Speech by

Horst Baier

CFO TUI AG

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Thank you very much, Mr Joussen.

Good morning, Ladies and Gentlemen,

Following Mr Joussen's comprehensive presentation of the operating performance of our Sectors in financial year 2013/14, let me now briefly outline to you how this is reflected in the TUI Group's income statement and statement of financial position.

Chart 2: Highlights FY 2013/14

Let me start by presenting the development of our key indicators before taking you through the reported numbers in our income statement.

The Group's turnover rose by around 1 per cent year-on-year. This moderate growth in turnover must be regarded as a positive result as we deliberately cut capacity in our Mainstream business, in particular in source market France, in the financial year under review. Our strategy of continuing to focus on sales of high-margin unique product in our volume business also paid off in terms as reflected by our results for the period under review.

The TUI Group's underlying EBITA rose by around 14 per cent in financial year 2013/14, outperforming the anticipated range of 6 to 12 per cent we had presented in our outlook. All Sectors contributed to this improvement in our result.

Due to our sound operating performance, which went hand in hand with a reduction in net underlying one-off expenses, our reported EBITA also improved significantly in financial year 2013/14. It grew by 30 per cent and therefore also exceeded our target range of 16 to 23 per cent.

In the framework of the further reduction in Group debt, our Group's interest result also continued to improve. Group profit, i.e. earnings after taxes, grew by around 71 per cent year-on-year.

In the wake of conversions of convertible bonds of TUI AG and TUI Travel into equity effected in the period under review, the TUI Group's net financial position continued to improve in the completed financial year. At the end of the financial year, the TUI Group had a net cash position of 323 million euros, an improvement of almost 400 million euros versus the prior year.

With the increase in our operating profitability and the clearly noticeable decline in interest payments due to the reduction in Group debt, we have paved the way to secure our ability to pay dividends.

Let me now present the development of the key indicators in our income statement.

Chart 3: Key indicators income statement

In the framework of our reporting of the operating performance of our Sectors and the Group, we focus on underlying EBITA – i.e. earnings before interest, taxes and impairments of goodwill. The Group's underlying EBITA totalled 869 million euros in the period under review.

Underlying EBITA does not comprise special one-off expenses and income of 95 million euros on balance, which do not form part of the Group's operating performance.

Chart 4: Adjustments

Adjustments included expenses for purchase price allocations and, above all, restructuring costs incurred by the former TUI Travel and net one-off expenses, in particular for the regularisation of VAT on the margin for prior years and the devaluation of financial assets in connection with TUI Russia. These one-off expenses were partly offset by income from the reduction in pension obligations by TUI Travel.

Chart 5: Key indicators income statement

Reported EBITA including the adjustments mentioned above totalled around 774 million euros, an increase of around 30 per cent year-on-year.

In the financial year under review, we did not carry any goodwill impairments.

The interest result had a negative effect worth 229 million euros on the income statement. The further reduction in interest expenses year-on-year was primarily driven by the substantial reduction in Group debt in the prior year.

In the period under review, we carried a proportionate loss from our remaining investment in Hapag-Lloyd AG of 39 million euros. The merger between Hapag-Lloyd AG and Compañía Sud Americana de Vapores (CSAV) in December 2014 caused a decline in our stake from around 22 per cent to currently around 14 per cent in the new company. With the IPO of the "new" Hapag-Lloyd AG, agreed in the framework of the merger, and our right to sell our remaining stake via a trade sale, we have kept all our options to completely exit container shipping open.

The TUI Group's increased operating profitability, lower one-off expenses and lower interest expenses resulted in an improvement in

Group earnings before taxes of around 194 million euros to around 506 million euros.

Due to the improvement in our operating result, the tax liability rose by 77 million euros to around 222 million euros in the completed financial year.

Overall, Group profit (before non-controlling interests) improved by 118 million euros to 284 million euros in the period under review. Taking account of the share in Group profit attributable to non-controlling interests, in particular other shareholders in the former TUI Travel and the RIUSA II Group, and the interest payable on our hybrid bond, the Group posted earnings per share of 0.31 euro cents for the period under review. Adjusted for the non-cash effect from the negative profit contribution from the investment in Hapag-Lloyd, earnings per share would have totalled 46 euro cents.

