

UK OFFICE

November 2013 REPORT

**Prepared by: Venessa Alexander
UK Director**

World Travel Market

Attended World Travel Market and met with the following operators:

Getabed

Met with Kerry Sullivan, Contract Manager USA at Getabed to discuss co-op including joining their sales team on the road. Room nights stand at 831 for 2013 (as of November) and 179 room nights have already been pre-booked for 2014. We have now received a marketing proposal and have confirmed joint activity in February 2014. The campaign will include trade e-mail blasts to their agency database of 2,200+ travel agents, special offer features on their homepage, window posters as well as a dedicated landing page. We have also been in contact with their Northern and Southern Sales Managers and arranged dates to travel around the UK to conduct travel agents sales calls in February and March 2014.

Sunway Holidays

Met with Claire Doherty, Product Manager at Sunway Holidays. Claire advised that sales for St. Pete/Clearwater are increasing year on year and they currently feature a very good range of properties in the St. Pete/Clearwater area. Discussed the possibility of a joint co-op marketing campaign in 2014 (which has now been received and confirmed) as well as the possibility of attending travel agent sales calls with Claire on the road in the areas of Limerick, Cork and Louth in Ireland. The activity confirmed includes banner ads on their website, a dedicated newsletter to their database of 47,000 consumers, press releases and e-blasts to their consumer and travel agent email database. Supplied Claire with our logos and video footage. The activity will take place in March.

Virgin Holidays

Met with Andrea Noble, Product Manager and Jo Peskett, Marketing Manager. Room night stats for 2013 are showing as 11.3% up for St Pete/Clearwater with Florida tracking at 7% up. Business booked for 2014 is currently showing as 26% up on 2013 so the signs look very promising. Discussed a recap of 2013 activity and the proposed plan for 2014 which has subsequently been received.

Trailfinders

Meeting held with Andrew Lambert, Contractor for Florida. Discussed the area in general and provided Andrew with an update on what's new in the area. Andrew gave an update on

room nights which stand at 1,244 (as of November) and pre-bookings for 2014 stand at 212 room nights. We recently trained their staff in Kensington so discussed the possibility of training some of their other branches in and around the UK. Andrew has now sent over the list of branches and contacts and work has commenced on contacting these individual branches to arrange training in the spring of 2014. Andrew mentioned that he may be visiting our area in January 2014 and we have advised him to contact us if any assistance is required.

Norwegian Airlines

Meeting with Petteri Olsen, International Sales Manager to discuss joint opportunities available to support the launch of their direct service to Orlando. They confirmed co-sponsorship of our March Scandinavian Sales Mission which includes helping co-ordinate evening agent events and provision of tickets for prizes.

Norwegian Cruise Lines

An update meeting was held with Stacy Martin and Natalie Budgen to discuss the final elements of our co-op marketing plan for 2013 and the forthcoming travel agent roadshows. Also discussed the possibility of hosting travel agents on fam trips as a pre or post stay in our area. Stacy advised this may be very difficult but that if we have a fam group in our area and they have their cruise ship docked in Tampa, then we could possibly join the ship for lunch and a site visit. We will contact NCL in future when we have any groups from the UK in resort.

Thomas Cook

Meeting held with Jill Townsin, Product Manager and Charlotte Aldridge, Marketing Manager to discuss moving forward with the Thomas Cook brands that currently feature our area. Co-op marketing was discussed and we are currently awaiting a proposal. We have recently provided them with imagery and up to date copy for their use as well as contact details for the Holiday Inn Harborside property as per their request. Also discussed training for their call centre staff in Peterborough and this has now been secured for the spring of 2014.

Expedia

Met with Afsheen Qureshi, Rebecca Burgess and Kelly Morshead from Expedia. We were given an update on room nights for 2013 and (YTD) these stand at 4368 compared to 2012 which was 3989. Confirmed we have funds for co-op for both UK and Scandinavia. UK campaign will launch in January including run of site advertising and dedicated landing page.

