Information with regard to the issues specified in Annex 1 of the Settlement of 26 November 2014

1. **Development of the EBITDA of TUI Travel PLC for 2019/20 and 2020/21 (perpetual annuity) out of the EBITA (before depreciation) for 2012/13; development of an EBITA 2012/13 in the amount of EUR 532,8 million to an EBITDA in the amount of EUR 1,412 million in 2020/21 (perpetual annuity)**
2. **Sustainable EBITA and EBITDA of TUI Travel for the forecast years of 2013/14 to 2019/20**

Information:

The reported EBITA of TUI Travel for the 2012/13 financial year was € 533 million; these earnings for the 2013/14 financial year amounted to € 598 million.

The EBITA is converted into the EBITDA by adding the scheduled and unscheduled depreciation and deducting write-ups.

The reported EBITDA of TUI Travel for the 2012/13 financial year amounted to € 845 million and to € 917 million for the 2013/14 financial year.

The TUI Group uses the performance indicator "adjusted EBITA" to measure its operating earnings power. The reported EBITA is corrected in this benchmark for gains on the disposal of financial investments, restructuring expenses, scheduled amortisation of intangible assets from purchase price allocations and other expenses from one-off items. The adjusted EBITA therefore reflects a sustainable earnings level.

The adjusted EBITA of TUI Travel for the 2012/13 financial year amounted to € 641 million. If TUI Travel's depreciation for the 2012/13 financial year in the amount of € 247 million that has been reduced by the scheduled amortisation of intangible assets from purchase price allocations is added to the adjusted EBITA, the adjusted EBITDA for the 2012/13 financial year amounts to € 888 million.

The adjusted EBITA of TUI Travel for the 2013/14 financial year amounts to € 708 million, while TUI Travel's depreciation for the 2012/13 financial year that has been reduced by the scheduled amortisation of intangible assets from purchase price allocations amounts to € 260 million. This gives an adjusted EBITDA of € 968 million for the 2013/14 financial year for TUI Travel.

For TUI Travel's 2014/15 financial year, the adjusted EBITA is - based on a constant exchange rate of GBP 0.83 to € 1 as expected in the forecast - to increase by 7% to 10%.

As in the previous year, the funding required by TUI Travel for investments in the 2014/15 financial year is expected to amount to approx. 80% of the overall funds required by the TUI Group and will therefore be around € 480 million.

TUI Travel will continue its strategy of offering differentiated products, e.g. in the form of exclusive hotel concepts, and optimising its business. In this way it will defend its market share and achieve profitable growth in turnover. It will push ahead with functional integration in connection with the strategic project oneMainstream. To this end, it will invest in the necessary systems, platforms, interfaces and brands to achieve the goal of scaling the Mainstream business. Furthermore, the focus is in future to be on increasing the value added by non-synergistic business segments.

After the five-year forecast period for the 2014/15 to 2018/19 financial years, the perpetual annuity will kick in as from the 2019/20 financial year. In the perpetual annuity, the assessment is based on a sustainable EBITDA of € 1,412 million and a sustainable EBITA of € 1,032 million.

3. Forecast of TUI Travel profit-and-loss calculation for 2013/14: "Actual" for the first six months, "forecast" for the other six months and budgeted balance sheet as at 30 September 2014

Information:

The relevant figures from the profit and loss account forecast to be taken into consideration for the assessment are the turnover, EBITDA, EBITA and dividends and from the budgeted balance sheet the fixed assets, the net funds for investments and the share capital and reserves.

TUI Travel's profit and loss account forecast for the 2013/14 financial year envisaged turnover of around € 18.1 billion, an EBITDA of around € 0.9 billion, an adjusted EBITA of around € 0.7 billion and a reported EBITA of around € 0.6 billion.

The dividends for the 2013/14 financial year distributed in 2014/15 were forecast at around € 0.2 billion.

