



FY17 Full Year Results & Strategy Update

13 DECEMBER 2017



FORWARD-LOOKING STATEMENTS

This presentation contains a number of statements related to the future development of TUI. These statements are based both on assumptions and estimates. Although we are convinced that these future-related statements are realistic, we cannot guarantee them, for our assumptions involve risks and uncertainties which may give rise to situations in which the actual results differ substantially from the expected ones. The potential reasons for such differences include market fluctuations, the development of world market commodity prices, the development of exchange rates or fundamental changes in the economic environment. TUI does not intend or assume any obligation to update any forward-looking statement to reflect events or circumstances after the date of these materials.



FY17 FULL YEAR RESULTS

FRITZ JOUSSEN



TUI continues its strong performance track record in FY17

TURNOVER
€18.5bn
+11.7%¹

UNDERLYING EBITA
€1,102m
+12.0%¹

UNDERLYING
EPS €1.14
+33.7%¹

DIVIDEND PER SHARE
65 cents

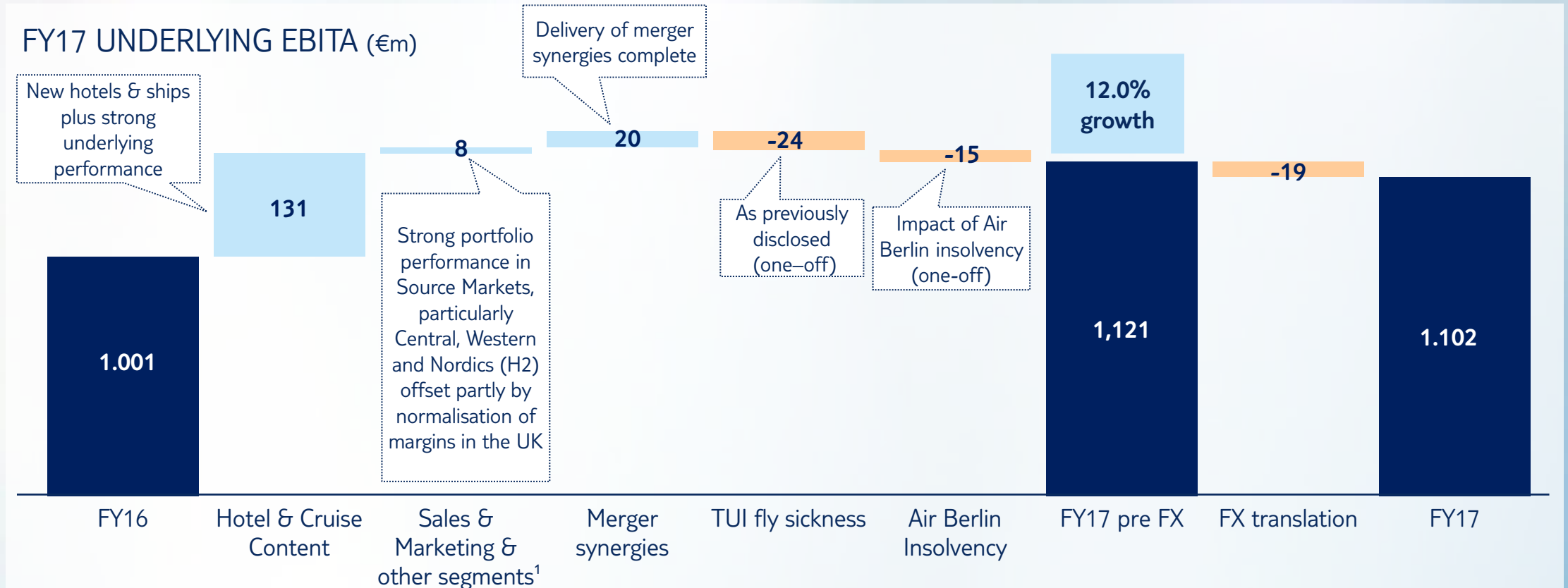
ROIC³
23.6%
WACC³
6.75%

- Third consecutive year of strong top line and earnings growth
- 56%² earnings from hotel & cruise content (up from 30%² at merger)
- Delivering attractive shareholder returns – dividend per share of €0.65 announced
- Strong ROIC performance continues

¹ At constant currency rates; ² Based on FY17 Year End and FY14 Year End reported numbers ³ For both ROIC and WACC methodology please refer to FY17 Annual Report pages 27-29



Strong performance driven by growth in own hotel/cruise content and underlying trading



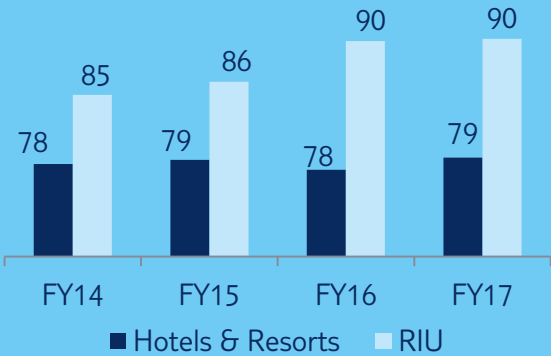
¹Includes €3m notional EBITA benefit from aircraft finance leases



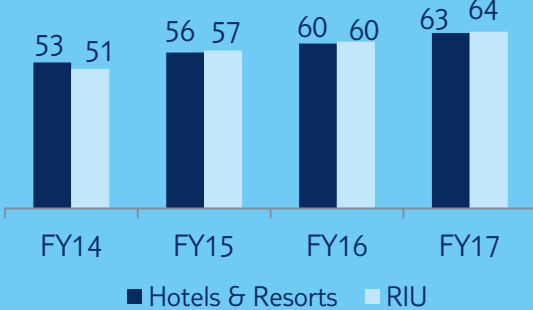
Hotels & Resorts

Strong performance resulting in four consecutive years of increasing ROIC

AVERAGE OCCUPANCY %



AVERAGE REVENUE PER BED €

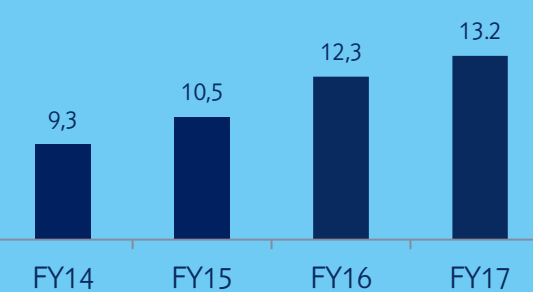


10 core brand openings in FY17

28 since merger

of which more than 60% are low capital intensity¹

SEGMENTAL ROIC %



TURNOVER AND EARNINGS (€m)

	FY17	FY16	%
Turnover	679.0	618.6	9.8
Underlying EBITA	356.5	303.8	17.3
<i>o/w Equity results</i>	91.2	74.1	23.1

BRIDGE UNDERLYING EBITA (€M)



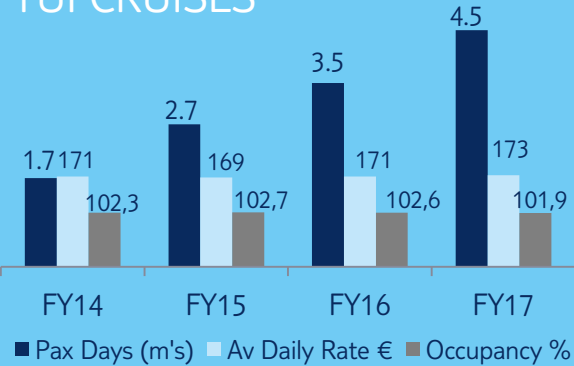
¹ Low capital intensity is defined as Management, Franchise and 50% of owned hotels due to joint venture structures



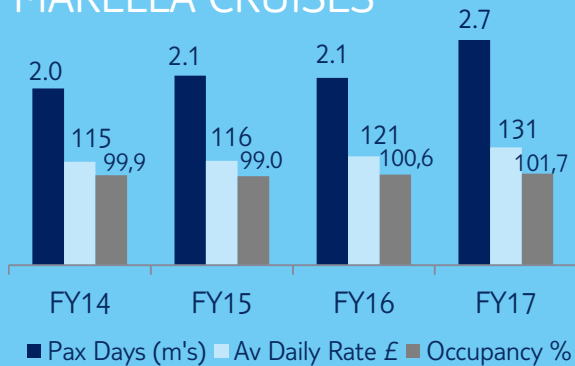
Cruises

Strong market supports capacity growth – increasing ROIC

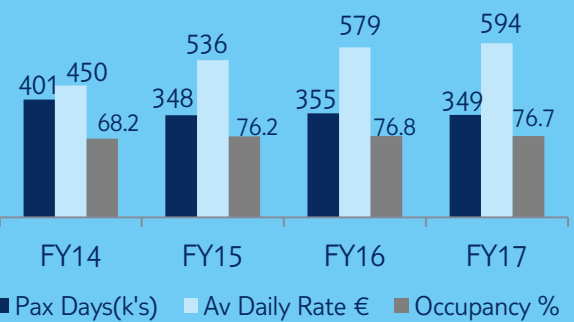
TUI CRUISES



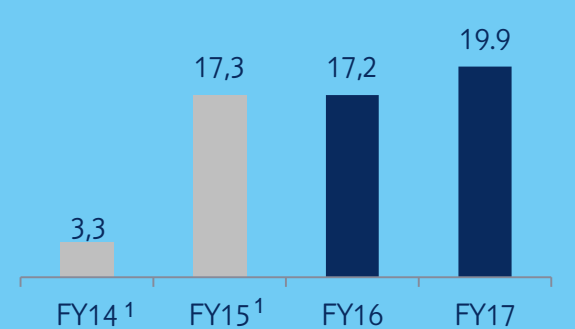
MARELLA CRUISES



HAPAG-LLOYD CRUISES



SEGMENTAL ROIC %



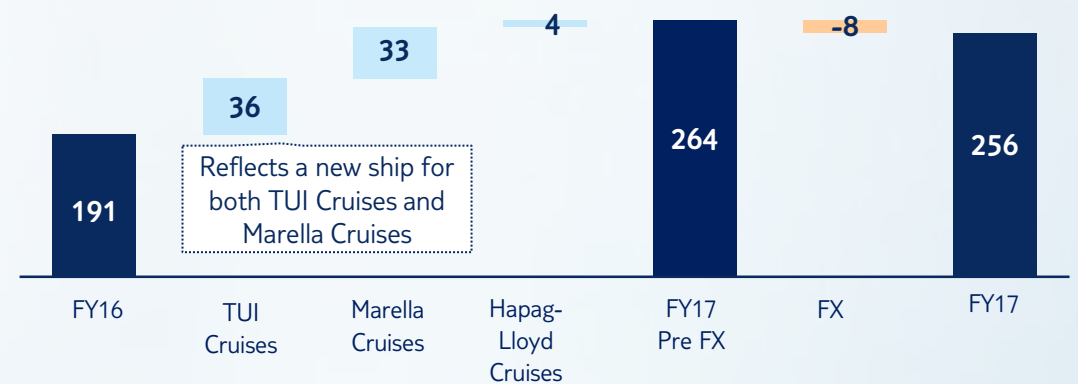
¹ FY14 & FY15 ROIC excludes Marella Cruises