TUI Specialist (Hayes & Jarvis and Jetsave)

Met with Jessica Jackson, Marketing Manager who advised she would no longer be working on Florida and provided the name of her replacement. Any further communication would need to be with the new Marketing Manager who is not due to start until December. Jessica advised that their Hayes & Jarvis website was re-launching in a few days with a new format including a dynamic packaging element. Chased for results of the co-op campaign which finished in September.

THG Holidays

Meeting with John Bowden, Product Manager at THG Holidays. THG Holidays are working closely with Secret Escapes, which is a members' only travel club offering huge discounts on travel. Some of their special packages include golfing holiday packages and John is interested in including St Pete/Clearwater in a possible golfing package. Also discussed travelling to Swansea in March 2014 to conduct in-house training and travel agency sales calls as we have done over the past 2 years.

Tour America

A meeting was held Veronica Flood to discuss our continued partnership with Tour America looking forward to 2014. Advised Veronica of the budget that has been set aside and currently awaiting a proposal. In the meantime we have supplied Tour America with up to date imagery for their web pages which they are currently updating.

Barrhead Travel

Met with Caroline Donaldson at Barrhead Travel to discuss their Turn of Year Campaign (TOY) starting in January 2014, training opportunities with their retail travel agency network, sponsorship of their Staff Conference and a possible retail in-store promotion. The TOY campaign has been finalised and we will again this year be partnering with Busch Gardens Tampa Bay. The campaign includes a full page in the January Discover Mailer, TV adverts to include our logo, radio advertisements, A4 posters in retail stores as well as attendance at a branded themed weekend in their main store (which has been confirmed for February 2014). Provided our copy, imagery, logos and video footage for the campaign. Confirmed sponsorship of a breakfast at their staff conference which includes a 15 minute presentation. Also secured training for their in-house call centre staff again to take place in December.

Gold Medal

Met with Harriet Moon, Marketing Manager at Gold medal Travel Group. Harriet advised that sales for the US were currently trading at 35% up year on year and that Florida figures are currently at 61% up year on year. We are already working with them on co-op to support the launch of their dedicated Florida brochure in December but advised we had additional co-op money available for them. Currently awaiting a proposal in order to move forward. We also discussed the possibility of training their travel agents on conjunction with their Regional Sales Managers and this is currently being discussed. Training for their in-house reservations agents in Preston has been confirmed and we will be training approximately 30 staff members in December.

American Holidays

A meeting was held with Dee Burdock, Product Manager. Dee advised that as of the end of September 2013, American Holidays were trading at 24% up year on year across the US. Florida twin centres are currently selling exceptionally well and St. Pete/Clearwater continues to benefit from this due to our close proximity to Orlando. Dee provided us with a co-op marketing menu and we have already contacted them to show our interest in partnering with them in March 2014. Discussions currently on-going regarding activity but this is likely to include social media opportunities, blog posts on their website homepage, website homepage

takeover and display ads, in-store plasma screen takeover as well online editorials and newspaper ads. Also discussed adding in a dedicated in-house staff incentive based on shopping vouchers for the top 3 best sellers during the month.

Travel Republic

Met with Ellie Steinor, Product Manager and Sophie Manning, Marketing Manager. Discussed the co-op proposal they had recently sent through and revised the launch dates so that this will now launch in March instead of May. Also discussed contracting of hotels direct as they would prefer to go down this route instead of using receptives. Have offered any assistance they require with this and awaiting further contact from their hotel contracting manager.

American Sky

Met with Geoff Dobson and his marketing team. Geoff advised that American Sky were currently (as of November) 120% up year on year for sales across the board and that 2014 is already 67% up for advance bookings. Geoff requested our assistance in two travel agent fam trips that he is escorting in November and December, one with UK Travel Agents and one with Irish Travel Agents. We assisted with both fam trips and scheduled a day in and around our area to showcase the beaches and culture. We have provided Geoff with up to date imagery, copy and logos and discussions are taking place for us to train their call centre staff.

Travel Up/Magic Holidays

Met with Ian Moore, Product Manager to discuss our area in general and how we may be able to assist them in the future. Travel Up/Magic Holidays were predominately a flight only consolidator and have now branched out into tour operations. We had already provided Ian with images and copy and have also now secured training for their call centre staff based in Blackpool which will take place in February 2014. We have advised Ian to let us know if any further assistance is required and he will be back in touch in the coming weeks for assistance on their new tour operating website.

