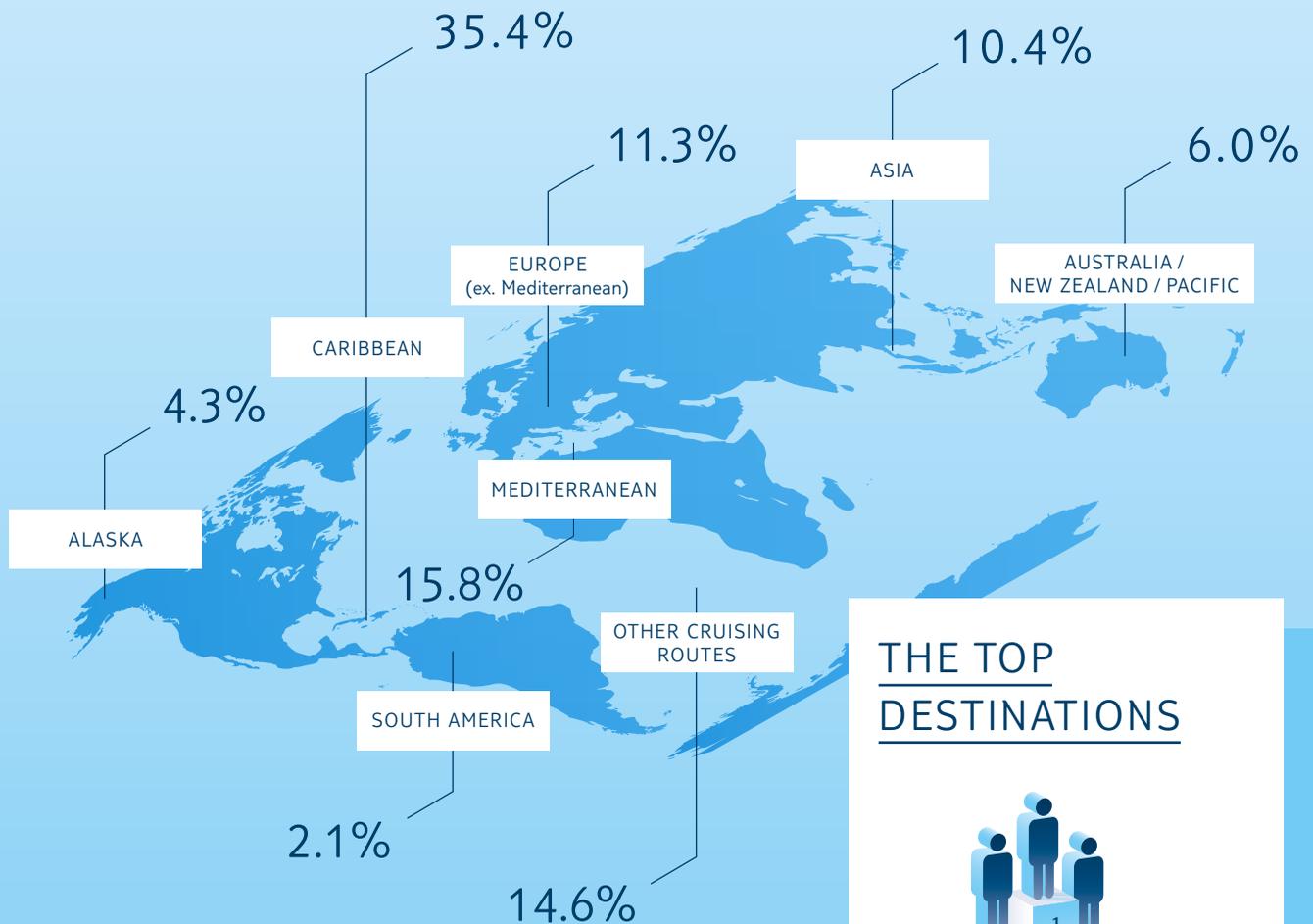
The newbuilds also boast a few exceptional features: astern a marina for water sports, afore the novel viewing platform, the sliding roof over the pool, the glass balconies that can be extended sideways. And what is your personal highlight, Ms Susset? “The walkway around the bows. For me this is the ultimate expedition feeling, being able to stand up front and take in that view.”

Goose pimple moments in the ice

The Zodiacs have brought us back now – and we witness another special dimension to this journey: the experience is bringing the people on board together. They are deep in discussion about their favourite moments. The next one is about to happen: the BREMEN skirts the first table iceberg. We have reached the southern polar circle. It is cold on deck, our breath hovers in front of our mouths like cotton wool pads. The cameras are glowing. It’s a goose pimple moment in so many ways.

THE BOOM CONTINUES

Global interest in cruising is on the rise – once again the passenger figures for 2018 outstripped the previous year. Insights into a growth sector.

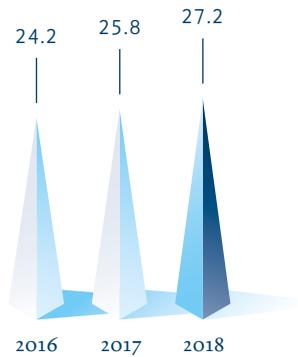


THE TOP DESTINATIONS



The Caribbean is the undisputed favourite of all cruise passengers worldwide. But zoom into the European statistics and the Caribbean only ranks third: hands-down winner with almost **3 million European cruise fans is the Mediterranean**. Northern Europe comes in second with 1.3 million passengers. (Status: 2017)

TREND: RISING



About 27 million people in the world took a cruise holiday in 2018.

