

TUI AG INVITATION

TO THE ANNUAL GENERAL MEETING 2011

Hannover Congress Centrum
9 February 2011, 10.30 a.m. (CET)



TUI Group - Financial Highlights

		2009/10	2008/09	Var. %	SFY 2009 revised
Continuing operations					
Turnover					
TUI Travel	€m	15,728.0	15,946.7	- 1.4	12,622.0
TUI Hotels & Resorts	€m	380.0	393.6	- 3.5	317.5
Cruises	€m	178.7	186.5	- 4.2	142.0
EBITDA					
TUI Travel	€m	455.1	515.5	-11.7	485.8
TUI Hotels & Resorts	€m	193.7	177.9	+ 8.9	152.6
Cruises	€m	15.2	5.2	+ 192.3	7.1
Underlying EBITDA					
TUI Travel	€m	737.3	716.4	+ 2.9	695.3
TUI Hotels & Resorts	€m	192.3	183.2	+ 5.0	152.6
Cruises	€m	16.0	5.2	+ 207.7	7.1
EBITA					
TUI Travel	€m	123.3	32.9	+ 274.8	104.3
TUI Hotels & Resorts	€m	115.5	61.2	+ 88.7	52.4
Cruises	€m	6.8	- 3.1	n/a	1.3
Underlying EBITA					
TUI Travel	€m	506.0	456.9	+ 10.7	525.5
TUI Hotels & Resorts	€m	126.6	110.5	+ 14.6	96.4
Cruises	€m	7.6	- 3.1	n/a	1.3
Group					
Turnover	€m	16,350.1	19,265.1	- 15.1	14,249.7
EBITDA	€m	649.8	1,653.4	- 60.7	1,582.0
Underlying EBITDA	€m	910.5	756.7	+ 20.3	675.6
EBITA	€m	215.5	869.7	- 75.2	1,012.9
Underlying EBITA	€m	589.2	240.1	+ 145.4	362.2
Net profit for the year	€m	113.6	206.1	- 44.9	395.3
Earnings per share	€	+ 0.30	+ 0.58	- 48.3	+ 1.32
Assets					
Non-current assets	€m	9,356.7	9,093.1	+ 2.9	9,093.1
Current assets	€m	5,258.8	4,367.1	+ 20.4	4,367.1
Total assets	€m	14,615.5	13,460.2	+ 8.6	13,460.2
Equity and liabilities					
Equity	€m	2,434.2	2,240.8	+ 8.6	2,240.8
Non-current liabilities	€m	4,555.1	5,027.2	- 9.4	5,027.2
Current liabilities	€m	7,626.2	6,192.2	+ 23.2	6,192.2
Total equity and liabilities	€m	14,615.5	13,460.2	+ 8.6	13,460.2
Equity ratio	%	16.7	16.6	+ 0.1*)	16.6
Cash flow from operating activities					
	€m	516.2	482.7	+ 6.9	363.8
Capital expenditure	€m	2,287.1	2,329.8	- 1.8	2,329.8
Employees	30 Sep	71,398	69,536	+ 2.7	69,536

Differences may occur due to rounding

*)percentage points

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The German version of the invitation to the Annual General Meeting is legally binding. The Company cannot be held responsible for any misunderstandings or misinterpretations arising from this translation.

Chairman's Letter



Dr Michael Frenzel, Chairman of the Executive Board

Dear Shareholders,

In the completed financial year 2009/10, the world economy recovered from its crisis faster than expected. This U-turn was also observed in Tourism, our core business. Following a weaker first quarter of 2009/10, spring brought strong demand for the summer season. However, the high rate of current trading was not sustained following the volcanic eruption in Iceland in April 2010 and only gradually returned to the previous level.

The closure of Europe's airspace due to the ash cloud caused disruption in our Tourism business and impacted our customers' holiday plans. Over 180,000 TUI customers were affected while on holiday. We provided these customers with maximum support. We organised a holiday extension or repatriation by alternative means of transport for all customers stranded in their resorts. In addition, we offered more than 175,000 TUI customers an opportunity to rebook their holidays free of charge.

The loss of direct earnings and the cost of servicing and repatriating our customers during the airspace closure impacted our earnings from Tourism to the tune of €127m. Nevertheless, if a comparable situation arises again we will take similar action for the sake of our guests. Once more, trips organised by tour operators have proven

to be a particularly safe form of travelling under such circumstances. We believe that we gave our customers another good reason for choosing TUI, as the market leader and quality provider, when booking their next holiday. My colleagues and I share the conviction that sustained active customer orientation pays off for our Group in the long term.

Apart from the direct impact of the airspace closure, which we adjusted in earnings for financial year 2009/10 as one-off costs, the disruption created evident uncertainty for new business. In spite of the resulting loss in turnover, TUI Travel increased its operating result by €49m year-on-year to €506m. This can primarily be attributed to the further increase in synergies in TUI Travel, which were close to reaching the full target potential of £200m sterling in the completed financial year. This demonstrates that we have made substantial progress in integrating our tour operator business.

For all the positive advances that have been made towards integration, TUI Travel was also faced with some evident process weaknesses in the IT systems of the UK retail and tour operator business. In preparing the annual financial statements for 2009/10, TUI Travel had to restate receivables totalling €120m in prior-year statements, which had arisen as a result of failures to reconcile balances in IT systems in the tour operator and retail legacy systems in the UK. This restatement does not adversely affect the TUI Group's cash position and thus net debt. We have implemented rigorous HR and organisational measures and thus considerably improved the control environment in TUI Travel. We therefore assume that incidents of this type will not recur.

With a view to the future strategic development of TUI Travel, we have defined the following initiatives to foster profitable growth in the future:

- Selective development of our business models to adjust to changes in market structure
To this end, we will continue to increase the share of exclusive and differentiated products, especially in our hotel portfolio. In addition, we are looking to an even greater role for our already substantial online sales activities.
- Expansion of our growth options in new markets
Following the successful launch of the TUI brand in the Russian and Ukrainian market in March 2010, we will establish key positions in these markets. We are also evaluating opportunities for further growth in other expanding markets such as India or China.

- Efficiency enhancement programme

As a long-term approach to building its market position in the volume business, TUI Travel also launched a broad cost reduction and efficiency enhancement programme in 2009/10.

TUI Hotels & Resorts with its high levels of customer satisfaction provides the TUI Group with a particular competitive edge. We will continue to strengthen our core brands in the hotel and club business, especially through asset-light management contracts and strategic ventures.

In the Cruises Sector, both Hapag-Lloyd Kreuzfahrten and TUI Cruises will expand their fleets. TUI Cruises will be commissioning Mein Schiff II in May 2011, after the first vessel saw excellent booking rates in its first full year of operation. This investment will enable us to strengthen our position further in the growing German cruise market.

The clear recovery in world trade in the completed financial year 2009/10 has triggered an impressive turnaround in Container Shipping. Thanks to a significant rise in freight rates, higher volumes and an improvement in cost structures, Hapag-Lloyd achieved record results in the last two quarters of financial year 2009/10. In terms of the TUI Group's financial year, operating results by Hapag-Lloyd grew by €1.1bn to €478m in the last twelve months. Hapag-Lloyd is back on a steady course.