Infinity Holidays/Flight Centre

Meeting held with Emma Lenanton and Sarah Dean. Emma advised that they sent a total of 14,700 passengers to Florida during their last fiscal year (July to June) and that they are currently very happy with the product they feature within their Florida brochure. Their top seller at present is the Dolphin Beach Resort. We discussed our recent Retail Campaign which went very well and so discussed the possibility of running another in April 2014. Sarah will provide us with a new retail proposal in due course. Discussed other possible joint activity including sponsorship of their Flight Centre Travel Agent quarterly meetings and Emma will revert back regarding this. In the meantime training has been secured at their call centre in New Malden in March 2014.

Premier Holidays

Met with Heidi Blades, General Manager. Room nights booked have again increased and as of early November were showing as 1968 booked year to date. This really puts Premier Holidays in to the top tier with regards the business they send us. Discussed co-op marketing

for 2014 and requested a proposal which has subsequently been received. Also discussed a small retail promotion they are running in January and February and we have now confirmed participation.

Best At Travel

Met with Kevin Hogg at Best at Travel and he has advised that they are currently working on launching their new website. We offered assistance in reviewing the pages once these have been finalised as we have already supplied them with images, copy and logos. Also discussed a training event for their call centre staff and homeworkers.

Cosmos Holidays

Met with Neil Garner to discuss our forthcoming joint co-op marketing activity. Neil advised that work is still on-going updating their current reservation system and will not proceed until this has been finalised. Currently awaiting a final proposal of activity on this basis. Neil advised that 2012 was their largest year in terms of capacity for Cosmos with many more seats into Orlando Sandford International Airport which ran at a 97% load factor, although rates had to be reduced to compete in the market. Neil also advised that Cosmos were currently up 70% year on year on package sales.

British Airways & British Airways Holidays

Met with Gemma Pascal and Pete Brudenell at BA Holidays and Marc James from British Airways. Discussed our previous joint campaigns and opportunities that will be available in 2014. Gemma advised that room night stats were very healthy and that 2014 has already shown a 2% increase in sales based on the same period last year. Top selling hotels are the Hilton Clearwater Beach and the Tradewinds Island Grand Resorts. Marc advised the Tampa flight was continuing to sell very well too and that they will again be able to provide us with 10 fam trip seats. Discussed our BA.com landing page for St. Pete/Clearwater which we have paid for in previous years. As in 2012, BA will not be charging us for this and this will again continue FOC for 2014. Confirmed we will participate in their 2014 Florida promotion.

Visit Orlando

A meeting was held with the UK Visit Orlando team to discuss the forthcoming Scandinavian Sales Mission, joint tour operator trainings as well as another joint event for our top tour operators and airline contacts. We have confirmed a joint event on 13th December.

Funway Holidays

An update meeting was held with Nick Talbot, Marketing Manager at Funway Holidays to discuss our continued partnership in their Florida Beaches Campaign. Nick advised us that Florida was up 29% YOY and that the new dedicated Beaches programme was starting to see good results. Phase 1 has now completed and phase 2 is in the process of being finalised and will commence in January 2014. Provided Funway with additional imagery to utilise in the second phase of the activity and in the process of approving each individual element to the campaign.

Letsgo2

Met with Casey Hurford, Product Manager to discuss their new Florida product. Visit St. Pete/Clearwater will feature in their 2014 Florida Programme and so we have discussed the possibility of partnering with them on the Florida programme launch due to take place in January 2014. We have confirmed our participation in a dedicated Florida e-newsletter that will be sent out to a database of 70,000 email addresses. Provided Casey with up to date copy, images, logos and copy and also secured training for their in-house call staff prior to the activity launching.

Stella Travel Services

A meeting was held with Jonathan Couch, USA Contractor. Jonathan advised that Stella continue to grow their business to the US year on year and that St. Pete/Clearwater continues to increase their sales. Room nights for 2013 (as of November) stand at 457 with 2012 total room night stats at 410. Jonathan advised that the new brochure will be launched in April 2014 and that product will remain the same. Also discussed training their call centre staff in Scotland and this has now been confirmed and arranged for December. A total of 30 call centre staff will be trained.

