TUI AG (TUI)

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QUARTERLY STATEMENT
Q1 2018

TUI Group - financial highlights

EUR million	Q1 2018	Q1 2017 restated	Var. %	Var. % at constant currency
Turnover	3,549.4	3,282.0	+ 8.1	+ 9.1
Underlying EBITA 1				
Hotels & Resorts	94.4	49.2	+ 91.9	+ 83.5
Cruises	37.5	28.1	+ 33.5	+ 34.5
Destination Services	- 0.2	2.8	n. a.	- 60.7
Holiday Experiences	131.7	80.1	+ 64.4	+ 61.1
Northern Region	- 31.1	- 29.3	- 6.1	- 5.1
Central Region	- 56.4	- 52.4	- 7.6	- 7.4
Western Region	- 45.9	- 47.7	+ 3.8	+ 3.8
Sales & Marketing	- 133.4	- 129.4	- 3.1	- 2.8
All other segments	- 23.2	- 11.0	- 110.9	- 95.5
TUI Group	- 24.9	- 60.3	+ 58.7	+ 57.9
Discontinued operation	-	- 12.2	n. a.	n. a.
Total	- 24.9	- 72.5	+ 65.7	+ 65.0
EBITA 2, 3	- 45.1	- 69.5	+ 35.1	
Underlying EBITDA 3	69.3	32.6	+ 112.6	
EBITDA 3	55.4	29.8	+ 85.9	
Net loss for the period	- 58.7	- 81.6	+ 28.1	
Earnings per share 3EUR	- 0.17	- 0.19	+ 10.5	
Equity ratio (31 Dec) 4 %	27.0	24.7	+ 2.3	
Net capex and investments	140.7	310.2	- 54.6	
Net debt position (31 Dec) 3	- 874.2	- 1,518.4	+ 42.4	
Employees (31 Dec)	55,061	56,614	- 2.7	

Differences may occur due to rounding.
This Quarterly Statement of the TUI Group was prepared for the reporting period Q1 2018 from 1 October 2017 to 31 December 2017. The terms for previous periods were renamed accordingly.

1 In order to explain and evalaluate the operating performance by the segments, EBITA adjusted for one-off effects (underlying EBITA) is presented.
Underlying EBITA has been adjusted for gains on disposal of financial investments, restructuring measures according to IAS 37, all effects of purchase price allocations, ancillary aquisition costs and conditional purchase price payments and

other expenses for and income from one-off items. Please also refer to page 11 for further details.
2 Our definition of EBITA is earnings before net interest result, income tax and impairment of goodwill and excluding the result from the measurement of interest hedges.
3 Continuing operations
4 Equity divided by balance sheet total in %, variance is given in percentage points.

Q1 Highlights

- We have delivered a good start to the year. Q1 turnover increased by 9 %1 to EUR 3,581 m and underlying EBITA improved by EUR 35 m to - EUR 25 m. Growth was delivered with strong demand for our Holiday Experiences and a good portfolio performance by Sales & Marketing.
- We have simplified our segmental reporting. Destination Services is a key part of our customers' holiday experience, handling over 24 million transfers each year, and delivering tours and activities for 4.6 million guests. The results of this business were previously reported in Other Tourism. Given its strategic importance, in particular as we deliver the benefits of our One CRM initiative, Destination Services is now reported separately in the segmental results, and within Holiday Experiences (together with Hotels & Resorts and Cruises). Other Tourism and All Other Segments have been combined into one segment. There are no changes to the total numbers.

Q1 results at a glance	
EUR million	Q1 2018
Underlying EBITA Q1 FY17	- 60
Holiday Experiences	11
Sales & Marketing	17
All other segments	- 11
Underlying EBITA Q1 FY18 pre Riu disposals and Niki bankruptcy	- 43
Riu disposals	38
Impact Niki bankruptcy	- 20
Underlying EBITA Q1 FY18 2	- 25
2 Variances by segment are shown at constant currency rates; total impact of foreign exchange translation in the quarter was less than EUR0.5m	

- As well as growth in Holiday Experiences and a good portfolio performance by Sales & Marketing (including the non-repeat of last year's higher than normal levels of sickness in TUI fly), the Q1 result was influenced by the following specific items:
  - EUR 38 m gain on disposal of three Riu hotels.
  - EUR 20 m adverse impact of the bankruptcy of Niki to whom TUI fly previously leased crew and aircraft.
  - In addition, the variance in all other segments above reflects planned extended aircraft maintenance in Corsair.