Given this sound improvement in business, Hapag-Lloyd was able to cancel the state loan guarantee granted the previous year. Subsequently, Hapag-Lloyd successfully placed a corporate bond worth around \$910m in the capital market and received a new syndicated credit line of \$360m. This successful refinancing demonstrates that Hapag-Lloyd is also regarded as a good name in the financial markets.

Our stake in Hapag-Lloyd and the financing instruments granted to the company totalled around €2.5bn at the balance sheet date. Following the cancellation of the state loan guarantee and the related payment restrictions, Hapag-Lloyd has resumed interest and redemption payments on the financing instruments granted by TUI. In October and November 2010, as a first step, we received deferred interest, the repayment of a bridging loan and repayment of the hybrid III loan, amounting altogether to around €500m.

In addition, we will convert the hybrid I loan granted by TUI AG worth €350m into equity of Hapag-Lloyd AG. With this capital increase, our stake in Hapag-Lloyd will rise to 49.8% by the end of 2010 at the latest. Strengthening the equity in this manner has

made refinancing Hapag-Lloyd much easier and improved our chances of generating value. Apart from continuing to recover the credit, we are still committed to identifying the best possible way to recoup on our equity investment in Hapag-Lloyd and will check all the available options in the financial year ahead of us.

Our cardinal aim is and remains to significantly reduce the Group's net debt in the medium term and thus improve the Group's credit rating. Optimising the value of the remaining capital invested in Hapag-Lloyd provides us with the potential to create a financially strong, largely debt-free tourism group that will actively tap the growth opportunities of the future. In addition, our activities in the Tourism business focus on generating free cash flow. Following the integration of TUI Travel, largely completed in the financial year under review, we expect integration and restructuring costs in Tourism to exert far less of an impact on cash flow in the next few years.

By way of conclusion, we are looking back on an eventful year. The recovery of Container Shipping will enable us to sell our stake in Hapag-Lloyd under optimal conditions. This gives us leeway for the future development of Tourism in the TUI Group. In the completed financial year, the capital market has already honoured these improved prospects with strong rises in the TUI share price. The strategic initiatives we have launched will continue to strengthen the operating earnings power in Tourism. The resulting gain in profitability and simultaneous reinforcement of our financial structures will enable us to further increase the value of the TUI share.

We cordially invite you to place your confidence in us and follow us on this road.

A handwritten signature in black ink, reading "Michael Frenzel". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Dr Michael Frenzel, CEO

Invitation

We hereby invite our shareholders to the 2011 Annual General Meeting on Wednesday 9 February 2011 at 10.30 a.m. at the Hannover Congress Centrum, Theodor-Heuss-Platz 1-3, 30175 Hanover.

TUI Aktiengesellschaft
Berlin/Hanover
Karl-Wiechert-Allee 4
30625 Hanover
Germany

The Company's share capital

is divided into 251,661,225 no-par value shares carrying the same number of votes.

Securities identification numbers:

Voting and participating shares:

ISIN Code	WKN
DE 000 TUA G00 0	TUA G00
DE 000 TUA G8B5	TUA G8B
DE 000 TUA G9B3	TUA G9B

Voting shares:

ISIN Code	WKN
DE 000 TUA G13 3	TUA G13

Agenda of TUI AG's 2011 AGM on 9 February 2011

- 1. Presentation of the approved annual financial statements for the 2009/10 financial year as at 30 September 2010, the approved consolidated financial statements, the summarised management report and consolidated management report with a report explaining the information in accordance with section 289(4) and section 315(4) HGB (German Commercial Code), and the Supervisory Board report**

In addition, presentation of the approved, corrected consolidated financial statements and the consolidated management reports for the 2008 financial year as at 31 December 2008 and for the short financial year 2009 as at 30 September 2009

- 2. Resolution on the use of the net profit available for distribution for the 2009/10 financial year**
The net earnings, and therefore the net profit available for distribution, are €13,625,345.46. The Executive Board and the Supervisory Board propose carrying forward the reported net profit to new account.
- 3. Resolution on the ratification of the actions of the Executive Board for the 2009/10 financial year**
The Supervisory Board and the Executive Board recommend ratification.
- 4. Resolution on the ratification of the actions of the Supervisory Board for the 2009/10 financial year**
The Supervisory Board and the Executive Board recommend ratification.
- 5. Resolution on the appointment of the auditor for the 2010/11 financial year**
Based on the recommendation of the Audit Committee, the Supervisory Board proposes appointing PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Hanover, as the auditor for the 2010/11 financial year from 1 October 2010 to 30 September 2011 and also for the review of the half-yearly

financial report for the first half of the 2010/11 financial year.

6. Election of the Supervisory Board

The term of office of all Supervisory Board members will end as of the conclusion of the Annual General Meeting on 9 February 2011, at which point the new term of office will begin. This will run up to the conclusion of the fifth Annual General Meeting following the election, i.e. until 2016.

In accordance with section 11 of the TUI AG Charter in conjunction with section 96(1) and section 101(1) AktG and section 7(1) of the Mitbestimmungsgesetz (Codetermination Act), the Supervisory Board will consist of eight shareholder representatives and eight employee representatives in the new term of office. The Supervisory Board members representing shareholders are to be elected by the General Meeting. The members will be elected on an individual basis in keeping with section 5.4.3 of the German Corporate Governance Code. In electing the shareholder representatives the General Meeting is not bound by election proposals.

The election of the eight Supervisory Board members representing employees will take place on 13 January 2011.

The Supervisory Board proposes electing the following shareholder representatives to the Supervisory Board for the new term of office:

Anass Houir Alami	Chief Executive of Caisse de Dépot et de Gestion (CDG), Rabat/Morocco
Prof. Dr Edgar Ernst	Management Consultant
Christiane Hölz	Lawyer Managing Director for North Rhine-Westphalia of Deutsche Schutzvereinigung für Wertpapierbesitz e. V., Düsseldorf
Roberto López Abad	Chief Executive of Caja de Ahorros del Mediterráneo, Alicante/Spain
Prof. Dr Klaus Mangold	Chairman of the Supervisory Board of Rothschild GmbH, Frankfurt
Mikhail Noskov	CFO of Sever Group, Moscow/Russia
Carmen Riu Güell	Co-owner of Riu hotel group, Playa de Palma/Spain
Vladimir Yakushev	Managing Partner of SGCM Ltd., Moscow/Russia

Pursuant to section 8 of the Rules of Procedure for the Supervisory Board of TUI AG and in conformity with the recommendations of the German Corporate Governance Code, the Supervisory Board must be composed such that its members collectively have the knowledge, skills and professional experience required to properly fulfil their duties.

This includes, in particular, comprehensive industry expertise, internationality, diversity and an appropriate participation of women. In its proposals, the Supervisory Board has been guided by these criteria. The proposal of two female candidates is to be a first step in achieving the goal of appropriate participation of women. In this context, it can be assumed that an appropriate number of women will also be elected to the Supervisory Board by the company's employees.

Of the candidates for the Supervisory Board, Prof. Dr Edgar Ernst, among others, is particularly qualified as an independent financial expert within the meaning of section 100(5) AktG because of his long-standing professional experience.

