

Financial Year 2013/14

TUI Analysts' & Investor Conference Call

Hanover, 10 December 2014



Important notice

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION.

This document is not intended to, and does not, constitute, represent or form part of any offer, invitation or solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction whether pursuant to this announcement or otherwise. No shares are being offered to the public by means of this document.

The release, publication or distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. Any failure to comply with applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the proposed merger of TUI Travel plc ("TUI Travel") and TUI AG disclaim any responsibility or liability for the violation of such requirements by any person.

This document contains statements about TUI AG and its group that are or may be forward-looking statements. All statements other than statements of historical facts included in this document may be forward-looking statements. Such forward-looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements, as by their nature forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. TUI AG disclaims any obligation to update any forward-looking or other statements contained herein, except as required by applicable law or regulation.

Neither TUI AG, nor any members of its Executive Board (Vorstand) or Supervisory Board (Aufsichtsrat), associates, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Other than in accordance with its legal or regulatory obligations, TUI AG is not under any obligation and expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Statements of estimated cost savings and synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, any cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated.

Except where any statement in this document is expressly made as a profit forecast in this document is intended as a profit forecast or profit estimate for any period nor should be interpreted to mean that earnings or earnings per share for TUI AG, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for TUI AG.

*Regarding slide 29 and 30, please note:
"Executive Board (Vorstand) confirmations*

The statements in the section entitled 'Outlook FY 2014/15' constitute profit forecasts published by TUI AG for the purposes of the City Code on Takeovers and Mergers. Such statements are "forward-looking statements", which are prospective in nature. Such statements are based on current assumptions, expectations and projections about future events, and are therefore subject to known and unknown risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by such statements.

In accordance with the City Code on Takeovers and Mergers, the members of the Executive Board (Vorstand) of TUI AG confirm that each such profit estimate and profit forecast is valid, has been properly compiled on the basis of the assumptions stated and the basis of accounting used is consistent with TUI AG's accounting policies. Peter Long, as CEO of TUI Travel PLC is not participating in the Executive Board (Vorstand) of TUI AG for the purposes of the possible all-share nil-premium merger with TUI Travel or the giving of these confirmations."

Agenda

1

Highlights

Friedrich Jousen

2

Review FY 2013/14

Friedrich Jousen

3

Financial statements 2013/14

Horst Baier

4

Outlook FY 2014/15

Horst Baier

Highlights 2014 – An exciting year for our Group

Merger with TUI Travel

Closing expected for mid-December:

- Issue of new TUI AG shares on 12 December 2014
- Listing on London Stock Exchange on 17 December 2014

Creation of the world's No 1 integrated tourism business will:

- accelerate long-term growth
- future-proof our business model
- generate substantial synergies

Operating performance

We deliver on our targets:

- We outperformed our financial targets for FY 2013/14
- We are pleased with trading for Winter 2014/15 and the strong start into UK Summer 2015
- We are well on track to deliver our EBITA targets in FY 2014/15

Agenda

1

Highlights

Friedrich Jousen

2

Review FY 2013/14

Friedrich Jousen

3

Financial statements 2013/14

Horst Baier

4

Outlook FY 2014/15

Horst Baier

Financial year 2013/14 – A strong set of results

Turnover: €18.7bn

+1%

Underlying EBITA: €869m

+14%

Reported EBITA: €774m

+30%

Net result: €284m*

+71%

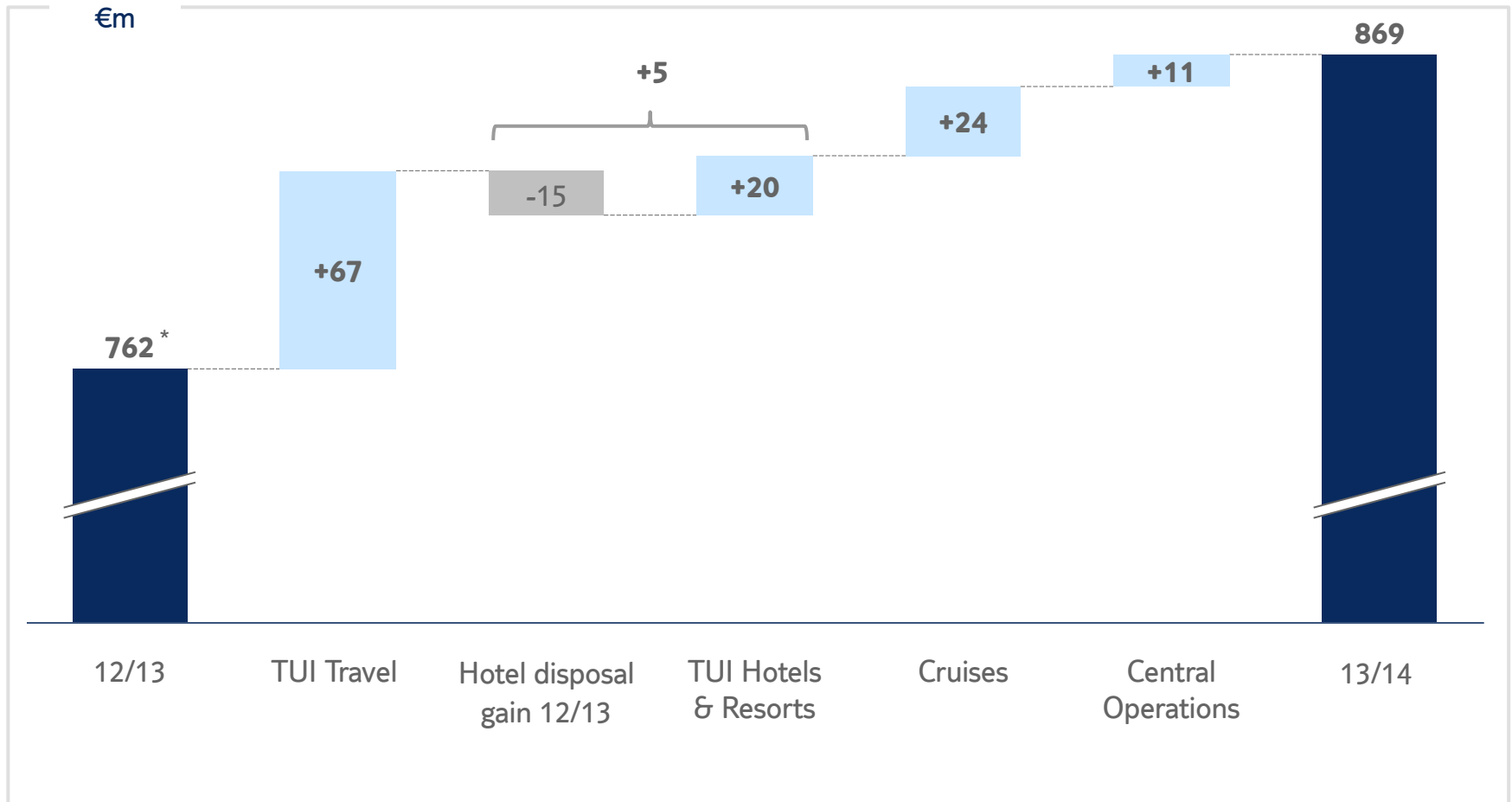
- All Segments – TUI Travel, TUI Hotels & Resorts and Cruises contributed to the increase in turnover to €18.7bn
- We outperformed against our profit guidance with growth in underlying EBITA of 14% (guidance: 6-12%) and growth in reported EBITA of 30% (guidance: 16-23%)
- Strong improvement of net result driven by excellent operating performance, a decrease in interest cost and a reduction in one-off items