BMI

Meeting held with Sally Parker, Publisher to confirm our ad spend and discuss possible creative concepts. Awaiting suggestions from them for the first advert which will run in February 2014.

TOUR OPERATORS

Ocean Florida

Trained a total of 20 reservations agents at the Ocean Florida call centre in Romford Essex. We provided the staff with general information on our area, updated them on what was new to see as well as distributing literature and giveaways. We also met with Lisa Barrington and discussed the possibility of joint co-op marketing and are currently waiting on a proposal. We have also secured a re-visit to train all of their new starters in December.

Other meetings and trainings

NCL Roadshows – Attended the NCL Travel Agent Road Shows in and around the UK. We visited a total of 4 cities (Glasgow, Bristol, Birmingham and Belfast) and spoke to approximately 200 travel agents about pre and post cruise stays in our area. We go to interact and mingle with the agents and also had a chance to provide them with brochures and giveaways.

Cosmos – Trained a total of 18 reservations agents at the Cosmos call centre in Stockport. In addition to an area update we also provided them with literature and giveaways.

Premier Holidays – Trained a total of 15 reservations agents at Premier Holidays call centre in Cambridge. The staff were given an update of St. Pete/Clearwater and brochures and giveaways were handed out.

TRADE LIAISON

- Confirmed major London advertising on buses and underground stations which will launch in February. Negotiated a \$35,000 in-kind barter agreement with Virgin Holidays offering them the call to action on the campaign.
- Confirmed a national consumer promotion to run with Wacky Warehouse, a chain of soft play centres for children. Activity will launch in February and will include extensive POS as well as online elements.
- Liaison with Visit Orlando and Norwegian Airlines regarding the forthcoming Scandinavian Sales Mission in March. Proposed itinerary has been sent to Norwegian Airlines who will co-sponsor the Mission and assist with the evening events.
- Discussion with Virgin Holidays regarding inclusion in their January peaks campaign. We had confirmed participation but more budget has now been assigned to this campaign where we will feature in major online elements.
- Ongoing co-ordination of the Florida's Beaches group including show sign up, hotel and badge confirmations and liaison with all partners re shipping of collateral
- Flight Centre – We have now received the results from the Flight Centre/Infinity Holidays In-Store Promotion that took place from the 1st – 15th September 2013: Florida Passenger Bookings – During the 2 week campaign period there was a YOY decline of –3.7% but a growth of 8.2% in the 2 weeks after the campaign. Flight Centre looked at the trend in the month prior to the campaign and advised that Florida was tracking at –10.5%. The campaign has not only arrested the decline for the first 2 weeks of September but has also shown significant growth for the entire month when compared to the previous month of August. We were also advised that Tampa saw the largest increase in air tickets and grew market share against other key gateways.

Infinity Room Night Bookings – The campaign saw a small uplift in room nights versus the same period in 2012. During the 2 week campaign period room nights were up 12.5% in the two weeks post campaign, room nights were up 16.6% albeit on a small base. It is worth noting that room nights in competing Florida destinations were in decline during the campaign period.

- Charter Travel – We were contacted by Charter Travel for assistance with up to date images, copy etc. Imagery, copy, logos, video footage and key selling points have duly been sent. Also spoke to Charter Travel about training for their staff and discussions are taking place.
- Invite list drafted and invites emailed for joint event in December with Visit Orlando.

