

Financing Update

Analysts' Conference Call
8 October 2009

This presentation contains a number of statements related to the future development of TUI. These statements are based both on assumptions and estimates. Although we are convinced that these future-related statements are realistic, we cannot guarantee them, for our assumptions involve risks and uncertainties which may give rise to situations in which the actual results differ substantially from the expected ones. The potential reasons for such differences include market fluctuations, the development of world market commodity prices, the development of exchange rates or fundamental changes in the economic environment. TUI does not intend or assume any obligation to update any forward-looking statement to reflect events or circumstances after the date of these materials.

I. Opening statement

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III. Impact on TUI AG financing

Recent transaction highlights



TUI Travel

- Successful issue of convertible bonds at GBP350 m
- Raising of additional bank facilities of GBP140 m
- Early repayment of remaining shareholder loan initiated



Hapag-Lloyd

- Approval for state guaranteed loans in the amount of €1.2 bn
- Shareholder contribution for Hapag-Lloyd support of €923 m (equity contribution)
- Restructuring of TUI loans
- Hapag-Lloyd cost cutting programme of approx. US\$1.1 bn installed

TUI Travel

GBP490 m raised through convertible bonds and bank facilities



Convertible bonds

Volume: GBP350 m

Maturity: October 2014

Coupon: 6.00 % p.a.

Underlying shares: 9 % of shares

Additional revolving credit facilities

Amount: GBP140 m

Maturity: June 2012

Interest cost: LIBOR + 325 bps

Use of net proceeds by TUI Travel

- Refinancing the shareholder loan with TUI AG
- Financing strategic venture in Canada for approx. GBP55 m

Prevention of dilution for TUI AG

- To secure the majority in voting rights in the event of the exercise of all conversion rights, TUI intends to purchase around 2.9% of the existing shares in TUI Travel.

Revised repayment schedule for shareholder loan to TUI Travel



Following the issue of the convertible bonds the new repayment schedule is as follows:

■ € 100 m	30 September 2009 ✓
■ € 250 m	01 April 2010
■ € 509 m	01 December 2010 at the latest (mandatory repayment obligation)
■ <u>€ 160 m</u>	30 April 2011
■ € 1,019 m	