New TUI Cruises ship - Spring 2023

Our TUI Cruises joint venture will continue to expand its cruise fleet, with the addition of a new 2,894 berth ship in Spring 2023. The ship, which will be a sister ship to the 2018 and 2019 launches, will be fully financed by the joint venture, with no additional capital expenditure requirement from TUI Group. This will enable TUI Cruises to enhance the customer experience with a greater range of innovative and environmentally sound ships and itineraries, thereby continuing its participation in the high growth German cruise market.

Outlook

- We have delivered a good start to the financial year, with growth in our Holiday Experiences and a good portfolio performance in Sales & Marketing.
- We will continue to deliver our growth strategy as set out in December 2017, through market demand, digitalisation and investments.
- Current trading is progressing in line with our expectations and we are well positioned to deliver at least 10 % underlying EBITA growth in FY181.
- We are delivering our ambition - strong strategic positioning, strong earnings growth and strong cash generation, with underlying EBITA doubling between FY14 and FY201.

1 Assuming constant foreign exchange rates are applied to the result in the current and prior period.

Current Trading

Holiday Experiences

Demand remains strong for the Western Mediterranean and Caribbean (despite hurricane disruption and reflecting demand from North America) and continues to improve for Turkey and North Africa, in particular from Sales & Marketing . We are delivering further expansion of our own hotel brands, with eight openings in Winter 2017 / 18 and seven further openings in Summer 2018. At the same time we continue to streamline the existing portfolio, with the disposal of three Riu hotels in Q1 and five further repositionings under the TUI Blue and TUIMagic Life brands in FY18. In addition, the Robinson Club Jandia Playa in Fuerteventura is undergoing renovation and will be closed for most of FY18.

In Cruises new launches are scheduled for TUI Cruises, Marella Cruises and Hapag-Lloyd Cruises in 2018 and 2019, as well as the new build just announced for TUI Cruises in Spring 2023. Demand for our cruises remains strong, with an increase in yield in all three brands. In Marella, Majesty left the fleet in November 2017 and Spirit will leave the fleet after Summer 2018.

Volumes in Destination Services develop in line with our Sales & Marketing business. We are opening a new destination management company (DMC) this April in Jamaica, and will continue to develop our destination portfolio.

Sales & Marketing

Sales & Marketing continues to progress well. Winter 2017 / 18 revenues are up 6 % on prior year, with bookings up 3 %. There is strong growth in bookings for North Africa, Thailand, Cape Verde and Cyprus. Long haul continues to grow, although demand for the Caribbean from Sales & Marketing has remained subdued post hurricanes.

Sales & Marketing - Current trading Winter 2017 / 18 *				
YoY variation %	Total revenue	Total customers	Total ASP	Programme sold (%)
Northern Region	+ 6	- 1	+ 7	84
Central Region	+ 7	+ 8	- 1	88
Western Region	+ 3	+ 1	+ 2	93
Total	+ 6	+ 3	+ 3	88
* These statistics are up to 4 February 2018, shown on a constant currency basis and relate to all customers whether risk or non-risk.				

In Northern Region, Nordics bookings continue to grow strongly (+ 5 %) with higher pricing (+ 3 % on average) and margins reflecting strong demand for our holidays, remixed destination portfolio and the introduction of the Cyrus yield management system. In the UK, demand is resilient. Bookings for Winter 2017 / 18 are down 4 % (or down 3 % including cruise) versus a very strong prior year comparative of + 12 % (including cruise). Load factor is slightly ahead of prior year, with a small reduction of risk capacity in line with demand. Average selling price is up 8 %, reflecting the ongoing impact of the weaker Pound Sterling, which continues to result in more normalised trading margins.

In Central Region, bookings in Germany are up significantly on prior year (+ 8 %), as we continue to build market share. Average selling price is up 1 %. There is particularly strong demand for Canaries as well as recovery in demand for North Africa, especially Egypt. In addition, long haul volumes continue to grow, including to Thailand as a result of the opening of the new Robinson club. Switzerland and Poland are also performing well.