TUI Travel's budgeted balance sheet as at 30 September 2014 show fixed assets with a total book value of around € 5.3 billion, net funds for investments of around € 0.7 billion and share capital and reserves of around € 0.6 billion. All in all, the balance sheet total in TUI Travel's budgeted balance sheet as at 30 September 2014 amounts to around € 10.0 billion.

4. Target figures 2014/15 to 2018/19 for TUI AG before and after the execution of the merger

Information:

The relevant figures from the profit and loss account forecasts to be taken into consideration for the assessment are the turnover, EBITDA and EBITA.

With a turnover of approx. € 18.5 billion, the TUI Group achieved an EBITDA of € 1,011 million, a reported EBITA of € 595 million and Group earnings of € 187 million for the 2012/2013 financial year. The Group's operating earnings (adjusted EBITA) were € 762 million.

Turnover of approx. € 18.7 billion was recorded for the 2013/2014 financial year; the Group achieved an EBITDA of € 1,172 million, a reported EBITA of € 774 million and Group earnings of € 284 million. The adjusted EBITA was € 869 million.

The TUI Travel division in Great Britain generates a significant part of the Group turnover and makes a large contribution to earnings. The following statements on the anticipated development of the Group in the 2014/2015 financial year are based on a constant exchange rate of GBP 0.83 to € 1, as expected in the forecast.

Prior to the execution of the merger, TUI AG plans to increase its turnover by 2% to 4%, its operating earnings by 10% to 15% and its reported EBITA by 5% to 10% for the 2014/2015 financial year.

TUI Travel will continue its strategy of offering differentiated products, e.g. in the form of exclusive hotel concepts, and optimising its business. In this way it will defend its market share and achieve profitable growth in turnover. It will push ahead with functional integration in connection with the strategic project oneMainstream. To this end, it will invest in the necessary systems, platforms, interfaces and brands to achieve the goal of scaling the Mainstream business. Furthermore, the focus is in future to be on increasing the value added by non-synergistic business segments.

The Hotels & Resorts division is to increase significantly in the forecast period. The core brands RIU and Robinson are, in particular, expanding their portfolios. In the case of RIU, existing facilities are being optimised and renovated while at the same time efforts are being made to include new destinations, for example the Indian Ocean. Robinson will have a greater international presence when it comes to sales, based on the positive experience with the club in the Maldives. The current wide range of brands outside the core brands RIU and Robinson will be reduced in future based on the new brand TUI Hotel. Growth in this area will increase the percentage of exclusive and differentiated products offered by TUI Travel's operators.

With the Columbus 2 leaving the fleet as planned in the third quarter of 2013/2014, Hapag-Lloyd will in future be focussing on luxury and expedition cruises, with one ship from the luxury segment (the Europa 2) and one from the expedition segment (the Hanseatic) being marketed internationally. TUI Cruises will substantially increase its capacity during the forecast period. This expansion will be financed primarily with outside funds borrowed under attractive conditions, and TUI AG expects to achieve an excellent ROIC on this.

All in all TUI AG plans prior to the execution of the merger, as far as so-called "content" is concerned, to expand its current portfolio by more than 30 new hotels and two new cruise ships by the 2018/2019 financial year. This comprises the following growth activities, in particular:

- The expansion of the RIU portfolio by three to five properties per year.
- The Robinson Club, which forms part of the core business, is to be expanded further in future. The portfolio will be reviewed and substantially improved. The Group plans to increase the number of club facilities to around 40 in the coming years.

Significant cost savings were achieved in the central area in the 2013/2014 financial year by implementing the lean centre measures.

In the five-year forecast period, dividend payments amounting to € 44 million in the 2014/15 financial year, to € 48 million in each of the 2015/16 and 2016/17 financial years, to € 54 million in the 2017/2018 financial year, and to € 121 million in the last year of the plan, 2018/19, were planned for TUI AG prior to the execution of the merger.

