

NOT FOR DISTRIBUTION OR RELEASE IN OR INTO THE UNITED STATES OF AMERICA OR TO U.S. PERSONS, AUSTRALIA, CANADA OR JAPAN, OR IN ANY OTHER JURISDICTION IN WHICH OFFERS OR SALES WOULD BE PROHIBITED BY APPLICABLE LAW

## **Ad-hoc announcement pursuant to section 15 of the German Securities Trading Act**

### **TUI AG sets conditions of the convertible bond**

Hanover, 29 October 2009. TUI AG ("TUI") has extended to its shareholders a subscription offer for convertible bonds ("Bonds") in an aggregate issue size of around EUR 250 million, with up to approximately 39.1 million ordinary shares of TUI underlying the Bonds. The subscription period ends on 11 November 2009 (including).

Subject to the exercise by shareholders of their subscription rights ("claw-back"), all Bonds, for which subscription rights had not been exercised prior to such offer, were offered today, by ABN AMRO Bank N.V. (London Branch), Citigroup Global Markets Limited, Deutsche Bank Aktiengesellschaft, Goldman Sachs International and UniCredit Group (Bayerische Hypo- und Vereinsbank AG), acting as Joint Bookrunners for this transaction, for purchase to selected qualified investors outside of the United States of America in the course of a bookbuilding.

Following completion of the bookbuilding, the Management Board, with the consent of the Supervisory Board, determined the final and binding conditions of the Bonds on the basis of the results of the bookbuilding.

The issue size is EUR 217,789,399.90, with initially 38,683,730 ordinary shares of TUI underlying the Bonds.

The coupon has been set at 5.50 % per annum, payable semi-annually in arrears.

The maturity of the Bonds is 5 years. The Bonds will be issued at 100% of their principal amount on 17 November 2009 (settlement). Based on the authorisation

of the Annual General Meeting held on 13 May 2009, the conversion price has been set at EUR 5.630 representing a premium of 20 % to the reference price of EUR 4.692. Each Bond with a principal amount of EUR 56.30 (which is ten times the conversion price) may be converted initially into 10 no par-value ordinary registered shares of TUI AG. According to the terms and conditions of the Bonds, the Bonds may be converted during the period from 4 January 2010 up to and including the 10th business day prior to their maturity date.

TUI intends to include the Bonds to trading on the Open Market (Freiverkehr) segment of the Frankfurt Stock Exchange.

#### The Management Board

Not for release, publication or distribution in the United States or to U.S. Persons, Canada, Australia, Japan and any other jurisdiction in which offers or sales of securities are prohibited by applicable law.

This ad-hoc announcement is for information purposes only and does not constitute or form part of, and should not be construed as an offer or an invitation to sell, or issue or the solicitation of any offer to buy or subscribe for, any securities. In connection with this transaction there has not been, nor will there be, any public offering of the Bonds. No prospectus will be prepared in connection with the offering of the Bonds. The Bonds may not be offered to the public in any jurisdiction in circumstances which would require the Issuer of the Bonds to prepare or register any prospectus or offering document relating to the Bonds in such jurisdiction. The distribution of this ad-hoc announcement and the offer and sale of the Bonds in certain jurisdictions may be restricted by law.

This ad-hoc announcement does not constitute an offer to sell or a solicitation of an offer to purchase any securities in the United States. The securities referred to herein (including the Bonds, the subscription rights and the shares of TUI) have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any State within the United States, and may not be offered or sold, pledged or otherwise transferred in the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act), absent registration under the Securities Act or pursuant to an available exemption from such registration and applicable state or local securities laws. This ad-hoc announcement and the information contained herein may not be distributed or sent into the United States, or in any other jurisdiction in which offers or sales of the securities described herein would be prohibited by applicable laws

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

and should not be distributed to U.S. Persons or publications with a general circulation in the United States. No offering of the Bonds or shares of TUI is being made in the United States.

This ad-hoc announcement is not for general publication, release or distribution in the United Kingdom and may only be distributed in the United Kingdom to persons who (i) are investment professionals falling within article 19(5) of the U.K. Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, in its current version (the "Order"), or (ii) are high net worth entities or other persons to whom it may lawfully be communicated falling within article 49(2) (a) to (d) of the order (all such persons will be termed "Relevant Persons" below). Anyone in the United Kingdom who is not a Relevant Person may not act on the basis of this ad-hoc announcement or its contents. Any investment or investment activity to which this ad-hoc announcement refers is only available to Relevant Persons and is only carried out with Relevant Persons.

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, phone +49 (0) 511 566 1310

Nicola Gehrt, phone +49 (0) 511 566 1435