TURNOVER AND EARNINGS (€M)

	FY17	FY16	%
Turnover	815.0	703.1	15.9
<i>Memo: TUI Cruises Turnover</i>	<i>1,052.5</i>	<i>807.3</i>	<i>30.4</i>
Underlying EBITA	255.6	190.9	33.9
<i>o/w EAT TUI Cruises*</i>	<i>135.9</i>	<i>100.1</i>	<i>35.8</i>

* TUI Cruises joint venture (50%) is consolidated at equity

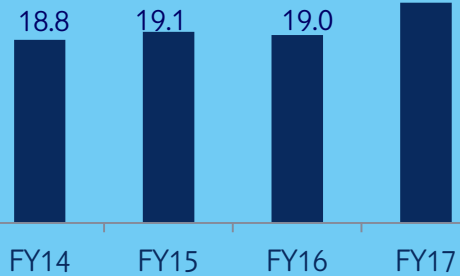
BRIDGE UNDERLYING EBITA (€M)



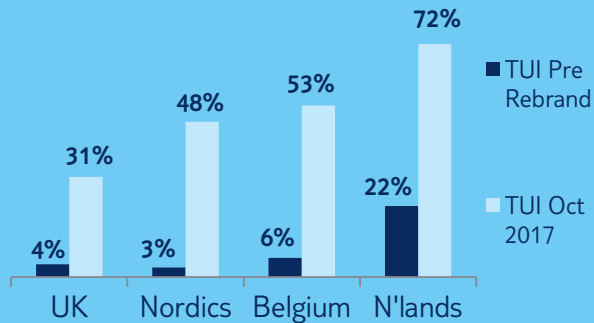
Sales & Marketing

Diversification of source markets delivers strong portfolio performance

CUSTOMERS (m)



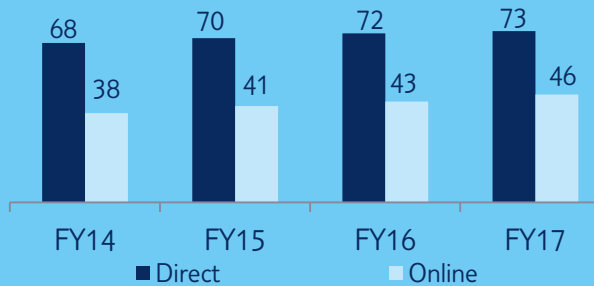
UNAIDED AWARENESS %



SOURCE MARKET NET PROMOTER SCORE² 50 (+1 YOY)

YOY GROWTH ACROSS MOST MARKETS

DIRECT & ONLINE DISTRIBUTION %

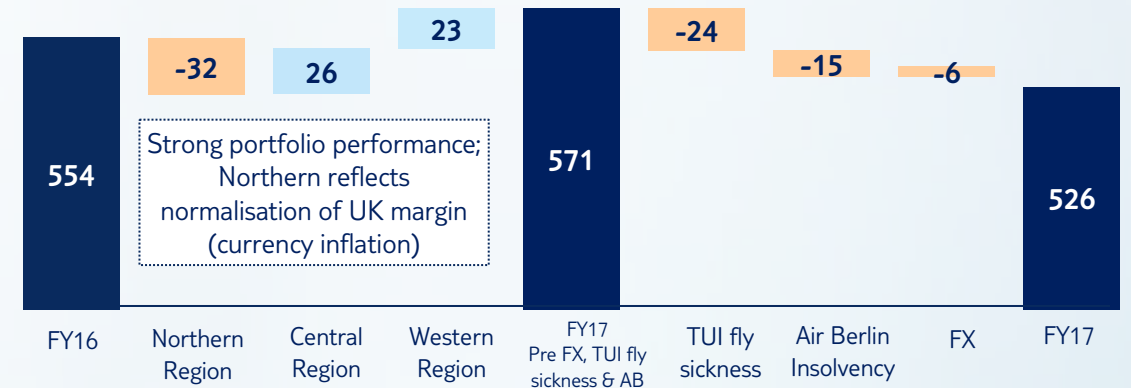


TURNOVER AND EARNINGS (€M)

	FY17	FY16	%
Turnover	16,143.2	14,997.2	7.6
Underlying EBITA	526.5 ¹	554.3	-5.0 ¹

¹ Includes one-off TUI fly sickness of €24m and Air Berlin insolvency of €15m impact in the year

BRIDGE UNDERLYING EBITA (€M)



² NPS is measured in customer satisfaction questionnaires completed post-holiday. It is based on the question "On a scale of 0 to 10 where 10 is extremely likely and 0 is not at all likely, how likely is it that you would recommend TUI to a friend, colleague or relative?" and is calculated by taking the percentage of promoters (9s and 10s) less the percentage of detractors (0s through 6s)



Trading for future seasons is progressing well overall

HOTELS & RESORTS

- Continued growth in own hotel brands with seven openings scheduled to date for FY18
- Strong demand for Western Med and Caribbean
- Expect to see some improvement in demand for Turkey & North Africa mainly from our Source Markets



CRUISES

- Strong cruise yields and load factors across all three brands
- Ship launches scheduled for 2018 and 2019



SALES & MARKETING IN SOURCE MARKETS

- Winter 2017/18¹ volumes up +3%
- Summer 2018 performing in line with expectations albeit at very early stage
- Strong performances in Nordics and Germany; UK resilient, rebrand progressing well



¹These statistics are up to 3 December 2017 and shown on a constant currency basis and relate to all customers whether risk or non-risk



FY17 FULL YEAR RESULTS

HORST BAIER



Income Statement

In €m	FY17	FY16
Turnover	18,535.0	17,153.9
Underlying EBITA	1,102.1	1,000.5
Adjustments (SDI's and PPA)	-75.6	-102.4
EBITA	1,026.5	898.1
Net interest expense	-119.2	-179.5
Hapag-Lloyd AG	172.4	-100.3
EBT	1,079.7	618.3
Income taxes	-168.8	-153.4
Group result continuing operations	910.9	464.9
Discontinued operations	-149.5	687.3
Minority interest	-116.6	-114.8
Group result after minorities	644.8	1,037.4
Basic EPS (€)	1.10	1.78
Basic EPS (€, continuing)	1.36	0.61
Pro forma Underlying EPS (€, continuing)	1.14	0.86

ADJUSTMENTS

Reduced by €27m due to completion of post-merger integration

INTEREST

Improvement of €60m, due to lower RCF utilisation, lower interest on provisions and refinancing of High Yield Bond to Senior Notes with lower coupon rate, partially offset by additional finance lease interest for new aircraft and cruise ships

HAPAG-LLOYD AG

Book profit of €172m realised on disposal of HLAG interest. Prior year reflects share value impairment during H1 FY16

TAX

Underlying effective tax rate remains at 20%

DISCONTINUED OPERATIONS

Completion of Travelopia disposal; charge of €131m relating to disposal of net assets and recycling of FX losses. Prior year reflects Hotelbeds transaction

EPS

Significant underlying increase driven by operational performance, financial and tax efficiency



Cash Flow & Movement in Net Debt

In €m	FY17	FY16
EBITDA reported¹	1,490.9	1,305.1
Working capital	406.2	271.8
Other cash effects	89.9	63.7
At equity income ¹	-252.3	-187.2
Dividends received from JVs and associates	118.2	82.2
Tax paid	-146.1	-186.4
Interest (cash)	-57.1	-71.2
Pension contribution	-141.3	-335.6
Operating Cashflow	1,508.4	942.4
Net capex & investments incl PDPs ²	-1,071.9	-634.8
Disposal proceeds	388.0	811.6
Free Cashflow	824.5	1,119.2
Dividends	-456.8	-341.1
Movement in Cash Net of Debt	367.7	778.1

¹ Continuing ops basis, non-continuing adjustment in Other cash effects

² Net capex of €766.9m, net investments of €102.5m and net PDPs of €202.5m

STRONG OPERATING CASHFLOW

Full-year improvement of ~€560m

IMPROVEMENT IN WORKING CAPITAL

Driven by growth in Source Markets turnover

TRAVELOPIA - DISPOSAL PROCEEDS OF ~€400M

Completed sale to KKR on 15 June 2017, at agreed enterprise value of £325m

HAPAG-LLOYD AG SHARES – DISPOSAL PROCEEDS OF ~€400M

Interest in Hapag-Lloyd AG now fully disposed

In €m	FY17	FY16
Opening cash (debt)	350	-214
Movement in cash net of debt	368	778
Employees Benefit Trust	-22	-
Asset Finance	-149	-350
Other	36	136
Closing net cash including Discontinued Ops	583	350
Travelopia	-	-318
Closing net cash as per Balance Sheet	583	32