Our excellent operating performance allows us to propose a dividend of €0.33 per share to our shareholders as already indicated in the merger announcement & shareholder documentation

* before minorities

TUI Group

Underlying EBITA – 2013/14 profit bridge



* includes disposal gain of €15m

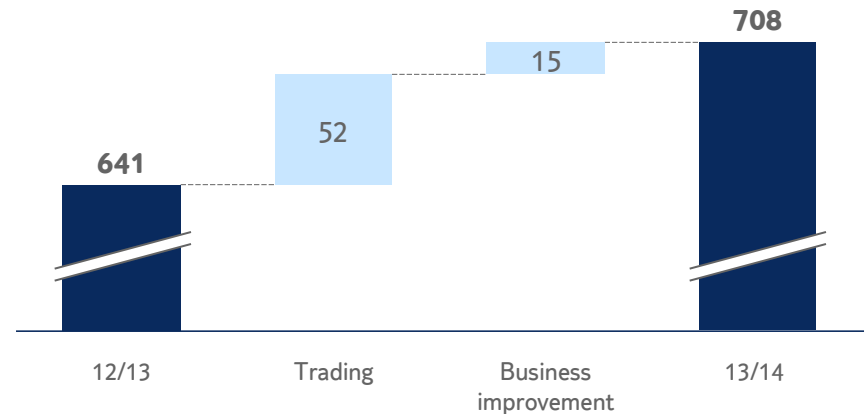
TUI Travel

Outperformance against growth roadmap

Turnover and Earnings (€m)

	13/14	12/13	%
Turnover	17,954.6	17,796.0	+0.9
Underlying EBITDA	968.0	888.3	+9.0
Underlying EBITA	707.6	640.5	+10.5

Bridge Underlying EBITA (€m)



Business development FY 2013/14

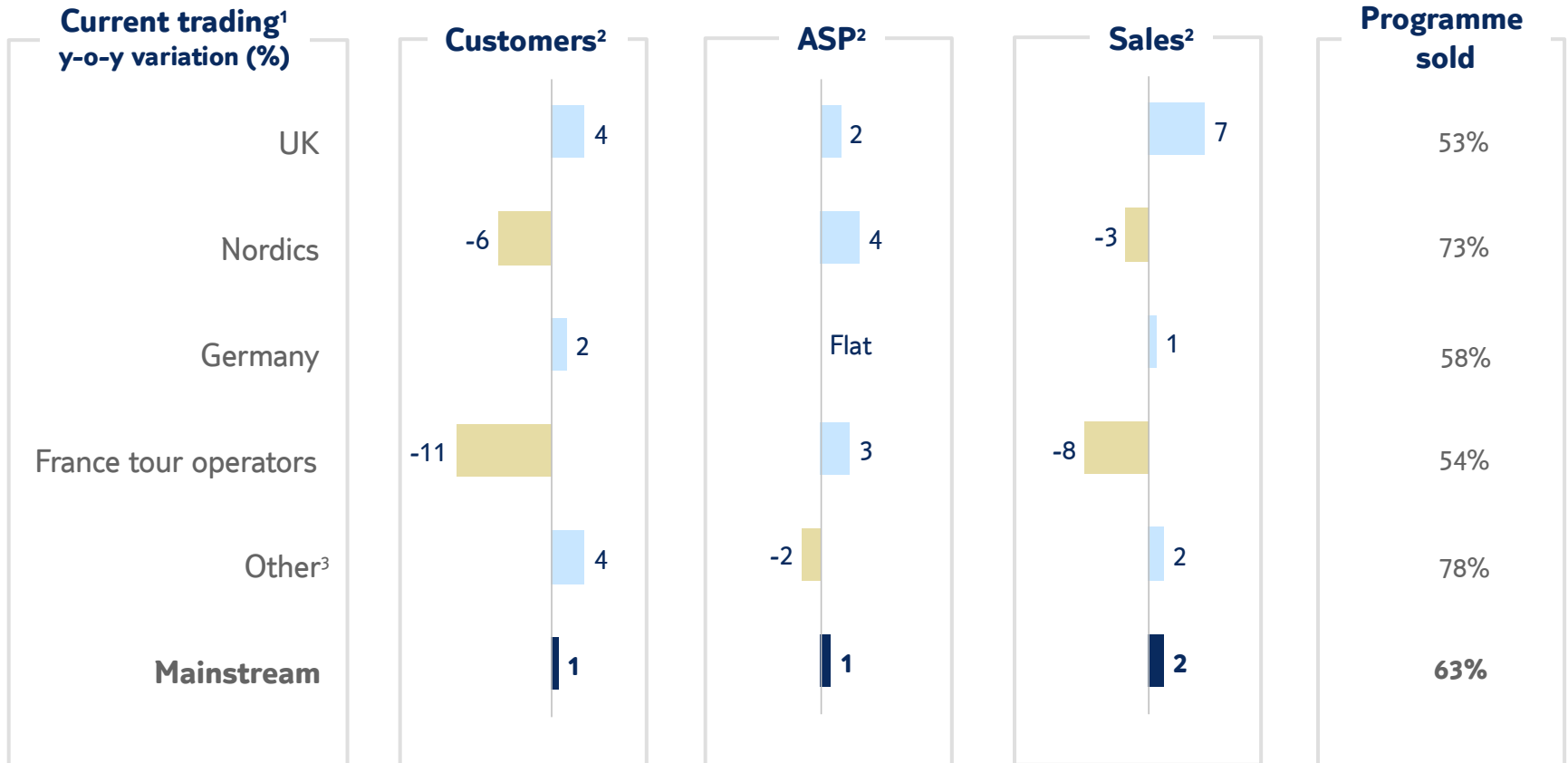


- Mainstream strategy continues to deliver sustainable, profitable growth
- Underlying EBITA improved by 11% to €708m
- Mainstream*
 - Strong performance in the UK: 6.9% EBITA margin
 - Germany EBITA margin 3%
 - Excellent year for Netherlands
 - French tour operator losses halved
- Accommodation Wholesaler*
 - TTV growth 15%
 - Underlying operating profit up 21% - exceeds roadmap target