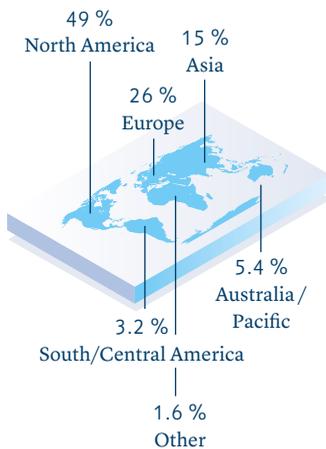
57
BN \$



Forecast for 2027: Global turnover will grow to 57 billion dollars (2017: 37.8).

WHERE ARE PASSENGERS FROM?

Source regions around the globe:

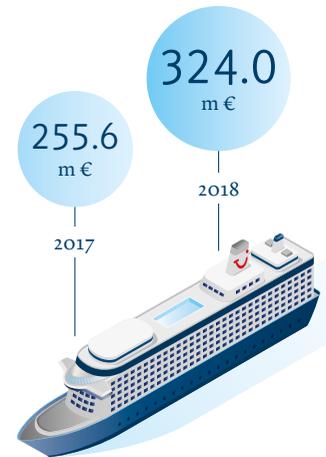


... AND AT TUI?

BIG PLUS

Turnover growth in Cruises (adjusted earnings):

+26.8%



FLEET EXPANSION

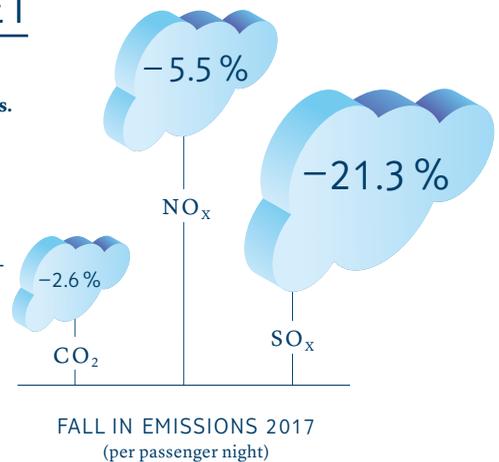
The current fleet – and planned acquisitions up to 2026.



ON TARGET

TUI Cruises is always looking to cut emissions.

In 2024 the first ship fuelled by liquefied petroleum gas will join the Mein Schiff fleet, which has already tangibly exceeded its emission reduction targets:



Then the next thrill. The captain reports a severe gale sweeping across the Southern Ocean. Waves up to 14 metres high at its heart. There is only one option: give it a wide berth. Clear evidence, yet again, that expeditions need competent handling. These sensitive, demanding regions leave no room for experiments. Once more we have cause to appreciate the well-versed captains at Hapag-Lloyd Cruises and the crew on board.

We only witness the remnants of the storm and consider ourselves fortunate that the waves are only half as high as at the centre. Soon this too becomes one of those special moments of the trip: cleaning our teeth on a rough sea, eating and drinking on a rough sea. Getting around people on a rough sea as you stumble towards each other laughing. You can't take yourself so seriously – not on a rough sea.

“Deep Blue” excursion

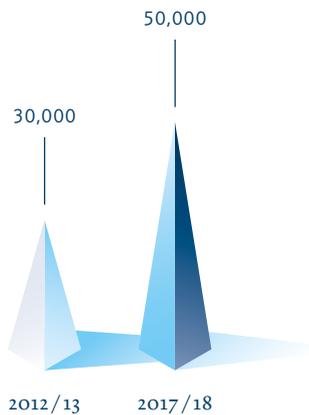
There are strict rules for cruising in sensitive waters. Bunker oil is out. The bridge keeps a meticulous record of all consumables. And the water in the ballast tanks must be treated for bacteria. In terms of environment technology, the ships in the new expedition class at Hapag-Lloyd Cruises are cutting edge: nitrogen oxides are cut by 90 per cent thanks to selective catalytic reduction (SCR), fuel consumption is minimised by aerodynamic streamlining of the hull. An on-board

desalination unit provides drinking water, and waste water is processed in a biological treatment plant. The only fuel used in the sensitive regions is marine gasoil, which has a low sulphur content. In partnership with Atmosfair passengers can choose to offset their own CO₂ emissions. Hapag-Lloyd Cruises supports the initiative, assuming a quarter of the costs.

As an active member of the International Association of Antarctic Tour Operators (IAATO), Hapag-Lloyd Cruises was partly instrumental in defining the standards for Antarctic journeys. Every voyage must be approved in advance by the Federal Environmental Agency. One requirement is, for example, that only 100 people may go on shore at once. That is why the ships in the new expedition class carry a maximum of 199 passengers to the eternal ice. They are taken on land in several small groups.

For the Zodiac trips, everyone is lent a parka and wellington boots and is taught the circus grip – the one that keeps flying trapeze artists safe. As we climb out of the dinghy, it secures entry to a new world. The expedition ships at Hapag-Lloyd Cruises use Zodiacs with electrical propulsion. The powerful Torqeedo outboard is called Deep Blue and riding it is a totally new experience – all we can hear is a gentle hum. When the engine is idle, which it usually is when observing animals, Deep Blue is silent.

Passengers to the Antarctic (rounded)



05

An ice volcano

The BREMEN passes some more table icebergs. The cold embrace of the approaching mainland tickles the surface of the water. One of the experts, with a long research record at the Alfred Wegener Institute, gives a lecture about the research stations. Most of them only operate in the summer, he says. In the winter Antarctica can be as hostile as a distant planet – with temperatures down to 60 degrees Celsius and storm winds at 300 kilometres an hour.

Suddenly a shout goes up: “Whales! Whales! An incredible number of whales!” We are surrounded by a shoal of orcas. More than a hundred fins are cutting through the water. What a sight! Then the BREMEN sets course for Deception Island. It isn't actually an island, but the collapsed caldera of a volcano. The

05
Understanding the world. The Ocean Academy aboard the HANSEATIC nature.

06
Travelling the world. Photographer Susanne Baade and writer Dirk Lehmann in Neko Harbour.

07
Astounding the world. Life bursts forth at the unlikely places.



06



07

sand is still steaming in places, although the lake is covered by a layer of ice. This ship is in the highest ice class and it breaks its way forward. It sounds like a percussion solo.