Leverage ratio – medium-term we feel well placed within new target range (3.0x-2.25x)

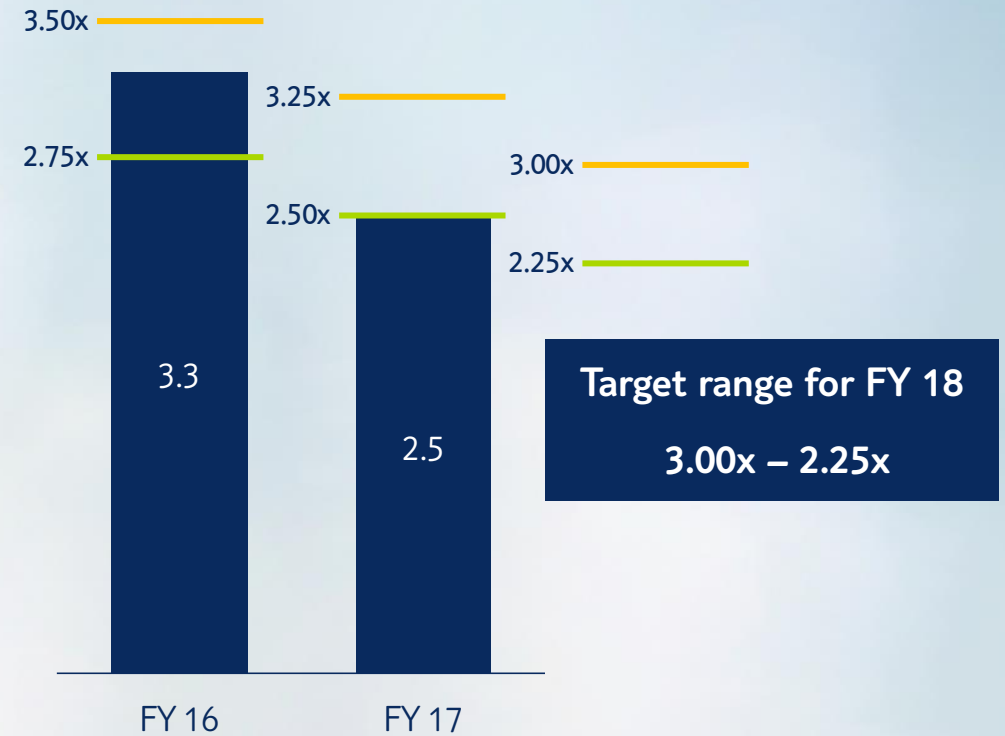
LEVERAGE RATIO FY17

€m	FY17	Guidance
Gross debt	1,933	
to Bonds	296	
to Liabilities to banks	381	
to Finance leases	1,227	→
to Other financial liabilities	29	
Pensions	1,127	→
Discounted value of operating leases ¹	2,619	→
Debt	5,680	
Reported EBITDAR	2,241	
Leverage Ratio	2.5x	

SPLIT
80% Aircraft
20% Cruises & Other

¹ At simplified discounted rate of 1.75%

DEVELOPMENT AND OUTLOOK



- Current aircraft order book including options for fleet rollover consists of 88 aircraft until FY 22
- Case by case decision regarding future financing, current assumption is a mix of operating and finance leases



FY18 Guidance¹

	FY18e	FY17
Turnover ²	Around 3% growth	€18,535m
Underlying EBITA	At least 10% growth	€1,102m
Adjustments	~€80m	€76m
Net interest expense	~€120m	€119m
Underlying effective tax rate	~20%	20%
Net capex & investments incl. PDPs ³	~€1.2bn	€1.1bn
Net (debt)/cash	Slightly negative	€0.6bn
Leverage ratio	3.0x to 2.25x	2.5x
Interest cover	5.75x to 6.75x	6.1x
Dividend per share	Growth in line with underlying EBITA	€0.65

1 Assuming constant foreign exchange rates are applied to the result in the current and prior period and based on the current Group structure

2 Excluding cost inflation relating to currency movements

3 Assuming acquisition of Mein Schiff 1 for Marella Cruises



GROWTH FROM INVESTMENTS

HORST BAIER

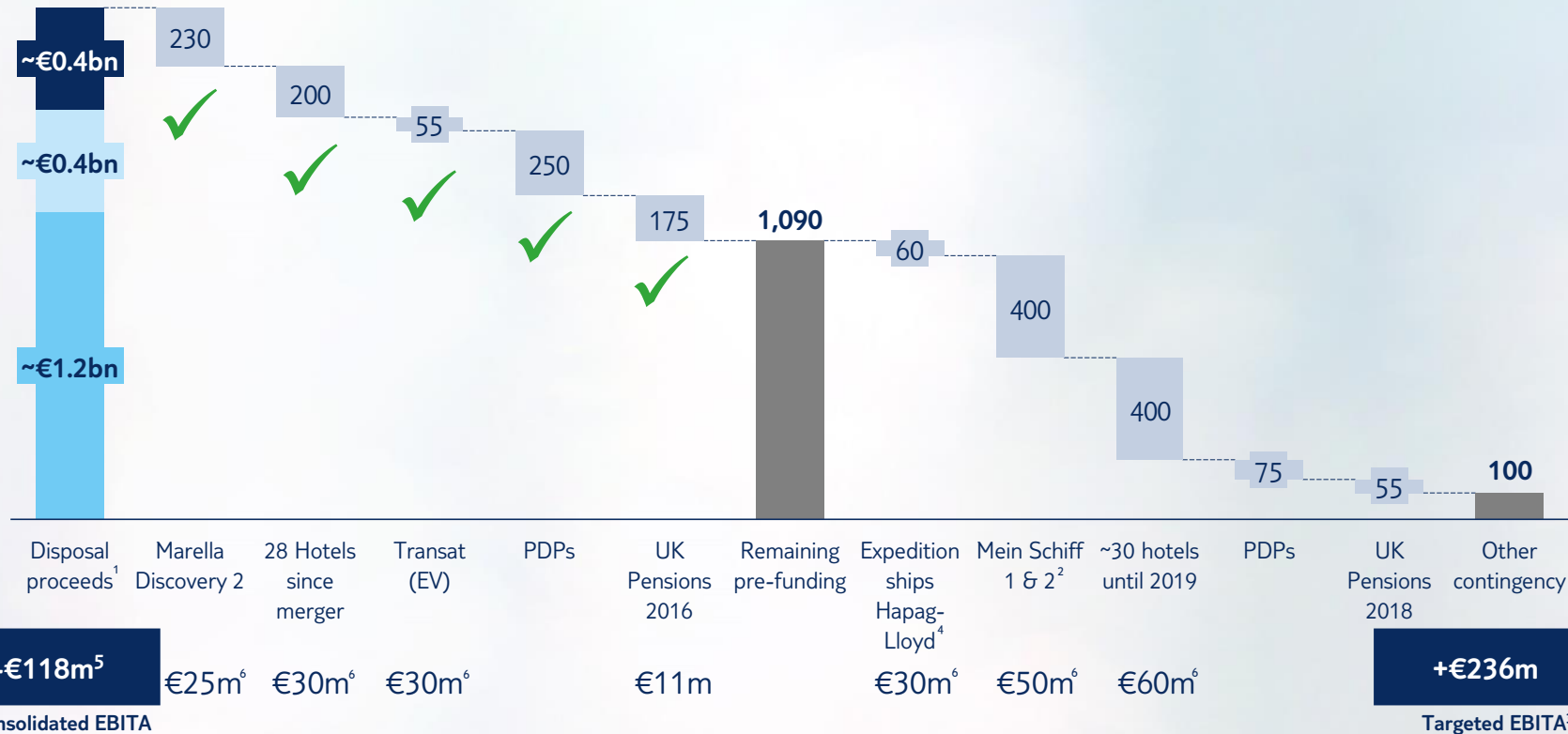


Update on re-investment programme FY16-FY19 – doubling EBITA under way

GROWTH INVESTMENTS FY16 & FY17

GROWTH INVESTMENTS FY18 & FY19

REINVESTMENTS



- Reinvestment of disposal proceeds by FY19
- Own content growth
- Basis for end-to-end profitability
- Investments on track
- Doubling returns
- Capital discipline continues after FY19
- ROIC as KPI
- Normalized capex levels
- Investments if attractive

¹ Including working capital/cash effect; ² Assumes MS1+2 purchase as cash transaction/final decision on transaction structure/financing not yet taken; ³ Based on targeted EBITA run-rate; ⁴ Equity-contribution, delivery in spring & autumn 2019; ⁵ Number includes €93m EBITA of HBG & Travelopia as well as EAT of MS1+2 within TUI Cruises of €25m due transferring the ships to UK market, delivery in summer 2018 & 2019; ⁶ run-rate



Hotels & Resorts investments: 28 new core hotels since merger, low capital intensity

PORTFOLIO DIVERSIFICATION

DE-RISKED GROWTH



- Pre-dominantly low capital intensity
- Ownership in 365 days destinations/ where scarcity of assets
- De-risking through JV off-balance financings
- 15% ROIC hurdle

> 60% OF INVESTMENTS WITH LOW CAPITAL INTENSITY¹

ROIC 28 HOTELS FY17: 10% (PARTIALLY STILL RAMP UP)


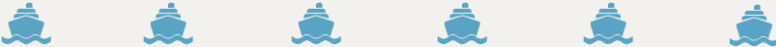
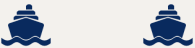




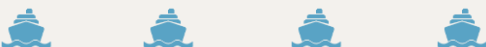
ROIC 28 HOTELS FY18: >15% (TARGET)

CAPITAL DISCIPLINE

¹ Low capital intensity is defined as Management, Franchise and 50% of owned hotels due to joint venture structures