* TUI Travel accounts

TUI Travel

Trading Update Winter 2014/15



1. These statistics are up to 30 November 2014 and are shown on a constant currency basis

2. These statistics relate to all customers whether risk or non-risk

3. Other includes Austria, Belgium, Netherlands, Poland and Switzerland

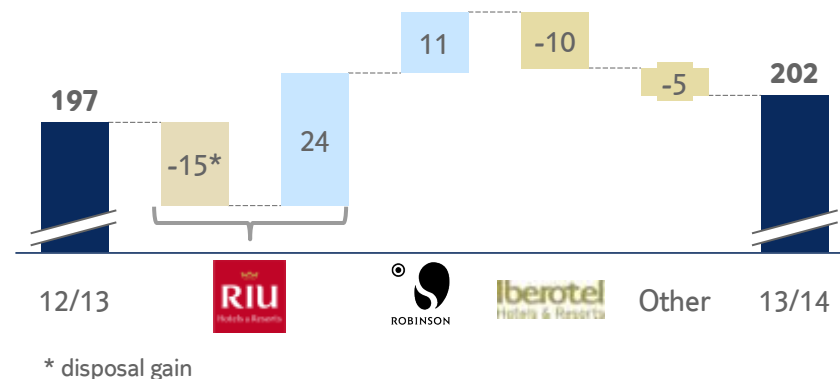
TUI Hotels & Resorts

Riu & Robinson with excellent performance

Turnover and Earnings (€m)

	13/14	12/13	%
Total Turnover	861.3	826.6	+4.2
o/w Turnover 3rd party	464.5	403.1	+15.3
Underlying EBITDA	266.6	271.1	-1.7
Underlying EBITA	202.5	197.2	+2.7
<i>Underl. EBITA (excl. disposal gains)</i>	202.5	182.2	+11.1
<i>o/w Equity result</i>	37.9	42.9	

Bridge Underlying EBITA (€m)








Business development FY 2013/14



- Total turnover up by 4% on good demand and higher average revenue per bed
- Underlying EBITA improved by 3% to €202m, excluding disposal gains operating profit was up by 11%
- Riu continued its strong development with an increase in rev/bed and improved occupancy on higher capacity; hotels in the Canaries benefited from a shift of customers from North Africa
- Robinson delivered strongly improved operating performance with higher rev/bed numbers on lower capacity, and also benefited from an optimised hotel portfolio mix
- Iberotel suffered from weaker demand due to the political situation in Egypt

TUI Hotels & Resorts

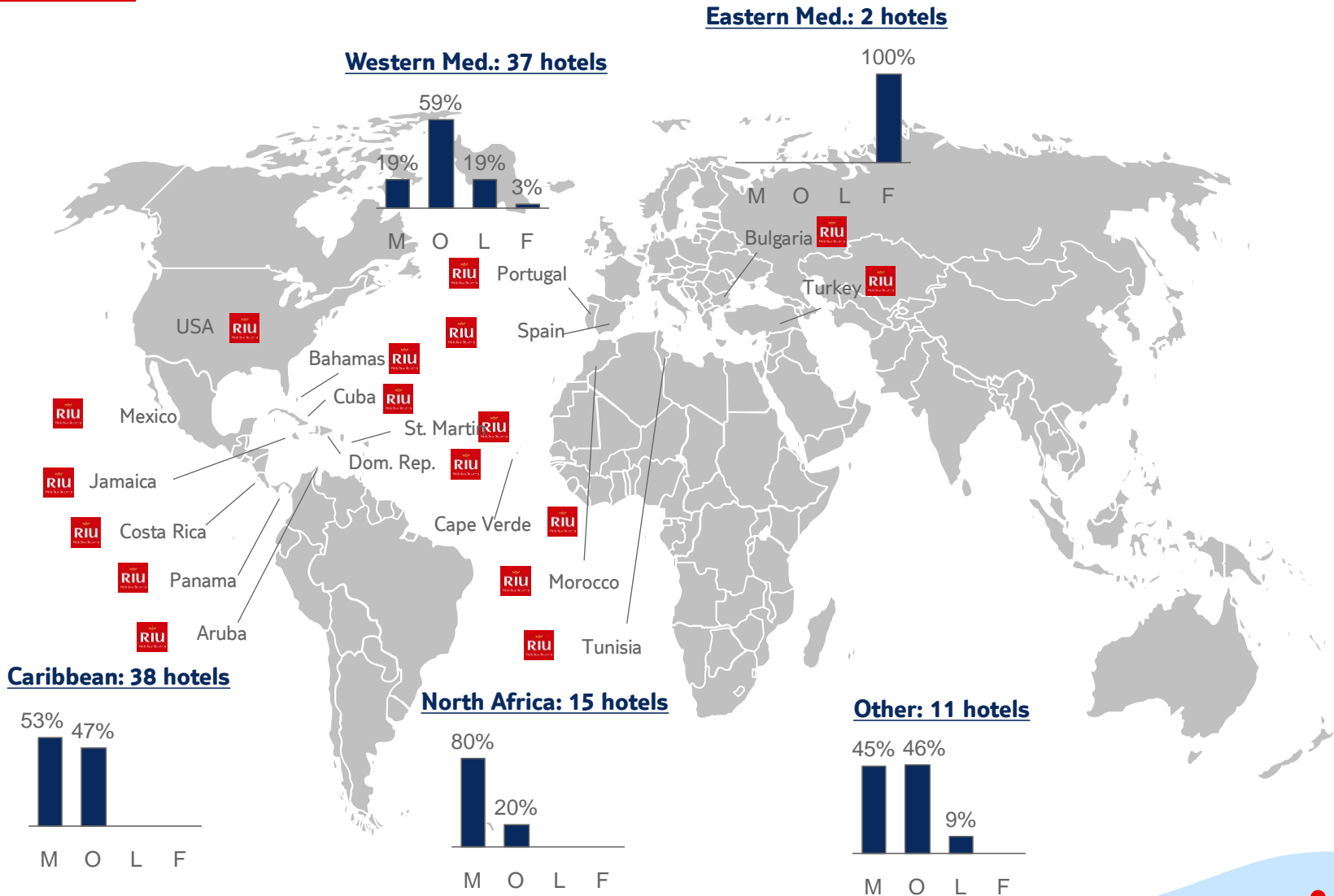
KPIs for owned and leased hotels 2013/14

	Capacity		Revenue/bed		Occupancy		Underly. EBITA /EAT ¹	
	y-o-y (%)	('000)	y-o-y (%)	(€)	y-o-y (ppts)	(%)	y-o-y (€m)	(€m)
	1	17,242	5	50.53	1	85	24 ²	181
	-4	2,845	3	88.93	1	74	11	31
	-5	2,362	-6	41.44	-5	58		
	34	1,105	-2	45.55	1	85		
	24	922	-13	64.24	-1	89		
TUI H&R	2	24,637	2	54.36	1	81	20²	202