In addition to the growth generated by the merger, financial benefits are expected after the execution of the merger as a result of synergies and other economies of scale.

Corporate streamlining will, it is hoped, result in recurring annual cost savings of at least € 45 million. These cost savings are expected to kick in gradually from the time when the merger is executed and to take full effect by the third full financial year after execution of the transaction. One-time, non-cash integration costs of around € 45 million are expected to be incurred in order to achieve these cost savings.

The tax synergies result from the possibility of using tax loss carryforwards of TUI AG and from a more efficient group-wide tax alignment based on a uniform ownership structure. Had the merger of TUI AG and TUI Travel been executed by the end of this year, this would have meant a tax benefit of € 35 million in the 2012/13 financial year. Based on pro forma calculations, an adjusted rate of taxation of 24% would have been achievable in the 2012/13 financial year, namely approximately seven percentage points lower.

Cost savings have been identified in the areas of Online Accommodation and Specialist & Activity following the strategic decision to operate these areas separately from the core tourism business. Net recurring annual cost savings of at least € 20 million are expected as a result of the integration of the inbound services into the mainstream tourism business. Cost savings of at least € 30 million are expected in the mainstream tourism business in connection with the restructuring measures and the takeover of the management of inbound services for the mainstream tourism business. As a further consequence of this planned restructuring, as time goes on it will no longer be profitable to continue certain business agreements with third parties, which will result in a recurring loss with a gross margin of € 10 million p.a. To achieve these savings, estimated one-time non-cash costs of approximately € 76 million are expected, which also includes € 19 million tax on capital gains from the planned restructuring of the company, as well as indirect taxes.

The growth in turnover will be enhanced by economic benefits such as a quicker expansion of the portfolio of unique holiday offerings, increases in occupancy rates for existing hotels, integrated capacity management, and the future expansion of TUI AG's core business, hotels and cruises. Based on internal TUI AG calculations for the 2012/13 financial year, an additional € 6.1 million or so in EBITA could be generated for each percentage point by which occupancy rates increase. The development of TUI Travel's vertically integrated Magic Life Clubs illustrates the impact of vertical integration on occupancy rates. TUI Travel purchased the Magic Life Clubs from TUI AG in July of 2011. As a result of this acquisition, by being able to guarantee the provision of attractive, varied and top-end hotel club holidays, TUI Travel contributed to an increase in occupancy throughout the entire Magic Life portfolio from 77% in the 2010/11 financial year to a booking level of 85% in the current 2013/14 financial year (not including Egypt). Occupancy rates in TUI Travel's vertically integrated Magic Life Clubs (not including Egypt) in the current financial year 2013/14 are five percentage points above that of TUI AG's hotel and resort division in the 2012/13 financial year.

For TUI AG's part the merger brings with it the potential to double the rate of growth of its existing content thanks to the continuing vertical integration, with over 30 additional hotels and up to two additional new cruise ships. Historical results for recent years suggest a potential EBITA contribution of € 1.4 million per hotel and a substantial contribution per cruise ship (TUI Cruises). The accelerated growth in content is expected to result in an increase in customer figures and a growth in turnover of TUI AG following execution of the merger.

The new group is therefore planning to increase the number of - as at today - 230 hotels and resorts by a further 60.

In addition, the “Mein Schiff” fleet will increase in size to six modern cruise ships by 2016. There is also the added option of up to two additional ships, which would being the TUI Cruises fleet to a total of eight in the long term. Merging the businesses of TUI AG and TUI Travel PLC aggregates access to markets and customers, and the increased expansion of capacities allows the new group to chart the course for further growth in terms of customers and turnover.

In the five-year forecast period, dividend payments amounting to € 96 million in the 2014/15 financial year, to € 286 million in the 2015/16 financial year, to € 314 million in the 2016/17 financial year, and to € 287 million in the 2017/18 financial year, and € 344 million in the last year of the plan, 2018/19, were planned for TUI AG after the execution of the merger.