Cruise investments: Capacity growth strategy, partially off-balance financing

BRAND / OWNERSHIP	FLEET DEVELOPMENT	STRATEGY
<p>Off-balance: JV</p> 	<p>Current fleet:  Join UK fleet in FY18 & FY 19</p> <p>Deliveries:  FY18 FY19</p>	<ul style="list-style-type: none"> • Yield product, distinct market segment • Strong markets <ul style="list-style-type: none"> • High occupancy • Stable prices • Further capacity growth <ul style="list-style-type: none"> • 2 new builds financed through TUI Cruises JV (off-balance sheet financing) • Marella Cruises acquires 2 ships
<p>On balance</p> 	<p>Current fleet¹:  Exit Oct 2018</p> <p>Deliveries:  FY18 (MS 1) FY19 (MS 2)</p>	
<p>On balance</p> 	<p>Current fleet:  Exit FY18</p> <p>Deliveries:  FY19 FY20</p>	<ul style="list-style-type: none"> • Luxury expedition product • Internationalize product • 2 new expedition cruise ships

20% TUI SHAREHOLDER ROIC

STRONG MARKET

CAPACITY GROWTH

ROIC AS KPI

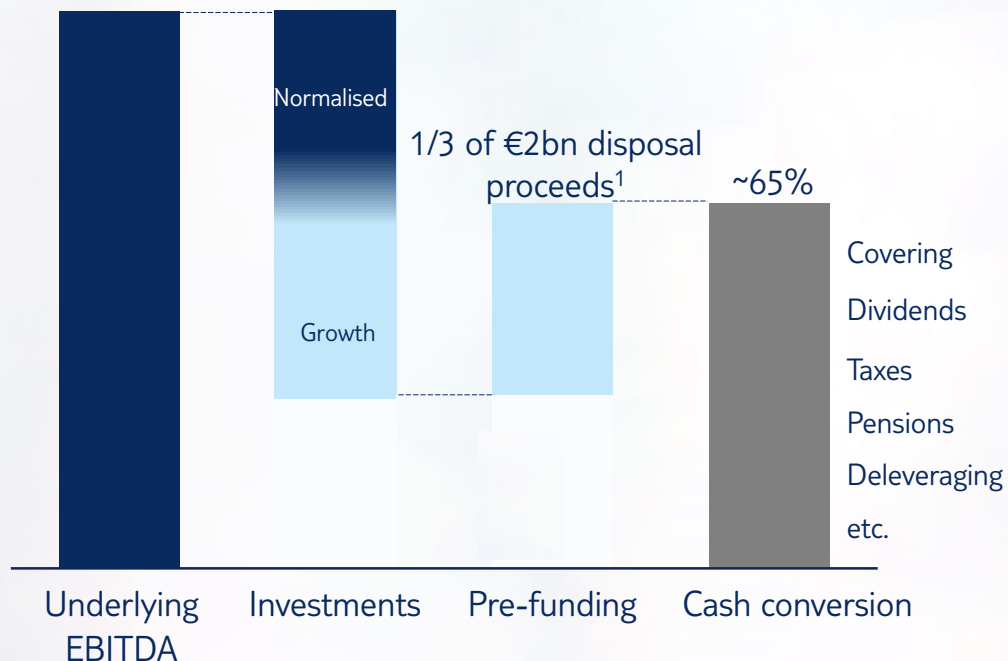
CAPITAL DISCIPLINE

¹ Majesty exited Marella fleet November 2017

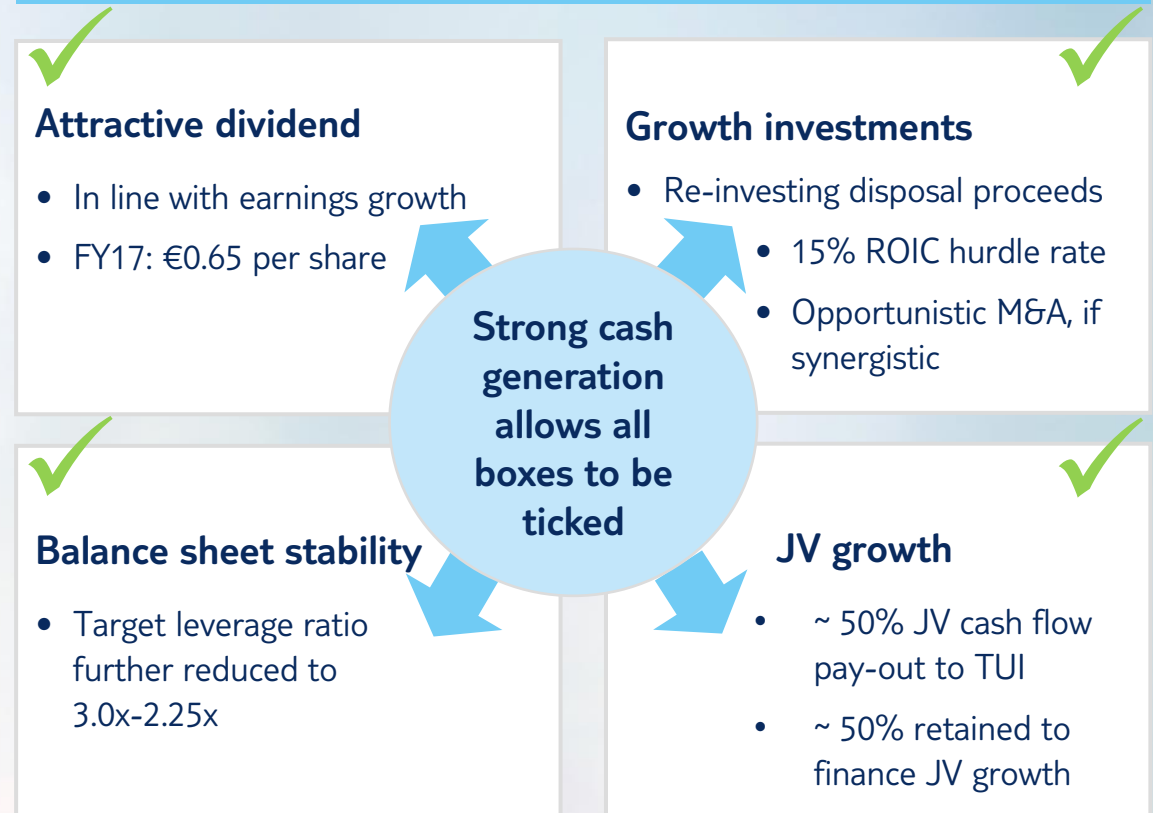


Strong cash generation allowing to invest, pay dividends and strengthen balance sheet

ILLUSTRATIVE CASH FLOW PROFILE FY17 - FY19



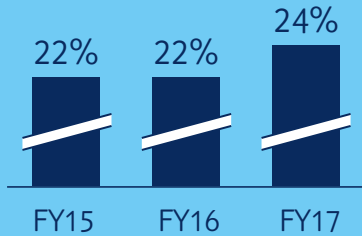
CAPITAL ALLOCATION FRAMEWORK



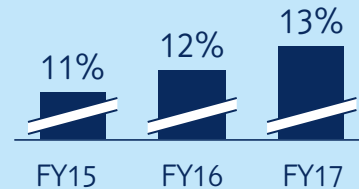
¹ Disposal proceeds reinvested from FY16-FY19



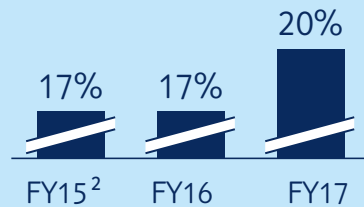
Business model strength continues to drive ROIC



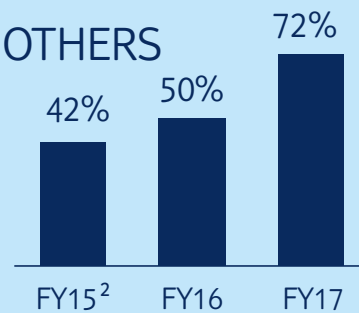
HOTELS



CRUISES



SALES & MARKETING, ALL OTHERS



- Delivering strong ROIC for TUI shareholders
- Hotels: pre-dominantly low capital intensity, JVs
- Cruises: partially off balance sheet financing
- Sales & Marketing: low capital intensity
- Strong earnings performance

¹ Pre IFRS 16

² Based on former segmentation - Marella Cruises within Source Markets

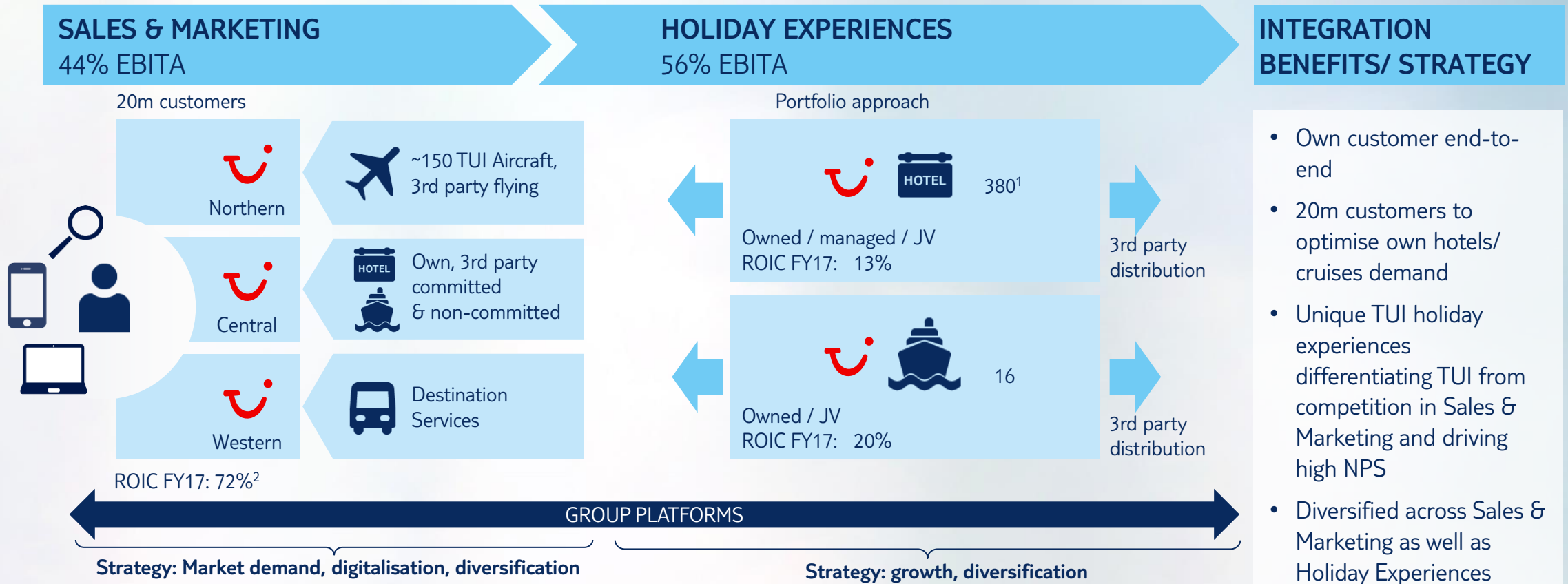


FY17 STRATEGY UPDATE

FRITZ JOUSSEN



3 years after the merger: TUI – one brand, superior strategic positioning, diversified