¹ segment figures

² adjusted for disposal gain in prior year

Riu Portfolio



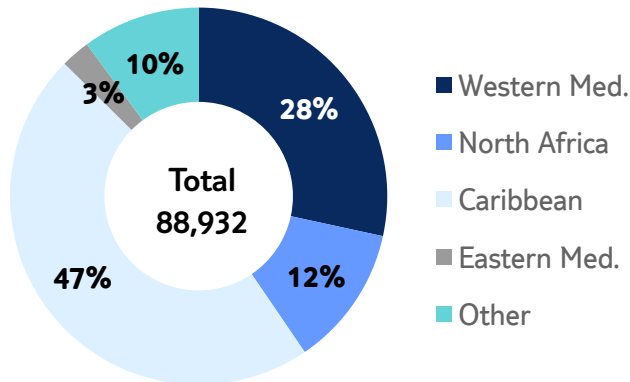
M = Management; O = Ownership; L = Lease; F = Franchise

Riu – Key figures 2013/14

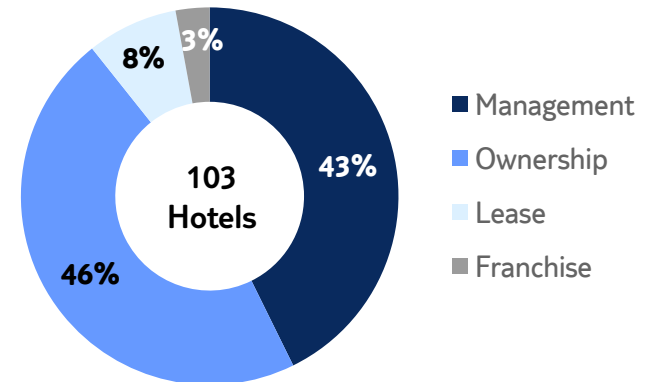
€m

Riu 100%-view *	Total	o/w RIUSA II (fully consolidated)	o/w Riu Hotels (consolidated at equity)	Riu in TUI accounts
Turnover	870	631	239	631
Underlying EBITA	234	155	79	181
<i>EBITA-Margin</i>	27%			
EAT	188	134	54	
o/w EAT to TUI (50%)	93	67	26	93
ROIC (incl. Goodwill)	13%			
ROIC (excl. Goodwill)	17%			

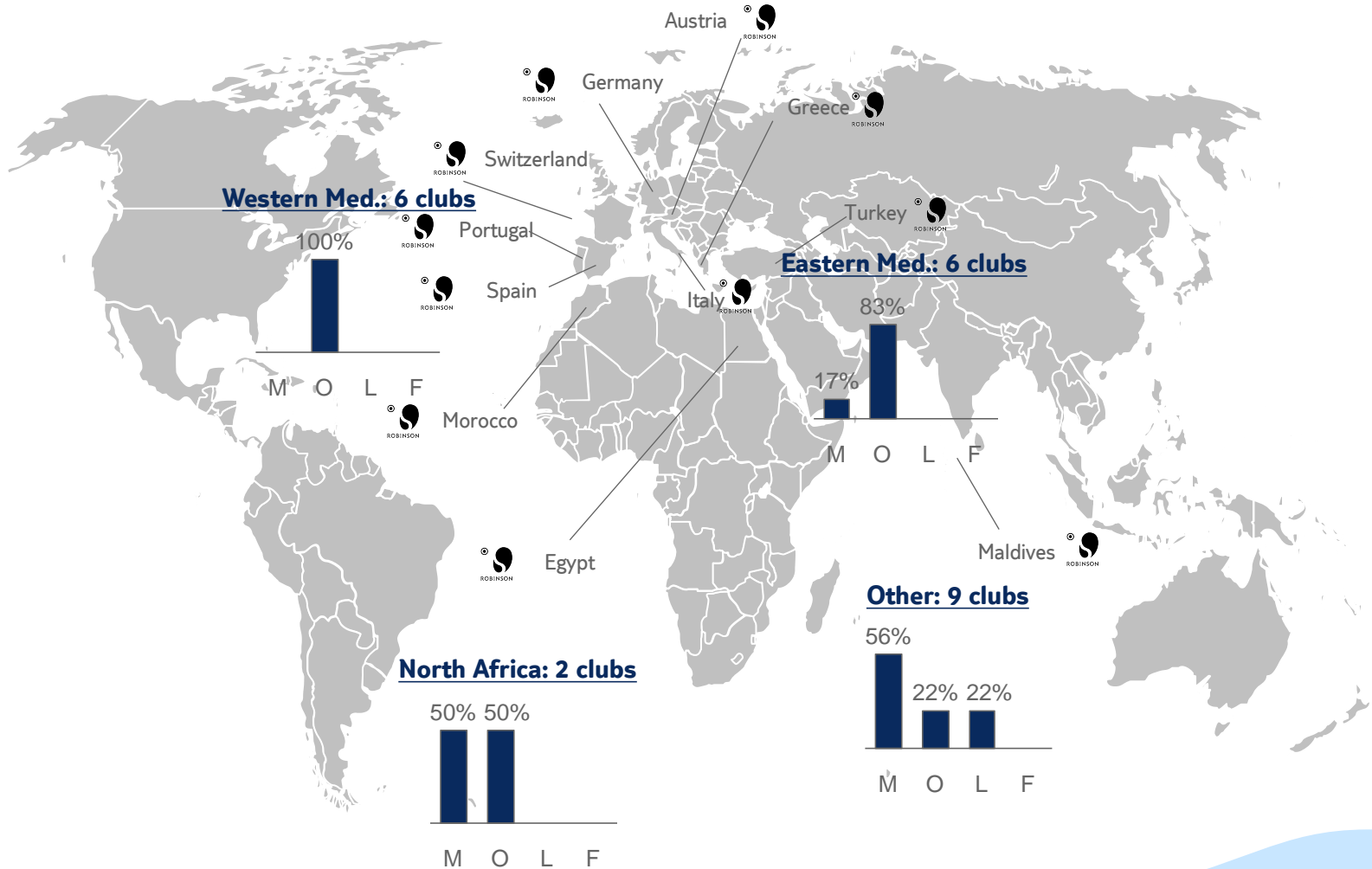
Hotel beds by region (%)



Financing structure (%)



