

NEW TUI GROUP DELIVERS A GOOD START TO THE YEAR

HIGHLIGHTS

- 15% improvement in the underlying operating result¹, excluding profit on sale of Riu Waikiki
- Travel (formerly TUI Travel) result in line with our expectations
- Hotels & Resorts (formerly TUI Hotels & Resorts) and Cruises delivered a significant increase in profitability, including the profit on sale of a hotel
- Pleased with overall trading to date for Winter 2014/15 and Summer 2015
- Post-merger integration underway - delivery of synergies will commence during this financial year
- Mainstream strategy is progressing, from growing profitability to profitable top-line growth
- Evaluating options to manage Non-Mainstream for growth and value
- Confident of delivering full year underlying operating profit growth of 10% to 15% at constant currency¹

Key Financials

€m	Q1 14/15	Underlying	Change%	Reported	Q1 13/14 restated ²
		Q1 13/14 restated ²		Q1 14/15	
Revenue	3,543.6	3,361.1	+5.4	3,543.6	3,361.1
EBITA	-107.9	-141.1	+23.5	-145.0	-160.2
EBITA – excluding profit on sale of hotel, at constant currency ¹	-120.0	-141.1	+15.0	n/a	n/a

¹ Constant currency basis assumes that constant foreign exchange translation rates are applied to the underlying operating result in the current and prior year

² Please refer to page 37 of the interim financial statements for further explanation of prior year restatement

Chief Executives of TUI Group, Friedrich Jousen and Peter Long, commented:

“We are delighted to announce our first set of results as TUI Group, having delivered 15% improvement in the underlying operating result. This reflects a significant increase in profitability in Hotels & Resorts and Cruises. The Travel result is in line with our expectations. We have continued to grow unique holidays and online bookings across all key source markets and expect to deliver growth in the underlying operating result in the remainder of the year. Following completion of the merger between TUI AG and TUI Travel PLC in December 2014, the integration of our businesses is well underway, with a new Executive Committee in place. Based on this result and our current trading, we remain confident of delivering full year underlying operating profit growth of 10% to 15%¹.”

Q1 Results

- Underlying operating loss reduced by €33m to €108m (Q1 2013/14: loss of €141m). This equated to a 15% improvement in the underlying operating result, excluding €16m profit on sale of Riu Waikiki within TUI Hotels & Resorts, and €4m adverse foreign exchange translation.
- Travel underlying operating loss of €149m, or €144m at constant currency (Q1 2013/14: €137m) was in line with our expectations. Mainstream operating loss of €114m, or €110m at constant currency (Q1 2013/14: loss of €110m).
- Hotels & Resorts underlying operating profit increased significantly to €51m (Q1 2013/14: €26m). Improved yield performance, with overall occupancy up 3.6 percentage points to 77.6% and revenue per bed up 2.2%.
- Cruises delivered underlying operating profit of €2m (Q1 2013/14: loss of €16m), with losses halved in Hapag-Lloyd Kreuzfahrten and growth in TUI Cruises following the successful launch of Mein Schiff 3.

Pleased with overall trading to date for Winter 2014/15 and Summer 2015

- Winter 2014/15 is closing out in line with our expectations – 84% of the Mainstream programme sold, with higher average selling prices in most source markets.
- Pleased with overall Summer 2015 trading to date, with 1% higher average selling prices and broadly flat volumes overall.
- Excellent online performance with Mainstream Summer 2015 online bookings up by 8%.
- Continued growth in sales of unique holidays, which currently account for 78% of Mainstream Summer 2015 bookings.
- Strong trading performance continues by Accommodation Wholesaler with TTV up 23% for Winter 2014/15 and 24% for Summer 2015.

Implementing our strategy post-merger

- Integration under way, will start to deliver synergies this year.
- Mainstream strategy is progressing, from growing profitability to profitable top-line growth
- Evaluating options to manage Online Accommodation and Specialist & Activity for growth and value under the leadership of their new CEO, Will Waggott.
- Remain committed to exiting remaining shareholding in Hapag-Lloyd AG, through either IPO or trade sale.
- Based on our Q1 result and current trading, we remain confident of delivering full year underlying operating profit growth of 10% to 15%¹.
- We will hold a Capital Markets Day on 13th May 2015, to coincide with our H1 interim results, providing an update on our strategy and setting out our plans for growth.

CURRENT TRADING

Winter 2014/15

In Mainstream, the Winter 2014/15 season is closing out as expected, with 84% of the programme sold and strong pricing across most of our source markets. Mainstream bookings are up 1% versus prior year, reflecting planned capacity reductions in the Nordics and France, with average selling prices up 1%. We are pleased with overall trading to date, although in Germany, we are experiencing some margin pressure in the Canaries, which forms a significant part of our Winter programme.

We continue to deliver sustainable growth through our unique holiday experiences, increasingly distributed online. Unique holidays account for 72% of all Mainstream bookings, up three percentage points compared with this time last year, whilst online sales continue to grow across all key source markets.

Trading by Hotels & Resorts largely mirrors customer numbers in Mainstream, as a high proportion of Group-owned hotel beds are taken up by the Mainstream tour operators. In Cruises, bookings performance continues to be driven by the expansion of the TUI Cruises fleet, with the addition of Mein Schiff 3, and improved fleet performance by Hapag-Lloyd Kreuzfahrten.

