Speech by

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CEO TUI AG

at the Annual General Meeting

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Ladies and gentlemen, distinguished shareholders,

(Slide 2: Highlights 2013/14)

Welcome to today's Annual General Meeting. 2013/14 was a very successful and groundbreaking year for our TUI. It was characterised by an operating performance that considerably exceeded expectations. In parallel, we took the key decisions in the past few months in order to create the world's number one leisure tourism business. On 12 December, the shares in the new TUI were issued upon the closing of the merger, and on 17 December we completed the acquisition of TUI Travel with the listing and commencement of trading of the new TUI on the London Stock Exchange. You, our shareholders, have supported this course and paved the way for the creation of the new TUI with your overwhelming approval.

Since then, Peter Long and myself have worked towards bringing the new TUI really to life. To this end, we have swiftly built structures and processes together. This year, our top priority has been to deliver on our promises from the merger process and, above all, meet our forecast. Peter is also focusing strongly on the new Anglo-Saxon shareholder base that has joined us via TUI Travel, while I mainly focus on the internal management of our Group. We have also launched a strategy process, which I will explain in greater detail in a moment. Here, we are jointly working towards addressing the key challenges our Company will face in the future. We are both convinced that the constellation of the new TUI will accelerate our long-term growth, secure our business model and, of

course, leverage substantial synergies. The new TUI has become more valuable, has more clout and is equally attractive for our shareholders, customers and employees alike. Today's shareholders of our Company know what they are getting: a sound operating performance, strong transparency and a clear strategic orientation. The entire management team will continue to work hard in order to keep our Group on track.

The conditions for the future development of our Company are good. Tourism remains an industry with a bright future. People want to travel, get to know different countries and foreign cultures – this holds true for people in our core markets Germany, the UK and Scandinavia but, in particular, also for the growing middle classes in many countries in the world. Moreover, the low oil prices curb our costs and stimulate our customers' purchasing power. These effects are very advantageous for the tourism industry.

Of course, we do not turn a blind eye to the rising instability of systems in many regions in the world as compared with the situation a few years ago. Egypt is a case in point that has shown that there is a long way to go before past successes can be replicated. The same holds true for Tunisia: an encouraging democratic process, currently an anchor of stability in North Africa, and yet, tourism is only recovering very slowly. In 2015, we will open up a Robinson Club in Djerba again.

By contrast, Greece has benefited strongly from the shift in demand away from North Africa. Tourism thus is and remains an essential pillar of economic recovery. Greece currently dominates attention among the

public at large, politicians and the capital markets - and, of course, we also closely observe developments in Greece. The new Greek government has the sovereign task of taking political decisions for the country – I will not raise any demands, nor provide any advice. However, it is clear that tourism may remain the backbone of the Greek economy if we find a reliable environment for our investments.

Given that youth unemployment exceeds 50 per cent in many countries, we also render an important contribution, in particular in southern Europe, towards opening up prospects for young people. Tourism creates growth, growth creates wealth and jobs, strengthening the stability of entire regions. Examples reflecting TUI's commitment include the TUI Hotel Academy in Morocco or training schemes based on the German-style dual vocational training system in Greece and Turkey. Around 12,000 young people applied for admission to the TUI Hotel Academy alone in the past few years. Around 400 trainees have left the Academy with formal qualifications.

Tourism has many positive effects in the destinations – ranging from democratisation, human rights, transfer of education and training, all the way to wealth formation. It thus opens up entire regions – in a slow and barely perceptible and yet steady and unstoppable manner.

Ladies and gentlemen,

(Slide 3: Earnings targets for 2013/14 exceeded)

Let me now turn to our operating results in financial year 2013/14.

We have outperformed all key earnings targets for last year. Our turnover rose by 1% to 18.7 billion euros, and our underlying EBITA climbed by 14% to 869 million euros. Our guidance had forecast a growth range of 6 to 12%. All Sectors – TUI Travel, Hotels & Resorts and Cruises – contributed to the improvement in our performance, which I will outline in greater detail in a moment. Our EBITA rose by 30% to a record level of 774 million euros, significantly outperforming the target range of 16-23% of our guidance. Last but not least, we increased our Group profit by 71% to 284 million euros. The substantial growth was driven by the sound operating performance, lower interest payments and a decline in one-off expenses.

Let me now comment on the individual Sectors :

(Slide 4: TUI Travel: Mainstream remains successful)

TUI Travel increased its underlying EBITA by 10.5% to 708 million euros. For the first time EBITA growth went hand in hand with turnover growth of 1%, while we had still reported a decline in the first half of the year. Returning to a growth path has been particularly important for us as a contracting company cannot be successful in the long run.