- Major Travel – Provided Major Travel with imagery and copy as per a request we had received from their marketing department.
- Signed off advert to appear in the UK version of the Visit Florida travel guide.
- Funway Holidays – Liaison has taken place with Andy Travis, National Sales Manager for Funway Holidays to arrange a date to sponsor a training session and lunch for their Regional Sales Managers. Details have been confirmed and we shall be training and hosting the team on the 5th March 2014.
- VUSA Ireland – We provided The Visit USA Committee in Ireland with details on the filing of A Dolphin Tale 2 which they then sent out as a dedicated E-newsletter to their trade and consumer database.
- North - America Travel Service – Discussions have taken place with Karen Farrar to see if we would be able to conduct trainings in their retail stores in the coming months. Trainings have been requested directly with the individual branches and so far Barnsley has been secured. We are waiting for Leeds, Edinburgh, Manchester and Nottingham to get back to us.
- USAirtours – The first of the fam trips we are arranging for USAirtours has now taken place. A total of 10 travel agents visited the area and experienced the destination first hand. The second fam we are organising will be their in-house call centre staff and this will take place in December.
- American Holidays – Sent general copy and details of the filming for Dolphin Tale 2 to Bronagh McNamara, Marketing Executive at American Holidays after a request was received as they had an opportunity to include a last minute editorial in a high circulation magazine in Ireland and
- BA Holidays – Provided details to Gemma Pascal of the new contact at Loews Don CeSar as they are looking to re-contract in the coming weeks.
- A meeting has been arranged with SeaWorld Parks & Entertainment to discuss moving forward in 2014 including joint co-op marketing activity with tour operators, our joint VIP hosted event as well as any other possibilities to partner in the future.
- Scott Dunn – Assisted Anna Northwest, Product Manager at Scott Dunn Travel with hotel suggestions within our area and provided contacts for Anna to contact them directly.
- Glen Travel – Training has been secured at Glen Travel in Glasgow in December. A number of front line sales agents will be trained.
- Merchandise – We have again produced a selection of writing pads and pens here in the UK for us to utilise at call centre and travel agent trainings.

ENQUIRIES:

Telephone/website enquiries for information and/or literature

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MARKET INTELLIGENCE:

04 November 2013 – Source Travel Daily

Lowcostbeds marks 10 years

Lowcostbeds has launched its official 10th anniversary celebrations. The company will be launching a new trade marketing campaign this week which will run until the New Year and will offer various incentives and offers during 2014 all based on the anniversary. An awards ceremony will also take place next year which will reward hotels as part of its internal 'Hotel Rating' system. Speaking at WTM, founder and CEO Paul Evans said: "It has been an amazing journey so far and we are entering the next, exciting phase of our growth and development, as we become a truly global business. We are on track to becoming a \$1 billion global business." The group has also announced that UK business and forward bookings for lowcostonline will now operate from Spain. All bookings will now be made through the Spanish subsidiary Lowcostonline Spain so they comply with European laws. The brand previously operated in non-EU Switzerland. "As we globalise the group, we are centralising our lowcostonline business and simplifying our structure. We now employ over 100 staff in our Palma centre, and having a single trading entity through which all of our holidays are sold means we can achieve significant efficiencies and cost savings," Evans explained. "It also means all of our pan European businesses will be regulated under Spanish law and effectively under the overarching regulation across Europe of the EU Package Travel Directive."

07 November 2013 – Source Travel Daily

New UK boss at Thomas Cook

Thomas Cook has appointed a new UK chief executive in Reto Wilhelm. Wilhelm will move to the role from his current position of managing director of the group's West/East region in continental Europe where he has overseen the turnaround of its French operation. He will be tasked with the continuation of "professionalising the UK operation and transforming the business to deliver consistent, profitable, sustainable growth." Current Thomas Cook UK CEO Peter Fankhauser has been named as group chief operating officer. In the newly-created role, Fankhauser will report to the group's chief executive Harriet Green and advise on the best practices across all markets as well as product innovation. Salman Syed will replace Wilhelm in early December, who used to work at Green's former employer Premier Farnell. "As we continue to drive the transformation of the Thomas Cook Group, I am pleased to announce the completion of my executive committee, another step on our journey to further professionalise the Group, break down regional silos and realign leadership responsibilities to accelerate the delivery of our strategy for sustainable profitable growth. I look forward to leading this strengthened team as we deliver on our targets for 2015 and beyond," said Green.