The Supervisory Board, in its current composition, considers Prof. Dr Klaus Mangold a suitable candidate for the office of chairman of the Supervisory Board because of his long-lasting activity and diverse experience gained in renowned companies and welcomes his intention to campaign for this position.

Information on item 6 of the agenda pursuant to section 125(1) sentence 5 AktG

The candidates proposed for election as members of the Supervisory Board hold the following memberships in other supervisory boards required by law and in comparable domestic and foreign boards companies:

Anass Hourir Alami	b) ADER-Fes Atlanta Avilmar Casa Transport Ciments du Maroc- Italcementi Group Morocco Club Méditerranée Fonds d'Equipment Communal Fonds Igrane	Fonds Marocain de Place- ment Holding Al Omrane Jawharat Chamal Medi1Sat MEDITEL Morrocan Financial Board Poste Maroc Resort Co Sanad
Prof. Dr Edgar Ernst	a) Deutsche Postbank AG Gildemeister AG	b) Österreichische Post AG
Christiane Hölz	-	
Roberto López Abad	b) Afianzamientos de Riesgo EFC, S.A. Banco Inversis Net, S.A. Banque Marocaine du Commerce extérieur	EBN Banco De Negocios, S.A. Gestión Tributaria Territorial, S.A. ¹⁾ Lico Corporación, S.A. ²⁾ Lico Leasing, S.A. E.F.C. ¹⁾ Tinser Cartera S.L.
Prof. Dr Klaus Mangold	a) Continental AG Metro AG	b) Alstom S.A. Leipziger Messe GmbH Rothschild GmbH ¹⁾ Universitätsklinikum Freiburg
Mikhail Noskov	b) Severstal Sveza National Media Group	Non-state Pension Fund Gazfond Non-state Pension Fund Stalfond
Carmen Riu Güell	b) Riu Hotels S.A. RIUSA II S.A.	Productores Hoteleros Reunidos, S.A.
Vladimir Yakushev	b) Centice Corp. Nano-Optic Devices LLC ¹⁾ OJSC Metallurgical Commercial Bank ¹⁾	OOO Innolume ¹⁾ OOO Nanooptic Devices ¹⁾ OOO Spectralus ¹⁾

¹⁾ Chairman

²⁾ Deputy chairman

a) Membership in Supervisory Boards required by law

b) Membership in comparable boards of domestic and foreign companies

7. Resolution on the authorisation of the Executive Board to increase the share capital (authorised capital) with the option to exclude subscription rights, for example in the event of a utilisation against contributions in kind, and cancel the authorised capital pursuant to section 4(8) of the TUI AG Charter (amendment of the Charter)

An Annual General Meeting resolution of 10 May 2006 (agenda item 8) authorised the Executive Board, with the consent of the Supervisory Board, to increase the share capital of the Company by issuing registered shares with the option to exclude subscription rights, for example in the event of a utilisation against contributions in kind (authorised capital in the amount of €246,000,000). The authorisation will no longer be valid after 9 May 2011.

Accordingly, it is proposed that a resolution be passed on the creation of new authorised capital in the amount of €246,000,000 in order for the Executive Board to continue to have planning security and to remain in a position to adapt the capital resources of the Company quickly and flexibly to financial requirements. When utilising this new authorised capital, shareholders will generally be granted subscription rights; however, the Executive Board is to be authorised, with the consent of the Supervisory Board, to exclude the subscription rights of shareholders for specific purposes. However, this option is to be limited to a share volume of 20% of the share capital in total, taking into account all authorisations to exclude subscription rights.

The Executive Board and the Supervisory Board recommend that the following resolution be passed:

- a) The authorisation by the Annual General Meeting of 10 May 2006 to increase the share capital of the Company by issuing registered shares against contributions in kind with the option to exclude subscription rights will be cancelled, insofar as this authorisation has not yet been exercised, as soon as the new authorisation takes effect.
- b) The Executive Board is authorised, with the consent of the Supervisory Board, to increase the Company's share capital once or several times until 8 February 2016, including by issuing new registered shares against contributions in cash or in kind by an amount not to exceed €246,000,000. The shareholders generally are to be granted subscription rights. The subscription rights may be granted indirectly in that shares may also be subscribed by one or more credit institutions or equivalent entities as

defined in section 186(5) sentence 1 AktG with the obligation to offer them to the shareholders for subscription. However, the Executive Board is authorised, with the consent of the Supervisory Board, to exclude the subscription rights of shareholders to the extent necessary in order to grant holders of bonds with warrant or conversion rights or obligations issued or to be issued by TUI AG or its subsidiaries the subscription rights they would be entitled to after exercising the warrant or conversion rights or fulfilling the warrant or conversion obligations. Furthermore, fractional amounts may be excluded from the shareholders' subscription rights. In addition, the Executive Board may, with the consent of the Supervisory Board, exclude the subscription rights of shareholders insofar as the capital increase against contributions in kind is performed in order to acquire companies, parts of companies, interests in companies or other assets (including receivables). However, the total portion of the share capital attributable to new shares for which subscription rights have been excluded under this authorisation must not – together with the portion of share capital attributable to treasury shares or new shares from authorised capital or relating to warrant or conversion rights or obligations from bonds that were sold or issued after the beginning of 9 February 2011 subject to an exclusion of subscription rights – exceed 20% of the share capital. This threshold is to be calculated on the basis of the amount of share capital existing either on 9 February 2011, at the time the authorisation is registered, or at the time the new shares are issued, whichever is the lowest. Subscription rights will also be deemed excluded if the sale or issue is effected by applying section 186(3) sentence 4 AktG directly, analogously or mutatis mutandis. The Executive Board is also authorised, with the consent of the Supervisory Board, to determine the further details of the capital increase and its implementation.

- c) New authorised capital of €246,000,000 will be created. To this end, section 4(8) of the Charter will be redrafted as follows:

'The Executive Board is authorised, with the consent of the Supervisory Board, to increase the Company's share capital once or several times until 8 February 2016, including by issuing new registered shares against contributions in cash or in kind by an amount not to exceed €246,000,000 (in words: EURO two hundred and forty-six million). The shareholders generally are to be granted subscription rights. The subscription rights may be granted indirectly in that shares may also be subscribed by one or several credit institutions or equivalent entities as defined in section 186(5) sentence 1 AktG with the obligation to offer them to the shareholders for subscription. However, the Executive Board is authorised, with the consent of the Supervisory Board,

to exclude the subscription rights of shareholders to the extent necessary in order to grant holders of bonds with warrant or conversion rights or obligations issued or to be issued by TUI AG or its subsidiaries the subscription rights they would be entitled to after exercising the warrant or conversion rights or fulfilling the warrant or conversion obligations. Furthermore, fractional amounts may be excluded from the shareholders' subscription rights. In addition, the Executive Board may, with the consent of the Supervisory Board, exclude the subscription rights of shareholders insofar as the capital increase against contributions in kind is performed in order to acquire companies, parts of companies, interests in companies or other assets (including receivables). However, the total portion of the share capital attributable to new shares for which subscription rights have been excluded under this authorisation must not – together with the portion of share capital attributable to treasury shares or new shares from authorised capital or relating to warrant or conversion rights or obligations from bonds that were sold or issued after the beginning of 9 February 2011 subject to an exclusion of subscription rights – exceed 20% of the share capital. This threshold is to be calculated on the basis of the amount of share capital existing either on 9 February 2011, at the time the authorisation is registered, or at the time the new shares are issued, whichever is the lowest. Subscription rights will also be deemed excluded if the sale or issue is effected by applying section 186(3) sentence 4 AktG directly, analogously or mutatis mutandis. The Executive Board is also authorised, with the consent of the Supervisory Board, to determine the further details of the capital increase and its implementation.'