¹ This number includes concept hotels and 3rd party concept hotels

² This number relates to Sales & Marketing/ all other

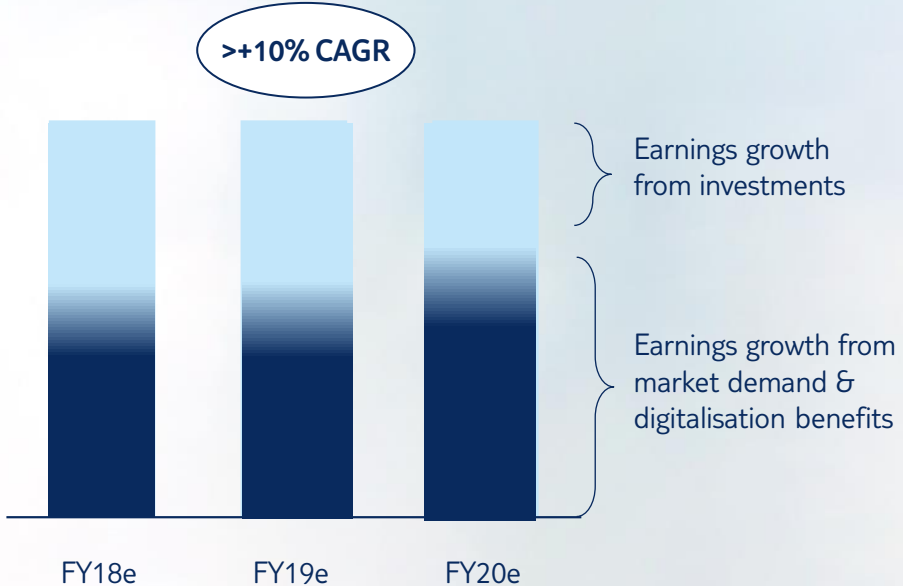


Merger synergies delivered, strong earnings growth story continues

STRONG GROWTH TRACK RECORD: MERGER SYNERGIES



FUTURE GROWTH: MARKET DEMAND, DIGITALISATION, INVESTMENTS



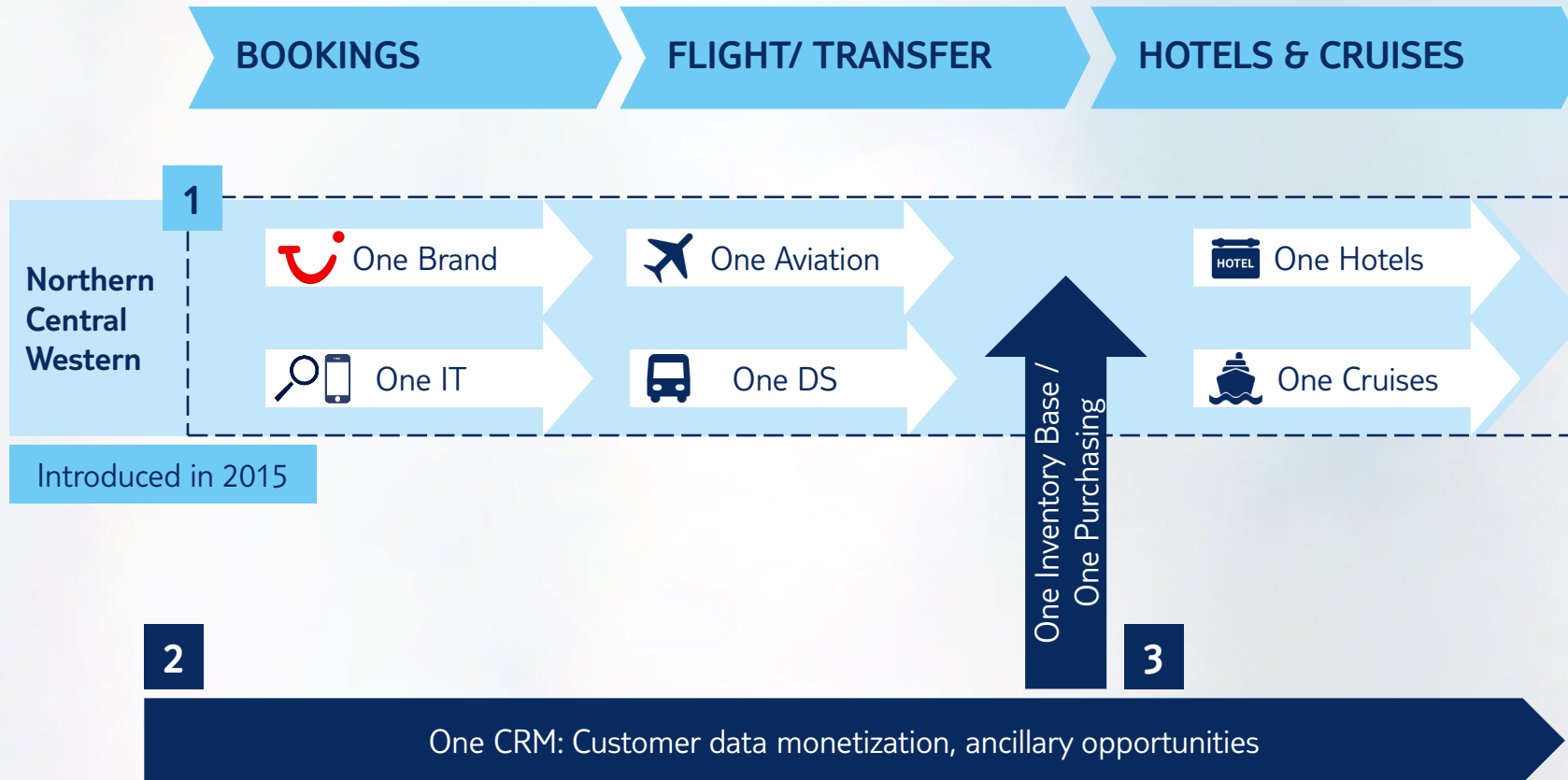
MERGER SETS BASIS FOR FUTURE GROWTH

- Target extended to 2020: at least 10% underlying EBITA CAGR
- Mix of earnings growth changes
 - Market demand & digitalisation benefits
 - Growth from investments
- Less seasonality in earnings

¹ Underlying EBITA CAGR of 12% since merger / average CAGR of 13% since merger at constant currency



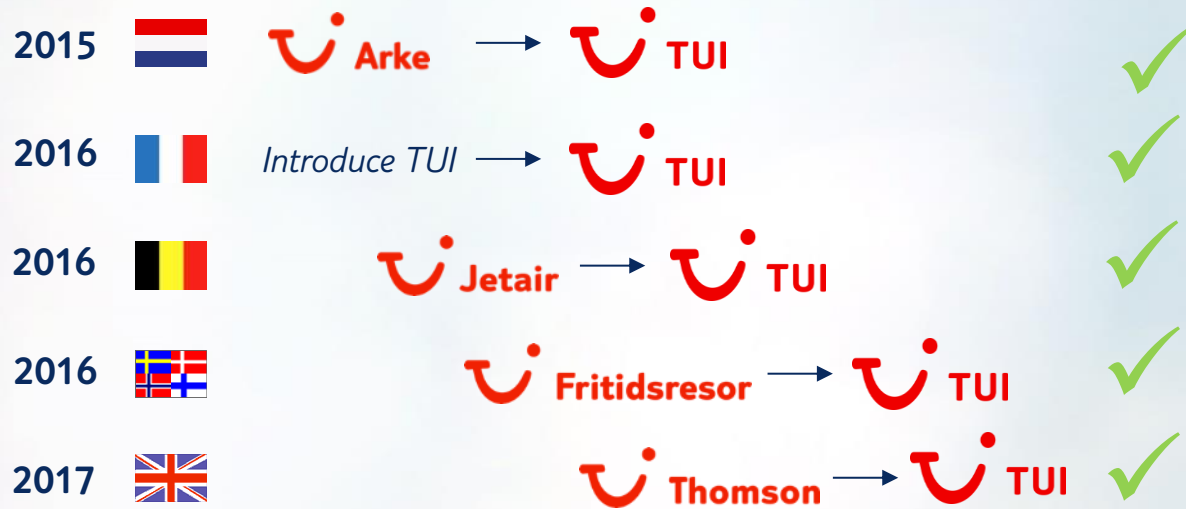
Group initiatives and digitalisation driving efficiency