In Western Region, bookings in Belgium and Netherlands are ahead of prior year (+ 4 % overall) with a strong load factor performance. Average selling price is up 2 %. In France bookings are impacted by subdued demand for the Caribbean post hurricanes, however, load factor remains ahead of prior year as a result of prudent risk capacity management. We remain focussed on improving the underlying result in France this year, and on the delivery of synergies from the Transat acquisition.

Looking ahead, Summer 2018 has started well. The programme is 35 % sold, in line with prior year, with revenues up 8 % and bookings up 6 %. Growth is driven by higher bookings for Greece, Turkey and Cyprus. In addition, although it is generally less significant as a destination in Summer compared with Winter, there is also higher demand for North Africa. At this relatively early stage, bookings in all three regions are up versus prior year, with a particularly strong start in Nordics, Germany and Benelux. In the UK, where the programme is 41 % sold, the rebrand continues to drive up unaided awareness of TUI. UK bookings are broadly in line with prior year (- 1 %), with average selling price up 3 %.

Consolidated earnings

Turnover			
EUR million	Q1 2018	Q1 2017 restated	Var. %
Hotels & Resorts	144.8	141.2	+ 2.5
Cruises	192.3	151.9	+ 26.6
Destination Services	38.4	31.2	+ 23.1
Holiday Experiences	375.5	324.3	+ 15.8
Northern Region	1,178.9	1,108.0	+ 6.4
Central Region	1,265.9	1,140.9	+ 11.0
Western Region	583.7	549.4	+ 6.2
Sales & Marketing	3,028.5	2,798.3	+ 8.2
All other segments	145.4	159.4	- 8.8
TUI Group	3,549.4	3,282.0	+ 8.1
TUI Group at constant currency	3,581.4	3,282.0	+ 9.1
Discontinued operations	-	252.4	n. a.
Total	3,549.4	3,534.4	+ 0.4

Underlying EBITA			
EUR million	Q1 2018	Q1 2017 restated	Var. %
Hotels & Resorts	94.4	49.2	+ 91.9
Cruises	37.5	28.1	+ 33.5
Destination Services	- 0.2	2.8	n. a.
Holiday Experiences	131.7	80.1	+ 64.4
Northern Region	- 31.1	- 29.3	- 6.1
Central Region	- 56.4	- 52.4	- 7.6
Western Region	- 45.9	- 47.7	+ 3.8
Sales & Marketing	- 133.4	- 129.4	- 3.1
All other segments	- 23.2	- 11.0	- 110.9
TUI Group	- 24.9	- 60.3	+ 58.7
TUI Group at constant currency	- 25.4	- 60.3	+ 57.9
Discontinued operations	-	- 12.2	n. a.
Total	- 24.9	- 72.5	+ 65.7

EBITA			
EUR million	Q1 2018	Q1 2017 restated	Var. %
Hotels & Resorts	94.4	47.6	+ 98.3
Cruises	37.5	28.1	+ 33.5
Destination Services	- 0.6	2.3	n. a.
Holiday Experiences	131.3	78.0	+ 68.3
Northern Region	- 35.4	- 33.6	- 5.4
Central Region	- 59.7	- 53.8	- 11.0
Western Region	- 55.8	- 48.7	- 14.6
Sales & Marketing	- 150.9	- 136.1	- 10.9
All other segments	- 25.5	- 11.4	- 123.7
TUI Group	- 45.1	- 69.5	+ 35.1