The Supervisory Board is authorised to amend section 4(8) of the Charter to reflect the utilisation of authorised capital from time to time or following the expiry of the authorisation.

The Executive Board is instructed to apply for the registration of the cancellation of the existing authorised capital in the commercial register only together with the application for the registration of the creation of the new authorised capital in the amount of €246,000,000 and the corresponding amendment to the Charter, provided that the cancellation of the existing authorised capital in accordance with section 4(8) of the Charter may only be entered in the commercial register once it has been ensured that the new authorised capital will be entered in the commercial register at the same time or directly afterwards.

8. Resolution on the new authorisation to acquire and use treasury shares in accordance with section 71(1) no. 8 AktG with potential exclusion of subscription rights and rights to tender shares and the possibility to redeem treasury shares while reducing share capital

In order to acquire treasury shares, the Company requires a special authorisation from the Annual General Meeting, insofar as this is not expressly permitted by law. Since the authorisation granted by the Annual General Meeting on 13 May 2009 lapsed on 12 November 2010, it should be proposed to the Annual General Meeting that it once again grant the Company an authorisation to acquire treasury shares. The new authorisation to acquire and use treasury shares should also authorise the Executive Board to use treasury shares subject to an exclusion of shareholders' subscription rights. However, this option is to be limited to a share volume of 20% of the share capital in total, taking into account all authorisations to exclude subscription rights.

The Executive Board and the Supervisory Board thus recommend that the following resolution be passed:

- a) The Executive Board is authorised to acquire treasury shares up to a maximum of 10% of the share capital existing at the time of this resolution. The shares acquired, together with other treasury shares held by the Company or attributable to the Company in accordance with sections 71a ff. AktG, must at no time exceed 10% of the share capital. In addition, the requirements of section 71(2) sentences 2 and 3 AktG must be complied with. The authorisation must not be used for the purpose of trading in treasury shares.
 - b) The authorisation may be used in whole or in part, once or several times, and in pursuit of one or several objectives. The acquisition may be effected by the Company, by dependent companies or companies that are majority-owned by the Company, or by third parties acting for their account or for the account of the Company. The authorisation remains valid up to and including 8 August 2012. The acquisition will be effected, depending on the preference of the Executive Board, either on the stock exchange or by means of a public offer to buy or a public call to shareholders to submit an offer to sell (together 'public acquisition offer').
- If the shares are acquired on the stock exchange, the share price paid by the Company (not including incidental acquisition costs) must not be more than 10% above or below the market price determined during the opening auction in the Xetra trading

system (or a comparable successor system) at the Frankfurt Stock Exchange on the respective stock exchange trading day.

- If the shares are acquired by means of a public acquisition offer, the offer price per share paid by the Company (not including incidental acquisition costs) must not be more than 10% above or below the price for the Company's shares determined during the closing auction in the Xetra trading system (or a comparable successor system) at the Frankfurt Stock Exchange on the last stock exchange trading day before the publication of the acquisition offer. If, following the announcement of a public offer to buy or a public call to submit an offer to sell, there are significant variations in the relevant price, the offer or the call to shareholders to submit an offer to sell may be adjusted. In this case, the average price during the three stock market trading days prior to the public announcement of any such adjustment will be used. If the total number of shares tendered in response to a public acquisition offer exceeds the volume of the latter, the acquisition may be effected in accordance with the ratio of shares tendered (tender ratio); in addition, preference may be given to accepting small quantities (up to 50 shares per shareholder) and rounding in accordance with common business practice allowed in order to avoid fractions of shares. Any further-reaching tender right on the part of shareholders is excluded in this context.
- c) Company shares that have been acquired on the basis of this authorisation may be sold over the stock exchange or by offering them to shareholders in accordance with the principle of equal treatment. Furthermore, the Executive Board is authorised to use Company shares that have been acquired on the basis of this authorisation for the following purposes instead:
- The shares may be redeemed, with the consent of the Supervisory Board, without such redemption or the execution of such redemption requiring any further resolution by the General Meeting. They may also be redeemed without a capital reduction by adjusting the calculated pro rata amount of the Company's share capital represented by the remaining shares. The redemption may be restricted to only a portion of the shares acquired. If redemption takes place without a capital reduction, the Executive Board is authorised to modify the number of the shares in the Charter accordingly.
 - The shares may, with the consent of the Supervisory Board, also be sold by means other than a sale on the stock exchange or an offer to shareholders provided that the shares are sold for cash at a price that is not significantly below the market price (at the time of the sale) of shares of the Company that are subject to

the same terms. In this case, the total number of shares to be sold is limited to 10% of the share capital existing at the time the resolution concerning this authorisation is passed or – if lower – at the time the authorisation is exercised. The above authorisation volume of 10% of the share capital is reduced by the portion of the share capital attributable to shares or relating to bonds carrying warrant and/or conversion rights or obligations that were issued or sold after the beginning of 9 February 2011 subject to an exclusion of subscription rights in accordance with section 186(3) sentence 4 AktG applied directly, analogously or mutatis mutandis.

- The shares may, with the consent of the Supervisory Board, also be sold against contributions in kind, in particular in connection with the acquisition of companies, parts of companies, interests in companies or other assets (including receivables), and within the context of mergers.
 - The shares may also be used in connection with the exercise of warrant or conversion rights or for the purpose of fulfilling warrant or conversion obligations under convertible bonds, bonds with warrants, profit-sharing rights and/or income bonds (or combinations of these instruments) issued by the Company or by Group companies and carrying warrant or conversion rights or obligations.
- d) The authorisation under c) bullet points 2 to 4 also relates to the use of Company shares acquired on the basis of section 71d sentence 5 AktG.
- e) The authorisations under c) may be exercised once or several times, in full or in part, and individually or together, while the authorisations under c) bullet points 2 to 4 may additionally be exercised by dependent companies or companies that are majority-owned by the Company, or by third parties acting for their account or for the account of the Company.
- f) The subscription rights of shareholders to treasury shares are excluded insofar as these shares are used in accordance with the above-mentioned authorisations under c) bullet points 2 to 4. In the event that the treasury shares are sold by means of an offer to the shareholders, the Executive Board will be authorised, with the consent of the Supervisory Board, to exclude the subscription rights of shareholders for fractional amounts. However, the total portion of the share capital attributable to treasury shares for which subscription rights have been excluded under this authorisation or through the exercise of the authorisations under c) bullet points 2 to 4 must not – together with the portion of

share capital attributable to treasury shares or new shares from authorised capital or relating to warrant or conversion rights or obligations from bonds that were sold or issued after the beginning of 9 February 2011 subject to an exclusion of subscription rights – exceed 20% of the share capital. This threshold is to be calculated on the basis of the amount of share capital existing at the time the authorisation takes effect or at the time the treasury shares are sold, whichever is the lowest. Subscription rights will also be deemed excluded if the sale or issue is effected by applying section 186(3) sentence 4 AktG directly, analogously or mutatis mutandis.

