

Good start into the new financial year / Group turnover growth of around 24 per cent in Q1 / Rise in operating earnings / Outlook: Earnings levels in tourism and shipping expected to rise

Hanover, 15 May 2008. The TUI Group has started off into the 2008 financial year with a considerable increase in turnover and earnings and upholds its optimistic outlook for the remainder of the year. At around 5.1 billion euro, turnover by the Group's divisions was 24.3 per cent up year-on-year (previous year: around 4.1 billion euro). Operating earnings by the divisions (underlying EBITA) climbed by 21 per cent to a loss of 196 million euro (previous year: -248 million euro) caused by traditional seasonal fluctuations. The positive trend for the financial year is expected to continue. Tourism is expected to generate overall growth in turnover and earnings. The shipping division is expected to achieve a substantial increase in earnings levels year-on-year.

New reporting structure under IFRS 5

Following the fundamental decision to separate container shipping from the Group, these activities were defined as **discontinued operation** according to IFRS 5 and reclassified accordingly in the interim report for the first quarter. The discontinued operation include the container shipping activities and the interests in the container terminals in Altenwerder and Montreal. The Cruises sector, previously managed as part of the shipping division, will be retained by the TUI Group and its performance will now be reported as part of the tourism division. The **continued operations** comprise the tourism division and central operations.

Consolidated earnings in the first quarter totalled -278 million euro (previous year: -105 million euro). Earnings in the first quarter of 2008 comprise charges incurred in the framework of the merger between First Choice and TUI's tourism entities totalling 69 million euro. A further aspect to be taken into account is that earnings in the 2007 reference quarter had comprised the gains on disposal from the divestment of the majority interest in Montreal Gateway Terminals of 181 million euro and from the sale of Hapag-Lloyd AG's minority interest in Germanischer Lloyd AG of 15 million euro. **Earnings per share** totalled -0.69 euro for the first quarter, following -0.47 euro per share in the 2007 reference period.

Development of the tourism division (continued operations)

TUI's tourism division comprises the three pillars TUI Travel, TUI Hotels & Resorts and the cruise business of Hapag-Lloyd Kreuzfahrten and TUI Cruises. At 3.6 billion euro (previous year: 2.6 billion euro), **turnover by tourism** grew by 37.2 per cent year-on-year. Adjusted for the turnover portion of First Choice, not yet included in 2007 figures, turnover rose by 2.3 per cent. **Operating earnings by tourism** (underlying EBITA) climbed by 2.6 per cent to a loss of 221 million euro (previous year: -227 million euro) reflecting the traditional seasonal swing in the tourism business. Adjusted for the earnings portion of First Choice, operating earnings rose substantially by 39.2 per cent to -138 million euro.

Due to the first-time consolidation of the First Choice activities, **turnover by TUI Travel** rose by 38.6 per cent to 3.47 billion euro year-on-year (previous year: 2.5 billion euro) in the first quarter. Adjusted for this effect, the former TUI entities recorded turnover growth of 1.8 per cent. **Underlying EBITA by TUI Travel** rose by 2.4 per cent to -240 million euro (previous year: -246 million euro). Earnings were materially characterised by the rise in earnings in the Mainstream sector.

TUI Hotels & Resorts achieved an increase in **turnover** of 11.5 per cent to 93.9 million euro (previous year: 84.2 million euro) in the first quarter. Sales of bed nights rose year-on-year, while average revenues per bed declined slightly. This is mainly attributable to the persistent weakness of the US dollar, impacting the hotels in the Caribbean and the US. Overall, the Group's hotel division reported an increase in capacity of 6.6 per cent in the first quarter. Occupancy rose by 1.6 percentage points. Average revenues per bed declined slightly by 0.7 per cent to 51.83 euro (previous year: 52.21 euro). Operating earnings (underlying EBITA) by TUI Hotels & Resorts dropped by 18.8 per cent to 13 million euro (previous year: 16 million euro). Given an overall positive business trend, the decline was attributable to a higher profit contribution from asset management included in 2007 figures.

Cruises

Hapag-Lloyd Kreuzfahrten achieved an increase in turnover to 58 million euro in the first quarter (previous year: 49.9 million euro), up 16.2 per cent year-on-year. The rise in demand caused a further improvement in the load factors of the cruise

ships. Due to a renewed increase in average revenues per day, operating earnings (underlying EBITA) doubled to 6 million euro (previous year: 3 million euro).

Development of container shipping (discontinued operation)

Turnover by container shipping grew slightly by 1.9 per cent to 1.45 billion euro (previous year: 1.42 billion euro) in the first quarter. The rise was attributable to a significant improvement in freight rate levels on overall stable volumes. The 14.4 per cent decrease in the US dollar against the euro had an opposite effect.

Volume growth stood at 0.3 per cent, with transport volumes in the Trans-Pacific (+8.9 per cent) and Australasia (+16.6 per cent) trade lanes growing disproportionately. The strongest year-on-year decline in transport volumes was recorded in the Atlantic trade lane (-8.3 per cent), a trend caused by the appreciation of the euro against the US dollar. In combination with the current tight economic situation resulting from the sub-prime crisis in the US, this adversely impacted demand for European goods by American consumers. The total transport volume amounted to 1.31 million standard containers (TEU). Concerning **average freight rates**, all trade lanes achieved – in some cases substantial – increases in the first quarter. Average freight rate levels were 14.3 per cent up year-on-year in the first quarter. At freight rate growth of 33.3 per cent, the Far East trade lane achieved a particularly outstanding performance. **Operating earnings** (underlying EBITA) rose by 54 million euro to 18 million euro in the first quarter (previous year: -36 million euro).