10 November 2013 – Source Travel Daily

IAG soars with US \$900m profit

The International Airlines Group (IAG) has posted a strong set of financial results for the

third quarter of the year, with operating profits surging to more than US\$900 million. The Anglo-Spanish company, which operates British Airways, Iberia, Iberia Express, Vueling and bmi, generated an operating profit of EUR690 million (US\$922m) for the three months to 30 September 2013 – 156% higher than the EUR270m generated in the same period last year. Company revenues climbed 6.9% to EUR5.41 billion, including a 10.4% jump in passenger revenues, to EUR4.80bn. Staff and fuel costs – the group’s two highest expenses – declined 7.5% and 3.0% respectively, for an overall 1.5% reduction in operating costs, to EUR4.72bn. For the first nine months of the year, IAG’s operating profit totalled EUR657m, compared to just EUR17m in the same period in 2012. Revenues climbed 3.9% to EUR14.11bn. Willie Walsh, IAG’s chief executive, called the figures “strong results”. With reference to struggling Spanish national carrier Iberia, Walsh said the operating profit of EUR74m was “an improved performance, bearing in mind it’s the strongest quarter of the year”. “However, the airline must continue to implement its restructuring plan and reach agreement on productivity changes to bring about long-term sustainable profits and growth,” he added. BA’s operating profit rose 78% to EUR477 million, and Walsh said the UK flag carrier “continues to benefit from a strong London and trans-Atlantic market, as well as a EUR100 million revenue bounce-back from the Olympic effect last year.” In the first nine months of the year, IAG has now carried 50.45m passengers, 21.6% more than the same period in 2012. The group also added 54 new aircraft to its combined fleet during the last 12 months, while average cabin load factors increased 0.5 percentage points to a strong 81.4%.

10 November 2013 – Source Travel Daily

WTM attendance grows 5%

Attendance at the first three days of World Travel Market was up 5% this year compared to last year, organisers have revealed. The first invite-only day saw visitor numbers up 12% to 8, 916 people and on Tuesday 18, 292 people descended into the ExCel London, up 7% year-on-year. Wednesday also saw a 5% boost in numbers to 14, 324 people. “I am absolutely delighted with the delegate attendance of WTM 2013 across the first three days. These figures demonstrate the power and importance of WTM to the industry and the role it plays in facilitating business for sector,” said Simon Press, Reed Travel Exhibitions’ senior director for WTM. “World Travel Market 2013 will facilitate more than GBP2 billion in industry deals and is poised to be the best-ever attended,” he added.

11 November 2013 – Source Travel Daily

London Britannia Airport designs unveiled

A design for a new airport in London’s Thames Estuary has been unveiled by the Thames Estuary Research and Development Company (Testrad). Testrad said the new airport, previously dubbed Boris Island and now known as London Britannia Airport, could be built within seven years for GBP47 billion. The brochure released by Testrad said the airport would feature six runways with high-speed rail connections to central London, Heathrow, Gatwick and Stansted including a Crossrail extension. Passengers would be able to check-in at various points such as Kings Cross, Ebbsfleet and Canary Wharf before taking trains to the airport, with water access also to be made available from London Gateway. Its proposals will be submitted to the Davies Commission while the group considers the future of the south of England’s airport capacity growth. “The new London Britannia Airport concept plan gives London the airport it will need to support its world city status into the 21st century. It also provides a solution to the challenge of incorporating London’s expected growth in population

of 2m and a facility which can be linked to the whole of the UK while both the East and West of London will each benefit from regeneration,” said Bridget Rosewell OBE, CEO of Testrad. Bosses at Heathrow and Gatwick have also put forward proposals to the Davies Commission.

12 November 2013 – Source Travel Daily

Golf operator sales improve 9%

Tour operators specialising in golf holidays have seen a 9.3% increase in sales in 2012 compared to 2011. New statistics from the International Association of Golf Tour Operators (IAGTO) found growth in the golf sector with the increases expected to continue into 2013 and 2014. “With our report showing a steady, healthy growth of the sector, I believe we can all look forward to a third consecutive year of golf tourism growth in 2014 – an optimistic forecast I am confident will be reflected in next year’s global golf tourism survey,” said Peter Walton, chief executive of IAGTO at the International Golf Travel Market this week. “Golf resorts, courses and hotels, should continue to focus on their individual strengths, but also, and more importantly, on working together with public sector bodies, to promote their golf destination and position it in the best possible way to attract more golf travellers and golf tour operator business,” he added.