Report of the Executive Board to the Annual General Meeting on the exclusion of subscription rights pursuant to sections 186(4) sentence 2, 203(2) sentence 2 and 71(1) no. 8 sentence 5 AktG, as provided for in agenda items 7 and 8.

Regarding the basic relationship between the existing authorisations to exclude subscription rights and the new authorisations proposed in agenda items 7 (authorised capital) and 8 (acquisition and use of treasury shares)

Whenever the authorisations for carrying out capital measures contained in agenda items 7 and 8 are exercised, shareholders should as a rule be granted subscription rights; however, there should also be a possibility for shares to be issued or sold for specific purposes subject to an exclusion of subscription rights. However, this option is to be limited to a share volume of 20% of the share capital in total, taking into account all existing and new authorisations to exclude subscription rights for shares and bonds. The amount of share capital relevant for the calculation of this threshold is to be the following:

- *in the event of an exercise of the authorisation pursuant to agenda item 7:* the share capital existing either on 9 February 2011, at the time the authorisation is registered, or at the time the new shares are issued from authorised capital, and
- *in the event of an exercise of the authorisation pursuant to agenda item 8:* the share capital existing either at the time the authorisation pursuant to agenda item 8 takes effect, or at the time the authorisation to sell treasury shares is exercised,

whichever is the lowest. In order to protect the shareholders' interests, the lowest of the share capital amounts specified above is to be applied. Subscription rights will also be deemed excluded if the sale or issue is effected by applying section 186(3) sentence 4 AktG directly, analogously or mutatis mutandis.

Regarding the relationship between existing authorisations to exclude subscription rights in accordance with section 186(3) sentence 4 AktG and the new authorisation proposed in agenda item 8 (acquisition and use of treasury shares)

The authorisation proposed in agenda item 8 inter alia provides for an option to sell acquired treasury in accordance with the provisions of section 186(3) sentence 4 AktG and to exclude the shareholders' subscription rights in this context, provided that these shares are issued or sold at a price near to the stock exchange price or market value and that the relevant statutory limit for such a 'simplified' exclusion of subscription rights of 10% of the share capital in total is not exceeded.

The Executive Board will, with the consent of the Supervisory Board, exercise any such authorisation based on an application of section 186(3) sentence 4 AktG only in such a manner as to ensure that, overall, the limit specified in section 186(3) sentence 4 AktG of 10% of the share capital existing at the time the resolutions regarding the authorisations are adopted by the General Meeting is not exceeded at any time during the term of the respective authorisation until such time as it is exercised. If the share capital at the time the respective authorisation is exercised is less than that at the time the resolutions were adopted, the lower share capital amount will apply.

Irrespective of whether the authorisations providing for an option to exclude subscription rights are exercised separately or cumulatively, the limit of 10% of the share capital must not be exceeded in aggregate when excluding subscription rights pursuant to the rules set out in section 186(3) sentence 4 AktG. The sole purpose of the proposed and existing authorisations offering the option to exclude subscription rights pursuant to section 186(3) sentence 4 AktG is to provide the Executive Board with the possibility to use the instrument that is most suitable in a specific situation – taking into consideration the interests of the shareholders and the Company – but not to make multiple use of the various possibilities for a simplified exclusion of subscription rights provided in the proposed authorisations, thereby excluding the shareholders' subscription rights above and beyond the limit of 10% of the share capital specified in section 186(3) sentence 4 AktG.

Re. agenda item 7 (authorised capital of €246,000,000)

The new authorised capital of €246,000,000 is proposed so that TUI will also in the future be in a position to bring its capital resources in line with its commercial requirements at any time. The Executive Board sees it as its duty to ensure that the Company – regardless of specific plans for exercising such authorisation – always has suitable instruments available for the purposes of raising capital.

As decisions concerned with meeting capital requirements must generally be taken quickly, it is important that the Company should not be forced to wait for the next Annual General Meeting to take the relevant steps. German legislation has responded to this requirement by offering the instrument of 'authorised capital'. Authorised capital is most commonly used to strengthen a company's equity base or to finance the acquisition of interests in companies.

When authorised capital is utilised by means of capital increases against contributions in cash, shareholders generally have a subscription right. The subscription rights may be granted indirectly in that shares may also be subscribed by one or more credit institutions or equivalent entities as defined in section 186(5) sentence 1 AktG with the obligation to offer them to the shareholders for subscription. However, the Executive Board is to be authorised to exclude, with the consent of the Supervisory Board, the shareholders' statutory subscription rights in certain cases when issuing new shares. Nonetheless, the option to exclude subscription rights is to be limited to new shares representing a total of 20% of the current share capital. A suitable clause should also be introduced to ensure, in the interests of shareholders, that the option to exclude subscription rights is limited to a total of 20% of the share capital, taking into account all further authorisations to exclude subscription rights. This threshold is to be calculated on the basis of the amount of share capital existing either on 9 February 2011, at the time the authorisation is registered, or at the time the new shares are issued, whichever is the lowest. Subscription rights will also be deemed excluded if the sale or issue is effected by applying section 186(3) sentence 4 AktG directly, analogously or *mutatis mutandis*.

It should be possible to exclude subscription rights insofar as this is necessary in order to grant holders of existing and future bonds with warrant and/or conversion rights or obligations subscription rights to new shares where the terms of the bonds so provide. Such bonds are generally protected against dilution in that their holders may, in the context of subsequent share issues with shareholders' subscription rights, be granted the subscription rights to new shares they would be entitled to after exercising the warrant or conversion rights or fulfilling the warrant or conversion obligations, instead of being offered a reduction of the warrant or conversion price. The authorisation gives the Executive Board the possibility to choose between these two alternatives, after a careful consideration of interests, when utilising the authorised capital in accordance with section 4(8) of the Charter. The holders of such bonds are thus treated as if they had already exercised their warrant or conversion rights or fulfilled their warrant or conversion obligations. This has the advantage of allowing the Company to secure a higher issue price for the shares to be issued upon a conversion or the exercise of a bond, which would

not be the case if the protection against dilution was realised by reducing the warrant or conversion price.

The Executive Board is also to be authorised, with the consent of the Supervisory Board, to exclude the shareholders' subscription rights in respect of fractions. This allows the authorisation to be exercised using round figures, thereby making an issue easier to handle. The new shares that are excluded from the shareholders' subscription rights as 'unallotted fractions' will be utilised on the best possible terms for the Company either through a sale on the stock exchange or in another way.

