

# TUI Travel PLC

## Q1 Financial Results

9 February 2010

Holiday Village Bodrum, Turkey



# Summary



Underlying operating loss increased due to capacity-led volume reductions, a difficult comparative period and yield pressure in Corsair

Good visibility on H1 profits – on track to deliver expectations

Trading trends have continued to strengthen across all source markets

Expect positive momentum in each of the remaining quarters of the year due to trading, synergies and completed transactions (Canada / TUIfly)

Remain confident we can meet our Board's expectations for 2010

# Financial Highlights



<b>Revenue</b>	FX translation +7% Acquisitions +1% TUIfly / Air Berlin -2% Organic -14%	
	<b>£2,533m</b>	<b>-8%</b>
<b>Underlying EBITA<sup>1</sup></b>	<b>(£107m)</b>	<b>-£72m</b>
<b>Underlying LBT<sup>1</sup></b>	<b>(£133m)</b>	<b>-£79m</b>

<sup>1</sup> Underlying operating loss excludes separately disclosed items, amortisation of business combination intangibles, acquisition related expenses and taxation of results of the Group's joint ventures and associates

# Group Profit & Loss



£'m	Q1 10	Q1 09	
<b>Underlying operating loss<sup>1</sup></b>	<b>(107)</b>	<b>(35)</b>	<b>-£72m</b>
Interest	(26)	(19)	
<b>Underlying loss before tax<sup>1</sup></b>	<b>(133)</b>	<b>(54)</b>	<b>-£79m</b>
Amortisation of IFRS 3 intangibles & acquisition costs	(14)	(14)	
Separately disclosed items	(18)	(21)	
Tax on JV profits	(1)	-	
<b>Loss before tax</b>	<b>(166)</b>	<b>(89)</b>	<b>-£77m</b>
Tax	45	25	
<b>Loss for the period</b>	<b>(121)</b>	<b>(64)</b>	<b>-£57m</b>

<sup>1</sup> Underlying operating loss excludes separately disclosed items, amortisation of business combination intangibles, acquisition related expenses and taxation of results of the Group's joint ventures and associates

# Segmental Analysis – Underlying EBITA



<b>£'m</b>	<b>Q1 10</b>	<b>Q1 09</b>	<b>Change</b>	<b>FX Translation</b>	<b>Change (ex FX)</b>
Northern Europe	(54)	(4)	-50	-	-50
Central Europe	(9)	(14)	+5	-	+5
Western Europe	(26)	(13)	-13	-4	-9
Mainstream Holidays	(89)	(31)	-58	-4	-54
Specialist Holidays	(2)	4	-6	-	-6
Activity Holidays	(10)	(5)	-5	-1	-4
A&D	-	1	-1	-1	-
JV & associates	-	2	-2	-	-2
Corporate	(6)	(6)	-	-	-
<b>Underlying EBITA</b>	<b>(107)</b>	<b>(35)</b>	<b>-72</b>	<b>-6</b>	<b>-66</b>

# Interest



£'m	Q1 10	Q1 09
Debt interest expense	15	16
Cash interest received	(1)	(4)
Convertible bond amortisation	3	-
<b>Debt related interest</b>	<b>17</b>	<b>12</b>
Non-debt related interest	9	7
<b>Total P&amp;L interest</b>	<b>26</b>	<b>19</b>

# Current Trading & Outlook



Winter 09/10: Booking volumes, pricing and margins have continued to strengthen

Winter 09/10: Recent bookings are trading well ahead of capacity left to sell in all source markets

Snow adversely affected retail sales in the UK, but volumes have bounced back strongly since mid-January

Summer 2010: since our last announcement Nordics bookings are up 40% and UK bookings are up 6%

Summer 2010: measured capacity increases in the UK and Nordics

# Current Trading

Winter 2009/10: Trading since last update



Bookings, YoY change %	At Prelims	Since last trading update	Now
UK	-16	-1	-11
Nordic	-15	+11	-10
Germany	-15	+3	-9
France	-9	+2	-6
Belgium	+1	+14	+5
Netherlands	-12	-1	-9

**Continued improvement; trading ahead of cumulative position & left to sell**

# Current Trading

Summer 2010: Trading since last update



Bookings, YoY change %	At Prelims	Since last trading update	Now
UK	-3	+6	+1
Nordic	-2	+40	+23

