

**Improved Group result despite decline in business operations in Q1
2009/2010 / Positive outlook for overall year confirmed**

- **Group result up by around twelve per cent**
- **Turnover and operating earnings in Tourism reflect the expected impact of the economic crisis**
- **Earnings by Hapag-Lloyd AG exceed expectations**

Hanover, 15 February 2010. Despite the anticipated marked decline in turnover and earnings in core business Tourism, TUI's Group result improved in the first quarter of the financial year 2009/2010. The seasonally negative **Group result** amounted to -165 million euro (previous year: -187 million euro). The positive development mainly resulted from improvements in the financial result, taxes on income and administrative costs. Basic **earnings per share** stood at -0.43 euro (previous year: -0.64 euro).

Despite the development of operating earnings in the first quarter, TUI Group remains confident for the remainder of the financial year and confirms its earnings expectations. For financial year 2009/2010, the TUI Group expects to achieve stable operating earnings by Tourism versus the comparative period in 2008 and cost reductions in Central Operations. Underlying earnings by the Continuing Operations (Tourism and Central Operations) will therefore rise slightly year-on-year. Bookings in the key source markets have improved notably in the past few weeks, and the strategy of flexible capacity management will be continued. Due to increased demand, capacities for the UK source market have been raised by a measured capacity of 3 per cent for the summer season, while in the Nordics source market capacity was raised by 11 per cent.

The business development in the first quarter was characterised by two opposing trends. Core business Tourism recorded an expected decrease in turnover and operating earnings as a result of the global economic crisis, whereas the stake in Hapag-Lloyd AG, measured at equity, performed better than expected. Total **turnover** by the three Tourism sectors TUI Travel, TUI Hotels & Resorts and TUI Cruises declined by 15 per cent to 2.9 billion euro in the first quarter (previous year: 3.4 billion euro). **Operating earnings** (underlying EBITA) by Tourism fell consid-

erably to -129 million euro (previous year: -44 million euro). Selective capacity reductions were implemented to counter the expected decline in turnover.

In the first quarter, the performance of Hapag-Lloyd AG, the financial investment measured at equity in TUI's consolidated financial statements, was considerably better than originally expected. On a 100 per cent basis, **turnover** declined by around 28 per cent to around 1.2 billion euro (previous year: 1.6 billion euro). At -21 million euro (previous year: -8 million euro), **operating earnings** (underlying EBITA) remained negative but improved considerably by 219 million euro versus the prior quarter. The proportionate negative profit contribution by the 43,3 per cent stake in Hapag-Lloyd to the Group result amounted to 14 million euro.

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Detailed development of Tourism

TUI Travel

The TUI Travel companies felt the impact of the economic downturn in the first quarter of 2009/2010. They reported a partly capacity-led decline in **turnover** of almost 15 per cent to 2.8 billion euro (previous year: 3.3 billion euro). **Operating earnings** (underlying EBITA) fell notably by 61 million euro to around -127 million euro (previous year: -66 million euro). This development reflects three main factors: Volumes were down in all source markets in the first half of the winter due to the economic crisis. The comparative period in financial year 2008/2009 was not yet impacted by softer demand due to the financial crisis because of the booking lead times. In addition, earnings were impacted by the development of French airline Corsair.

TUI Hotels & Resorts

The TUI Group's hotel sector did not escape the downward trend in the first quarter, either. The number of bednights decreased to 3.6 million (previous year: 3.9 million). Occupancy was 66 per cent in the first quarter, down almost 7 percentage points year-on-year (previous year: 73 per cent). While bed capacity rose slightly by 2.2 per cent, average revenues per bednight declined by around 6 per cent. Turnover by the hotel sector totalled around 157 million euro in the first quarter, down almost 10 per cent year-on-year (previous year: 175 million euro). **Operating earnings** (underlying EBITA) of 5 million euro (previous year: 27 million euro) reflect the lower

volumes and to some extent the aftermath of H1N1 flu, mainly affecting operations in Mexico. Despite substantial cost savings in individual hotel companies, the negative development of load factors and rates was only partly offset.

TUI Cruises

The Cruises sector comprises Hapag-Lloyd Kreuzfahrten, which offers luxury and expedition cruises, and TUI Cruises, a joint venture which is being accounted for at equity in the consolidated financial statements. The German-speaking cruise market reflected the persistently tight economic conditions in the period under review. Lower bookings were recorded both in the volume market for premium cruises as well as in the niche market for luxury and expedition cruises. **Turnover** by the sector decreased by around 8 per cent to 41 million euro (previous year: 45 million euro) in the first quarter of 2009/2010. At -6 million euro, **operating earnings** (underlying EBITA) decreased by 2 million euro year-on-year (previous year: -4 million euro). In the first quarter, Hapag-Lloyd Kreuzfahrten recorded a load factor of 77 per cent, down almost 2 percentage points. In the period under review, around 77,000 passenger days were generated on board the four ships. Mein Schiff, the first TUI Cruises vessel, recorded around 122,000 passenger days in the first quarter, with a load factor of 69 per cent.