- 6 One platforms introduced in 2015 **1**
- 2 new initiatives 2017 **2**
 - One CRM (Cloud based)
 - One Inventory (Blockchain), One Purchasing **3**
- Initiatives quantified and tracked, contributing to at least 50% of our EBITA growth target











1 Launched in 2015: Update on One Brand initiative



- High levels of unaided TUI brand awareness in migrated source markets
- Rebrand paid back within short time period
- Brand migration funded by operational efficiency and increased revenues



1 One IT initiatives previously launched : Update on Yield Management and TUI App

FEATURE	BENEFITS	NORTHERN REGION	CENTRAL REGION	WESTERN REGION
 <p>CYRUS YIELD-MANAGEMENT</p>	<ul style="list-style-type: none"> Automated pricing system Based on artificial intelligence Maximising margins of single transaction 	 (2014)	 (2017)	 France
 <p>TUI APP</p>	<ul style="list-style-type: none"> Optimising online efficiency Support customer relationships 		 Germany & Austria	 Netherlands & Belgium



2 Launched in 2017: One CRM – A 20 million customers mass individualisation opportunity



Know our customers and develop a direct relationship

Reduce cost of sale by strengthening direct channels



Put analytics & insights at the heart of everything we do

Share customer insight with wider business



Personalised marketing, sales & service to drive value

Cross-selling of TUI products and ancillaries

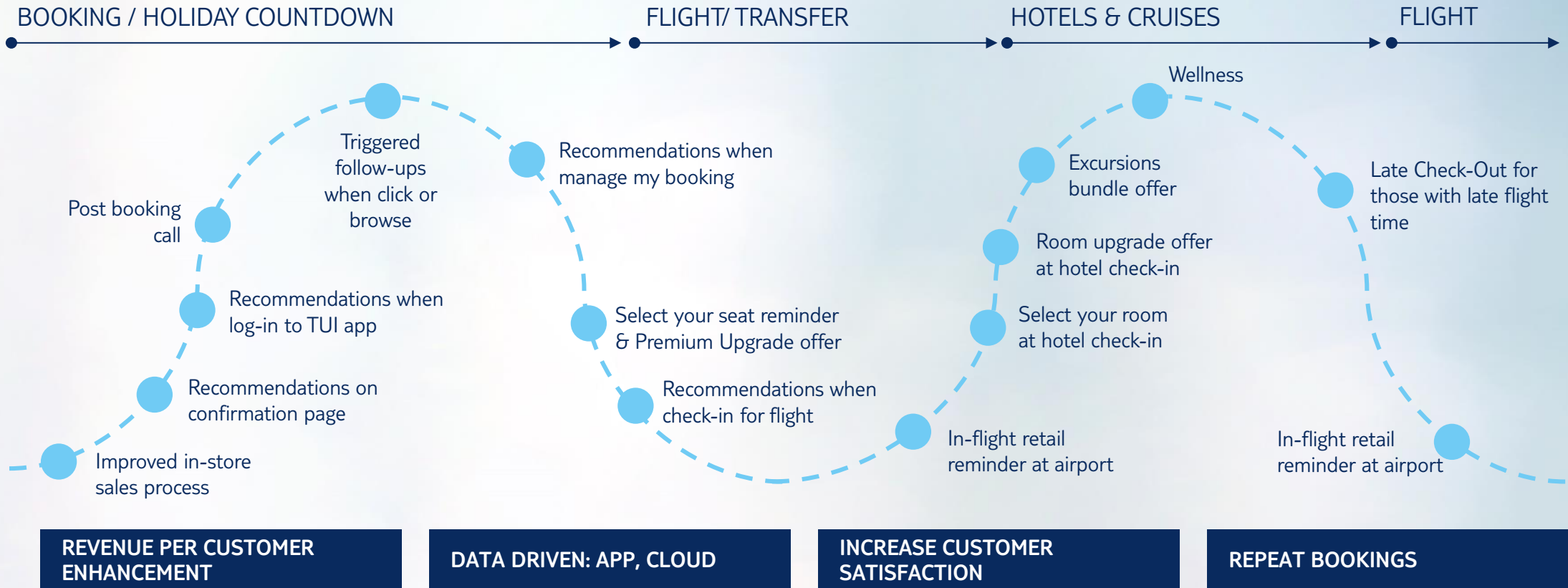


Develop retention propositions to build emotional loyalty to our brand

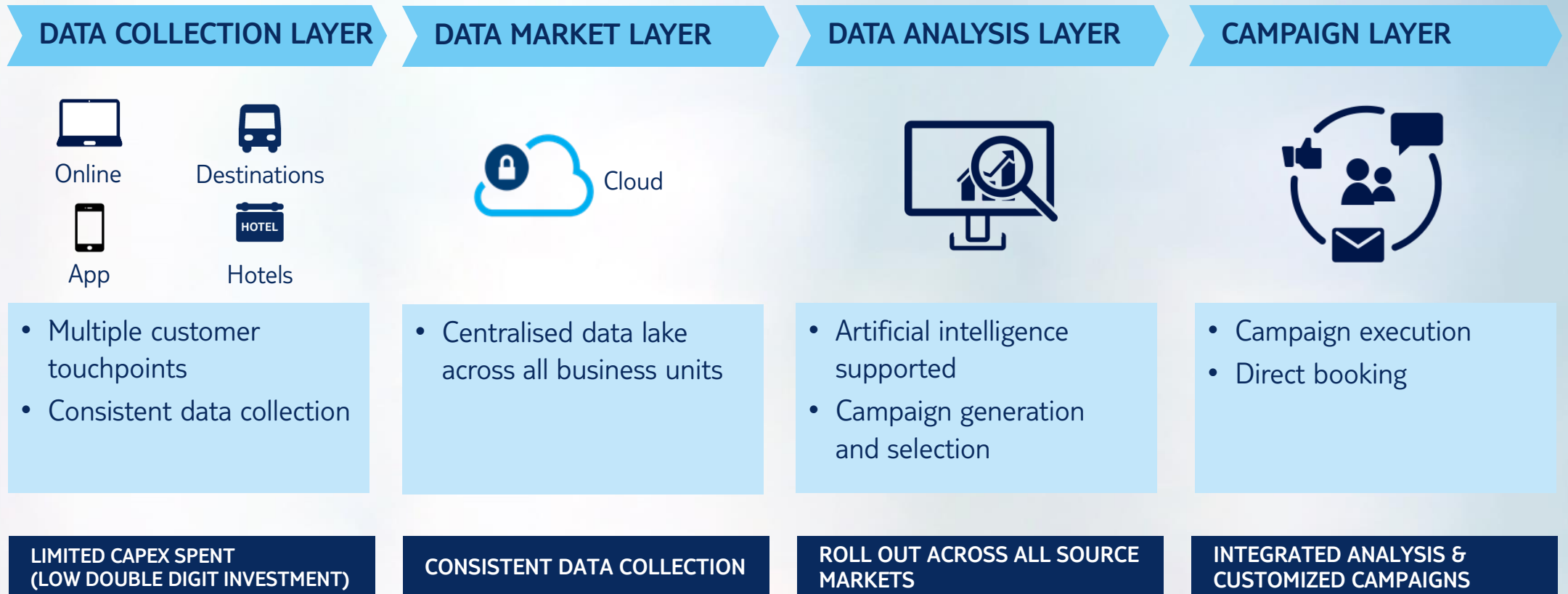
Reduce marketing spend







2 Personalized experiences during journey increase customer satisfaction and revenues



2 Data driven CRM process: One CRM platform rolled out to all source markets



2 Customer profile builds over time enabling personalized recommendations – example

	COOKIE 	PROSPECT 	NEW CUSTOMER 	REPEAT CUSTOMER 
Name	2801928128	Mrs Sophia Meyer	Mrs Sophia Meyer	Mrs Sophia Meyer
Status & Value		Status: New Prospect	Status: New Customer C: Low Value	Status: Repeat Customer B: Medium Value
Marketing preferences		Email (Yes)/ Mobile (No)	Email (Yes)/ Mobile (Yes)/ App (Yes)	Email (Yes)/ Mobile (Yes)/ App (Yes)
Life-stage		Family	Family	Family
Holiday preferences	Ibiza	Majorca/ Ibiza	Majorca/ 4 Star	Ibiza/ 4 Star/ Close to beach/ Family room/ Extra Legroom Seat
Product preferences				Family Life/ Sensimar
Booking status	Inspiration	Shortlist:Majorca/Villa/5.5.17 Shortlist:Majorca/Hotel only/ 23.5.17	Live: Majorca/ Hotel only/ 23.05.2017	Live:Majorca/Family Life/1.5.18 Shortlist:Ibiza/Sensimar/1.8.18
Next Best Action			Offer Late check-out	Offer concierge service for next booking

- Nota bene: Sophia is a fictional character
- Digital platforms comply with relevant data protection & privacy laws (incl. EU General Data Protection Regulation)



2 One CRM is focussed on scaling automated and personalized marketing based on previous customers' experiences

	MANUAL MARKETING	AUTOMATED MARKETING	EXAMPLE FROM OUR NORDIC SOURCE MARKET	
Examples	Newsletters, season launch campaigns, tactical campaigns	Browse & abandoned cart follow-ups, holiday countdown		
Approach	Products to customers	Customers to products		
Targeting	Segments	Individuals		
Inputs	Trading needs Marketing plans & themes Sales offers Season launches	Customer history Triggers (event & behaviors) Customer propensity & product value		
Scalability	Limited scalability	Scalable across markets		
			Manual	Auto
			Annual Campaigns	Auto
			1,400 (114m sent)	8,600 (4m sent)
			Monthly % of CRM online revenue	Auto
			<50%	>50%



3 Launched 2017: Destimo purchasing and Blockchain Inventory – Opportunity to commercialise our risk inventory of 100m bed nights and our €5bn purchasing volume from 3rd party hoteliers



Our vision:

- Centralised inventory management based on Blockchain technology
- Cyrus: Digital system driving yields, supporting marketing of 100m bed nights to 20m customers
- Destimo: Proprietary purchasing system