The penguin paradox

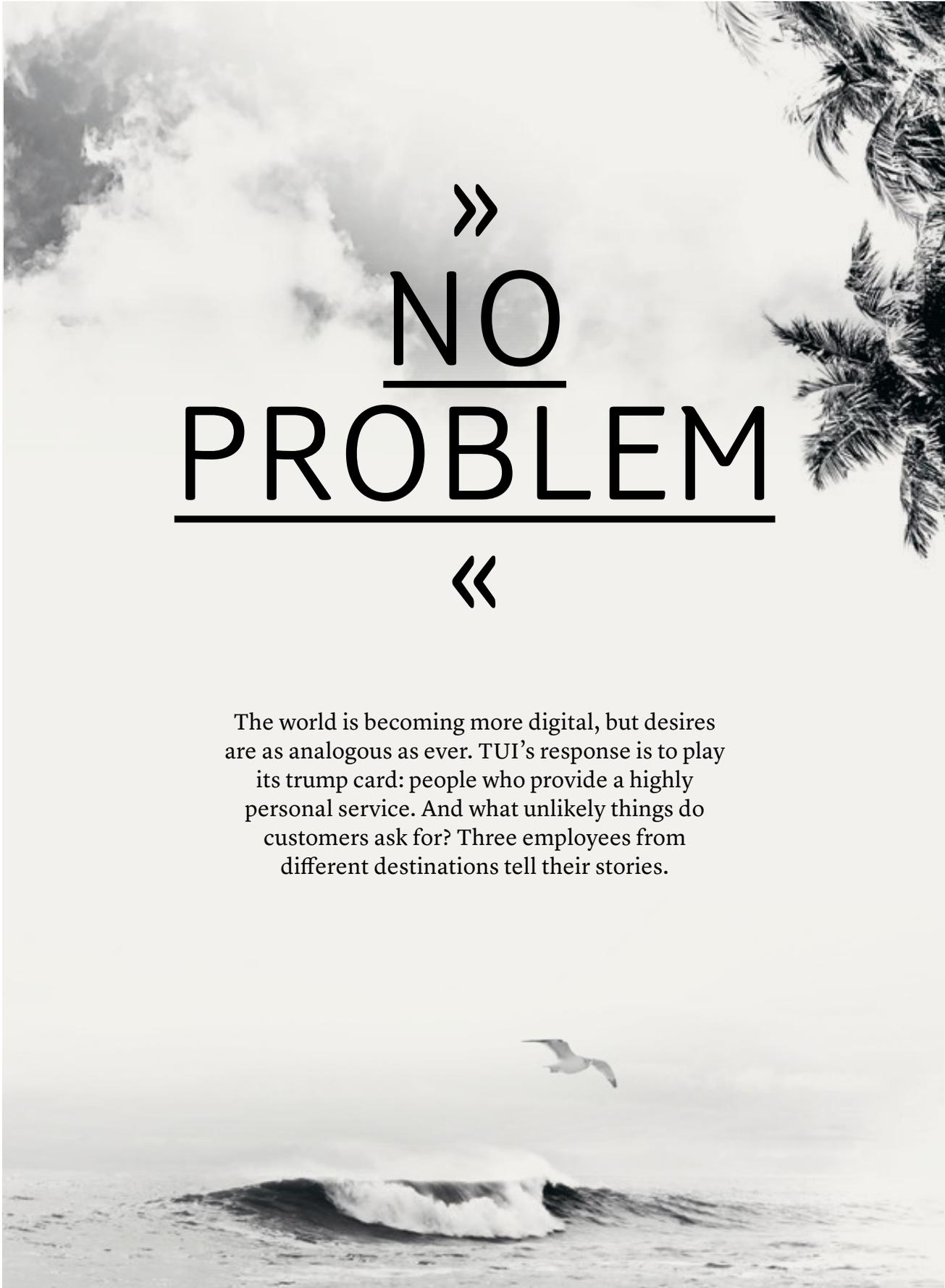
Port Lockroy is the best-known Antarctic station. Florence works here as a scientist. Her job: studying penguins, guiding visitors through the museum, selling souvenirs. Isn't that an odd activity for a scientist? Florence laughs. She takes it in her stride for the privilege of being here. Her research is about successful penguin breeding patterns. Two colonies are under observation: one near the museum, with visitors passing every day, and the other in a closed-off area. Astonishingly the penguins near the museum manage to rear more offspring. Evidently the tourists do not bother them.

Back on board there is hardly time for dinner. Just before 9 pm we reach Lemaire Channel, a strait about 13 kilometres long lined by glaciers and steep cliffs. The entrance is marked

by the distinctive dual peaks at Cape Renard. Slowly the BREMEN edges forward into the sound. Sunshine bathes the scene in golden light. The foredeck is opened up again. Passengers and crew stand side by side in reverence. Amazement. Photographs, Amazement. A moment we will all remember for a long time to come.

This is the turning point in our voyage to the Antarctic. At around two o'clock at night, the BREMEN alters course. The water glistens, penguins overtake the ship. We pass glaciers and mountains so deep in snow that their shape is almost beyond recognition. Finally, the vessel leaves the last off-lying islands behind her. For a while, small lumps of ice carry on knocking against the hull. Then there are only waves. And open sky. The BREMEN carves her way through the mild-mannered Drake Passage.

The sea is calm. The horizon far off. We lean against the railing looking back – and we understand why people say there is a life before you visit the Antarctic. And a life after.