Of course, the Mainstream business is particularly important for TUI

Travel. Here, the UK with an EBITA margin growth of 6.9% and Germany with an EBITA margin growth of more than 3% played a particularly prominent role. In the Netherlands, too, we recorded an excellent year, almost doubling our EBITA. In France we managed to halve our losses.

In the Non-Mainstream business, our bedbank activities are particularly strong. TTV, i.e. total transaction volume, rose by 15%, with operating EBITA up by 21%. This segment is one of the crucial value drivers in Non-Mainstream, which will be managed as a separate entity by Will Waggott in future.

(Slide 5: TUI Hotels & Resorts: Riu & Robinson with excellent performance)

Hotels & Resorts increased its operating result, i.e. excluding proceeds from divestments, by 11.1% to 202.5 million euros. This growth went hand in hand with turnover growth of 4% to 861.3 million euros. This performance was driven, in particular, by RIU and Robinson. Both companies increased their revenues per bednight. By contrast, Iberotel was adversely affected by the decline in demand for Egypt, above all in last year's Winter season. Nevertheless, the Iberotel Group contributed a positive result. In the new financial year now started, travel to in Egypt has recovered to some extent. Accordingly, Iberotel has posted better results again. Moreover, it is particularly gratifying for Robinson to have increased its return on capital, a key indicator, from 6% to more than 10%. It is thus well on track.

(Slide 6: Cruises: Turnaround target outperformed)

In the Cruises Sector, we had planned to achieve a turnaround. This target was outperformed, too. Last year's EBITA totalled 10 million euros. These earnings include TUI Cruises with 31 million euros and HL Kreuzfahrten with currently -22 million euros. In the framework of oneTUI we had promised to carry a positive result for HL Kreuzfahrten for this year. This is one of the reasons why we effected the first major investment of the new TUI in January with the acquisition of Europa 2. The acquisition will lift Hapag-Lloyd's earnings by around 20 million euros for the year as a whole. As already announced last year, we will, of course, continue to expand our TUI Cruises fleet by adding one ship per year.

(Slide 7: Central Operations: Substantial cost savings achieved)

Last but not least, we have further reduced our central costs, as already announced in the framework of our oneTUI programme. Last year, the cost of Central Operations totalled around 51 million euros, down 17% year-on-year.

(Slide 8: The new TUI: The world's number one leisure tourism business is taking shape)

Based on this performance, which essentially constitutes a successful result of our oneTUI programme, TUI and TUI Travel have now merged

to form the new TUI Group. Integration is well underway so that we are on track to creating the world's number one integrated leisure tourism business. We will create a market leader with around 300 hotels, currently 12 cruise ships, more than 140 aircraft, 1,800 travel agencies and incoming agencies in all major countries in the world. Taken together, the TUI companies serve more than 35 million customers. The rationale underlying the merger is clear. On the one hand, we are creating strong access to unique content for our tour operator TUI Travel; on the other hand, hotels and cruises will obtain access to controlled distribution. The combined effects will lead to an acceleration of growth and de-risking. In addition, impressive cost synergies can be leveraged.

It is now up to us to make a success of the merger. Expectations are high, the first steps have been taken, the first year of the new TUI has got off to a good start. Let me share a few highlights with you:
(Slide 9)

1) As promised, the dividend for the completed year is to amount to 33 euro cents and thus be more than twice as high as last year. On the basis of the very positive operating performance of last year, we have increased our EPS from -14 euro cents to 31 euro cents. Adjusted for the non-cash effect of Hapag-Lloyd Containershipping, EPS would even have amounted to 46 euro cents. We have further reduced our debt, not least due to the very good development of our share price and the associated conversion of our equity-linked bonds into equity. You all know that we are already seeking to achieve a further positive development of our EPS

in the current year. This should then form the basis for us to deliver the progressive dividend policy of the former TUI Travel for our new TUI, as promised.

(Slide 10)

2) As already mentioned, our share price has shown a very positive development. This is partly due to the macroeconomic constellation of low interest rates, low oil prices and strong consumption. However, it also reflects the market expectations regarding our Company and the hopes for sustained entrepreneurial success. This is clearly shown by a comparison with MDAX/FTSE.

(Slide 11)

3) We achieved a positive performance in the first quarter, increasing our turnover by 5.4% to 3.54 billion euros. At the same time, we reduced our seasonal loss by 24% to 108 million euros. Based on this strong start to the year, we confirmed our outlook for the full year earlier this morning at the presentation of our interim results for the quarter. To remind you of our guidance, you can see the outlook on the slide behind me.