CENTRALISED INVENTORY
DATA BASE

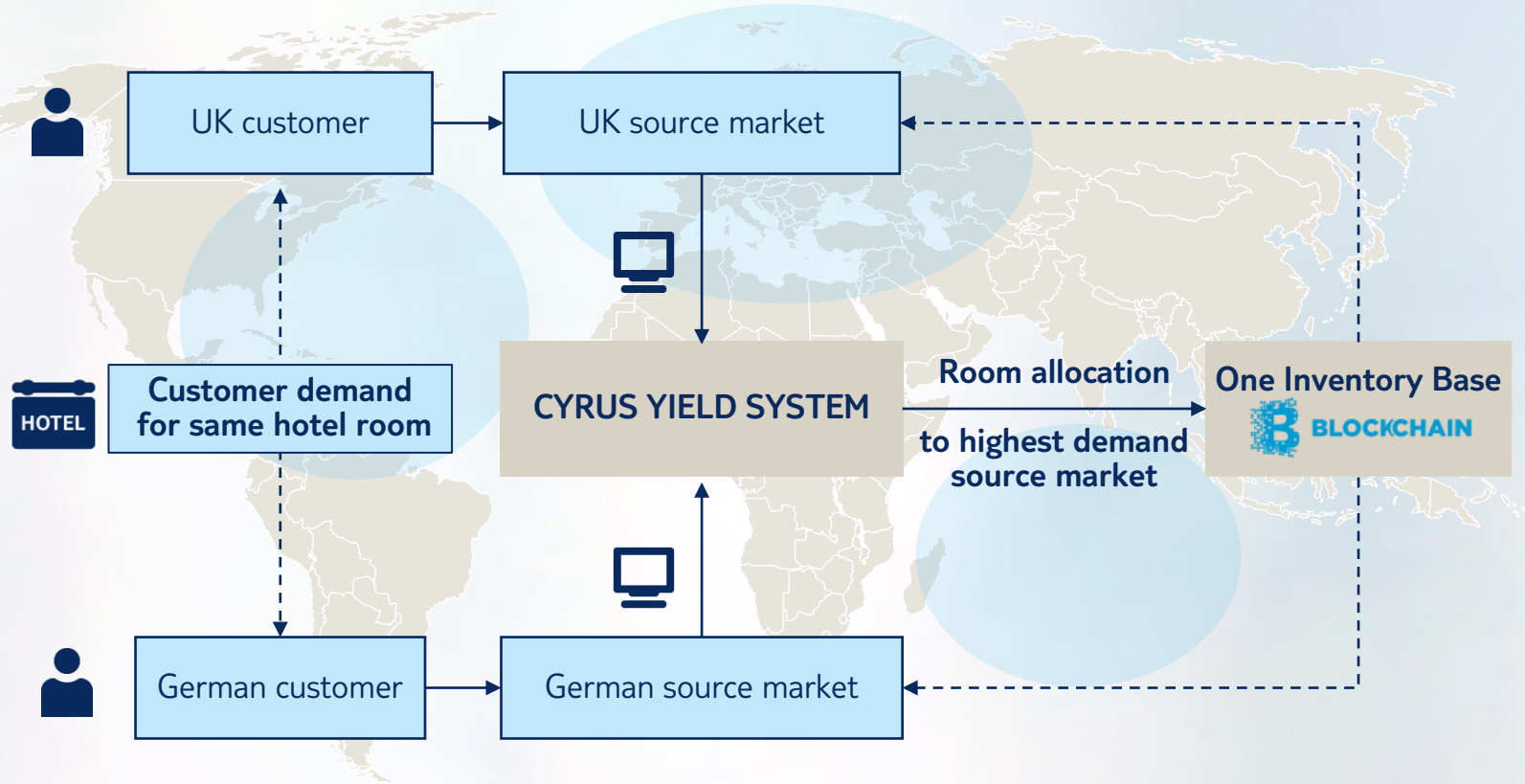
BLOCKCHAIN TECHNOLOGY

COST EFFICIENT

ENABLING ARTIFICIAL
INTELLIGENCE



3 Blockchain Inventory: first feature launched in July 2017 – bed swap



- Bundling of inventory across source markets
- Artificial intelligence based demand analysis
- Bed swapping mechanism optimizes yield across source markets

INTRODUCTION IN JULY 2017

GERMANY, UK & NORDICS

PROPRIETARY TUI SYSTEMS

ARTIFICIAL INTELLIGENCE BASED



3 Blockchain Inventory: Bed swap screenshot



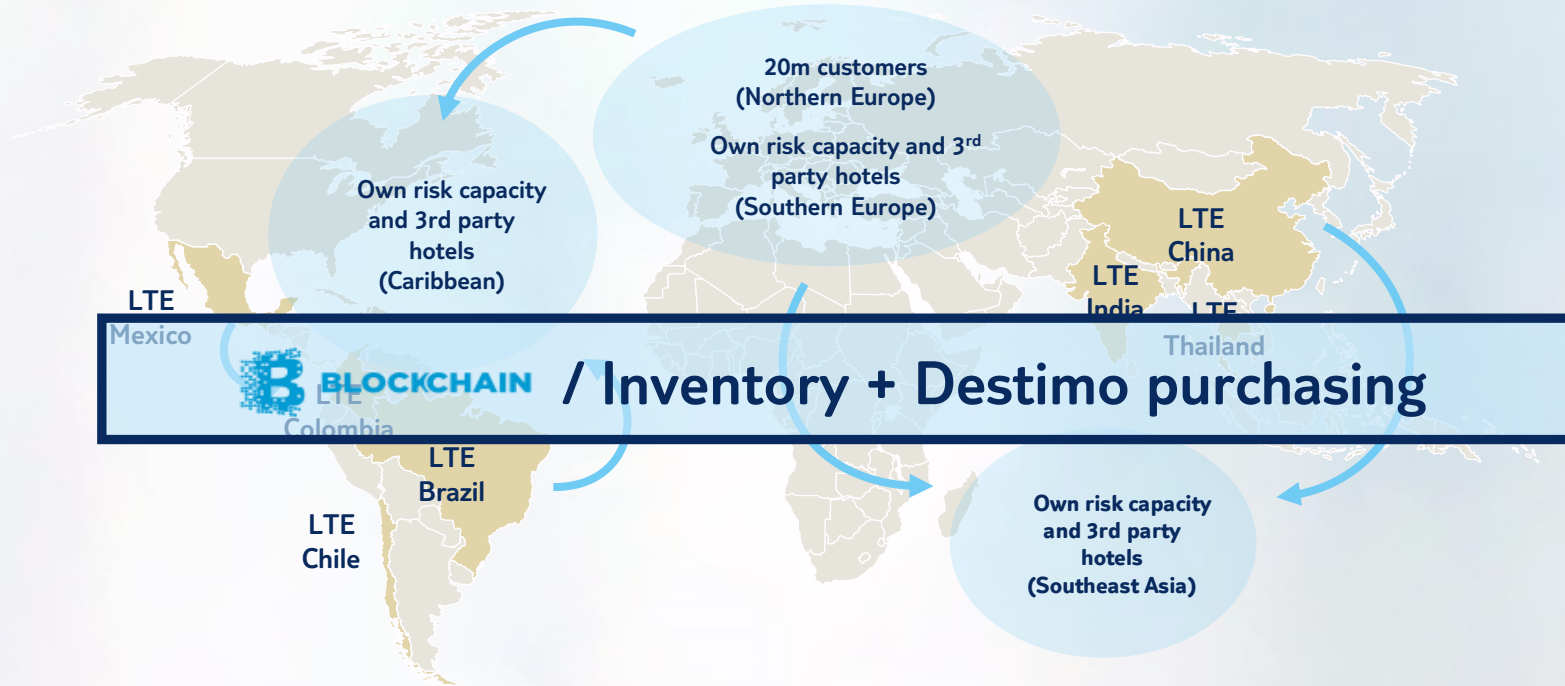
BED MANAGEMENT TOOL

PROPOSAL 291

Proposal ID	Created	Swap Start	Swap End	Swap Dur.	Accom. Codes	Accom. Names	Dest. G/Ws	Room Value	Giving Market	Recy. Market
291	22/09/2017	01/11/2017	30/04/2018	180d	ESFU0011 FUE14006	Club Jandia Princess Hotel Club Jandia Princess	Fuerteventura Fuerteventura	198450 €	TUK	TDE



3 Blockchain Inventory: Strategic optionality – Low risk entry into new markets and reduction of yield pressure at the same time



- Source markets expansion into new markets by applying TUI LTE technology
- Leverage new markets demand for risk capacity clusters