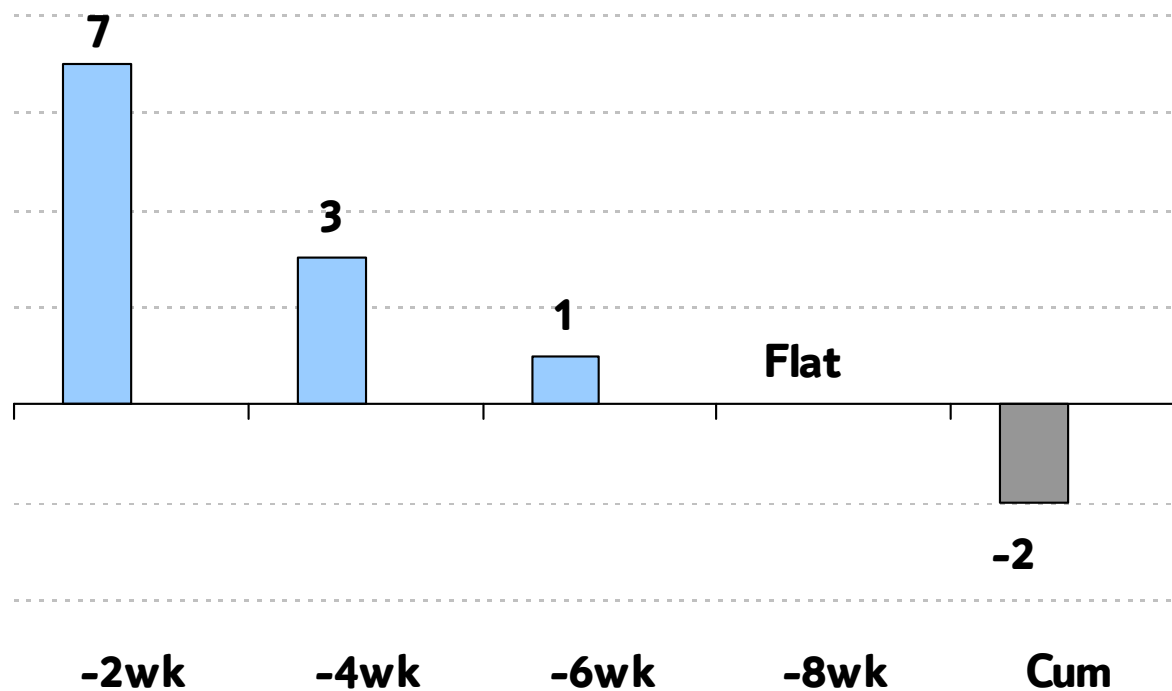
**Pleased with Summer 2010 trading**

# Current Trading

## Summer 2010: Booking trends



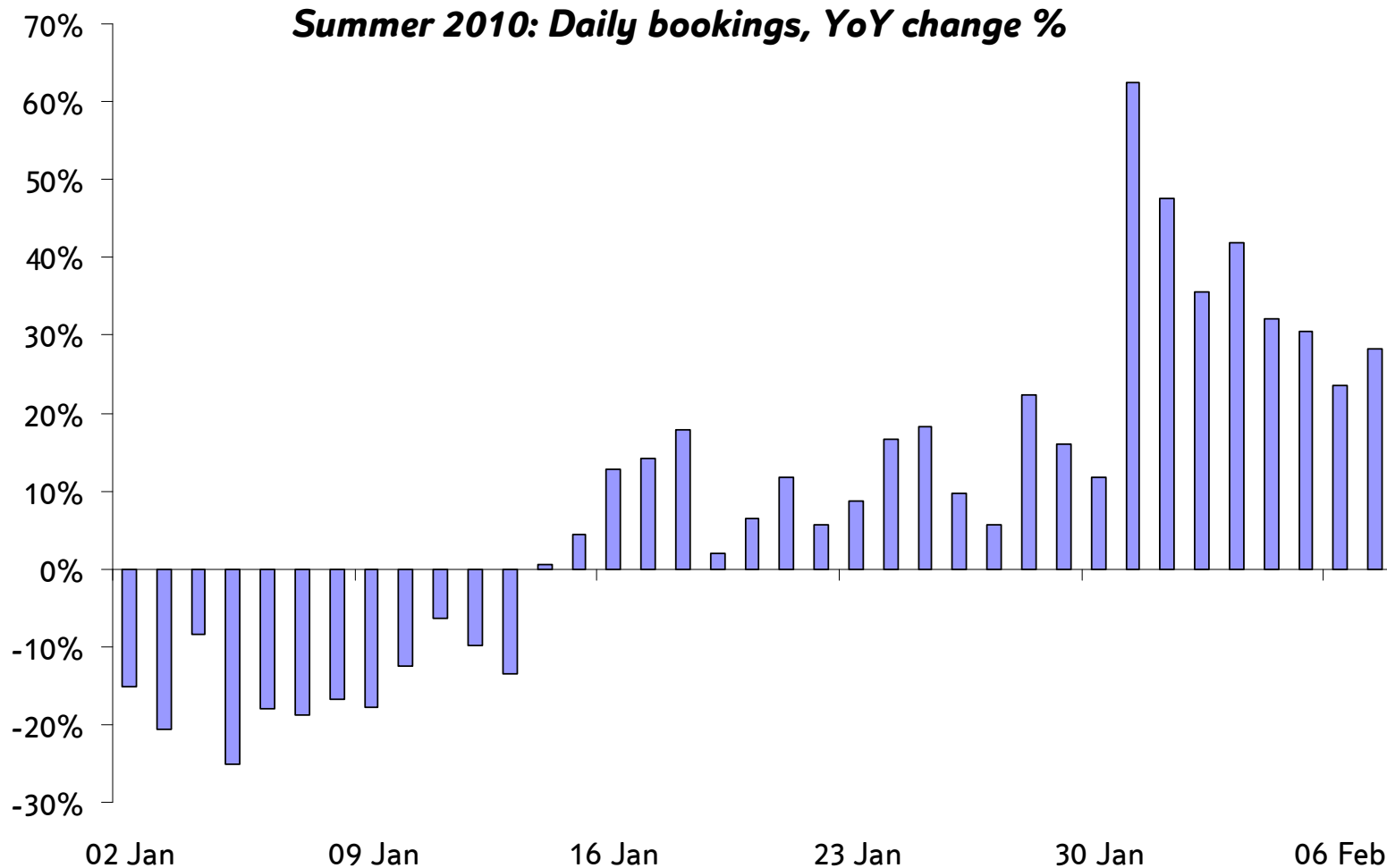
*Mainstream bookings, YoY change %*