In Accommodation Wholesaler, TTV is up 23%, driven primarily by Latin America, USA and Asia.

Current Trading¹				
YoY variation%	Total ASP²	Winter 2014/15		Programme sold (%)
		Total Sales²	Total Customers²	
Mainstream				
UK	+3	+6	+3	77
Nordics	+5	-3	-7	91
Germany	Flat	+2	+1	82
France tour operators	+4	-12	-16	87
Other ³	-1	+2	+4	89
Total Mainstream	+1	+2	+1	84
Accommodation Wholesaler⁴				
	+3	+23	+19	N/A

¹ These statistics are up to 1 February 2015 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

⁴ Sales refer to total transaction value (TTV) and customers refers to roomnights

Summer 2015

For Summer 2015, we remain pleased with trading to date. In Mainstream, we are still at an early stage of the booking cycle, with approximately 32% of the programme sold, in line with prior year. We are pleased with average selling prices, up 1%. In the UK, which has the highest percentage of holidays sold so far at 38%, bookings are up 4% and average selling prices are up 1%. Overall, Mainstream bookings are down 1%.

We continue to see strong demand for our unique holidays, which account for 78% of Mainstream bookings, up one percentage point. We are particularly pleased with the growth in unique in Germany, now accounting for over 60% of Summer bookings. Mainstream online bookings are up 8%.

As for Winter, trading by TUI Hotels & Resorts largely mirrors customer numbers in Mainstream. In Cruises, bookings performance is driven by the launch of Mein Schiff 4 by TUI Cruises in the Summer.

Our Accommodation Wholesaler business has had a strong start to the year, with TTV for Summer 2015 up 24% driven by growth in Asia, Latin America and the USA.

FUEL/FOREIGN EXCHANGE

Our strategy of hedging the majority of our jet fuel and currency requirements for future seasons, as detailed below, remains unchanged. This gives us certainty of costs when planning capacity and pricing. The following table shows the percentage of our forecast requirement that is currently hedged for Euros, US Dollars and jet fuel for Travel, our largest segment.

Travel	Winter 2014/15	Summer 2015
Euro	96%	85%
US Dollars	93%	85%
Jet Fuel	93%	87%

As at 6 February 2015

NET DEBT AND LIQUIDITY

The net debt position (cash and cash equivalents less loans, overdrafts and finance leases) at 31 December 2014 was €1,632m (30 September 2014: net cash €293m). The increase since year-end was driven by typical seasonal cash outflows within the tour operator. The net debt position consisted of €1,094m of cash and cash equivalents, €177m of current financial liabilities and €2,549m of non-current financial liabilities.

We remain satisfied with our long-term debt funding and liquidity position. This includes external bank revolving credit facilities totalling €1.75bn which mature in June 2018, used to manage the seasonality of the Group's cash flows and liquidity, and the following listed bonds:

- High yield bond €300m (issued by TUI AG, matures October 2019)
- Convertible bond €339m (issued by TUI AG, matures March 2016)
- Convertible bond £200m* (issued by TUI Travel PLC, matures April 2017)
- Hybrid bond €300m (issued by TUI AG, no maturity date)

* In the context of the completion of the merger between TUI AG and TUI Travel PLC, TUI AG terminated a financing agreement with Deutsche Bank early. As a result, legal ownership of TUI Travel PLC Convertible Bonds 2017 with a nominal value of £200m was transferred to TUI AG during January 2015.

OUTLOOK

The new TUI Group has delivered a good start to the year, with strong growth in profitability in Cruises and TUI Hotels & Resorts. Mainstream performance during the quarter was in line with our expectations, and our strategy, with its focus on unique holidays, direct distribution and leveraging our scale, leaves us well placed to deliver growth in underlying operating profit in the remainder of the year. Our Accommodation Wholesaler business continues to outperform the market, with strong TTV growth in current bookings.

Our post-merger integration is underway and we expect to start delivering synergies in the current financial year. In Mainstream, our strategy is progressing, from growing profitability to profitable top-line growth. In Non-Mainstream, we are evaluating our options to manage these businesses for growth and value and we remain committed to exiting our remaining shareholding in Hapag-Lloyd AG, through either IPO or trade sale. Based on this result and our current trading, we remain confident of delivering full year underlying operating profit growth of 10% to 15%¹.

Q1 REPORT

A full copy of our Q1 2014/15 Interim Report can be found on our corporate website:

<http://www.tuigroup.com/en/investors>

INVESTOR & ANALYST CONFERENCE CALL & WEBCAST

A conference call and webcast for investors and analysts will take place today at 7.45am GMT / 8.45am CET. The dial-in arrangements for the call are as follows:

Germany:	+49 30 23 253 1428
UK:	+44 203 367 9216
France:	+33 172 253 098
US:	+1 408 916 9838

A presentation to accompany the conference call will be made available at 7.00am GMT / 8.00am CET via our corporate website: <http://www.tuigroup.com/en/investors>

Details of the webcast can also be found at the same link.

Pre-Close Trading Update

TUI Group will issue a pre-close trading update on Wednesday 25th March 2015.

Half-Year Financial Report 2014/15 & Capital Markets Day

TUI Group will issue its H1 interim results on Wednesday 13th May 2015, followed by a Capital Markets Day. Further detail will be given in due course.

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