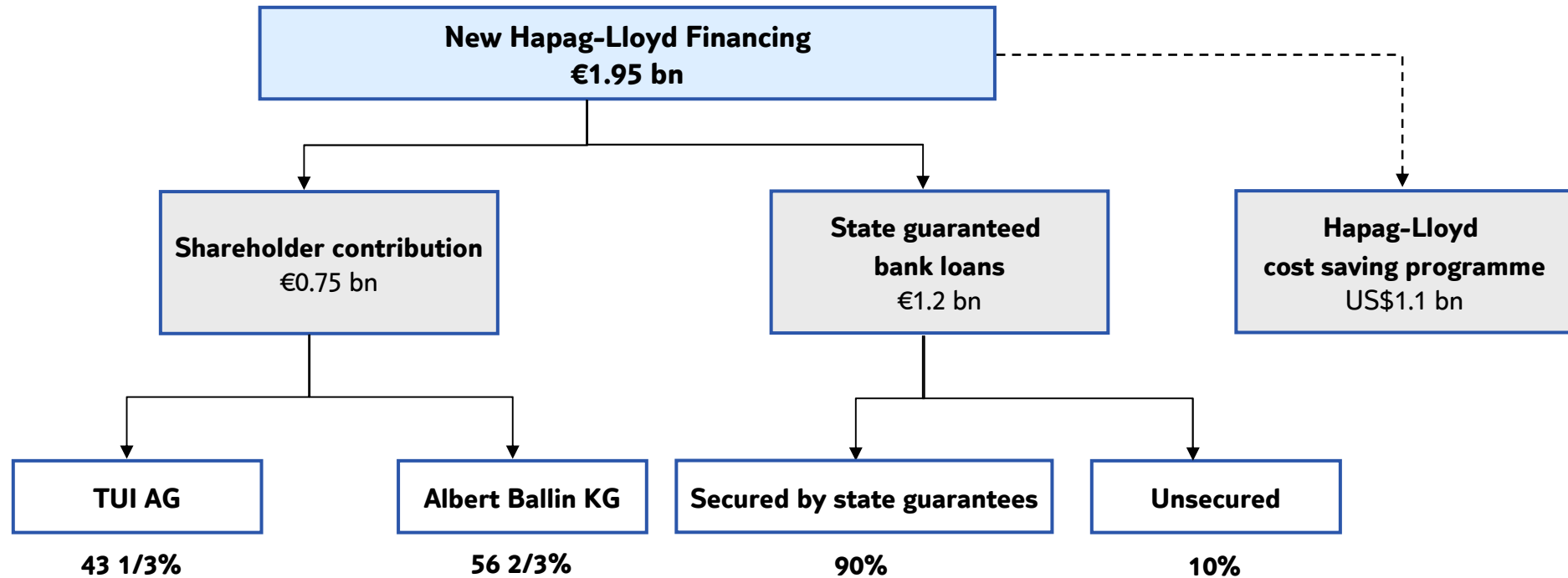


In addition to the refinancing raised, TUI Travel plans to repay the remainder of the shareholder loan by using existing cash and bank facilities

Logic of the revised repayment schedule:

- Perfect fit with TUI maturity profile
- Comfortable cash reserves for TUI Travel for the upcoming winter seasons
- Comfortable refinancing position for TUI and TUI Travel

Hapag-Lloyd: Capital and financing measures



With the presented financing concept and the implemented cost cutting programme by Hapag-Lloyd the requirements for state aid by the federal government of Germany as well as the EU are met.

Background on state guarantees to Hapag-Lloyd



Financial impact caused by state guarantees

- Hapag-Lloyd is principally not allowed to repay or serve any debt as long as the guarantees are in place
 - ↳ Current TUI loans have to be restructured

Size of the state guarantees

- All committed cash obligations are also covered by the facility
 - ↳ The facility includes potential financing for the order book of container ships (approx. US\$0.6 bn)

Likelihood of drawings

- If or to what extent Hapag-Lloyd will use the state backed loans depends on the operational development going forward
 - ↳ Strongly improved cash situation due to contribution from shareholders
 - ↳ Low capex commitments going forward
 - ↳ Bottoming-out of freight rates since July 2009

Shareholder contribution for Hapag-Lloyd



in € m		Equity	Cash
Shareholder contribution		€923 m	€750 m
■ CTA-participation/new hybrid structures		€285 m	€315 m
■ Capital increase		€285 m	€285 m
■ Debt equity swap		€353 m	-
■ Real estate Hapag-Lloyd		-	€150 m

in € m		Total
Cash contribution TUI		€314 m
■ CTA-participation (07/09)		€215 m
■ Fresh equity (10/09)		€124 m
■ Repayment guaranteed by City of Hamburg (03/11)		- € 25 m

Restructuring of TUI loans to Hapag-Lloyd and CTA-participation



	Old structure	in € m	New structure
RCF	200	RCF	200
Vendor loan	180	Vendor loan	180
Long-term loan	400	} Debt hybrid swap I Debt hybrid swap II Debt equity swap Subordinated (remainder)	350
Subordinated loan	300		350
Short-term loan	380		153
			227
Total	1,460	Total	1,460
CTA participation	215	CTA swap into hybrid structure	215

→ Adapted financing structures improve Hapag-Lloyd's balance sheet and offer TUI highest flexibility to exit shipping investments as soon as the shipping cycle turns around

Capital employed in shipping (status after state guarantees)



- in € m -	Amount	Comment
43 1/3% Hapag-Lloyd stake	910	Put option in 2012
Fresh equity	124	Timing 10/09 e
Debt equity swap	153	Timing 04/10 e
Equity stake in Hapag-Lloyd	1,187	
Debt hybrid swap I	350	Convertible into equity from 03/11
Debt hybrid swap II	350	Interest step-up after state guarantees
New hybrid structure (ex CTA)	215	€25 m repayment guaranteed by Hamburg
Subordinated loan	227	Structure acc. to guarantee
Vendor loan	180	Maturity 03/14
Loans incl. hybrids	1,322	
Total	2,509	
RCF	200	Repayment guaranteed by consortium 03/10
Real estate Hapag-Lloyd	150	Sale&lease back H2/10