**Improvement in demand in recent weeks across all source markets**

# Current Trading

## UK: Strong recent trading trends



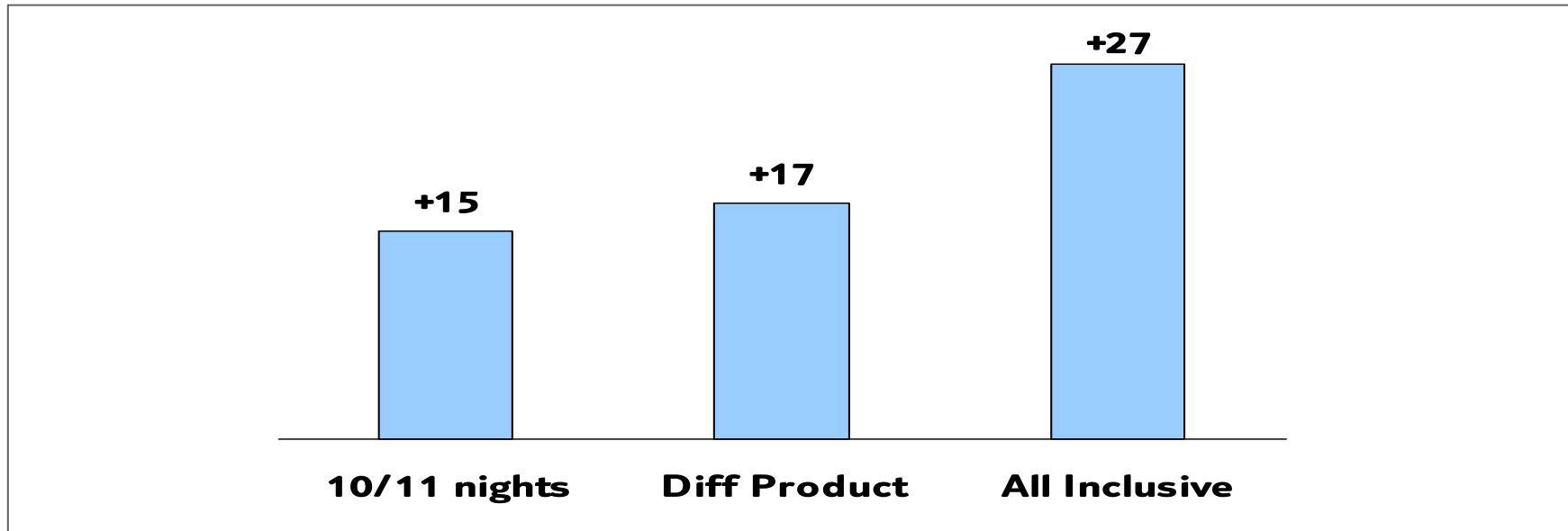
**UK bookings improvement despite impact of snow in early Jan**