DIGITALISED GROWTH

DIVERSIFICATION

LOW CAPITAL INTENSITY

YIELD IMPROVEMENTS

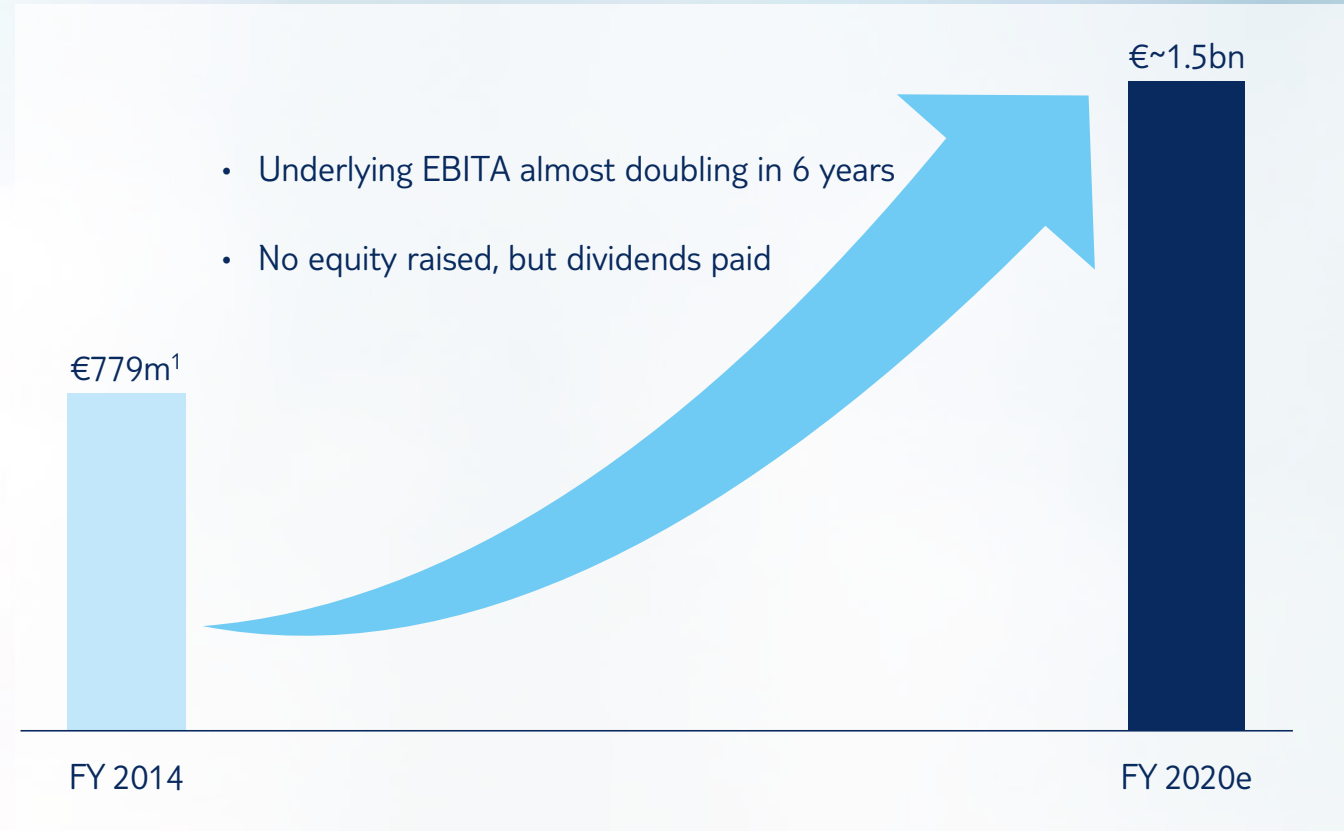


OUR AMBITION

FRITZ JOUSSEN



Our ambition: Strong strategic positioning, strong earnings growth and strong cash generation. Doubling of EBITA in 6 years



APPENDIX



FY17 Turnover by Segment (excludes Intra-Group Turnover)*

In €m	FY17	FY16	Change	FX	Change ex FX
Hotels & Resorts	679.0	618.6	60.4	-24.9	85.3
- Riu	493.1	461.6	31.5	-10.2	41.7
- Robinson	82.6	72.2	10.4	-0.8	11.2
- Blue Diamond	-	-	-	-	-
- Other	103.3	84.8	18.5	-13.9	32.4
Cruises	815.0	703.1	111.9	-53.1	165.0
- TUI Cruises	-	-	-	-	-
- Marella Cruises	502.4	406.4	96.0	-53.1	149.1
- Hapag-Lloyd Cruises	312.6	296.7	15.9	-	15.9
Source Markets	16,143.2	14,997.2	1,146.0	-539.7	1,685.7
- Northern Region	6,601.5	6,564.4	37.1	-543.7	580.8
- Central Region	6,039.5	5,562.9	476.6	4.2	472.4
- Western Region	3,502.2	2,869.9	632.3	-0.2	632.5
Other Tourism	677.0	669.3	7.7	-3.5	11.2
Tourism	18,314.2	16,988.2	1,326.0	-621.2	1,947.2
All Other Segments	220.8	165.7	55.1	-0.4	55.5
TUI Group continuing operations	18,535.0	17,153.9	1,381.1	-621.6	2,002.7

*Table contains unaudited figures and rounding effects; restated to treat Hotelbeds Group and Travelopia as discontinued operations, plus the reclassification of a Destination Services company from Central Region to Other Tourism, and Marella Cruises from Northern Region to Cruise segment



FY17 Underlying EBITA by Segment*

In €m	FY17	FY16	Change	FX	Change ex FX
Hotels & Resorts	356.5	303.8	52.7	-5.5	58.2
- Riu	355.9	318.3	37.6	-5.5	43.1
- Robinson	38.5	38.7	-0.2	1.6	-1.8
- Blue Diamond**	20.1	16.5	3.6	0.6	3.0
- Other	-58.0	-69.7	11.7	-2.2	13.9
Cruises	255.6	190.9	64.7	-7.8	72.5
- TUI Cruises**	135.9	100.1	35.8	-	35.8
- Marella Cruises	86.5	61.3	25.2	-7.8	33.0
- Hapag-Lloyd Cruises	33.2	29.5	3.7	-	3.7
Source Markets	526.5	554.3	-27.8	-5.6	-22.2
- Northern Region	345.8	383.1	-37.3	-5.3	-32.0
- Central Region	71.5	85.1	-13.6	-0.2	-13.4
- Western Region	109.2	86.1	23.1	-0.1	23.2
Other Tourism	13.4	7.9	5.5	-4.4	9.9
Tourism	1,152.0	1,056.9	95.1	-23.3	118.4
All Other Segments	-49.9	-56.4	6.5	4.6	1.9
TUI Group continuing operations	1,102.1	1,000.5	101.6	-18.7	120.3

*Table contains unaudited figures and rounding effects; restated to treat Hotelbeds Group and Travelopia as discontinued operations, plus the reclassification of a Destination Services company from Central Region to Other Tourism, Blue Diamond to Hotels & Resorts and Marella Cruises to Cruise segment both from Northern Region

**Equity result



Deliver Merger Synergies

In €m	Per Capital Markets Update May 2015		Realised to FY16		Realised to FY17	
	Synergies	One-off costs to achieve	Synergies	One-off costs to achieve	Synergies	One-off costs to achieve
Corporate streamlining	50	35	40	35	53	35
Occupancy improvement	30	-	30	-	30	-
Destination Services	20	42	10	31	17	34
TOTAL	100	77	80	66	100	69

Underlying effective tax rate for FY17 at 20%

MERGER SYNERGIES FULLY DELIVERED



Adjustments & Net Interest Result

In €m	FY17	FY16
Gain/(Loss) on disposals	2.2	-0.8
Restructuring expense	-23.1	-12.0
Purchase Price Allocation	-29.2	-41.9
Other one-off items	-25.5	-47.7
Total Adjustments	-75.6	-102.4

In €m	FY17	FY16
Debt related interest	-102	-126
Non-debt related charge	-38	-75
Interest income	21	21
Net interest result	-119	-180
<i>o/w cash interest</i>	<i>-57</i>	<i>-71</i>



Earnings per share (continuing operations)

In €m	Reported FY17	Reported FY16	Pro forma FY17	Pro forma* FY16
EBITA	1,027	898	1,102	1,001
Net interest expense	-119	-180	-119	-180
HL AG book value adjustment and equity result	172	-100	-	-
EBT	1,080	618	983	821
<i>Tax rate</i>	<i>16%</i>	<i>25%</i>	<i>20%</i>	<i>25%</i>
Tax Charge	-169	-153	-197	-205
Minority Interest	-117	-111	-117	-111
Net Income	794	354	670	504
Basic number of shares (m)	584	584	587	587
Basic Earnings Per Share (€)	1.36	0.61	1.14	0.86

Underlying effective tax rate calculated based on underlying EBT

Pro forma NOSH based on issued share capital as at 30.9.17

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



Net Financial Position, Pensions and Operating Leases

In €m	30 Sep 2017	30 Sep 2016
Financial liabilities	-1,933	-2,041
- Finance leases	-1,227	-1,232
- High Yield Bond	-	-306
- Senior Notes	-296	-
- Liabilities to banks	-381	-411
- Other liabilities	-29	-92
Cash	2,516	2,073
Net cash (debt)	583	32
- Net Pension Obligation	-1,127	-1,451
- Discounted value of operating leases ¹	-2,619	-3,144

¹ At simplified discounted rate of 1.75% with both years on continuing ops basis



Key Sources of Funding 30 September 2017

Instrument	Issue	Maturity	Amount €m	Interest % p.a.
Revolving Credit Facility	Sep 14	Jul 22 ¹	1,750 ²	E/L +1.40 ³
Senior Notes	Oct 16	Oct 21	300	2.125
Finance leases	Various	Various	1,227	Various

¹ Extended from December 2020 to July 2022

² Including a tranche of €215m for the issue of bank guarantees

³ Upgrade of our rating by S&P has reduced our RCF interest margin from 1.55% to 1.40% p.a as of 14/02/2017



Financial Calendar 2018

13 DECEMBER 2017

**ANNUAL REPORT
FOR FINANCIAL
YEAR 2017**

13 FEBRUARY 2018

**Q1 FY18 REPORT &
ANNUAL GENERAL
MEETING**

9 MAY 2018

Q2 FY18 REPORT



Contact

ANALYST AND INVESTOR ENQUIRIES

Peter Krüger, Director of Investor Relations and M&A

Tel: +49 (0)511 566 1440

Contacts for Analysts and Investors in UK, Ireland and Americas

Sarah Coomes, Head of Investor Relations

Tel: +44 (0)1293 645 827

Hazel Chung, Investor Relations Manager

Tel: +44 (0)1293 645 823

Contacts for Analysts and Investors in Continental Europe, Middle East and Asia

Nicola Gehrt, Head of Investor Relations

Tel: +49 (0)511 566 1435

Ina Klose, Investor Relations Manager

Tel: +49 (0)511 566 1318

Jessica Blinne, Junior Investor Relations Manager

Tel: +49 (0)511 566 1425

