

31 August 2007



Thomas Cook Group plc
Interim Management Statement

Thomas Cook Group plc is today publishing its first Interim Management Statement.

Current Trading and Outlook

The Board believes that, overall, the Group's financial performance for the full year 2007 will be in line with its expectations. While the recovery in the UK in summer 2007 has not been as strong as we had expected, we anticipate that Northern Europe and Airlines Germany will exceed our expectations.

In the UK, as previously reported, we have reduced capacity year on year for summer 07 by 5%. Cumulative bookings are currently tracking in line with this reduced capacity and average selling prices are 1% up year on year. While we continue to see an improvement in trading compared to summer 2006, we have not been able to fully recover the increased cost of fuel by charging higher prices. In addition, our customers are having to pay approximately €60m of additional Air Passenger Duty, which has acted as a brake on prices.

In Northern Europe, cumulative bookings for summer 07 are currently 2% ahead of the prior year on similar capacity and average selling prices are 4% up year on year. When combined with the winter performance reported in June, we expect the Northern Europe division to deliver an excellent result for the full year.

In Continental Europe, bookings for summer 07 are currently 6% behind the prior year with average selling prices 2% ahead. As anticipated, trading conditions in our largest market, Germany, remain challenging, but we have taken steps throughout the season to reduce capacity and mitigate the impact. We are very pleased with the performance in our Western European markets (Belgium, Holland and France). In Belgium, the largest of the Western markets, cumulative bookings are currently 7% ahead of the prior year and average selling prices are 1% ahead.

Summer represents the low season in North America. Cumulative bookings for summer 07 are currently 32% behind the prior year. This is broadly in line with the reduced capacity. Average selling prices are 11% up year on year.

In Airlines Germany, the booked seat load factor for summer 07 has increased against the prior year by 1% for short and medium haul and by 4% for long haul. The cumulative yield is also currently 9% higher than the prior year. This reflects a strong performance in long haul and management's focus on profitable routes and strict cost control.

Integration and synergy update

The programme to integrate the former Thomas Cook and MyTravel businesses has continued to make excellent progress in the two months since our interim results. We are increasingly confident that the synergies achieved will exceed the €140m predicted in the Prospectus for the merger.

Since the completion of the merger on 19 June 2007 we have passed a number of key milestones:

- Appointment of senior managers in the new Group and UK & Ireland division management structures.
- UK fleet rationalisation and capacity planning for the Winter 2007/08 and Summer 2008 seasons. This is vital for the combination of the Group's two UK airlines, which is expected to be the largest single source of synergy benefits.
- Detailed plans for proposed office closures and the relocation of all principal operating functions by the end of 2007.
- Put in place plans to migrate to a single UK charter tour operating reservations system by November 2007.

Management continues to seek further synergy opportunities as plans are implemented.

Czech acquisition

On 1 August 2007, the Group completed the acquisition of Travel Plus, for €3.1m, as the basis for establishing a new tour operator business in the Czech Republic, which is a promising market with good economic growth. This acquisition was financed from the company's own resources. Travel Plus is a leading travel agent with seven shops located in major cities throughout the Czech Republic, and tour operating subsidiaries Dusek Tours and All-round Service.

Hurricane Dean

Hurricane Dean struck the Lower Antilles, South Jamaica and Mexico between 17 and 21 August 2007. The Group had a total of approximately 7,000 customers in the affected areas at the time the hurricane struck and our normal incident support procedures were activated as soon as the threat of the Hurricane became known. Where necessary, rescue flights were deployed to remove customers from the resorts most at danger. In addition, a number of flights were cancelled or delayed during this time. Where cancellations and delays occurred, customers were given the opportunity to book alternatives.

We are pleased to report that no customers or staff were injured in the hurricane and that all flights and our resort operations in the affected areas have now returned to normal. Our immediate and professional response to the incident again demonstrates our commitment to customers and highlights yet again the benefit of booking a holiday through a tour operator rather than independently.

We do not expect the financial impact of Hurricane Dean to be material to the Group's results.

Future Seasons Trading

In the UK, capacity on sale for winter 07/08 is expected to be approximately 5% below the prior year as we exit unprofitable programmes and thus enhance yields. Currently, cumulative bookings are encouraging at 2% ahead of the prior year, and in the last four weeks bookings are 9% ahead of the prior year. As a result, we have already sold 26% of our

current capacity on sale, which is 3% more than had been sold at the same time last year. Average selling prices are 1% down year on year.

The summer season 2008 in the UK has recently been launched and early indications are good, with customers booking early to ensure they get the holiday of their choice. As with winter 07/08, we are currently reviewing the combined programme with regards capacity planning, exiting unprofitable programmes and optimising yield management.

In Northern Europe, bookings for winter 07/08 have started very strongly, being cumulatively 14% up on the prior year on 6% more capacity. We have sold 36% of our capacity to date which is 2% more than had been sold at the same time last year. Average selling prices are also 6% ahead year on year.

Brochures in Continental Europe for winter 07/08 have not yet been launched in all markets. However, in Germany and Belgium, where brochures have recently been launched, early bookings indications are encouraging.

Brochures for the winter 07/08 season in North America have only recently been launched and cumulative bookings are currently behind the prior year. However, in the last four weeks, bookings have been tracking significantly ahead of the prior year. Cumulative average selling prices are also 8% ahead.

The booked seat load factor in Airlines Germany is currently 4% ahead of the prior year for short and medium haul and 3% ahead for long haul.

Arcandor (formerly KarstadtQuelle) Reporting

Arcandor, our majority shareholder, is today issuing its half year report to the German market in line with German regulatory requirements. This report contains financial information relating to Thomas Cook Group plc. However, the segmental financial information relating to Thomas Cook Group plc is not directly comparable to the information that Thomas Cook Group plc would have reported for the period to 30 June for a number of

reasons. In particular, Arcandor's segmental financial information reflects the impact of that Group's changes in ownership of Thomas Cook AG throughout the current period. The information also includes adjustments to eliminate accounting policy differences between the two groups.

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A conference call for analysts will take place today at 8.30am (BST). The dial-in arrangements for the call are as follows:

Telephone: +44 (0) 1452 541 077

Participant Code: 15280632

A recording of the conference call will be available until 14 September 2007 on:

Telephone: +44 (0) 1452 550 000

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