# Current Trading

## UK: Customer trends



### Summer 2010 UK bookings YoY change %: Recent weeks



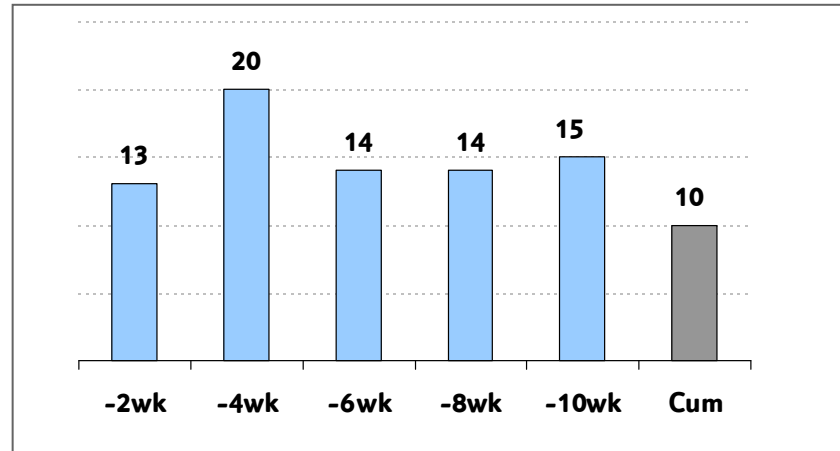
- Strong growth in higher margin differentiated product
- Scale of fleet allows flexibility in durations, which is a key point of competitive advantage
  - Substantial increase in 10/11 night holidays
- Customer preference and hotelier funded offers driving All Inclusive volumes

# Current Trading

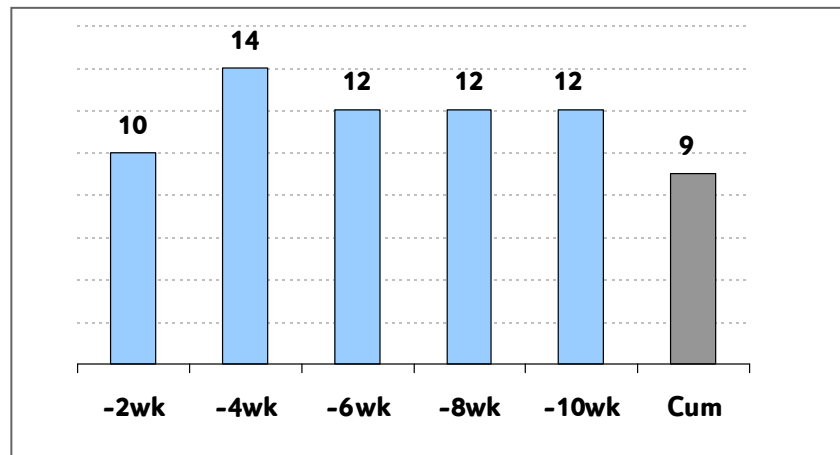
## UK: Pricing trends



**UK Winter 2009/10: % Change in ASP**



**UK Summer 2010: % Change in ASP**



# Appendices

# Current Trading

## Winter 2009/10



W09/10 y-o-y variation%	ASP	Sales	Customers	Risk Capacity	Risk Left to Sell
UK	+10	-2	-11	-14	-24
Nordic	+3	-8	-10	-11	-10
<b>Northern Region</b>	<b>+8</b>	<b>-5</b>	<b>-11</b>		
Germany	-2	-11	-9	-9	-9
Austria	-2	-24	-22		
Switzerland	-5	-4	+2		
Poland	-5	-20	-15		
<b>Central Europe</b>	<b>-2</b>	<b>-11</b>	<b>-9</b>		
France	-7	-13	-6		
Belgium	-5	-1	+5		
Netherlands	+5	-4	-9		
<b>Western Europe</b>	<b>-5</b>	<b>-8</b>	<b>-3</b>	<b>-3</b>	<b>-11</b>
<b>Specialist</b>	<b>-15</b>	<b>-22</b>	<b>-8</b>		
<b>Activity</b>	<b>n/a</b>	<b>-11</b>	<b>n/a</b>		
<b>A&amp;D</b>	<b>-4</b>	<b>+28</b>	<b>+33</b>		

# Current Trading

## Summer 2010



S10 y-o-y variation%	ASP	Sales	Customers	Risk Capacity	Risk Left to Sell
UK	+9	+10	+1	+3	+4
Nordic	Flat	+24	+23	+11	+5
<b>Northern Region</b>	<b>+7</b>	<b>+11</b>	<b>+3</b>		
Germany	Flat	-7	-8	-5	-1
Austria	-2	+5	+7		
Switzerland	-3	+3	+6		
Poland	-1	-3	-1		
<b>Central Europe</b>	<b>Flat</b>	<b>-6</b>	<b>-6</b>		
France	-7	+8	+17		
Belgium	+3	+4	+1		
Netherlands	+1	-12	-13		
<b>Western Europe</b>	<b>-1</b>	<b>Flat</b>	<b>+1</b>	<b>+1</b>	<b>Flat</b>
<b>Specialist</b>	<b>+5</b>	<b>-1</b>	<b>-6</b>		
<b>Activity</b>	<b>n/a</b>	<b>+5</b>	<b>n/a</b>		
<b>A&amp;D</b>	<b>Flat</b>	<b>+60</b>	<b>+59</b>		