»
NO
PROBLEM
«

The world is becoming more digital, but desires are as analogous as ever. TUI's response is to play its trump card: people who provide a highly personal service. And what unlikely things do customers ask for? Three employees from different destinations tell their stories.

..... LITTLE SIGNS, GREAT JOY



----- BEYOND WORDS -----



COMMON LANGUAGE



»I saw this plea for help on Facebook from a travel agent I knew. He had a deaf customer who had often had bad experiences travelling – and he didn't want that to happen with TUI. 'Right up my street,' I thought, so I got in touch with Mr and Mrs O'Rourke and prepared them for their trip. One thing I kept to myself, though: I was going to be their cabin crew. They got a huge surprise on board. I welcomed them in sign language, answered all their questions, brought the drinks they wanted, was just there for them. The experience was beyond words!«

Carl Norman, flight attendant, TUI Airways

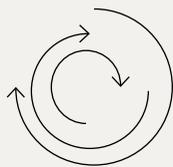
»A luxury 30 cm mattress? A romantic dinner on a cliff top? We go to almost any lengths to satisfy the wishes of our guests. One case that is particularly engraved in my memory: a sweet old lady who made an accomplice of me. My secret mission: to hide two bottles of orangeade in her bedside cabinet every day. Her husband must not find out that she was having sugary drinks. Usually it's these little things that keep people happy. They make a big difference.«

Alexander Oswald, wish fulfiller, Robinson Club, Majorca

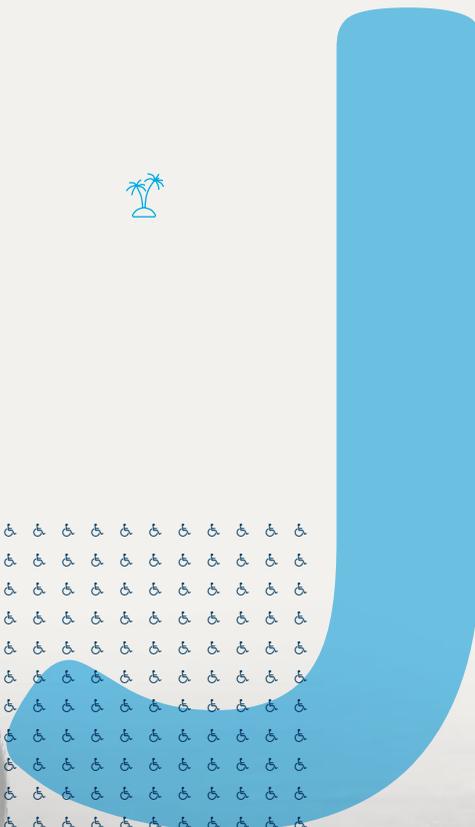


----- FEELING FREEDOM

DREAM FULFILLED



THE LAST WISH -----



»To see Madeira just once“ – that was the last wish of a Spaniard who thought an island excursion was literally beyond his reach because he was in a wheelchair. When I received this request from his family, I didn’t think twice. I decided we were going to make his dream come true. My team put together a customised excursion package. When the man set off to explore the island in an accessible vehicle and with a Spanish guide, it was such an emotional moment. Not just for him, but for me too!«

Johanna Lütje, shore excursion administrator, TUI Cruises

DIGITAL THINKING, AGILE WORKING

Scandinavians book their holidays online. The work culture at TUI Nordic is equally digital. It isn't just a matter of using the latest gadgets like microchips under the skin or robot assistants. A visit to TUI's Stockholm office shows what New Work is primarily about: transparency, team work and the joy of innovation.



01
Pleasant atmosphere meets effective work: the yellow piazza lounges are popular – e.g. for virtual meetings.

Alexander Huber stands outside the closed door. There is nobody on reception right now. The TUI Nordic director lifts a hand, the green lamp on the terminal turns green, the door opens. Some unseen force? Huber runs his left index finger over the soft spot between the thumb and index finger of his right hand. There is a slightly perceptible bump – Huber has something under his skin. “A microchip, the size of a grain of rice,” he explains. Thanks to Near Field Communication (NFC) – a technology also used in new smart phones – he can unlock doors, operate machines, pay for lunch in the canteen, seal a locker in the company fitness studio. “Lots of our employees have had a microchip like this fitted,” says Huber. Not because nothing would work otherwise, but because it reflects a philosophy: “At TUI Nordic we are curious about these digital innovations, we are keen to try them out.”

From 2020: 100 per cent online business

The offices of TUI’s Scandinavian subsidiary are in the Stockholm district of Södermalm, formerly working-class, now home to the creative community. In this listed building, until the early 1970s, the Swedish brewery “Münchenbryggeriet” used to make a beer like a Bavarian pale ale; these days it is a hotspot for digital and creative companies. Right next-door to the TUI offices, Mojang is developing the much-loved video game “Minecraft”, and the design agency Doberman dreams up campaigns for the country’s leading corporates. “We feel very much at home in this neighbourhood,” says Alexander

Huber. “As a digital and creative company we play in the same league.” The thinking at TUI Nordic reflects the demands of the Scandinavian market: many regions in the north of Europe are sparsely populated, and it is often a long way to the nearest sizeable town. For Scandinavians, therefore, thinking digitally comes naturally. Banking and listening to music, health care and filing tax returns – it’s all done on the Internet. And the same applies to the tourist industry: travel agencies are a great rarity in Scandinavia. TUI Nordic already earns over 85 per cent of its turnover online – a record unmatched anywhere in TUI Group, even if e-commerce accounts for a growing share of the markets elsewhere. By 2020, predict experts, customers in Sweden, Denmark, Norway and Finland will book 100 per cent of their holidays online. “People here think and live digital,” says the director. “So it’s a matter of course that we are translating this digital ‘way of life’ in our style of working.”