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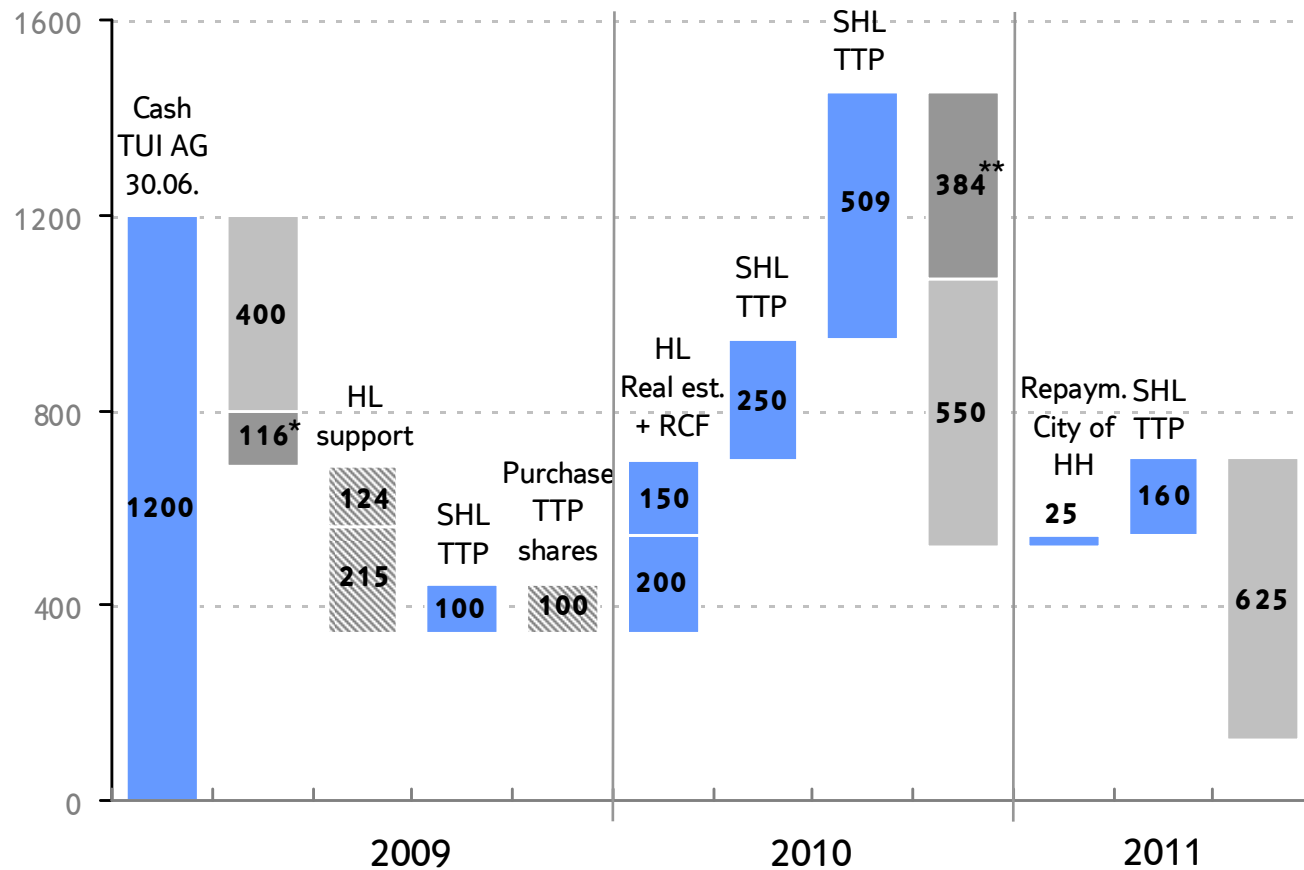
III. Impact on TUI AG financing

Pro forma long-term financing TUI AG

assuming no repayment from HL until 2012



- in € m -



CASH IN

- Disposal proceeds / repayments of capital employed in HL (approx. €2.5bn)
- Asset streamlining programme (approx. €0.5bn)

CASH OUT

- Repayment of bonds (€1.1bn in H2/2012)

* Early redemption of private placement of €83 m due in 12/09 and of €33 m due in 04/10

** Split private placements/loans: €184 m (04/10); €50 m (09/10); €150 m (12/10)

Additional options for liquidity generation



- Asset streamlining
 - Financing for owned assets (cruise ships, real estate and hotels)
 - Disposal of non-core assets (e.g. real estate and hotels)

- Disposal proceeds / repayments of capital employed in Hapag-Lloyd
 - Diversified financing instruments (loans, hybrids, equity) offer high flexibility to realise employed values in Hapag-Lloyd as soon as there are signs of improvement in the shipping industry

→ TUI has sufficient sources to meet future financial obligations

13 August 2009

Second Quarter 2009

15 December 2009

Short Financial Year 2009

17 February 2010

Annual General Meeting

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