

**TUI presents its new winter programme in Boltenhagen**  
**Böttcher: "Holiday business is going well – despite rising flight prices"**

***Green brochure, climate initiative, modular offensive, more early booker and long-stay offers***

Hanover/Boltenhagen, 04 July 2008. "Despite a down-turn in consumer confidence the demand for holidays remains at a very high level," said TUI Deutschland chief executive Dr Volker Böttcher on Friday at the presentation of the winter programme in the Baltic Sea resort of Boltenhagen. The significant reduction in capacity in the German charter flight market led this summer to a perceptible decrease in the number of bargain offers. At TUI alone the consistently applied amended capacity policy resulted in a drop of about 50 percent in holidays sold at short notice at reduced prices. "We are selling more products at full price than we have for a long time. And more than 40 percent of all holidays are booked at least five months in advance," according to Böttcher. As far as TUI Deutschland is concerned he expects the summer business to return strong margins with revenue up by about two percent. Presently, growth is in fact considerably higher, yet during the course of the season it is expected to fall off somewhat. The reason for this is the capped capacities which means certain holidays will be booked out during the next few weeks.

**Summer trends**

Demand is particularly strong this summer for the Mediterranean destinations of Turkey, Tunisia, Morocco, Egypt, Malta, the Cape Verde Islands and Spain. A decline can be seen in Bulgaria and Cyprus. The positive euro-dollar exchange rate for consumers is benefiting long-haul destinations in the USA and Canada, but also the figures for Mauritius, the United Arab Emirates and Australia are up. The Dominican Republic, Mexico, Thailand and South Africa have lost some ground. In the sector in which customers make their own travel arrangements, East European destinations have percentage growth rates with high double digits, and also there is also a good demand for the traditional countries of Germany, Austria and Switzerland.

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Taking a broad view of all products and destinations TUI is observing an increasing shift away from the pronounced cheap is cheerful fad of the last few years. "When customers delve through the brochures it is noticeable that they frequently go for the high quality products," continued Böttcher. Comfort, lifestyle and sustainability are playing an increasingly greater part and this is reflected in a revenue growth of presently 13 percent in TUI's premium segment. Very much in trend are also health holidays with a preventative character, round trips and all-inclusive offers. Already every fourth beach package holiday sold is such an all-round carefree package.

### **More distinctive offers**

During the next few years TUI wants to raise itself above its competitors by more strongly developing its products with unique characteristics. The proportion of guests that stay in TUI exclusive hotels is now at 41 percent. Over the next three years it is intended to increase this figure to 53 percent. TUI has extended the uniqueness of its product range for the winter 2008/2009 season. As the first major German tour operator TUI, the market leader, will publish a green holiday brochure, an online-based brochure which will exclusively contain environmentally approved hotels and offers. At the same time, TUI – as announced at the ITB in March – is starting in its new winter programme a climate initiative in cooperation with the internationally recognised Myclimate foundation. From now on TUI passengers have the opportunity to make a CO<sub>2</sub> compensation. The minimum contribution is two euros, but anyone who would like can pay more by referring to a compensation calculator ([www.tui-klimarechner.de](http://www.tui-klimarechner.de)). For every climate donation made TUI will contribute an extra 50 cents per booking. The first project being sponsored is a wind energy park in Turkey.

### **The modular offensive**

TUI customers have in future the choice to book either a travel package or travel components. What was previously valid just for individual product segments can now be taken advantage of in the new winter programme at all 6,700 hotel offers. When booking flight components, access is available to the biggest tour operator flight portal offering 1.5 million flights from 22 airlines. "We want a bigger slice of the cake that has become increasingly significant over the past few years," stressed TUI Deutschland chief executive Dr Volker Böttcher. Modular travel components

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have of late been the most strongly growing market segment driven by the recent rapidly growing airline offers, the easily accessible internet as a retail channel and the increasing needs of customers for more flexibility and individuality.

### **More early booker and long-stay offers**

TUI has further improved its offer of early booker discounts, long-stay holidays and fixed prices for children. The XXL bonus for early bookers will be offered during the winter season in 135 hotels in medium haul and 22 hotels in long haul. Guests can make savings of up to 150 euros per person and this applies to bookings up to 31 October 2008. XXS children's fixed prices can be booked starting at 249 euros for the Canaries and for the Magic Life Clubs. Special prices are available all around the Mediterranean in 25 selected family hotels and apply up to the end of October.

Long-stay holidays of four and more weeks are on offer in 105 hotels. Four weeks holiday in Tunisia for instance can be booked starting from 834 euros per person including flight and an all inclusive package.

### **Moderately higher holiday prices**

Globally rising energy and food prices have led to higher purchasing costs for flights, hotels and transfer services in most destinations. In some long-haul destinations the price rise could be partially compensated by the favourable euro-dollar exchange rate. Also the greater offering of early booker offers has helped damp down prices. Consequently the average price increase was relatively moderate for medium-haul flights at 2.9 percent and in the segment in which customers make their own travel arrangements it was even lower at 1.8 percent, so in cases was well below the current rate of inflation. In the long-haul sector the picture is not very uniform. Holidays above all to Thailand, Australia and the Maldives are more expensive, whereas some holiday destinations were cheaper such as Brazil, the USA and Canada.

### **Outlook**

Despite the increasingly difficult economic background in Germany Böttcher is confident as to prospects of the winter season. Böttcher: "The price increases are only moderate and holidays are the last place where people cut back."

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