It is also to be possible, with the consent of the Supervisory Board, for shareholders' subscription rights to be excluded in the case of capital increases against contributions in kind. In this case, the Executive Board will make use of the authorisation to exclude shareholders' subscription rights only up to a maximum of 20% of the share capital. This threshold will be calculated on the basis of the amount of share capital existing either on 9 February 2011, at the time the authorisation is registered, or at the time the new shares are issued, whichever is the lowest. This allows the Executive Board to use Company shares in suitable individual cases to acquire companies, parts of companies, interests in companies or other assets (such as hotels, ships or aircraft, or receivables). In some cases, shares rather than cash payments are required as consideration for takeovers. The possibility to offer Company shares as consideration thus creates an advantage for the Company in the competition for attractive acquisition targets, and also creates the necessary leeway permitting the Company to take advantage of opportunities that arise with regard to acquiring companies, parts of companies, interests in companies or other assets in such a way as to protect its liquidity. Offering shares can also make sense from the point of view of ensuring an optimum financing structure. The Company does not suffer any disadvantage, as the issue of shares against contributions in kind requires that the value of the contribution in kind be in reasonable proportion to the value of the shares.

The Executive Board is also to be authorised to make use of this authorised capital in cases where the Company, for instance, having initially committed to paying for an acquisition in cash, then fully or partially grants Company shares, rather than making the relevant cash payment, to the holders of such (certificated or uncertificated) monetary claims. This gives the Company additional flexibility.

It should also be possible to utilise this authorised capital – subject to an exclusion of subscription rights – to fulfil warrant or conversion rights or to fulfil conversion obligations under bonds for which the subscribers made contributions in kind rather than in cash. In this way,

bonds carrying warrant and/or conversion rights or obligations can be used as currency for the acquisition of companies, parts of companies, interests in companies or other assets, thereby increasing the chances of securing attractive acquisition opportunities.

In each individual case, the Executive Board will examine carefully whether it will make use of the authorisation to increase capital subject to an exclusion of shareholders' subscription rights. The Executive Board will only do this if both its members and those of the Supervisory Board consider this to be in the interests of the Company and thus of its shareholders.

The Executive Board will report to the General Meeting on any specific exercise of the proposed authorisation.

Re. agenda item 8 (authorisation to acquire and use treasury shares)

The proposal in agenda item 8 concerns an authorisation, restricted to a period of 18 months, to acquire treasury shares in accordance with section 71(1) no. 8 AktG representing up to 10% of the share capital.

In the Annual General Meeting on 13 May 2009, TUI AG passed an authorisation resolution for the acquisition of treasury shares that was limited to a term ending on 12 November 2010.

Under the new authorisation, the Company, in addition to being able to acquire treasury shares on the stock exchange, should also be able to acquire treasury shares by means of a public offer to buy or a public call to submit an offer to sell. The principle of equal treatment, as specified in German stock corporation law, must be observed regardless of the way in which the acquisition is effected. In the case of a public offer to buy or a public call to submit an offer to sell, shareholders can decide how many shares they would like to offer to the Company and – where a price range is specified – at what price. In the event that the volume offered at the specified price exceeds the number of shares the Company wishes to acquire, it is to be possible for the acquisition to be effected in accordance with the ratio of shares tendered (tender ratio). Only where an acquisition is made according to tender ratios rather than participation ratios will it be possible to handle the acquisition process effectively in technical terms. It should also be possible for preference to be given to accepting small offers or small parts of offers up to a maximum of 50 shares per shareholder. This makes it possible to avoid small, generally uneconomical residual amounts, thereby preventing the risk of small shareholders being put at a de facto disadvantage. It also serves to simplify the technical handling of the acquisition process.

It should be possible, in all cases, to permit rounding in accordance with common business practice in order to avoid fractions of shares. This also serves to simplify the technical handling in that it allows to ensure that only whole shares are acquired. In all of these cases, the exclusion of any further-reaching tender rights of the shareholders is necessary, and is considered by the Executive Board and the Supervisory Board to be justified and appropriate vis-à-vis the shareholders. The purchase price or the upper and lower limits of the purchase price range offered for each share (not including incidental acquisition costs) must not be more than 10% above or below the price for the Company's shares determined during the closing auction in the Xetra trading system (or a comparable successor system) at the Frankfurt Stock Exchange on the last trading day before the publication of the acquisition offer. If, following the announcement of a public offer to buy or a public call to submit an offer to sell, there are significant variations in the relevant price, the offer or the call to submit an offer to sell may be adjusted. In this case, the average price during the three stock market trading days prior to the public announcement of any such adjustment will be used.

The authorisation may be used in whole or in part, once or several times, and in pursuit of one or several objectives. The acquisition may be effected by the Company, by dependent companies or companies that are majority-owned by the Company, or by third parties acting for their account or for the account of the Company. The treasury shares acquired may be sold on the stock exchange. In this case, shareholders have no subscription rights. In accordance with section 71(1) no. 8 sentence 4 AktG, the sale of treasury shares on the stock exchange – as well as the acquisition of shares on the stock exchange – complies with the principle of equal treatment as defined in section 53a AktG. However, the acquired treasury shares may also be sold by way of an offer to shareholders in compliance with the principle of equal treatment. Furthermore, the Executive Board is authorised to sell the acquired treasury shares in another way or to redeem them. In detail:

The proposed resolution authorises the Executive Board to sell the acquired treasury shares, subject to the consent of the Supervisory Board, for cash by means other than a sale on the stock exchange or an offer to shareholders. For this to take place, the shares must be sold at a price that is not significantly below the exchange price (at the time of the sale) of shares of the Company that are subject to the same terms. This authorisation makes use of the possibility for a simplified exclusion of subscription rights permitted under section 71(1) no. 8 sentence 5 AktG and section 186(3) sentence 4 AktG, applied analogously. The need to protect shareholders against dilution is accounted for by the fact that the shares may only be sold at a price that is not significantly below the relevant exchange price.

The sales price for the treasury shares will be finally determined shortly before the sale takes place. The Executive Board will set any discount from the exchange price as low as possible, taking into account the market conditions at the time of placement. The discount from the exchange price at the time this authorisation is exercised is not expected to be more than 3% and will definitely not be more than 5% of the current exchange price. The authorisation is valid provided that the shares sold subject to an exclusion of subscription rights pursuant to section 186(3) sentence 4 AktG in aggregate do not exceed 10% of the share capital, either at the time the resolution on this authorisation is passed or at the time this authorisation is exercised. If the share capital at the time the authorisation is exercised is less than on 9 February 2011, the lower share capital amount shall apply. This authorisation should only be exercised such that the limit of 10% of the share capital specified in section 186(3) sentence 4 AktG is not exceeded in aggregate, i.e. including any exercise of other authorisations to exclude subscription rights in accordance with section 186(3) sentence 4 AktG. Shareholders generally have the possibility to maintain their stake by purchasing TUI shares on the stock exchange. This option to exclude subscription rights helps the Company to secure the best possible price when selling treasury shares. It enables the Company to take advantage of any opportunities offered by the relevant stock exchange conditions quickly, flexibly and cost-effectively. The sale proceeds that can be achieved by setting a near-market price generally result in a substantially higher cash inflow per share sold than in the case of a share placement with subscription rights. Furthermore, by forgoing the lengthy and expensive subscription rights process, capital requirements can be met quickly by utilising market opportunities that arise in the short term. Although section 186(2) sentence 2 AktG allows the purchase price to be published three days before the expiry of the subscription period at the latest, the volatility of the stock markets means that a market risk – namely a price-change risk – nonetheless exists for a period of several days, resulting in the possibility of haircuts during the determination of the sales price, and thus in terms that are not near-market. In addition, if subscription rights are granted, the Company is unable to react quickly to favourable market conditions owing to the length of the subscription period. Although the above purpose is also served by the authorised capital in accordance with section 4(5) of the Charter, the Company should also be given the option, in suitable cases, to achieve this purpose after a repurchase of treasury shares even without increasing its capital, which is a time-consuming and often expensive process owing to the commercial register entry requirement.