Discontinued operations	-	- 15.6	n. a.
Total	- 45.1	- 85.1	+ 47.0

Segmental performance

Holiday Experiences

Hotels & Resorts			
	Q1 2018	Q1 2017 restated	Var. %
Total turnoverin EUR million	295.4	283.2	+ 4.3
Turnoverin EUR million	144.8	141.2	+ 2.5
Underlying EBITAin EUR million	94.4	49.2	+ 91.9
Underlying EBITA at constant currency ratesin EUR million	90.3	49.2	+ 83.5
Capacity hotels total 1, 4in '000	8,869.9	8,368.8	+ 6.0
Riu	4,395.0	4,202.1	+ 4.6
Robinson	691.1	654.1	+ 5.7
Blue Diamond	809.6	577.5	+ 40.2
Occupancy rate hotels total 2in %, variance in % points	75.1	72.6	+ 2.5
Riu	84.7	85.9	- 1.2
Robinson	63.6	64.3	- 0.7
Blue Diamond	77.5	82.1	- 4.6
Average revenue per bed hotels total 3in EUR	65	63	+ 2.6
Riu	64	63	+ 1.3
Robinson	91	87	+ 4.0
Blue Diamond	119	105	+ 13.8
Turnover includes fully consolidated companies, all other KPIs incl. companies measured at equity. 1 Group owned or leased hotel beds multiplied by opening days per quarter 2 Occupied beds divided by capacity 3 Arrangement revenue divided by occupied beds 4 Previous year's total capacity now includes Blue Diamond			

- Hotels & Resorts delivered a further improvement in occupancy and average revenue per bed in the quarter, driven by the strength of our portfolio of destinations, new hotel openings, and our integrated model.
- Seven new hotels were opened in the quarter, bringing the total opened since merger to 35.
- We also continued to streamline our existing portfolio. Three hotels were sold by Riu in the quarter, realising a gain of EUR 38 m. In addition, four hotels will be repositioned from Sensimar to TUI Blue, and a club will be repositioned from Robinson to TUI Magic Life.
- Riu delivered further improvement in operational result, with a strong occupancy rate of 85 % and average revenue per bed increase of 1 %, despite disruption in the Caribbean caused by hurricanes. The new Riu Dunamar hotel was opened in Mexico during Q1.
- Robinson's performance was in line with prior year, with occupancy reflecting the ramp up of two new clubs in Thailand and the Maldives.
- Blue Diamond delivered further growth in earnings, despite hurricane disruption, through reduced costs and higher average revenue per bed across the hotel portfolio.
- Demand continues to improve for our hotels in Turkey and North Africa, driving a better operational performance.

Cruises			
	Q1 2018	Q1 2017 restated	Var. %

Turnover 1in EUR million	192.3	151.9	+ 26.6
Underlying EBITAin EUR million	37.5	28.1	+ 33.5
Underlying EBITA at constant currency ratesin EUR million	37.8	28.1	+ 34.5
Occupancyin %, variance in % points			
TUI Cruises	98.9	99.5	- 0.6
Marella Cruises 2	101.0	101.2	- 0.2
Hapag-Lloyd Cruises	75.5	71.3	+ 4.2
Passenger daysin '000			
TUI Cruises	1,266.4	1,007.5	+ 25.7
Marella Cruises 2	691.8	527.7	+ 31.1
Hapag-Lloyd Cruises	74.9	74.4	+ 0.7
Average daily rates 3in EUR			
TUI Cruises	149	143	+ 4.1
Marella Cruises 2, 4	129	122	+ 5.7
Hapag-Lloyd Cruises	533	549	- 2.9
1 No turnover is carried for TUI Cruises as the joint venture is consolidated at equity 2 Rebranded from Thomson Cruises in October 2017 3 Per day and passenger 4 Inclusive of transfers, flights and hotels due to the integrated nature of Marella Cruises, in GBP			

- The Cruises underlying EBITA result increased in the quarter, with a strong yield performance across all three brands and capacity additions.
- TUI Cruises earnings increased due to the addition of Mein Schiff 6 in May 2017, with a continued strong performance across the rest of the fleet.
- Marella Cruises earnings increased primarily due to the addition of Marella Discovery 2 in May 2017. Majesty exited the fleet in Q1 (November 2017).
- Hapag-Lloyd Cruises earnings decreased slightly due to year on year dry dock effects. The underlying performance continues to be strong.

Destination Services			
	Q1 2018	Q1 2017 restated	Var. %
Total turnover in EUR million	82.4	73.5	+ 12.1
Turnover in EUR million	38.4	31.2	+ 23.1
Underlying EBITA in EUR million	- 0.2	2.8	n. a.
Underlying EBITA at constant currency rates in EUR million	1.1	2.8	- 60.7

- Destination Services delivered a good operational performance, with a strong increase in turnover.
- Overall arrivals grew by 3 % and excursions grew by 2 %.
- The underlying EBITA result reflects a change in operating model leading to a shift in earnings to Q3 and Q4.

