

TUI TRAVEL PLC**Pre-Close Trading Update**

Prior to entering its close period ahead of reporting its Interim results for the six months ending 31 March 2010, TUI Travel PLC announces the following update on current trading.

Highlights

- We are seeing a significant recovery in consumer demand for leisure holidays resulting in strong trading across all open seasons.
- Winter 2009/10:
 - Programmes are now almost fully sold and we have achieved planned load factors.
 - Strong pricing seen in the lates market due to having fewer holidays left to sell in the period.
- Summer 2010:
 - Trading during the key summer booking period remains strong.
 - Improvements in cumulative booking volumes in most source markets since our last update, with the UK and Nordics up 13% and 23% respectively in the period.
- Significant progress expected in the second quarter driven by reduced losses in Canada and Germany following the completion of previously announced transactions.
- Remain well positioned to meet the Board's expectations for the year ending 30 September 2010.

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Current Trading

The strong trends reported in our previous trading statement on 9 February have continued and we remain pleased with our trading performance across all open seasons.

Winter 2009/10

Booking volumes are currently ahead or in line with capacity reductions in all source markets. We have very few holidays left to sell for the winter season, which runs until the end of April in most source markets. Pricing has held firm in the lates market and the low levels of stock left to sell leaves us confident that we will achieve required load factors and pricing levels for the remainder of the season.

Current Trading ¹	Winter 2009/10			Risk Capacity ³
y-o-y variation%	Total ASP ²	Total Sales ²	Total Customers ²	
MAINSTREAM				
Northern Region				
Short-haul	+9	-13	-21	
Medium-haul	+10	-1	-9	
Long-haul	+9	-10	-17	
UK	+11	-1	-11	-14
Nordic	+3	-7	-10	-11
Northern Region – Total	+8	-3	-11	
Germany	-2	-10	-8	-9
Austria	-2	-23	-21	
Switzerland	-6	-2	+4	
Poland	-2	-19	-17	
Central Europe – Total	-2	-10	-8	
France	-7	-10	-3	
Belgium	-5	Flat	+6	
Netherlands	+5	-3	-7	
Western Europe – Total	-5	-6	-1	-1
SPECIALIST				
ACTIVITY	-15	-20	-6	
A&D ⁴	NA	-9	NA	
	-2	+29	+32	

¹ These statistics are up to 14 March 2010 and are shown on a constant currency basis

² These statistics relate to all customers whether risk or non-risk

³ These statistics include all risk capacity programmes

⁴ These statistics refer to Online businesses only; Sales refer to total transaction value (TTV) and customers refers to roomnights

Summer 2010

For Summer 2010 trading we continue to see a strong improvement versus the prior year. In recent weeks, most source markets have continued to experience booking volumes ahead of the cumulative position.

y-o-y customer booking variation %	Cumulative position at 31 Jan	Trading 31 Jan to 14 Mar	Cumulative position at 14 Mar
UK	+1	+13	+3
Nordics	+23	+23	+23
Germany	-8	+3	-4
France	+17	+21	+19
Belgium	+1	-7	-3
Netherlands	-13	+12	-4

Current Trading ¹	Summer 2010			Risk Only	
y-o-y variation%	Total ASP²	Total Sales²	Total Customers²	Capacity³	Left to sell³
MAINSTREAM					
Northern Region					
Short-haul	+10	+1	-8		
Medium-haul	+8	+18	+10		
Long-haul	+3	+14	+11		
UK	+9	+13	+3	+3	+3
Nordic	+1	+25	+23	+12	+2
Northern Region – Total	+7	+14	+6		
Central Europe					
Germany	+1	-3	-4	-5	-2
Austria	-1	+2	+3		
Switzerland	-2	+2	+4		
Poland	-2	+15	+17		
Central Europe – Total	+1	-3	-3		
Western Europe					
France	-6	+11	+19		
Belgium	Flat	-3	-3		
Netherlands	Flat	-4	-4		
Western Europe – Total	-2	+1	+3	Flat	-2
SPECIALIST ACTIVITY					
A&D⁴	+2	+54	+51		

¹ These statistics are up to 14 March 2010 and are shown on a constant currency basis

² These statistics relate to all customers whether risk or non-risk

³ These statistics include all risk capacity programmes

⁴ These statistics refer to Online businesses only; Sales refer to total transaction value (TTV) and customers refers to roomnights

The UK business has continued to trade well in recent weeks. Since our last trading update, booking volumes in the UK were up 13%, well ahead of capacity and stock left to sell. The UK load factor is now 43%, flat versus the prior year despite a small increase in capacity. Average selling prices remain strong and are up 9% year-on-year.

In the Nordics, booking volumes remain up 23% and we have further increased capacity, now up 12%, reflecting the continued strong demand. The capacity increase has been implemented through additional third party flying arrangements which remain flexible at this stage of the booking cycle. The strong demand continues to be driven by our differentiated and exclusive Blue Village and Blue Star family club concepts. Load factor is now 52%, up five percentage points compared to Summer 2009, despite the capacity increase.

In Germany, booking volumes have improved recently and are up 3% in the last six weeks, compared to cumulative bookings down 4% and capacity down 5%. Load factor is now 45%, in line with last year.

Trading in Austria and Switzerland remains in line with expectations. Demand has strengthened significantly in Poland over recent weeks, where booking volumes are now up 17% versus 1% down at our previous trading update.

Demand in France has been well ahead of the prior year, when destination issues in the French West Indies and the economic environment affected bookings. Customer volumes are now up 19%, with favourable booking trends in both Nouvelles Frontières and Marmara. Bookings for the tour operators' differentiated club products, Club Nouvelles Frontières and Club Marmara, have been particularly strong. Corsair, however, continues to experience yield pressure on many of its routes, reflecting the competitiveness of the market, which suffers from over supply, and its own weak product positioning.

Belgium, which has remained resilient so far during the financial downturn, has seen a slight slowdown in sales in the last few weeks but has the flexibility to adjust capacity if necessary.

The Specialist & Emerging Markets sector sold 15% more holidays in the last four weeks compared with the prior year, leading to an improved cumulative booking volume position, which is now down 4%. There has been recent strength in US escorted tours and US student educational tours in particular.

In the Activity sector, cumulative sales to date are now up 9%, with sales in the last four weeks 24% ahead, driven by strong demand for Marine holidays.

Strong volume growth in the B2C and B2B Online businesses in the A&D sector has continued, with roomnights up 51%. Margins remain ahead of the prior year.

Outlook

We are encouraged by recent strong trading trends and are confident as we move towards the summer season that we will continue to see strong demand and a recovery in earlier booking patterns. Accordingly, we remain well positioned to meet the Board's expectations for the year ending 30 September 2010.