Following my explanations regarding our income statement, please allow me to briefly comment on our consolidated statement of financial position and development of our Group's net debt.

Chart 6: Statement of financial position

The Group's balance sheet total increased by 4 per cent year-on-year to 14.0 billion euros. Apart from investments in our aircraft fleet, this reflects the issuance of bonds worth 300 million euros in September 2014. The resulting cash inflow was held on trust until the completion

of the merger with TUI Travel. Despite the increase in the balance sheet total, our equity ratio improved considerably on the prior year to 17.9 per cent as at 30 September 2014.

Chart 7: Net debt

In the period under review, we moved further ahead with the reduction in our Group's debt. Since financial year 2009/10, the TUI Group's net debt has been significantly reduced by 2.6 billion euros, in particular due to the reduction in our stake in Hapag-Lloyd and the focus placed on our cash flow by all Group entities. At the end of the financial year under review, the TUI Group had a positive net cash position of 323 million euros. Thanks to the sustained reduction in Group debt, we have further strengthened our financial stability and flexibility.

Against the backdrop of our sound operating performance and our oneTUI programme, which is well on track, we are therefore planning to propose payment of a dividend of 33 euro cents per share to you for financial year 2013/14.

So much for my comments on the financial statements for financial year 2013/14. Let me now turn to our current business performance in Q1 2014/15.

Chart 8: Key indicators Q1 2014/15

Earlier this morning, we published our Q1 results on our website and explained our business performance in detail to the capital market analysts in a conference call.

Before commenting on a number of key indicators, let me first of all make a few brief comments on the merger between TUI AG and TUI Travel PLC, completed in December 2014, to form the new TUI AG. The financial impact of the merger is reflected in our Interim Report on Q1 2014/15 for the first time.

The centrepiece of the exchange of TUI Travel shares into TUI AG shares was the direct capital increase, which created the new TUI AG shares that TUI Travel shareholders received "directly" upon registration – i.e. upon the capital increase taking effect – in exchange for the TUI Travel shares that they held. Due to the increase in the number of shares outstanding and the very good development of our share price, the new TUI AG currently has a market capitalisation of around 8 billion euros.

Upon the completion of the merger, the former syndicated credit line of TUI Travel PLC has been replaced by a new revolving credit facility worth 17.5 billion euros, which we have primarily concluded with the banks that were also part of the financing syndicate of TUI Travel.

In parallel, TUI AG issued corporate bonds worth 300 million euros on 26 September 2014, which I have already informed you about.

Upon the completion of the merger, the two rating agencies S&P and Moody's have upgraded the corporate rating of the new TUI to "BB-" and "Ba3", respectively, as envisaged. The credit quality of the combined TUI has thus been further improved following the successful debt reduction efforts made in the past few years, which had already resulted in an enhanced rating.

Let me now comment on a number of key indicators for the reported Q1 2014/15.

The TUI Group has started off successfully to the Winter season 2014/15. In Q1 2014/15, Group turnover totalled 3.5 billion euros, up 5 per cent on the previous year.

The TUI Group's seasonal operating loss (underlying EBITA) declined by around 33 million euros in Q1 2014/15 to minus 108 million euros year-on-year.

At minus 136 million euros, the seasonal Group loss improved by 19 million euros versus the prior year.

Please allow me to point out once again that negative profit contributions are generated in the first two quarters in Tourism due

to the seasonality of the business. These losses are then more than offset in the "strong" summer months (Q3 and Q4).

Chart 9: TUI Travel and TUI Hotels & Resorts

Let me now turn to the development of our individual Tourism Sectors.

The Travel Sector posted an increase in its seasonal operating loss of 12 million euros year-on-year, in line with our expectations. While the Sector recorded a very positive performance in the UK, it faced a challenging start in Germany. It was additionally impacted by the cost incurred to expand our Accommodation Wholesaler, i.e. the bedbank business, as well as currency effects.

Hotels & Resorts managed to improve its operating result by around 25 million euros year-on-year in Q1 2014/15. This improvement includes the book profit from the divestment of a Riu hotel of around 16 million euros.