Sales & Marketing

Sales & Marketing			
	Q1 2018	Q1 2017 restated	Var. %
Turnover in EUR million	3,028.5	2,798.3	+ 8.2
Underlying EBITA in EUR million	- 133.4	- 129.4	- 3.1
Underlying EBITA at constant currency rates in EUR million	- 133.1	- 129.4	- 2.9

Direct distribution mix 1 in %, variance in % points	74	72	+ 2
Online mix 2 in %, variance in % points	48	45	+ 3
Customersin '000	3,615	3,461	+ 4.4
1 Share of sales via own channels (retail and online) 2 Share of online sales			

- Sales & Marketing delivered a good portfolio performance overall. Turnover grew by 9.0 % at constant currency rates, driven by the 4.4 % increase in customer volumes as well as higher selling prices in the UK primarily as a result of currency cost inflation.
- Direct and online distribution mix also continued to increase, to 74 % and 48 % respectively.

Northern Region			
	Q1 2018	Q1 2017 restated	Var. %
Turnover in EUR million	1,178.9	1,108.0	+ 6.4
Underlying EBITA in EUR million	- 31.1	- 29.3	- 6.1
Underlying EBITA at constant currency rates in EUR million	- 30.9	- 29.3	- 5.5
Direct distribution mix 1in %, variance in % points	92	91	+ 1
Online mix 2in %, variance in % points	65	62	+ 3
Customersin '000	1,249	1,246	+ 0.3
1 Share of sales via own channels (retail and online) 2 Share of online sales			

- Nordics delivered a significant increase in earnings in the quarter. This was driven by strong trading, the TUI rebrand, implementation of Cyrus yield management and One CRM, improvements to the destination mix and delivery of operational efficiencies.
- In the UK, we continue to see strong demand for our holidays. The TUI rebrand is progressing very well, with a significantly increased level of unaided awareness. The result for the quarter reflects higher levels of marketing expenditure in association with the rebrand.
- The UK continues to deliver healthy trading margins, normalising compared with recent years in line with our expectations as a result of currency cost inflation.
- Our Canadian joint venture delivered a good performance in the quarter, with further growth in earnings.

Central Region			
	Q1 2018	Q1 2017 restated	Var. %
Turnover in EUR million	1,265.9	1,140.9	+ 11.0
Underlying EBITA in EUR million	- 56.4	- 52.4	- 7.6
Underlying EBITA at constant currency rates in EUR million	- 56.3	- 52.4	- 7.4
Direct distribution mix 1in %, variance in % points	49	46	+ 3
Online mix 2in %, variance in % points	20	16	+ 4
Customersin '000	1,364	1,261	+ 8.2
1 Share of sales via own channels (retail and online) 2 Share of online sales			

- Germany continues to see strong demand for holidays, with volumes up 6 % in Q1 and continued growth in market share. German direct and online distribution mix improved further this quarter, to 48 % and 20 % respectively.
- In addition, we commenced the introduction in Germany, Austria and Switzerland of our Cyrus yield management system.
- The Central Region result reflects the non-repeat of last year's sickness event in TUI fly (EUR 24 m benefit). This was offset partly by the write-off of EUR 20 m wet lease receivable as a result of the Niki insolvency.
- Following the insolvencies of Air Berlin and Niki, TUI fly has taken back some aircraft and crew, with the remainder being wet leased out under a new agreement. For Q1, there has been some impact on the airline cost base which was

not fully recovered through trading and efficiency, however, we expect this to improve over time.

Western Region			
	Q1 2018	Q1 2017 restated	Var. %
Turnover in EUR million	583.7	549.4	+ 6.2
Underlying EBITA in EUR million	- 45.9	- 47.7	+ 3.8
Underlying EBITA at constant currency rates in EUR million	- 45.9	- 47.7	+ 3.8
Direct distribution mix 1in %, variance in % points	75	72	+ 3
Online mix 2in %, variance in % points	58	55	+ 3
Customersin '000	1,001	954	+ 4.9
1 Share of sales via own channels (retail and online) 2 Share of online sales			

- The Benelux result improved on prior year, with an increase in customer volumes of 6 % and the non-repeat of rebrand costs for Belgium and issues surrounding night flying from Schiphol in Netherlands.
- The French result decreased on prior year as a result of the inclusion for a full quarter of the losses of Transat, acquired at the end of October 2016.