Alexander Huber goes straight to the coffee machine. For any company this is a crucial hub, but all the more so in Stockholm: Swedes love their coffee, but it has to be good. “We guarantee that,” says the director, taking his first sip. “It’s even in the employment contract.” The boss could be expected to head for his office at this point, but Huber sits down where coffee tastes best: on the piazza, an open zone with a view across Lake Mälaren, where a dozen or two other employees are already installed. And here he starts work: making phone calls, meeting staff, writing emails, receiving guests, preparing for appointments – the normal daily agenda. But among people and approachable for anyone. “I never understood why a manager would want to lock himself away in an inaccessible office,” says Huber. “Surely my task is to be there for my employees and to keep my ear to the ground. And the best place for me to do that is here.” The atmosphere in the piazza is reminiscent of a comfortably busy coffee house. Some people are sitting at their laptops, others are holding meetings in small groups. If someone wants to talk for longer on the phone, they go into one of the partially shielded lounges. No question: this piazza is a very pleasant place.

Competing for digital brains

But does it deliver as a workplace? “Who says that a pleasant atmosphere and effective work are mutually exclusive?” A good question. The person asking it is Charlotte WWiebe, Human Resources Director at TUI Nordic. She vanishes briefly into one of the lounges with her boss to discuss a detail in an employment contract, then she fetches a coffee and returns to the question she just posed. “We see ourselves as a digital company, so we need the best digital brains. But they are in demand elsewhere too. Our competitors for the most talented people are Google and Spotify.” So TUI Nordic must offer an attractive, digital work culture, “combined with the opportunity to develop personally every day”. Then Charlotte WWiebe mentions a name that one might not immediately associate with digitalisation: Maria Montessori, the most prominent education reformer in the first half of the 20th century, who recognised all those years ago that open spaces and free working lead to more efficient learning and happier people. The HR director looks around the piazza and sees how meetings often happen quite spontaneously, how colleagues engage in conversation without pre-arranged appointments, how hierarchies dissolve, because nobody is hiding away behind a door. “Our employees create their own work stations wherever they feel right and wherever it makes sense.” Digitalisation

02

Charlotte WWiebe says: today Maria Montessori would be a champion of New Work.





03
TUI Nordic director Alexander Huber spends most of his working day in the open piazza where anyone can approach him.

04



»Meetings behind closed walls can ferment distrust. Openness stands for creativity and innovation.«

Charlotte WWiebe, Director Human Resources at TUI Nordic

has made this possible, because equipped with a smart phone and a laptop everyone always has their essential toolkit with them. "No question," says Charlotte WWiebe. "These days Maria Montessori would have been a staunch champion of this New Work idea."

Mob programming: the six-eyes principle

But what defines New Work when people are not getting together in the piazza? Charlotte WWiebe begins a guided tour through the working worlds of TUI Nordic. On the lowest of the three floors, apart from the piazza, there are several meeting rooms, all of them fully glazed, but that does not bother the participants. Quite the reverse, says Charlotte WWiebe: "Meetings behind opaque walls ferment the fear that something is happening behind closed doors that I am not supposed to see. Openness, on the other hand, stands for creativity and innovation." A spiral stairway leads to the next floor, and here the scene is dominated by dozens of screens where staff are designing new travel products, fine-tuning searches on the website, communicating with customers and business partners. Three people have assembled at a super-dimensioned monitor in the middle of the space: one is keying in Internet object code, two are watching and commenting, suggesting alterations. After fifteen minutes the screen suddenly turns grey and a notice appears in black letters: "Break, then change." The three take a short breather, chat briefly about the unusually hot summer and the latest football results, then off they go again. This time another of the trio types the

code, and the one who was keying before becomes an observer and commentator for the next quarter of an hour. The method is known as mob programming, and it was developed by software companies where specialists write code at top speed – but not in isolation, always in a team according to the six-eyes principle. "We adopted the method a few months ago," says one of the programmers. He was sceptical at first: three people around one screen – isn't that a waste of time? "But the interesting thing is that as a trio we don't just write better code, but at the end of the day we are actually quicker," he says. Six eyes see more than two, which means that the programmers avoid time-consuming mistakes. Besides, switching roles every 15 minutes keeps mind and body refreshed. "We aren't programming in a bubble any more, but in a team." Which just goes to show that new digital ways of working always involve cooperation.

Excitement grows with every click

Many of the ideas implemented by the programmers originate with Martin Bystedt, Head of User Experience & Digital. Bystedt is in his late thirties and he has had an interesting career. He began his vocational life as a chef before becoming a creative director with acclaimed advertising agencies. Since early 2015 he has been one of the leading digital brains at TUI Nordic. "Our approach is always to ask what customers expect from us," he says. And what do they expect? Bystedt answers with another question: "Let's assume you want to visit a new country. How would you go about it?" Find some

basic information on the Web using a search engine. “Most people do it that way – until they get frustrated by all the options. So we aim to combine the advantages of Google with personalised suggestions.” Bystedt opens his notebook. “Let’s just run through the process: you want to take your school-age children to the Mediterranean.” He enters some key data and already the algorithm is showing a selection of destinations that really do fit the bill – not least because my previous holidays and evaluations are taken into account. “Our aim is to keep getting smarter so that when customers are searching and booking they never feel any frustration. Instead, their excitement about the trip increases with every click,” he says. To ensure that, the processes underlying the search template are always on the move. “A website used to be like an oil tanker,” is Bystedt’s comparison. “It chugged away more or less reliably, but if you wanted to change course it took forever. Nowadays our online architecture is like a huge fleet of small and nimble boats.” Updates take place continually – a hundred a day on average. The workflow needs to be correspondingly agile.