17 November 2013 – Source Travel Daily

Brilliant Travel hails successful launch

Barrhead Travel Group’s new B2B Brilliant Travel brand has already signed up five high street partners since its launch four months ago. As well as signing up members in Sunderland, Annan, London, Rossendale and Poulton-le-Fylde the group has also received a further 75 applications. Bosses now predict to have 40 home-based agents and 40 managed branches in the next six months. “It’s still early days but we have been overwhelmed by the interest in the company from agents with a variety of backgrounds – including a large number of enquiries from existing businesses currently working for our direct competitors,” said Brilliant Travel’s director Trevor Davis. “The brand is clearly appealing to people. The technology on offer and the simple charging structure have been particularly well-received, as has the comprehensive marketing pack that we provide our partners with, which includes business cards, postcards and flyers to ensure they can hit the ground running.”

19 November 2013 – Source Travel Daily

TUI and Thomas Cook sell Airline Group stakes

Both TUI and Thomas Cook have sold off their stakes in the Airline Group. TUI has sold off 87.4% of its shareholdings and loan interests in Airline Group for GBP38 million to the Superannuation Scheme Limited, which is a trustee of Universities Superannuation Scheme (“USS”). Airline Group holds a 41.9% stake in UK air traffic controller NATS. “Following the merger and subsequent creation of TUI Travel in 2007 our interests in Airline Group were identified as non-core. We are pleased to sell the majority of our interest in Airline Group and at a value that exceeds the current carrying value of the investment.” Thomas Cook is also expected to bring in GBP38m by selling off its 91.5% shareholding and loan interests in the group. Both transactions are due to clear at the beginning of 2014 subject to approval from the European Commission.

19 November 2013 – Source Travel Daily

TUI orders two more Dreamliners

The additional order brings the airline's total number of Dreamliner orders to 15, with the extra pair to arrive in 2016. Its order comes off the back of near-perfect feedback on its current Dreamliners, which in the UK are being deployed on long-haul routes. The value of the two aircraft is US\$422 million (GBP264m) although TUI is understood to have agreed a 'significant discount'. "We have developed our strategy by putting the customer at the centre of everything we do. The 787 Dreamliner is another example where we have led the way by enhancing the customer experience and improving environmental efficiencies, both of which differentiate us from other tour operators," said Peter Long, chief executive of TUI. "The feedback we receive from those who fly on these aircraft is exceptional and this order allows us to continue to deliver the best possible customer holiday experience – from the point customers start dreaming of their holiday until they get home."

21 November 2013 – Source Travel Daily

Travel accounts for 37% of online spending – report

Online spending on travel now accounts for more than a third of total e-commerce, according to a new study. The report by Expedia Media Solutions and comScore found that the global online travel market was worth US\$58 billion in the first half of 2013, or 37% of total online spending. This marks growth of 8% year-on-year, while the amount of time customers are now spending browsing online content has jumped 93% in the last three years. Online travel agencies (OTAs) are visited by 80% of travellers during the booking process, while 26% of consumers were exposed to travel-related content on Facebook. And this growth is largely being driven by mobile devices. Twenty-eight percent of total travel searches are spent on smartphones and tablets, and 24% of travellers access travel content exclusively on their mobile devices. The amount of time customers spend on mobile travel websites has increased 45% in the last year, while minutes spent on PCs climbed just 2%. Noah Tratt, Expedia's global vice president of media solutions, explained that travellers are now looking at a number of different online sources, before committing to a booking. "Rather than a linear path to purchase, the research and booking process of today's traveller looks like an ongoing and multi-directional flight map, with each stop providing an opportunity for brands to reach and engage with travellers," said Tratt. The report found that the hotel and accommodation sector was the most commonly researched sector of the market, accounting for 55% of online time. This was followed by information about weather/climate (46%), airfares (45%) and activities (42%). In terms of mobile research however, weather and climate information topped the list, followed by restaurant reviews. Upon return, 45% of travellers will post travel-related content on social media or write reviews.