All other segments			
	Q1 2018	Q1 2017 restated	Var. %
Turnover in EUR million	145.4	159.4	- 8.8
Underlying EBITA in EUR million	- 23.2	- 11.0	- 110.9
Underlying EBITA at constant currency rates in EUR million	- 21.5	- 11.0	- 95.5

- The result for all other segments now includes those results other than Destination Services which were previously in Other Tourism.
- The variance on prior year reflects the impact of extended planned aircraft maintenance in Corsair.

Cash flow / Net capex and investments / Net debt

The cash outflow from operating activities decreased by EUR 181 m to EUR 1,320 m. The net debt position of the continuing operations improved by EUR 644 m to EUR 874 m. The year-on-year improvement was attributable mainly to the receipt of disposal proceeds not yet fully reinvested.

Net Capex and investments			
EUR million	Q1 2018	Q1 2017 restated	Var. %
Cash gross capex			
Hotels & Resorts	62.1	58.8	+ 5.7
Cruises	35.4	23.4	+ 51.6
Destination Services	0.9	2.2	- 60.6
Holiday Experiences	98.4	84.4	+ 16.7
Northern Region	8.3	12.4	- 33.0
Central Region	6.9	3.2	+ 115.4
Western Region	6.1	7.3	- 16.8
Sales & Marketing	21.3	22.9	- 7.1
Tourism	119.7	107.2	+ 11.6
All other segments	55.3	24.8	+ 122.7
TUI Group	175.0	132.1	+ 32.5
Discontinued operations	-	6.1	n. a.

Total	175.0	138.2	+ 26.6
Net pre delivery payments on aircraft	40.5	83.7	- 51.6
Financial investments	10.4	102.1	- 89.8
Divestments *	- 85.2	- 13.8	- 519.1
Net capex and investments	140.7	310.2	- 54.6

* Excluding effects from Hotelbeds disposal.

The decline in net capex and investments was mainly driven by the acquisition of Transat last year and the sale of three Riu hotels in Q1 2018.

Foreign Exchange / Fuel

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 Sales & Marketing, which account for over 90 % of our Group currency and fuel exposure.

Foreign Exchange / Fuel		
%	Winter 2017 / 18	Summer 2018
Euro	96	87
US Dollars	97	92
Jet Fuel	93	88
As at 8 February 2018		

Income statement

Income statement of the TUI Group for the period from 1 Oct 2017 to 31 Dec 2017			
EUR million	Q1 2018	Q1 2017	Var. %
Turnover	3,549.4	3,282.0	+ 8.1
Cost of sales	3,381.7	3,098.7	+ 9.1
Gross profit	167.7	183.3	- 8.5
Administrative expenses	307.8	287.3	+ 7.1
Other income	45.7	2.2	n. a.
Other expenses	0.3	1.3	- 76.9
Financial income	14.2	6.2	+ 129.0
Financial expenses	37.1	41.7	- 11.0
Share of result of joint ventures and associates	45.1	35.3	+ 27.8
Earnings before income taxes	- 72.5	- 103.3	+ 29.8
Income taxes	- 13.8	- 21.7	+ 36.4
Result from continuing operations	- 58.7	- 81.6	+ 28.1
Result from discontinued operations	-	- 8.5	n. a.
Group loss for the year	- 58.7	- 90.1	+ 34.9
Group loss for the year attributable to shareholders of TUI AG	- 99.6	- 117.5	+ 15.2
Group loss for the year attributable to non-controlling interest	40.9	27.4	+ 49.3

Cash flow statement

Condensed cash flow statement of the TUI Group		
EUR million	Q1 2018	Q1 2017
Cash outflow from operating activities	- 1,320.4	- 1,139.6

Cash outflow from investing activities	- 140.7	- 329.2
Cash inflow from financing activities	- 48.8	25.4
Net change in cash and cash equivalents	- 1,509.9	- 1,443.4
Change in cash and cash equivalents due to exchange rate fluctuation	- 9.0	- 1.3
Cash and cash equivalents at beginning of period	2,516.1	2,403.6
Cash and cash equivalents at end of period	997.2	958.9
of which included in the balance sheet as assets held for sale	-	299.6