* unaudited figures



M = Management; O = Ownership; L = Lease; F = Franchise



ROBINSON

Robinson – Key figures 2013/14

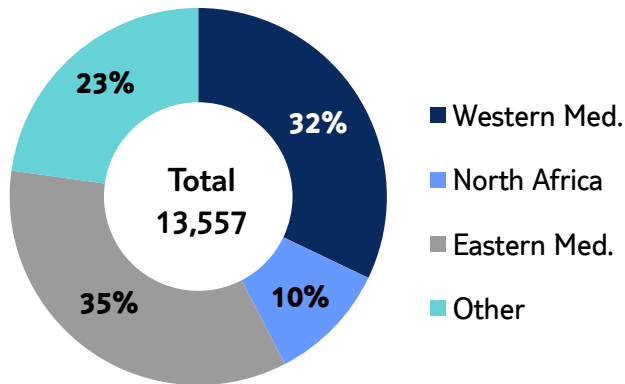
€m

Robinson in TUI accounts *	13/14	12/13
Turnover	192	188
Underlying EBITA	31	20
<i>EBITA-Margin</i>	16%	11%
EAT (100% TUI)	15	10
ROIC	10%	6%

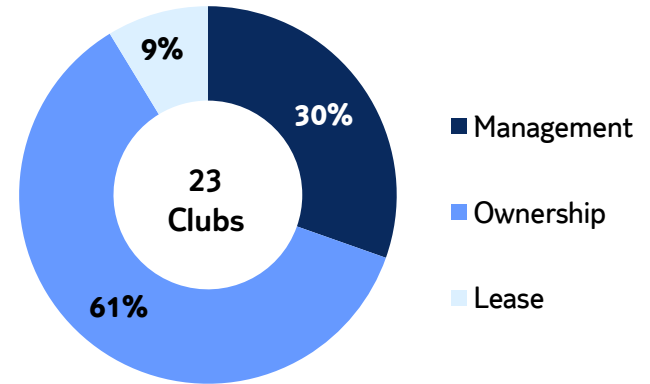


Robinson Club Maldives

Hotel beds by region (%)



Financing structure (%)



* unaudited figures



New Robinson projects

Delivering on our growth strategy

Key facts Club Djerba Bahiya

- Further internationalisation of the Robinson product
- 672 beds, especially for families
- Opening expected in May 2015
- Financing: Lease



Key facts Robinson Cruise

- Cruises along the coast of Turkey and Greece
- 25 cabins, comprehensive sport and leisure activities
- First cruise in May 2015
- Financing: Charter



By further expansion of the Robinson portfolio,
TUI continues to consistently implement its growth programme in the hotel segment

Cruises

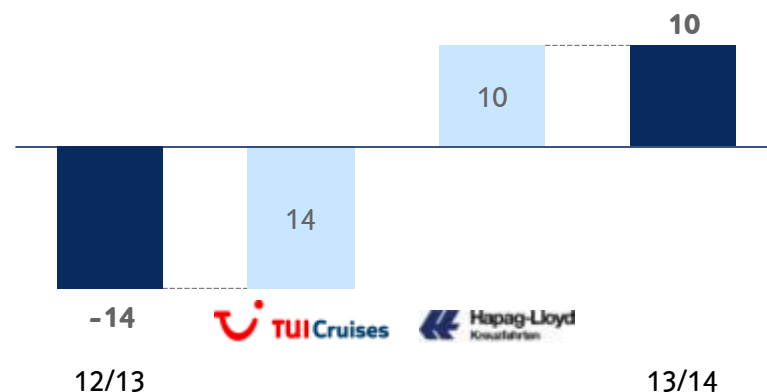
Sector outperformed against turnaround target

Turnover and Earnings (€m)

	13/14	12/13	%
Turnover	281.0	261.0	+7.7
Underlying EBITDA	22.8	-2.6	n.m.
Underlying EBITA	9.7	-13.9	n.m.
o/w Equity result*	31.3	17.4	

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

Bridge Underlying EBITA (€m)



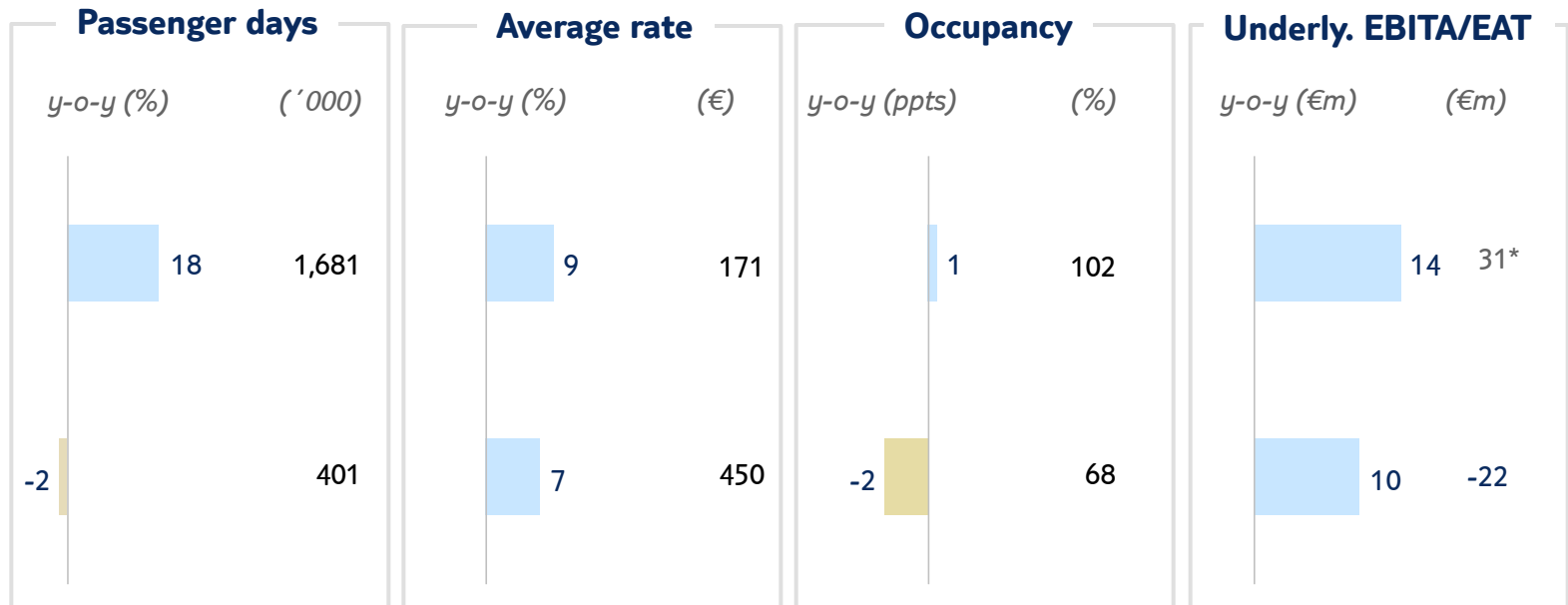
Business development FY 2013/14



- Turnover grew by 8% to €281m due to capacity expansion in Hapag-Lloyd's fleet
- Turnaround achieved, operating profit increased strongly by €24m to €10m
 - TUI Cruises continued its excellent performance based on an attractive winter itinerary (Caribbean and Canaries) and the successful market launch of "Mein Schiff 3"
 - Hapag-Lloyd Kreuzfahrten recorded a positive development in H2 with the expedition segment performing well and start-up costs in connection with fleet expansion (Europa 2) not having recurred

