

21 May 2012

Thomas Cook Group Plc
Disposal of Thomas Cook India

Thomas Cook Group plc ("Thomas Cook") is pleased to announce that, following an auction process, agreement has been reached to sell its 77% interest in Thomas Cook (India) Limited ("TCIL") to Fairbridge Capital (Mauritius) Limited ("Fairbridge"), a subsidiary of Fairfax Financial Holdings Limited.

Under the terms of the agreement, Thomas Cook will receive gross cash proceeds of INR 8,174m for its shareholding (circa £94m at current exchange rates). The agreed price is equivalent to INR 50 per share, which represents a premium of 11% to the market price immediately prior to the announcement of the auction process. The Group will grant Fairbridge a licence over the Thomas Cook brand for 12.5 years in the countries in which TCIL currently operates.

The disposal is part of the Group's previously announced plans to reduce debt and strengthen its financial position, which combined with the proposed sale and leaseback of certain aircraft and sale of HCV will also deliver substantial additional liquidity. The net proceeds of the sale will be used to reduce the net debt of the Group.

Completion of the sale will be conditional upon the approval of the transaction by Thomas Cook shareholders and will require Indian regulatory approval. A circular will be sent to shareholders in due course containing further details of the sale together with a notice convening a meeting of shareholders. The sale of TCIL is expected to complete within the current financial year.

Sam Weihagen, Group Chief Executive said:

"I am pleased to be able to announce this disposal, which is a further step in improving the Group's financial position and demonstrates our on-going commitment to reducing debt and strengthening the balance sheet. I would like to thank the TCIL management team for the professionalism they have shown throughout this process. We wish them well under their new ownership."

Enquiries

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Notes to Editors

TCIL had gross assets of INR 9,327m (circa £107m at current exchange rates) and net assets of INR 3,923m (circa £45m at current exchange rates) as at 31 December 2011 and generated net profit of INR 562.4m (£6.5m at current exchange rates) for the 12 months ending 31 December 2011.

The current TCIL management team will remain with TCIL upon its sale.

Thomas Cook Group has been advised by Credit Suisse.

About TCIL

TCIL is the largest integrated foreign exchange and travel services company in India. Its services are mainly focused on foreign exchange but also include outbound and inbound leisure travel, corporate travel and insurance. TCIL is listed on the Bombay and National Stock Exchanges of India and Thomas Cook holds a 77% stake in the company.

About Fairbridge Capital

Fairbridge Capital is an investment company engaged in long-term investments and acquisitions in the Indian region. Fairbridge Capital is a wholly-owned subsidiary of Fairfax Financial Holdings Limited.

About Fairfax Financial

Fairfax Financial Holdings Limited is a financial services holding company which, through its subsidiaries, is engaged in property and casualty insurance and reinsurance and investment management.