28 November 2013 – Source Travel Daily

Thomas Cook's first transformative year brings benefits

Thomas Cook's group chief executive Harriet Green said the group's turnaround has "only just begun" as it announced a rise in underlying EBIT and strengthened balance sheet within the last year. In the first year under Green's transformation plans the group's underlying EBIT had improved 49% to GBP263 million, with its net debt more than halved. While still posting a loss after tax of GBP207 million for the year up to 30 September 2013, it is an improvement on the GBP590m loss posted at the same time in 2012. Signalling further positivity for the years ahead, Green said the company will now focus on new product

revenue; Wave 1 cost out and profit improvement and cash conversion as its main targets for 2015. It also hopes to replicate the same cost out and profit improvements in a second wave due to be delivered by 2018. "I am delighted to report that the first 365 days in the transformation of Thomas Cook have been a great success. We've taken out more cost more quickly than originally planned. The balance sheet has been strengthened; the GBP1.6 billion recapitalisation has been completed; maturities extended and we have almost halved our net debt. Finally and significantly, operational cash flow is gathering momentum," said Green. "Yet the implementation of our strategy for sustainable profitable growth has only just begun.

With our systemised approach to business, our products, people and processes and our powerful unified brand, we are confident of delivering significantly more," she added.

28 November 2013 – Source Travel Daily

Gatwick seals seven-year Norwegian deal

Gatwick Airport has secured a seven year deal with Norwegian to settle more new routes in the future. The new commercial deal will build on the airline's new base from the UK airport, from which a series of routes into Europe and the USA have been announced. These include flights from Gatwick to New York, LA and Fort Lauderdale using a Boeing 787 Dreamliner. The agreement comes after the Civil Aviation Authority (CAA) endorsed Gatwick's approach to work more with airlines to negotiate commercial terms. "Norwegian is delighted to have agreed a long term commercial partnership with London Gatwick. As one of the fastest growing airlines at the airport, Norwegian will continue offering our passengers at Gatwick an increasing route network and a high quality product at reasonable fares," said Bjorn Kjos, CEO of Norwegian. "We are particularly excited about the potential to serve long haul routes, and we have already announced the first three routes from London Gatwick to the US."

28 November 2013 – Source Travel Weekly

Thomas Cook UK transformation on track says Fankhauser

Thomas Cook pledged its UK business transformation will "continue at pace" after the group announced its first full-year operating profit in three years today. However, UK and Continental Europe chief executive Peter Fankhauser insisted: "This is not about job cuts." He said there are no plans for further shop closures other than as part of a "normal" cycle of reviewing outlets as leases come up for renewal - after shutting about one in five UK stores this year. Thomas Cook revealed a UK operating profit of £66 million in the year to September after "virtually no profit" a year ago. Fankhauser said: "We expect the same amount of improvements [still to come], but this is not just about cuts. It is about improving our business systems, improving our margins. It is not about any job cuts. "Cost out is all about better operating and how we transform the business. We are increasing our costs out but it does not mean we are having further cuts." He added: "We are further on in our cost out [programme] than we expected. "We reduced our [UK] shops by 204. A lot of stores will be under review in coming years where leases are running out, but to review whether we keep stores open is business as usual. "We are consolidating our retail network as it makes business sense." Fankhauser suggested Cook's retail joint venture with The Cooperative Travel could continue beyond the minimum five-year agreement signed off in 2011. He said: "There is no indication we will not run the joint venture beyond [the five years]." He also suggested third-party distribution would remain important. Fankhauser said: "Third-party agents love us since we introduced price parity in distribution." The group has targeted online distribution of 50% across the business by 2015 in line with a previously announced target

for the UK. UK online distribution reached 36% in the year to September, up from 33% a year ago and on a par with the group-wide percentage. Fankhauser said: “We targeted 50% on the web. It’s an ambitious target and we are well on the way. We have seen an improvement in the UK and in all our markets.” He described the UK figures as “a notable first step to our target margin of 5% by 2015”. In Germany, he said: “We continue to produce industry-leading profits.”