Cruises

Operating data 2013/14



* At equity result

TUI Cruises – Key figures 2013/14

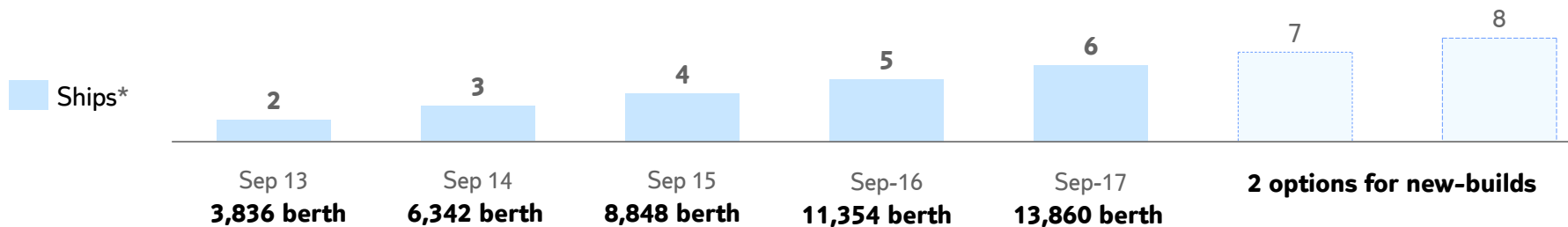
Key figures – 100%-view (€m)*

	13/14	12/13	%
Turnover	382	315	+21
Underlying EBITA	77	49	+57
<i>EBITA-Margin</i>	20%	16%	
EAT	63	35	+80
o/w TUI EAT (50%)	31	17	
ROIC	10%	8%	
ROE	14%	10%	

* unaudited figures

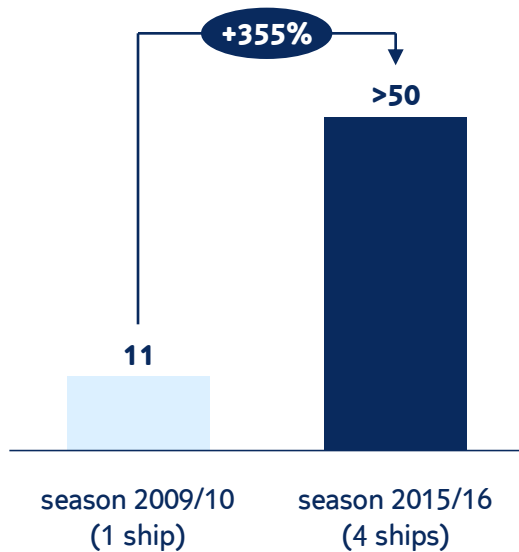


Fleet development



* Number of ships and berth as of 30/09

Increase in number of itineraries...



... leads to competitive advantages

- Broader range of itineraries: e.g. Asia, Orient and Trans-Arabia
- Increased number of attractive offerings for existing and new customers
- Higher repeat rate
- Higher customer loyalty and customer satisfaction
- Increase in market share
- Benefiting from economies of scale (marketing, distribution etc.)

Strengthening of market position in the German speaking premium volume segment

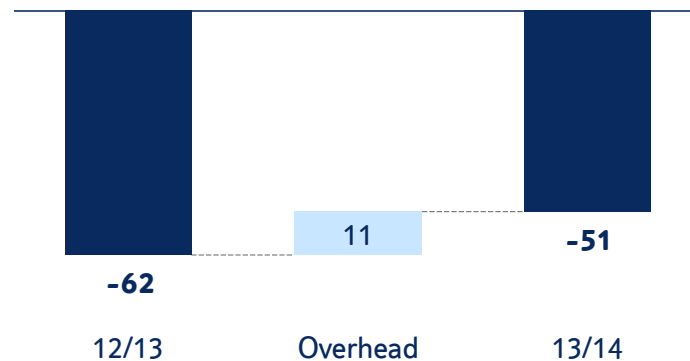
Central Operations

Outperforming against cost saving targets

Turnover and Earnings (€m)

	13/14	12/13	%
Turnover	14.5	17.4	-16.7
Underlying EBITA	-51.3	-61.9	+17.1

Bridge Underlying EBITA (€m)



Business development FY 2013/14



- Central Operations comprise corporate centre functions of TUI AG as well as the real estate companies of the Group
- oneTUI programme led to a considerable improvement in underlying EBITA of €11m

Agenda

1

Highlights

Friedrich Jousen

2

Review FY 2013/14

Friedrich Jousen

3

Financial statements 2013/14

Horst Baier

4

Outlook FY 2014/15

Horst Baier

Financing highlights 2013/14

Key achievements

- TUI Group with net cash position of €323m at 30 September 2014
- Successful Merger financing: High Yield Bond of €300m (funded in escrow) and new Revolving Credit Facility of €1.75bn – significant oversubscription
- TUI AG and TUI Travel Convertible Bonds 2014 converted into equity
- Improved ratings assigned by S&P and Moody's (B+; B2) with potential for further upgrades

We focus on balance sheet strength, flexibility & strong free cash flow generation with a view to increasing shareholder returns

P&L

Key figures 2013/14

in €m	13/14	12/13
Turnover	18,714.7	18,477.5
Underlying EBITA	868.5	761.9
Adjustments	-94.7	-167.1
EBITA	773.8	594.8
Impairment of goodwill	-	-8.3
EBIT	773.8	586.5
Interest result	-229.3	-252.8
Equity result Hapag-Lloyd	-38.9	-22.3
EBT	505.6	311.4
Income taxes	221.7	145.0
Group result	283.9	166.4
Minority interest TUI Travel	112.7	114.3
Minority interest Hotels	66.5	63.2
Group result after minorities	104.7	-11.1
Hybrid dividend	22.8	23.6
EPS (€)	0.31	-0.14
Adjusted EPS (€)	0.46	-0.05