(Slide 12)

4) Our forecast for the current year is very positive with an envisaged increase in underlying EBITA of 10% to 15%. The medium-term target of

about 1 billion euros for our underlying EBITA, announced two years ago, might already be achievable this year.

Hence, everything is running smoothly at your new TUI. We are well on track to achieving the targets we promised in the framework of the merger. Let me therefore also cast a quick look into the future, as usual, in order to address the next key challenges and decisions for our Company:

1) Mainstream (Slide 13)

In our Mainstream business, we are planning to grow. Historically speaking, we achieved strong earnings growth in the last few years but hardly increased our turnover. We lost market shares in some source markets. This is an unfavourable development that needs to be stopped. We need profitable turnover growth. Here, unique products will certainly play a major role, but so does a strengthening of our marketing activities. I had already mentioned several times that we intend to tackle this area. Time has now come for us to do so. The barriers resulting from our complex corporate structure have been removed. We are now able to take action, and will do so. One of the main reasons why this is important for us is that good marketing is a key prerequisite for a successful online business.

We will also deal with new large source markets, including enormous growth markets such as Canada and the US – where we operate with our

Sunwing Group – and restructuring markets such as France and Russia. Here, we need to find quick solutions.

2) Cruises (Slide 14)

In our Cruises Sector, we will continue to grow strongly at TUI Cruises and complete the turnaround of Hapag-Lloyd. The acquisition of Europa 2 will also enable us to operate Hapag-Lloyd on a very attractive earnings level in the long run. At Thomson Cruises we will fully modernise the 5-ship fleet in the next few years and will gradually move it closer to TUI Cruises. We expect the planned expansion of our fleet to 15 ships to enable us to become one of Europe's leading cruise companies.

3) IT (Slide 15)

Ladies and gentlemen, our IT has to reflect the motto: Doing more with less. We will focus on a small number of major strategic projects, which are then to be used in all our markets. They will include

- a highly scalable platform for the dynamic packaging of holiday products, rapidly usable in different markets. A first version of that platform was launched in the Spanish market a few weeks ago. Should it prove successful, it might form the basis for us to enter markets in which we currently do not operate. I am thinking of markets in which growing middle classes are emerging, but in which market entry based on our traditional tour operator model might be too risky or simply impossible.

- The second strategic platform I would like to address is a unified cloud-based platform for our customer data cross all markets. This platform will enable us to create a single view of our customer from distribution via customer service all the way to our colleagues in the destinations. This customer data platform also forms the basis for modern CRM along the customer experience and across the entire customer cycle. As our core business comprises the entire customer cycle, unlike many of our competitors, this new platform virtually constitutes the brain and the engine for our integrated business model, to put it like that.

4) Airline (Slide 16)

Our Airline operations include 140 aircraft operated by five companies in the framework of our Mainstream business, as already mentioned. Instead of positioning ourselves as one airline, we are currently structured into five small companies. We will now change that structure. I want to future-proof our Airline, and this will only be possible if we actually leverage the potential economies of scale. With a total of 140 aircraft, we would currently rank seventh in the European league table and would thus be considerably more competitive compared with today's structure. Moreover, the operational integration of our Airline in our tour operator provides us with the strategic advantage of achieving load factors for our aircraft that none of our competitors can achieve as they do not have an integrated structure. The continued successful operation of our Airline therefore lies in our own hands. We are now creating the prerequisites.

5) Non-Mainstream (Slide 17)

The newly created Non-Mainstream business, managed by Will Waggott, will now have to establish its identity and define for itself what the positioning established in the merger process,
"separately managed for value", means in actual practice. Both our Hotelsbeds Group and some of our Specialist tour operators are growing strongly. The conditions are therefore favourable. We will now have to translate them into a plan for the future of these operations. This is to be achieved before the end of the year. I have already seen the first promising ideas and am therefore confident that we will be able to move forward.

(Folie 18: Final slide)

Ladies and gentlemen, distinguished shareholders,
We are now working full speed to implement our programme in order to address the challenges outlined to you. Some of our projects have already reached a more mature stage, while others will need some more time. Our goal is to present a comprehensive plan by May. Until then, we will continue to focus on implementing our ambitious targets for this year with further earnings growth of 10% to 15%. With our Q1 results, we have established a very good basis to achieve that target. In the light of our ambitious earnings growth target, I regard the challenges primarily as opportunities for us in order to take our company from good to great.

My colleague, Horst Baier, will now take you through our figures in greater detail. Thank you very much for your attention.