Detailed development of Container Shipping (100 per cent basis)

The development of the Container Shipping business was better than initially expected in the first quarter of 2009/2010. In some instances substantial rate increases were achieved. Below the bottom line, however, the business of Hapag-Lloyd AG remained affected by the global economic crisis. **Turnover** decreased by 28 per cent to around 1.2 billion euro (previous year: 1.6 billion euro). This development resulted from a 13 per cent fall in transport volumes and a 16 per

cent decline in average freight rate levels year-on-year. At -21 million euro (previous year: -8 million euro), **operating earnings** (underlying EBITA) remained negative but improved considerably by 219 million euro versus the prior quarter. The proportionate negative profit contribution by Container Shipping to the Group result amounted to 14 million euro.

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Key figures of the 1st quarter 2009/10

Divisional turnover

€ million	Q1 2009/10	Q1 2008/09	Var. %
Tourism	2,932.5	3,449.6	- 15.0
TUI Travel	2,811.7	3,324.5	- 15.4
TUI Hotels & Resorts	79.8	80.6	- 1.0
Cruises	41.0	44.5	- 7.9
Central operations	15.6	21.0	- 25.7
Continuing operations	2,948.1	3,470.6	- 15.1
Discontinuing operations	7.6	1,598.3	- 99.5
Consolidation	-	- 42.9	n/a
Divisional turnover	2,955.7	5,026.0	- 41.2

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Underlying divisional EBITA

€ million	Q1 2009/10	Q1 2008/09	Var. %
Tourism	- 128.8	- 43.6	- 195.4
TUI Travel	- 127.5	- 66.3	- 92.3
TUI Hotels & Resorts	5.0	27.1	- 81.5
Cruises	- 6.3	- 4.4	- 43.2
Central operations	- 8.9	- 54.8	+ 83.8
All other segments	- 8.9	- 54.8	+ 83.8
Consolidation	-	-	n/a
Continuing operations	- 137.7	- 98.4	- 39.9
Discontinuing operations	- 10.9	- 21.4	+ 49.1
Divisional earnings (EBITA)	- 148.6	- 119.8	- 24.0

Divisional EBITA

€ million	Q1 2009/10	Q1 2008/09	Var. %
Tourism	- 164.9	- 50.1	- 229.1
TUI Travel	- 163.6	- 69.0	- 137.1
TUI Hotels & Resorts	5.0	23.3	- 78.5
Cruises	- 6.3	- 4.4	- 43.2
Central operations	- 8.9	- 53.0	+ 83.2
All other segments	- 8.9	- 53.0	+ 83.2
Consolidation	-	-	n/a
Continuing operations	- 173.8	- 103.1	- 68.6
Discontinued operations	- 10.9	- 37.7	+ 71.1
Divisional earnings (EBITA)	- 184.7	- 140.8	- 31.2

Consolidated Profit and Loss Statement

€ million	Q1 2009/10	Q1 2008/09	Var. %
Turnover	2,948.1	3,470.6	- 15.1
Cost of sales	2,802.2	3,223.5	- 13.1
Gross profit	145.9	247.1	- 41.0
Administrative expenses	312.5	362.4	- 13.8
Other income/other expenses	+ 1.4	+ 17.7	- 92.1
Impairment of goodwill	–	31.1	n/a
Financial result	- 41.2	- 73.5	+ 43.9
Financial income	65.4	89.8	- 27.2
Financial expenses	106.6	163.3	- 34.7
Share of results of joint ventures and associates	- 20.0	- 6.8	- 194.1
Earnings before on taxes income	- 226.4	- 209.0	- 8.3
Reconciliation to underlying earnings:			
Earnings before taxes on income	- 226.4	- 209.0	- 8.3
Result from container shipping measured at equity	14.4	–	n/a
Interest result from the measurement of loans to Container Shipping	- 18.1	–	n/a
Interest result and earnings from the valuation of interest hedges	56.3	74.8	- 24.7
Impairment of goodwill	–	31.1	n/a
EBITA from Continuing Operations	- 173.8	- 103.1	- 68.6
Adjustments:			
<i>Gains on disposal</i>	–	+ 2.0	
<i>Restructuring</i>	+ 3.6	- 26.3	
<i>Purchase price allocation</i>	+ 15.6	+ 11.4	
<i>Other one-off items</i>	+ 16.9	+ 17.6	
Underlying EBITA from Continuing Operations	- 137.7	- 98.4	- 39.9
Earnings before income taxes	- 226.4	- 209.0	- 8.3
Income taxes	- 72.2	- 30.0	- 140.7
Result from Continuing Operations	- 154.2	- 179.0	+ 13.9
Result from Discontinued Operations	- 10.6	- 7.8	- 35.9
Group loss	- 164.8	- 186.8	+ 11.8
Group loss attributable to shareholders of TUI AG	- 102.8	- 155.1	+ 33.7
Group loss attributable to minority interests	- 62.0	- 31.7	- 95.6
Group loss	- 164.8	- 186.8	+ 11.8
Basic and diluted earnings per share	in € - 0.43	- 0.64	+ 32.8
from Continuing Operations	in € - 0.39	- 0.61	+ 36.1
from Discontinued Operations	in € - 0.04	- 0.03	- 33.3

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