Net adjustments decreased significantly

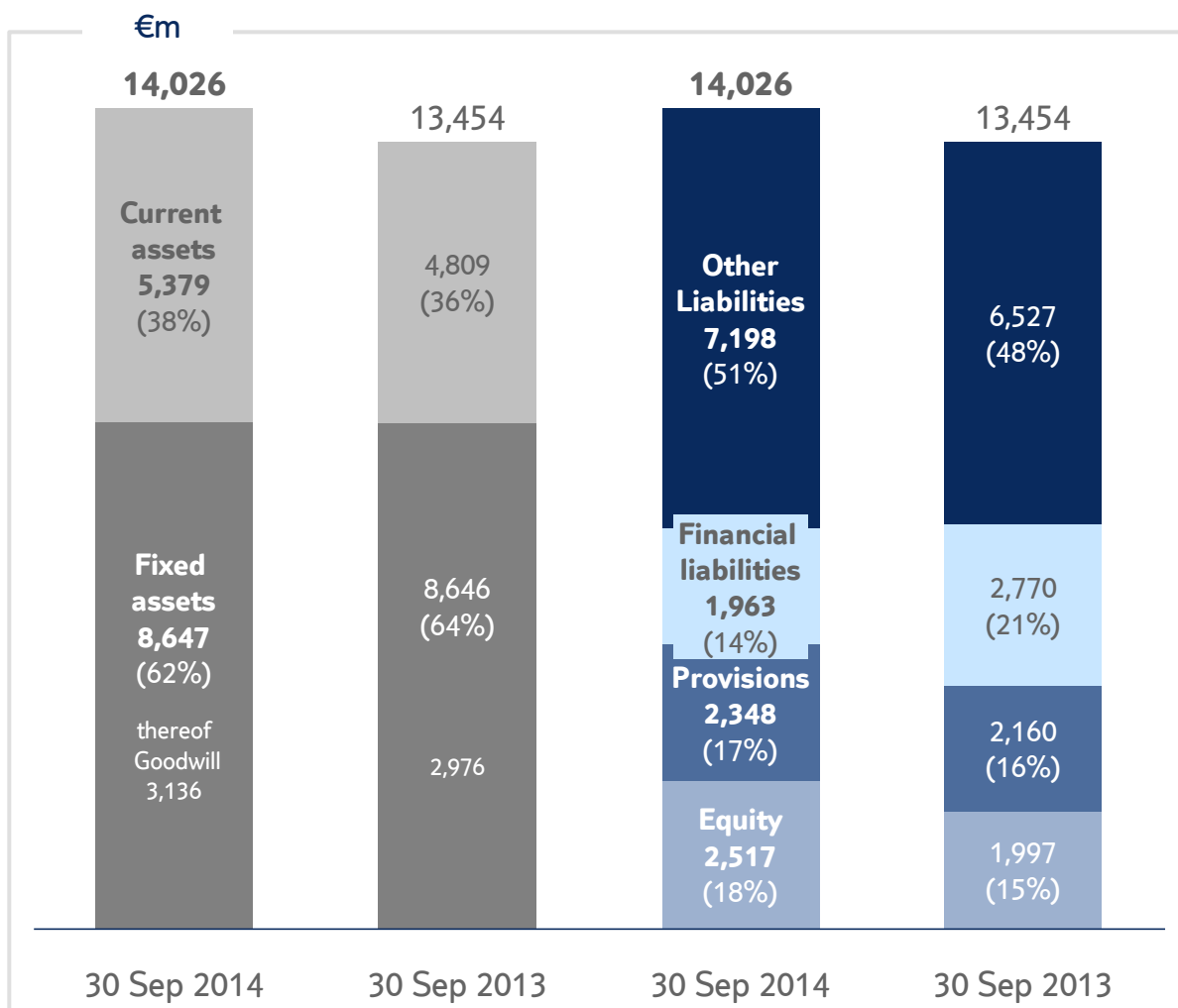
Interest result improved driven by lower net debt position

Net result for equity stake in Hapag-Lloyd – since end of 04/2014 defined as asset held for sale

Reminder: Minority interest TUI Travel will be transferred into equity post merger

Adjusted EPS stood at €0.46 – excluding Hapag-Lloyd result

Balance sheet 30 September 2014



- **Balance sheet total** up by 4.3%
- **Equity ratio** with 17.9% up by around 3ppts compared with last year
- **Gearing** decreased significantly to 42.5% (54.4%)

Merger financing – New sources of debt finance

New Revolving Credit Facility

- Amount: €1.75bn
- Current interest: EURIBOR/LIBOR + 2.3%
- Maturity: June 2018
- Financial covenants:
 - Leverage ratio $\leq 3.0(x)$
 - Fixed charge coverage $\geq 1.5(x)$

New High Yield Bond

- Amount: €300m (funded in escrow)
- Interest: 4.5%
- Maturity: October 2019
- Rating: B2 (Moody's); B+ (S&P)

High investor demand and oversubscription

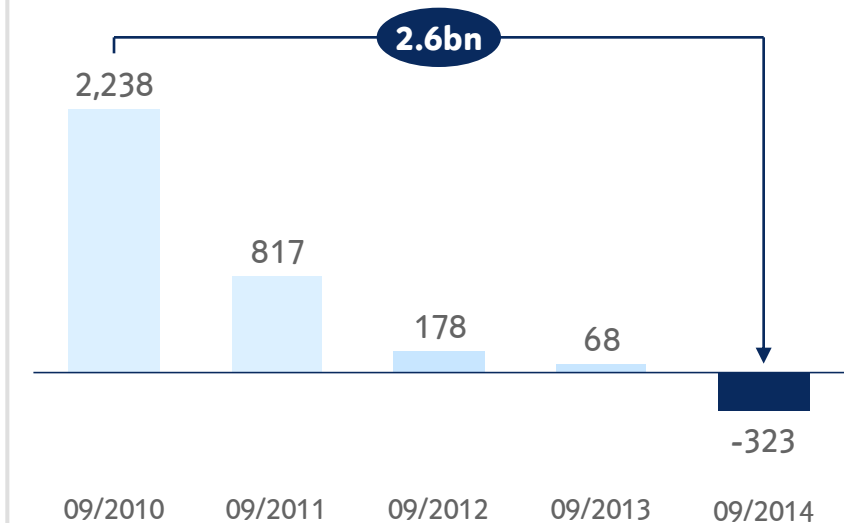
Group balance sheet 30 Sep 2014

Net financial debt / net cash

€m

	30 Sep 2014	30 Sep 2013
Financial liabilities	1,963	2,770
o/w non-current	1,748	1,834
o/w current	215	936
Cash	2,286	2,702
Net cash/debt	-323	68

Development of net debt (€m)



- Over the past few years we strongly focused on balance sheet strength and deleveraging and successfully reduced the net debt position by over €2.6bn
- At financial year-end, we recorded a net cash position of €323m
- The strong reduction in financial liabilities 2013/14 was due to the conversion of convertibles of TUI AG and TUI Travel, the repayment of a private placement, as well as the disclosure of a cash pool on a netted basis; the new high yield bond (funded in escrow) and new finance leases were partially mitigating