Outlook

In the first quarter, the companies pooled under TUI Travel benefited from the restructuring measures initiated in previous years and strong demand in the travel market. The overall reduction in capacity in the Mainstream sector resulted in increases in occupancy and margins. This trend is expected to continue in the next few months. Booked turnover for the completed winter season 2007/2008 was 5 per cent up year-on-year, with customer volumes reproducing the previous year's reference levels. For the summer season 2008, booked turnover is currently 4 per cent ahead of last year. Customer volumes match 2007 levels.

TUI Hotels & Resorts and Cruises also achieved a profitable performance in the first quarter, confirming the expectations for the overall year. Against this background, the TUI Group's tourism entities expect considerable earnings growth for 2008. The key earnings drivers in TUI Travel are the expected synergies from the merger between TUI and First Choice, margin improvements in the Mainstream business and further growth in the Specialist, Activity and Online Destination Services sectors. TUI Hotels & Resorts expects further increases in sales of bed nights. The Cruises sector continues to expect sound demand for cruises.

In the first quarter, the earnings situation in container shipping was characterised by the considerable improvement in freight rates levels. Risks for the future development are related to a potential adverse effect of the sub-prime crisis on the development of world trade and the development of shipping bunker costs, which continued to rise in the first quarter. Despite a slight slowdown in the overall economic environment, TUI AG continues to expect a significant increase in earnings levels in container shipping for the 2008 financial year.

TUI AG
Investor Relations
Karl-Wiechert-Allee 4
30625 Hannover

Phone +49(0)511 566-1425
Fax +49(0)511 566-1096
investor.relations@tui.com
www.tui-group.com

Contact:

Björn Beroleit, Director Investor Relations, phone +49 (0) 511 566 1310

Nicola Gehrt, Senior Manager Investor Relations, phone +49 (0) 511 566 1435

Turnover by divisions

€ million	Q1 2008	Q1 2007	Var. %
Tourism	3,623.3	2,639.4	+ 37.3
TUI Travel	3,471.4	2,505.3	+ 38.6
TUI Hotels & Resorts	93.9	84.2	+ 11.5
Cruises	58.0	49.9	+ 16.2
Central operations	13.2	31.0	- 57.4
Continuing operations	3,636.5	2,670.4	+ 36.2
Container shipping	1,451.2	1,423.7	+ 1.9
Discontinued operation	1,451.2	1,423.7	+ 1.9
Turnover by divisions	5,087.7	4,094.1	+ 24.3

Earnings by divisions (EBITA)

€ million	Underlying EBITA by division			EBITA by division		
	Q1 2008	Q1 2007	Var. %	Q1 2008	Q1 2007	Var. %
Tourism	- 221	- 227	+ 2.6	- 305	- 237	- 28.7
TUI Travel	- 240	- 246	+ 2.4	- 324	- 256	- 26.6
TUI Hotels & Resorts	13	16	- 18.8	13	16	- 18.8
Cruises	6	3	+ 100.0	6	3	+ 100.0
Central operations	7	15	- 53.3	7	15	- 53.3
Continuing operations	- 214	- 212	- 0.9	- 298	- 222	- 34.2
Container shipping	18	- 36	n/a	1	137	- 99.3
Discontinued operation	18	- 36	n/a	1	137	- 99.3
Earnings by divisions (EBITA)	- 196	- 248	+ 21.0	- 297	- 85	- 249.4

Consolidated profit and loss statement

€ million	Q1 2008	Q1 2007	Var. %
Turnover	3,636.5	2,670.4	+ 36.2
Cost of sales	3,572.3	2,747.5	+ 30.0
Gross profit/loss	64.2	- 77.1	n/a
Administrative expenses	377.2	161.1	+ 134.1
Other income/other expenses	17.6	11.5	+ 53.0
Impairment of goodwill	-	-	-
Financial result	- 93.1	- 51.9	- 79.4
- Financial income	8.5	16.0	- 46.9
- Financial expenses	101.6	67.9	+ 49.6
Reconciliation to underlying earnings:			
Earnings before taxes on income	- 380.9	- 273.4	- 39.3
Reconciliation to underlying earnings:			
Earnings before taxes on income	- 380.9	- 273.4	- 39.3
Interest result and earnings from the valuation of interest hedges	82.9	51.7	+ 60.3
Impairment of goodwill	-	-	
EBITA from continuing operations ^{*)}	- 298.0	- 221.7	- 34.4
Adjustments			
<i>Gains on disposals</i>	-	-	
<i>Restructuring</i>	27.1	1.6	
<i>Purchase price allocation</i>	41.5	0.0	
<i>Other one-off items</i>	15.7	8.3	
Underlying EBITA from continuing operations	- 213.7	- 211.8	- 0.9
Earnings before taxes on income	380.9	- 273.4	- 39.3
Taxes on income	- 114.3	- 66.0	- 73.2
Result from continuing operations	266.6	- 207.4	- 28.5
Result from discontinued operation	11.5	102.4	n/a
Group profit/loss for the year	278.1	- 105.0	- 164.9
- attributable to shareholders of TUI AG of Group profit	166.8	- 116.5	- 43.2
- attributable to minority interests of Group profit	111.3	11.5	n/a
Group profit/loss	278.1	- 105.0	- 164.9
Basic earnings per share	in € 0.69	- 0.47	- 46.8
Diluted earnings per share	in € 0.69	- 0.47	- 46.8

^{*)} EBITA is equivalent to earnings before interest, taxes on income and impairment of goodwill.