Financial position

Financial position of the TUI Group as at 31 Dec 2017		
EUR million	31 Dec 2017	30 Sep 2017
Assets		
Goodwill	2,874.9	2,889.5
Other intangible assets	549.2	548.1
Property, plant and equipment	4,309.6	4,253.7
Investments in joint ventures and associates	1,360.7	1,306.2
Financial assets available for sale	69.3	69.5
Trade receivables and other assets	191.5	211.8
Touristic payments on account	182.3	185.2
Derivative financial instruments	102.7	79.9
Deferred tax assets	299.3	323.7
Non-current assets	9,939.5	9,867.6
Inventories	119.2	110.2
Trade receivables and other assets	878.8	794.5
Touristic payments on account	646.5	573.4
Derivative financial instruments	282.7	215.4
Income tax assets	128.9	98.7
Cash and cash equivalents	997.2	2,516.1
Assets held for sale	0.2	9.6
Current assets	3,053.5	4,317.9
	12,993.0	14,185.5
Equity and liabilities		
Subscribed capital	1,501.6	1,501.6
Capital reserves	4,195.0	4,195.0
Revenue reserves	- 2,815.5	- 2,756.9
Equity before non-controlling interest	2,881.1	2,939.7
Non-controlling interest	629.9	594.0
Equity	3,511.0	3,533.7
Pension provisions and similar obligations	1,091.7	1,094.7
Other provisions	790.0	801.4
Non-current provisions	1,881.7	1,896.1
Financial liabilities	1,704.5	1,761.2
Derivative financial instruments	43.8	50.4
Income tax liabilities	147.9	150.2
Deferred tax liabilities	40.7	109.0

Other liabilities	142.3	150.2
Non-current liabilities	2,079.2	2,221.0
Non-current provisions and liabilities	3,960.9	4,117.1
Pension provisions and similar obligations	34.5	32.7
Other provisions	328.7	349.9
Current provisions	363.2	382.6
Financial liabilities	166.9	171.9
Trade payables	1,843.7	2,653.3
Touristic advance payments received	2,311.7	2,446.4
Derivative financial instruments	205.4	217.2
Income tax liabilities	60.8	65.3
Other liabilities	569.4	598.0
Current liabilities	5,157.9	6,152.1
Current provisions and liabilities	5,521.1	6,534.7
	12,993.0	14,185.5

Alternative performance measures

Key indicators used to manage the TUI Group are EBITA and underlying EBITA.

EBITA comprises earnings before interest, income taxes and goodwill impairments and excluding the result from the measurement of interest hedges. EBITA includes amortisation of other intangible assets.

We consider underlying EBITA to be the most suitable performance indicator for explaining the development of the TUI Group's operating performance. Underlying EBITA has been adjusted for gains on disposal of financial investments, expenses in connection with restructuring measures according to IAS 37, all effects of purchase price allocations, ancillary acquisition cost and conditional purchase price payments and other expenses for and income from one-off items.

The table below shows the reconciliation of earnings before tax from continuing operations to underlying earnings. In Q1 2018, adjustments (including one-off items and purchase price allocations for continuing operations) totalled EUR 20.2 m. This increase of EUR 11.0 m versus the prior year was primarily attributable to restructuring costs incurred in the period under review for the integration process in France.

Reconciliation to underlying EBITA of continuing operations			
EUR million	Q1 2018	Q1 2017 restated	Var. %
Earnings before income taxes	- 72.5	- 103.3	+ 29.8
plus: Net interest expense and expense from the measurement of interest hedges	27.4	33.8	- 18.9
EBITA	- 45.1	- 69.5	+ 35.1
Adjustments:			
plus: Gains on disposals	-	0.7	
plus: Restructuring expense	9.1	0.2	
plus: Expense from purchase price allocation	7.6	7.7	
plus: Expense from other one-off items	3.5	0.6	
Underlying EBITA	- 24.9	- 60.3	+ 58.7

The improvement in the interest result in Q1 2018 was mainly driven by the improvement in net debt position and lower interest rates.