When your colleague is a robot

The job of working out how digital factors like big data and artificial intelligence can help falls to Christopher Riddersäter, who heads up Automation & Machine Learning at TUI Nordic. He opens the conversation with a surprising prediction: “I think that up to 50 per cent of the things currently still done by people can be automated in the near future.” That forecast prompts an obvious question: What will be left for people to do? “The jobs won’t be lost,” says Riddersäter. “They will take a different form. They will be more creative, more stimulating.” While the machines whir away in the background, the people in the open offices will be developing ideas – “always with the core philosophy of centring on customer needs”. One big issue will be voice recognition, for example. Instead of keying and clicking, customers will simply tell the TUI app what they want. The app will listen carefully and draw the right conclusions. Then Riddersäter points to the robot in his office, which has so far been following the conversation keenly but in silence. “This is Pepper, our robot assistant. He has been with us since August. He has an employment contract and a detailed job description.” – “Hello, Pepper,” says his boss. “Hello, how can I help?” Pepper replies. The robot is asked to look up the telephone number of a Danish colleague and does so in seconds. “It’s useful, but Pepper is above all a symbol, like the microchip under the skin,” says Riddersäter. “He is showing us today how we will be working with machines tomorrow – and proving that we at TUI Nordic are really looking forward to that future.”



05

04

Views welcome: almost all the meetings at TUI Nordic take place in glass rooms.

05

“Hello, Pepper, you can help me”: Christopher Riddersäter, Head of Automation, and his robo-colleague.

06

For digital manager Martin Bystedt the laptop is both a work tool and a test rig.



06

Digitalisation means change, not least in the world of work, making it more flexible and mobile. A few examples from TUI Group show how our employees are already putting the New Work trend into practice.



Group Works Council chair Frank Jakobi, HR Director Dr Elke Eller, CEO Fritz Joussem

Political agenda: shaping the future of work

How will we work in the TUI of the future? How can we tap into the opportunities provided by digital technologies? How important is it to be in the office? What potential is there in digitalisation for reconciling family and professional life more easily? In March 2018 representatives of the Group Works Council and representatives of the Executive Board of TUI Group signed a vision paper called newWork@TUI in response to these questions. It sets out guiding principles for the future of work at TUI and defines a common understanding of the opportunities and challenges posed by digital transformation. "By signing this paper, we have only just begun the journey," observes Frank Jakobi, who chairs the Group Works Council at TUI. "Now we need to bring all our employees on board and inspire them about change. Only then will digitalisation in the Group be a success for everyone."

The Tribe: a quest for ideas at the work camp

For the 9,000 people working at TUI Destination Experiences, the mission is to help 14 million guests in 49 countries around the world enjoy their personal holiday experience. In terms of logistics, that is a mammoth exercise. Tackling it means questioning routines and testing new methods. The best chance of success is to create a working atmosphere as exceptional as the ideas you want to create. So 20 employees from different countries, segments and functions got together on Majorca in April, moved into a house away from the tourist bustle for two months and launched The Tribe: during the day they explored innovative solutions and in the evening they cooked together – and it was here that a lot of ideas were born. Strictly unwanted were: emails, video conferences, silo mentalities and coordination loops.



MicroLearning: when and where it suits

Which chains own those sought-after little hotels on the Prater in Vienna? Which ports have ferries serving the island of Corsica? Staff at TUI Austria find answers to these questions by playing with the KnowledgeFox app. It runs on a smart phone or tablet and contains over 900 questions about 14 aspects of tourism. The brainteasing can be done at home or at work, because MicroLearning is not just about having fun with a quiz, but about picking up vital knowledge. Users who complete a level are sent a certificate. And once a year everything is put to the test in a TUI MicroMatch, when participants play against their colleagues for four weeks. The winners are rewarded not only with fame and glory, but also with an attractive prize.

TUI Master Class: lifelong learning

Nora Aspengren works for TUI Nordic in Oslo as a communications manager, but last summer she tried something completely different. Along with about 20 colleagues she went to Stockholm for the master class "Introduction to Programming". "For me it's an entirely new world," she says. At TUI Nordic every employee has over 40 hours of worktime a year to attend professional development of their own free choice. The idea behind the Master Class project is that any employee can also train other people on one of these courses. "Our specialists have so much knowledge, and we want to make that available to everyone," says Esben Thykier, Head of Talent, Performance & Learning at TUI Nordic.

Pilot project: new spaces for New Work

Open conference rooms with bright wooden panels, a sofa corner looking out over a patio, a meeting-point with a kitchenette for spontaneous meet-ups: it has a unique and inspiring air, this pilot space at TUI headquarters in Hanover. The people in TUI Group Finance who will eventually work here were involved in the redesign and encouraged to submit ideas. They talked together with experts about requirements for the new world of work – and how to implement these practically in the pilot project.



Read more about New Work at TUI on our special theme page:

tuigroup.com/de/newwork

NEW HORIZONS

In the old imperial city of Huế many families lost their homes by the river – and with it their livelihood. A multi-faceted programme initiated by the TUI Care Foundation opens the way to a new vocational future: young people are training at the TUI Academy – and their parents are forming groups to invest and found companies.



01

01 + 02

Many families in Huế made a living from little market stalls. The TUI Academy programme is building skills for youngsters with training that helps them on the path to self-determination.

It takes skill to serve the grilled marinated chicken fillets in a thin bamboo cane, especially as distributing the spices is at least as important as preparing the meat. Coriander, lemongrass and aniseed – it is all a matter of balance. Thien is satisfied with his effort. He shows it to the head chef, who gazes at it critically as usual before nodding. Thien passes the dish to his colleague Hoa. The young woman in the bright green smock smiles and carries it to the guests at the big round table by the fountain in the restaurant garden. Hoa knows what to expect next: a chorus of “aahs” and “oohs”, because guests at the restaurant TRE love the seductive sight and smell of this house speciality.