Chart 10: Cruises and Central Operations

In the Cruises Sector, both Hapag-Lloyd Kreuzfahrten and TUI Cruises reported a positive performance, with underlying earnings up 18 million euros year-on-year to 2 million euros in Q1 2014/15. Hapag-Lloyd Kreuzfahrten managed to halve the loss incurred last year. This was mainly attributable to the rising demand for Europa 2. TUI Cruises continued to post a positive performance in the quarter

under review, benefiting from persistently strong demand, which was also driven by the fleet expansion by Mein Schiff 3 in June 2014.

The costs of Central Operations declined by around 2 million euros to around 12 million euros year-on-year in Q1 2014/15. This improvement was above all driven by the continued implementation of the Lean Centre measures, such as the termination of all sponsorship activities.

Overall, the TUI Group got off to a very good start to the new financial year. Current trading at TUI Travel for the Summer season 2015 is in line with our expectations. Overall, we are therefore very confident to achieve our goals for the full year 2014/15.

Let me now give you a more specific outlook to the current financial year 2014/15.

Chart 11: Outlook key indicators Group

The outlook on the expected development of the TUI Group in financial year 2014/15, presented in our Annual Report 2013/14, is confirmed. The comments I will make on the expected performance of our Group in financial year 2014/15 are based on a constant exchange rate of sterling of 0.83 British pounds / euro, which we have assumed for our planning.

In financial year 2014/15, we expect to achieve moderate turnover growth of 2 to 4 per cent, mainly attributable to the increase in customer numbers in the Mainstream business assumed in our planning.

In financial year 2014/15, the TUI Group's underlying EBITA is expected to rise by 10 to 15 per cent.

Due to the anticipated increase in special one-off factors to be carried as adjustments and the improvement in our operating result, reported EBITA is expected to grow by 5 to 10 per cent in financial year 2014/15. This forecast does not include restructuring expenses that may arise in connection with the merger with TUI Travel.

Ladies and Gentlemen,
By way of conclusion, please allow me to make a few comments on the proposed authorisation in accordance with agenda item 7.

Chart 12: Agenda item 7

Under this agenda item, we are asking the Annual General Meeting to adopt a resolution on the acquisition and use of own shares of up to 5 per cent of the capital stock which will expire in 18 months.

Alongside the existing unused authorisations for authorised and conditional capital approved by the Annual General Meeting in prior

years, this new anticipatory resolution also serves to secure the TUI Group's flexibility. It is of fundamental importance for the Company to be able to implement financing measures in the capital markets any time in a swift and appropriate manner.

Both the newly proposed authorisation and the existing anticipatory resolutions fully comply with the legal framework and the guidelines for resolutions adopted at Annual General Meetings, issued by the proxy service providers for capital measures, and are merely precautionary. Any future use of these authorisations is to take account of the balance sheet ratios with a view to minimising overall capital costs. At this point in time, we are not considering to use these authorisations.

With the new authorisation to acquire and use own shares of up to 5 per cent of the capital stock, however, at most 26,473,000 shares, in accordance with agenda item 7, the Company is to be granted the possibility of acquiring own shares in the stock market or by means of a public offer to the shareholders. In doing so, the principle of equal treatment, as stipulated by the Stock Corporation Act, must be observed. The acquired shares may either be cancelled with the consent of the Supervisory Board or sold over the stock exchange, or sold to individual shareholders excluding the shareholders' pre-emptive rights or in exchange for contributions in kind, or may be used to service conversion or option rights.

The buy-back of own shares will enable us to flexibly adjust our equity to our respective business requirements and respond appropriately to "favourable" stock market situations. It will also enable the Company to offer own shares as "consideration" in connection with acquisitions of companies without increasing the total number of shares and thus avoid a dilution of earnings per share.

Limiting the volume of the acquisition authorisation to 5 per cent of the capital stock ensures that despite the significantly higher capital stock of TUI AG as a result of the merger with TUI Travel PLC the volume of the new authorisation to acquire own shares will not increase against the existing volume.

As the existing authorisation to acquire and use own shares will expire in August 2015, we are asking you today for your approval of the new authorisation resolution, which will again expire in 18 months.

This takes me to the end of my presentation. Thank you very much for your attention.