Adjustments include one-off income and expense items impacting or distorting the assessment of the operating profitability of the segments and the Group due to their level and frequency. These items primarily include major restructuring and integration expenses not meeting the criteria of IAS 37, material expenses for litigation, gains and losses from the sale of aircraft and other material business transactions of a one-off nature.

TUI Group's operating loss adjusted for one-off effects declined by EUR 35.4 m to EUR 24.9 m in Q1 2018.

In Q1 2018, adjustments included expenses for purchase price allocations of EUR 7.6 m and in particular restructuring costs for the integration of Transat in France.

Key figures of income statement			
EUR million	Q1 2018	Q1 2017 restated	Var. %
Earnings before interest, income taxes, depreciation, impairment and rent (EBITDAR)	226.2	212.2	+ 6.6
Operating rental expenses	170.8	182.4	- 6.4
Earnings before interest, income taxes, depreciation and impairment (EBITDA)	55.4	29.8	+ 85.9
Depreciation / amortisation less reversals of depreciation *	100.5	99.3	+ 1.2
Earnings before interest, income taxes and impairment of goodwill (EBITA)	- 45.1	- 69.5	+ 35.1
Earnings before interest and income taxes (EBIT)	- 45.1	- 69.5	+ 35.1
Net interest expense and earnings from the measurement of interest hedges	27.4	33.8	- 18.9
Earnings before income taxes from continuing operations (EBT)	- 72.5	- 103.3	+ 29.8
* On property, plant and equipment, intangible asssets, financial and other assets			

Other segment indicators

Underlying EBITDA			
EUR million	Q1 2018	Q1 2017 restated	Var. %
Hotels & Resorts	117.0	70.3	+ 66.4
Cruises	57.3	41.5	+ 38.1
Destination Services	1.8	4.9	- 63.3
Holiday Experiences	176.1	116.7	+ 50.9
Northern Region	- 22.7	- 16.2	- 40.1
Central Region	- 51.6	- 47.5	- 8.6
Western Region	- 41.8	- 43.7	+ 4.3
Sales & Marketing	- 116.1	- 107.4	- 8.1
All other segments	9.3	23.3	- 60.1
TUI Group	69.3	32.6	+ 112.6
Discontinued operations	-	- 12.2	n. a.
Total	69.3	20.4	+ 239.7

EBITDA			
EUR million	Q1 2018	Q1 2017 restated	Var. %
Hotels & Resorts	117.0	69.7	+ 67.9
Cruises	57.3	41.5	+ 38.1
Destination Services	1.5	4.3	- 65.1
Holiday Experiences	175.8	115.5	+ 52.2
Northern Region	- 24.1	- 17.3	- 39.3
Central Region	- 53.7	- 48.4	- 11.0
Western Region	- 50.5	- 43.8	- 15.3
Sales & Marketing	- 128.3	- 109.5	- 17.2
All other segments	7.9	23.8	- 66.8
TUI Group	55.4	29.8	+ 85.9

Discontinued operations	-	- 15.6	n. a.
Total	55.4	14.2	+ 290.1

Cautionary statement regarding forward-looking statements

The present Quarterly Statement Q1 2018 contains various statements relating to TUI's future development. These statements are based on assumptions and estimates. Although we are convinced that these forward-looking statements are realistic, they are not guarantees of future performance since our assumptions involve risks and uncertainties that could cause actual results to differ materially from those anticipated. Such factors include market fluctuations, the development of world market prices for commodities and exchange rates or fundamental changes in the economic environment. TUI does not intend to and does not undertake any obligation to update any forward-looking statements in order to reflect events or developments after the date of this Statement.

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Investor and analyst conference call and webcast

A conference call and audio webcast for analysts and investors will take place today at 7:15am GMT / 8:15am CET. The dial-in arrangements for the call are as follows:

For Germany: +49 30 232531411
For UK: +44 203 367 9216
For France: +33 172 253098
For US: +1 646 7129911

The presentation slides and details of the audio webcast will be made available ahead of the presentation at the following link: http: / /www.tuigroup.com / en-en / investors

Financial calendar

13 February 2018

Annual General Meeting 2018

9 May 2018

Half Year Financial Report 2018

Capital Markets Day

9 August 2018

Quarterly Statement Q3 2018

27 September 2018

Pre-close Trading Update

13 DeCember 2018

Annual Report 2018

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