“Tre” is the Vietnamese word for bamboo, the country’s national plant. It sets the tone not only for this dish, but also for the ambience throughout the restaurant, which resembles a small oasis with its gardens, little ponds and fountain. It is not long since the restaurant opened, but already it ranks among the top addresses in this city in Central Vietnam. Evaluations for TRE are excellent, the guests agree: the food, the atmosphere, the service are almost perfect. And that is partly down to young employees like Hoa and Thien. Both of them are engaged in work experience at TRE as students at the TUI Academy Vietnam, a programme devised jointly by the TUI Care Foundation and Plan International for youngsters in Huế.



»Every success story motivates other youngsters – and this brings about real changes in society.«

Thomas Ellerbeck, Chair of the Board of Trustees, TUI Care Foundation



03

03
In only a few weeks the restaurant on the Perfume River became a favourite haunt for lovers of Vietnamese cuisine.

04
At TRE young people from socially deprived families can gain practical experience of restaurant waitering and kitchens.

05
The youngsters pass on the knowledge they acquire, multiplying the programme's impact.

04





05

The background to this project is a story of urban change and new opportunities. As in many other cities around the world, a river in Hué was for many centuries the vital artery for an entire region. Here, near the shores of the South Chinese Sea, people traded, fished and ferried along the Perfume River, which took its striking name from the sweet smell of the tropical timber once transported downstream. Several thousand families settled on houseboats or in huts along the riverbank. They had to work hard to make ends meet. The children did not attend school. Instead they helped to process the caught fish or to sell it as a snack – until about ten years ago, when the lives of these families altered dramatically.

Since that time, Hué has evolved into a city both modern and historical and it relies increasingly on education and tourism. The university is a magnet for many young people – and visitors from around the globe love the flair of this ancient Vietnamese imperial residence and, enthroned at the heart of it, the old citadel with its Forbidden City that was recognised in 1993 as a UNESCO World Heritage site. Many residents profit from the rising numbers of guests, but for the fishing communities along the Perfume River it heralded a new era where the old employment patterns no longer functioned. A few years ago the houseboats and huts were cleared, and the families moved to new flats on the edge of town in the hope of a better future. But the difficult conditions came too.

Within a very short space of time these families had to confront a crucial question: which direction was the future to take? One element of that is provided by the TUI Academy Vietnam, which opens new prospects for disadvantaged youngsters and their families in Hué. “The principal lever for the development of young people is education,” says Thomas Ellerbeck, who chairs the Board of Trustees of the TUI Care Foundation, adding: “In many parts of the world, the tremendous potential of the younger generation cannot be tapped because they

lack education opportunities. That is why our TUI Academy initiative is supporting young men and women on their path to a self-determined future, drawing on the opportunities presented by the growing tourism sector. In Vietnam we are helping people who would otherwise have no chance to enter training, just as we are doing in the Dominican Republic, Zanzibar and Namibia.”

Many youngsters on the new estates never completed their schooling, which means they cannot be admitted to vocational training. They are threatened by unemployment and a life in poverty. The Foundation came up with an idea for building on the skills these young people have, professionalising them and encouraging their development. For it is not the case that these youngsters have achieved nothing at all: many of them have already earned their spurs in the tiny family businesses on the Perfume River by selling goods or helping out in kitchens. On a small scale, they have learned how to win customers, what defines good service and how markets function.

The restaurant TRE is the flagship for job training at the TUI Academy Vietnam, which currently has 350 young participants. But the programme in Hué has had a tangible influence on other sectors too. The young men and women learn skills in food trucks, hairdressing salons and make-up studios, gain commercial experience, refine their craft, practise talking to customers. In addition, they attend courses to acquire knowledge about subjects like tourism and catering. “It’s wonderful to see how our programme is transforming Hué, how confident these young people are becoming and how they go out in search of opportunities,” recounts Thomas Ellerbeck. “Every success story motivates other youngsters in turn – and this brings about real changes in society.” Ly, who took part in the project, is a good example. “Now I can support my family financially and I have the courage to help other children in my neighbourhood,” says the 17-year-old, who is working as a hairdresser. “I am proud of what I do and what I have achieved.” For many young people in Hué this is an entirely new feeling.

But the project was not set up simply to train young people: “The TUI Academy considers the families of programme participants as a whole and works with all the generations,” says Thomas Ellerbeck. “It is this integrated approach that makes the programme so effective.” To counter violence, nearly 2,000 children and teenagers take part in age-appropriate assertiveness training; safe playgrounds and meeting places have been created in residential areas. So that the young participants in the programme do not have to carry the entire financial burden for their families, parents are granted access to microloans, enabling them to set up independent small businesses. 20 self-help saver groups targeted at mothers give these women a grounding in economics. The participants make small contributions to a fund and discuss ideas for start-ups, agreeing amongst themselves which to support. This way the women discover what it means to invest and build confidence – and they are also motivated to come up with small, innovative business models of their own. And gradually, a completely new landscape of small, local companies is taking shape in Hué – especially around the growing tourism sector – together with a healthy economy where many people can now earn a living.

OF SMALL STEPS AND MILESTONES

The sustainability strategy “Better Holidays, Better World” sets ambitious goals for TUI Group up to 2020. We don’t just want to create holiday experiences. We want to make the world a little better too. To do that we are taking small steps, surmounting hurdles, setting milestones. These are our highlights.

»TUI’s airlines are already 24 per cent more climate-efficient than the six largest European airlines. By adding the first 737 MAXs to our fleet, we want to build on that progress.«

David Burling, CEO Markets & Airlines

NOV. 17

1ST & 3RD PLACE FOR TUI AIRLINES

TUI Airways and TUI fly Germany ranked 1st and 3rd on the Atmosfair Airline Index of the world’s most carbon efficient airlines.