Treasury shares may, with the consent of the Supervisory Board, also be sold against contributions in kind subject to an exclusion of shareholders' subscription rights. The proposed authorisation is to place

the Company in a position to offer treasury shares directly or indirectly as consideration in connection with mergers or acquisitions of companies, parts of companies, interests in companies or other assets (e.g. hotels, ships or aircraft, or receivables). As the Company is exposed to national and global competition, it must be in a position to act quickly and flexibly on the national and international markets at all times. This also includes the possibility to improve its competitive position by merging with other companies or by acquiring companies, parts of companies, interests in companies or other assets. The ideal way to implement this possibility is to carry out a merger or acquisition in such a way that shares in the acquiring company are granted. Practical experience also shows that, on both national and international markets, shares in the acquiring company are often demanded in return for attractive acquisition targets. In addition, it can be more advantageous to deliver treasury shares than to sell these shares in order to generate the funds required for an acquisition, as selling shares can have the effect of pushing down prices. The authorisation proposed here is to create the necessary leeway permitting the Company to quickly and flexibly take advantage of opportunities in terms of mergers or acquisitions of companies, parts of companies, interests in companies or other assets that may arise both locally and on international markets. For this to be possible, the proposed exclusion of subscription rights is essential. By contrast, if subscription rights are granted, it is not possible to deliver treasury shares as consideration for a merger with other companies or for the acquisition of companies, parts of companies or interests in companies so that the Company would have to forgo the related benefits. Although the above purposes are also served by the existing authorised capital pursuant to section 4(5) of the Charter, the Company is also to be given the option to achieve these purposes in suitable cases after a repurchase of treasury shares even without increasing its capital, which is a time-consuming and often expensive process owing to the commercial register entry requirement. At present, there are no specific plans to exercise this authorisation. Should possibilities to merge with other companies or to acquire companies, parts of companies or interests in companies arise, the Executive Board will examine carefully whether or not to make use of the option to grant treasury shares. The Executive Board will only do this if it firmly believes that the delivery of TUI shares as consideration for a merger or the acquisition of a company, part of a company or interests in a company is in the interest of the Company. In defining the valuation ratios, the Executive Board will ensure that the interests of the shareholders are suitably accommodated. When assessing the value of the shares granted as compensation, the Executive Board will base its decision-making on the exchange price of the TUI share. A formal link to an exchange price is not intended, largely in order to prevent the results of negotiations being put in question by variations in the exchange price. The Executive

Board will report on the details of the exercise of this authorisation at the General Meeting following any merger or acquisition in return for which TUI AG shares were delivered.

A suitable clause is to be introduced to ensure, in the interests of the shareholders, that the possibility to utilise treasury shares subject to an exclusion of subscription rights is limited to a total of 20% of the share capital, taking into account all further authorisations to exclude subscription rights.

The authorisation furthermore allows that treasury shares be used, subject to an exclusion of shareholders' subscription rights, in order to fulfil conversion or subscription rights of holders of convertible bonds, bonds with warrants, profit-sharing rights and/or income bonds (or combinations of these instruments) issued by the Company or other Group companies and carrying warrant or conversion rights or obligations. It can make sense to use treasury shares instead of new shares from a capital increase, either solely or partially, in order to fulfil conversion rights because this is a suitable means of countering a dilution of shareholders' capital holdings and voting rights, which can occur to a certain extent if these rights are fulfilled by delivering newly created shares.

The above utilisation options may be used not only in respect of shares that were acquired on the basis of this authorisation resolution. Rather, the authorisation also covers shares acquired pursuant to section 71d sentence 5 AktG. Using these treasury shares in the same way as the shares acquired on the basis of the authorisation resolution is advantageous and can create additional flexibility. Furthermore, it is intended that the aforementioned utilisation options should be available not only to the Company itself but also to dependent companies or companies that are majority-owned by the Company, or to third parties acting for their account or for the account of the Company.

According to the proposal, the treasury shares acquired on the basis of this authorisation resolution may also be redeemed by the Company, with the consent of the Supervisory Board, without a new resolution by the General Meeting being required. According to section 237(3) no. 3 AktG, the Company's General Meeting may decide to redeem its fully paid-in shares without a reduction in the company's share capital being required. In addition to a redemption of shares with a capital reduction, the proposed authorisation expressly provides for this alternative, although this too is intended to no longer require a new resolution by the General Meeting. If treasury shares are redeemed without a capital reduction, the calculated pro-rata share in the Company's share capital represented by the remaining registered shares automatically increases. The Executive Board therefore

is also to be authorised to make the necessary amendment to the Charter with regard to the change in the number of shares that will result from any redemption.

Finally, the Executive Board is to be authorised, with the consent of the Supervisory Board, to exclude the subscription rights of shareholders for fractional amounts if the treasury shares are sold by offering them to shareholders. The exclusion of subscription rights for fractional amounts serves to achieve a technically feasible subscription ratio. The shares that are excluded from the shareholders' subscription rights as unallotted fractions will be utilised on the best possible terms for the Company by selling them on the stock exchange or in another way. Due to the restriction to fractional amounts, the possible dilutive effect will be small.

Having given due consideration to all the above factors, the Executive Board and the Supervisory Board consider it justified and appropriate vis-à-vis the shareholders to exclude the subscription rights in those cases for the stated reasons, also taking into account the possible dilutive effects suffered by shareholders.

If this authorisation is exercised, the Executive Board will notify the next General Meeting accordingly.

Participation in the Annual General Meeting

Registration

Pursuant to article 21 of the Charter, all shareholders of the company who are entered in the share register of the company on the day of the Annual General Meeting and in respect of whose shareholdings the shareholders themselves or their proxies have registered for attendance **by the end of the registration period (midnight on 2 February 2011)** are entitled to participate in and vote at the Annual General Meeting. Pursuant to article 21(2) of the Charter no entries shall be made in the share register on the day of the Annual General Meeting and the six days prior to it.

We will write to all shareholders who are entered in the share register on or before **25 January 2011** and such shareholders may then register in the following ways:

in writing to the postal address	by fax to
TUI Aktionärsservice AGM 2011 Max-Planck-Straße 9a 61334 Friedrichsdorf Germany	+49 (0) 69 91 33 91 17
electronically at the Internet address (from 18 January 2011)	
www.tui-group.com/en/ir via the link 'AGM'	

Shareholders of TUI AG will again have the option this year to register themselves or a proxy and order admission tickets for the Annual General Meeting or give authorisation and instructions to company-appointed proxies electronically via the Internet. This service will be available from 18 January 2011 at www.tui-group.com/en/ir via the link 'AGM'. The shareholder number and individual access number required for access to the personal Internet service are printed on the reverse of the above-mentioned personal letter.