Agenda

1

Highlights

Friedrich Jousen

2

Review FY 2013/14

Friedrich Jousen

3

Financial statements 2013/14

Horst Baier




4

Outlook FY 2014/15

Horst Baier

Outlook FY 2014/15e

Underlying EBITA for the segments

€m	FY 13/14	FY 14/15e
	€708m	7-10%
	€202m	7-10%
	€10m	250-350% Hapag-Lloyd Kreuzfahrten on track to reach break-even

Outlook FY 2014/15e Group

€m	FY 13/14	FY 14/15e
Turnover	18,715	2-4%
Underlying EBITA	869	10-15%
Reported EBITA	774	5-10%
Cash CAPEX	601	flat
Net cash	-323	slight decline

APPENDIX

Underlying and reported EBITA

FY 2013/14

Underlying EBITA (€m)	FY 13/14	FY 12/13	%
TUI Travel	707.6	640.5	+ 10.5
TUI Hotels & Resorts	202.5	197.2	+ 2.7
Cruises	9.7	-13.9	n.m.
Central Operations	-51.3	-61.9	+ 17.1
Group	868.5	761.9	+ 14.0

Reported EBITA (€m)	FY 13/14	FY 12/13	%
TUI Travel	597.9	532.8	+ 12.2
TUI Hotels & Resorts	203.0	170.6	+ 19.0
Cruises	24.2	-30.4	n.m.
Central Operations	-51.3	-78.2	+ 34.4
Group	773.8	594.8	+ 30.1

Underlying vs. reported EBITA – Adjustments

Development FY 2013/14

€m	FY 13/14	FY 12/13
Underlying EBITA	868.5	761.9
TUI Travel	-109.7	-107.7
TUI Hotels & Resorts	+0.5	-26.6
Cruises	+14.5	-16.5
Central operations	-	-16.3
Total adjustments	-94.7	-167.1
Reported EBITA	773.8	594.8

TUI Group

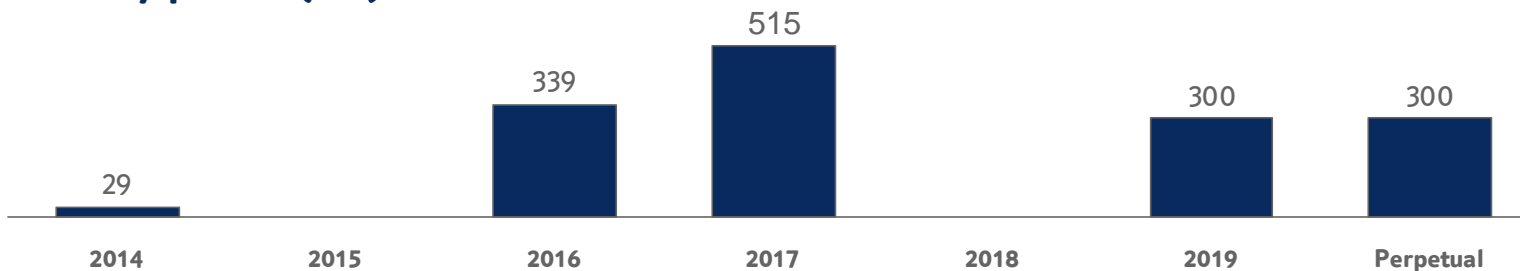
Bond financing & maturity profile 30 Sep 2014

Issued Bonds

Bond	Issue	Maturity	Initial volume	Outstanding volume	Interest % p.a.
Convertible Bond	Nov 09	Nov 14	218	26	5.5
Convertible Bond	Mar 11	Mar 16	339	339	2.75
High Yield Bond	Sep 14	Oct 19	300	300	4.5
Hybrid	Dec 05	perpetual	300	300	7.509
Convertible Bond TUI Travel	Oct 09	Oct 14	GBP 350	GBP 2	6.0
Convertible Bond TUI Travel	Apr 10	Apr 17	GBP 400	GBP 400	4.9

converted into equity

Maturity profile (€m)



TUI Travel

Mainstream customer numbers by country

in '000	13/14	12/13	%
Germany*	6,245	6,459	- 3.3
UK & Ireland	5,223	5,232	- 0.2
Nordic region	1,557	1,600	- 2.7
France (Tour operators)	802	1,027	- 22.0
Other countries	5,659	5,652	+ 0.1
TOTAL MAINSTREAM	19,485	19,970	- 2.4

* incl. seat only

TUI Hotels & Resorts Portfolio

Hotel	3 stars	4 stars	5 stars	Total hotels	Beds	Main sites
Riu	6	66	31	103	88,932	Spain, Mexico, Caribbean, Tunisia, Cape Verde
Robinson	-	19	4	23	13,557	Spain, Greece, Turkey, Switzerland, Austria
Iberotel	-	16	8	24	13,329	Egypt, Turkey, Germany
Grupotel	15	19	1	35	13,910	Spain
Grecotel	-	13	10	23	11,080	Greece
Other	2	17	11	30	17,184	Egypt, Germany, Spain
Total	23	150	65	238	157,992	

As of 30 September 2014

TUI Hotels & Resorts

Operating data

Hotel	Capacity ('000) ¹			Occupancy (%) ²			Average revenue per bed (€) ³		
	13/14	12/13	%	13/14	12/13	% p.	13/14	12/13	%
Riu	17,242	17,001	+ 1.4	84.7	83.6	+ 1.1	50.5	48.4	+ 4.5
Robinson	2,845	2,962	- 3.9	74.1	73.0	+ 1.1	88.9	86.4	+ 3.0
Iberotel	2,362	2,481	- 4.8	58.1	63.0	- 4.9	41.4	44.0	- 5.7
Grupotel	1,105	824	+ 34.2	85.0	84.5	+ 0.5	45.6	46.5	- 2.0
Greotel	922	746	+ 23.6	88.8	89.9	- 1.1	64.2	73.7	- 12.9
Other	162	158	+ 2.8	63.8	62.3	+ 1.5	64.3	62.0	+ 3.6
Total	24,637	24,170	+ 1.9	80.9	80.3	+ 0.6	54.4	53.1	+ 2.3

1) Group owned or leased hotel beds multiplied by number of days open per year

2) Occupied beds divided by capacity

3) Arrangement turnover divided by occupied beds

Cruises

Operating data



	13/14	12/13	%
Passenger days ('000)	1,681	1,425	+18.0
Occupancy (ppts)	102.3	101.8	+ 0.5
Average rate (€)*	171	157	+ 8.9



	13/14	12/13	%
Passenger days ('000)	401	407	- 1.5
Occupancy (ppts)	68.2	70.6	- 2.4
Average rate (€)*	450	420	+ 7.1

*per day and passenger

Financial calendar

10 February 2015

Annual General Meeting

February 2015

First Quarter 2014/15

May 2015

Half Year 2014/15

August 2015

Nine Months 2014/15

December 2015

Financial Year 2014/15

Contact

TUI Investor Relations

✉ investor.relations@tui.com

☎ +49-511-566-1425