DEC. 17

CORPORATE HEALTH AWARD

TUI Group Health Management received the Corporate Health Award. The jury honoured the holistic approach that unites prevention, physical exercise and mental wellbeing.

TUI CRUISES WINS ECOTROPHEA

TUI Cruises won the EcoTrophea awarded by the German Travel Association (DRV). With its campaign to cut food waste on cruise liners, TUI Cruises held out against the competition from altogether 21 environment projects.

TUI CARE FOUNDATION IN PARTNERSHIP WITH UNICEF

EMERGENCY AID

From 2018 the TUI Care Foundation and the children’s fund UNICEF are joining forces to help children in emergencies. The TUI Future Fund keeps finance available to help primarily young people fast if a natural disaster hits a holiday region.

JAN. 18

SILVER CLASS SUSTAINABILITY AWARD 2018

TUI Group won the Silver Class Sustainability Award 2018 from researcher RobecoSAM. This makes TUI one of the world's most sustainable companies in the tourism industry.

181

HOTELS AWARDED SOUGHT-AFTER STATUS AS TUI ENVIRONMENT CHAMPION

94 TUI hotels acquired TUI Environment Champion status from TUI Germany in 2018 in recognition of their outstanding sustainability record. That is good for the environment and good for the hotels: demand from holiday makers is higher than ever.

FEB. 18

73

NEWLY ORDERED 737 MAX

In February 2018 TUI Group handed over its second Boeing 737 MAX 8 to TUI Nordic. The transfer from Seattle to Stockholm was one of the most carbon-efficient flights ever made by this aircraft type – using 30 per cent bio-fuel. All 73 newly ordered planes are due to enter service with TUI by 2023.

MAY 18

GEO AWARD FOR ONESHARE

The TUI employee share scheme one-Share received an award from the Global Equity Organization (GEO), the leading international body dedicated to employee stock ownership. The jury's statement highlighted the importance of the scheme in promoting Group integration.

3RD MOST POPULAR EMPLOYER IN BELGIUM

TUI was ranked 3rd most popular employer in Belgium. According to the Randstad study Employer Brand Research, TUI Belgium is one of the strongest employer brands in the country.

JUN. 18

3,280

SOLAR MODULES IN NEW ROBINSON CLUB APULIA

In summer 2018 the Robinson Club in Southern Italy opted for solar energy. Here TUI has built one of the biggest photovoltaic arrays of any hotel in Europe. About 70 per cent of the power generated is used to supply the Club itself. The other 30 per cent are fed into the local grid.

100 %

BIODEGRADABLE STRAWS IN RIU HOTELS

The Riu hotels in Spain, Portugal and Cape Verde now offer their guests straws that can be turned completely into compost. In 2019 the Caribbean hotels will follow suit. A valuable contribution to protecting the environment, as plastic straws are seen as a major source of ocean waste.

AUG. 18

VERY GOOD PERFORMANCE IN FTSE4GOOD

For the 13th time in succession TUI featured in the sustainability index FTSE4Good. TUI performed very well in the categories climate protection, social responsibility and corporate governance.

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FINANCIAL HIGHLIGHTS

€ million	2018	2017	Var. %	Var. % at constant currency
Turnover	19,523.9	18,535.0	+5.3	+6.3
Underlying EBITA¹				
Hotels & Resorts	425.7	356.5	+19.4	+38.7
Cruises	324.0	255.6	+26.8	+27.0
Destination Experiences	44.7	35.1	+27.4	+33.6
Holiday Experiences	794.4	647.2	+22.7	+33.8
Northern Region	254.1	345.8	-26.5	-27.4
Central Region	89.1	71.5	+24.6	+25.0
Western Region	109.3	109.2	+0.1	+0.1
Markets & Airlines	452.5	526.5	-14.1	-14.6
All other segments	-99.9	-71.6	-39.5	-31.4
TUI Group	1,147.0	1,102.1	+4.1	+10.9
Discontinued operations	-	-1.2	n.a.	-
Total	1,147.0	1,100.9	+4.2	+11.0
EBITA^{2, 4}	1,060.2	1,026.5	+3.3	+10.4
Underlying EBITDA⁴	1,563.9	1,541.7	+1.4	
EBITDA⁴	1,498.5	1,490.9	+0.5	
EBITDAR⁴	2,219.9	2,240.9	-0.9	
Net profit for the period	780.2	910.9	-14.3	
Earnings per share ⁴ €	1.18	1.36	-13.2	
Equity ratio (30 Sept.) ³ %	27.8	24.9	+2.9	
Net capex and investments (30 Sept.)	827.0	1,071.9	-22.8	
Net cash (30 Sept.) ⁴	123.6	583.0	-78.8	
Employees (30 Sept.)	69,546	66,577	+4.5	

Differences may occur due to rounding

This Annual Report of the TUI Group was prepared for the financial year (FY) from 1 October 2017 to 30 September 2018.

The terms for previous years were renamed accordingly.

In FY 2018 we have adjusted our segmental reporting to reflect the growing strategic importance of the services delivered in our destinations. Destination Experiences is now reported separately in the segmental structure, and within Holiday Experiences together with Hotels & Resorts and Cruises. The further businesses of former Other Tourism and All other segments have been combined into All other segments. There are no changes to the total numbers. The prior year's reference figures were restated accordingly.

¹ In order to explain and evaluate the operating performance by the segments, EBITA adjusted for one-off effects (underlying EBITA) is presented. 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.

² EBITA comprises earnings before interest, taxes and goodwill impairments. EBITA includes amortisation of other intangible assets. It does not include the result from the measurement of interest hedges, and in the prior year did not include results from container shipping operations.

³ Equity divided by balance sheet total in %, variance is given in percentage points.

⁴ Continuing operations



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