Shareholders whose **registration is received** by the company **by midnight on 2 February 2011** may give authorisation and instructions to company-appointed proxies as well as change the instructions or revoke the authorisation using the addresses listed above **by midnight on 8 February 2011**. This also applies to authorisations and instructions that were given to company-appointed proxies before 18 January 2011.

Admission tickets can be ordered **until midnight on 2 February 2011** at the latest. Shareholders who are not entered in the share register by 25 January 2011, but are entered by 2 February 2011 at the latest, can only order admission tickets in writing or by fax from the above-mentioned postal address or fax number (such orders must be received by no later than **midnight on 2 February 2011**).

Advice on voting by proxy

Shareholders who are entered in the share register and register for the Annual General Meeting in time have the option to have their vote at the Annual General Meeting exercised by a credit institution, a shareholder association, the proxies appointed by the company or another proxy of their choice.

The granting of the authorisation, its revocation and the proof of authorisation to the company must be made in text form. Authorisation forms can be found in the personal invitation and at www.tui-group.com/en/ir via the link 'AGM'.

If shareholders' proxies are required to prove their authorisation to the company, i.e. if they do not fall under the exception that applies to credit institutions, commercial agents and shareholders' associations pursuant to section 135 AktG, the proof of the appointment of a proxy may also be supplied by sending an e-mail to tui.hv@rsgmbh.com. As well as a copy of the authorisation itself or the confirmation that the authorisation has been granted, the e-mail must also include at least the name, the date of birth and the address of the shareholder, the number of shares being represented and the name and place of residence of the proxy.

The special regulations in section 135 AktG apply to the authorisation of and exercise of voting rights by credit institutions, shareholders' associations and equivalent persons or entities. The following special provisions apply to the authorisation of the proxies appointed by the company.

TUI AG shareholders have the option of having their voting rights represented at the Annual General Meeting by employees of the

company who are bound to comply with instructions. The authorisation and instructions to company-appointed proxies can be issued in writing using the response form that is part of the personal invitation, by fax or via the Internet using the addresses/fax number given.

The proxies are obliged to vote in accordance with the instructions issued. Without instructions the authorisation is invalid and the voting right will not be exercised. If instructions are not clear, the proxies will abstain from voting on the corresponding points of the agenda. This always applies in the case of unforeseen motions.

On receipt of a personal invitation the shareholders receive the corresponding form to issue authorisation and instructions.

Advice on counter-motions and nominations pursuant to sections 126 and 127 AktG

Counter-motions relating to proposals made by the Executive Board and the Supervisory Board on a particular point of the agenda and proposals for the election of Supervisory Board members and the appointment of the auditor may be addressed to:

TUI AG
 Gesamtvorstandssekretariat
 Karl-Wiechert-Allee 4
 30625 Hanover
 Germany
 Fax: +49 (0) 511 5 66-19 96
 E-mail: gegenantraege.hv@tui.com

Any motions and nominations sent to any other address will not be published pursuant to sections 126 and 127 AktG. We shall publish any motions and nominations received from shareholders by **midnight on Tuesday, 25 January 2011** at the latest – provided they have to be published – including the name of the shareholder, the grounds cited (only required in the case of counter-motions) and any statement by the management at www.tui-group.com/en/ir via the link 'AGM'.

Advice on supplementary motions pursuant to section 122(2) AktG

Shareholders whose combined stakes total a pro rata amount of €500,000 of the company's share capital may request that items are placed on the agenda and published as stated under section 122(1) AktG. Each new item must be accompanied by a statement of reasons or a proposed resolution. The request for an addition to the agenda must be received by the company in writing by no later than **midnight on Sunday, 9 January 2011**. The applicants

must prove that they have been shareholders of the company for at least three months before the day on which the company received the request and that they will hold the shares until a decision has been made on the request for a supplementary motion. If the request is denied, applicants may have recourse to the courts pursuant to section 122(3) AktG.

Advice on the shareholders' right to information

Pursuant to section 131 AktG each shareholder shall on request be given information by the Executive Board in the Annual General Meeting about the company's affairs, insofar as is necessary for the proper assessment of an item on the agenda. This right to information also extends to the legal and commercial relationships of TUI AG to an affiliated company and the situation of the group and the companies included in the consolidated financial statements. Pursuant to article 22(2) sentence 2 of the Company's Charter, reasonable time restrictions may be applied by the Chairman to the question and answer rights of shareholders at the General Meeting. The Executive Board may refuse to give information for the reasons stated in section 131(3) AktG, in particular if the information has been continuously available on the company's Internet site for at least seven days before the beginning of the Annual General Meeting and is available at the Annual General Meeting. If information is refused to be given to a shareholder, that shareholder may, pursuant to section 131(5) AktG, request that the question and the reason for such refusal be included in the notarial record of the General Meeting and, if appropriate, apply to a court to rule on the right to information.

Information pursuant to section 124a AktG

The website of TUI AG via which information pursuant to section 124a AktG can be accessed at is:
www.tui-group.com/en/ir via the link 'AGM'.

For **further information** the TUI shareholder AGM hotline is available under number (0800) 56 00 841 (from Germany) or +49 (0) 69 91 06 49 72 (from abroad), from Monday to Friday between 8 a.m. and 6 p.m. (CET).

Berlin/Hanover, December 2010
 The Executive Board

Directions

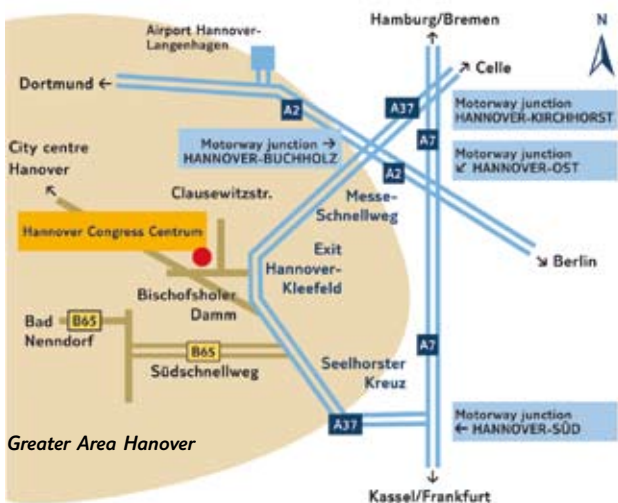
How to get to the Venue

By car

Hannover has established an environmental zone in its inner city. The Hannover Congress Centrum is located within that environmental zone. Should you wish to come to the AGM by car, your vehicle will need to have a pertinent green windscreen sticker.

For more detailed information you can also go to:

www.hannover.de/data/download/h/Heft_Umweltzone3_GB.pdf



From the north ↓

Exit the motorway A7 at junction Hannover-Kirchhorst, follow the motorway A37/Messeschnellweg. Turn right at the exit Hannover-Kleefeld, turn right again at the first traffic lights into Clausewitzstraße.

From the south ↑

Follow the motorway A7 to Hannover-Süd. Exit the A7 and follow the A37/Messeschnellweg. Turn left at the exit Hannover-Kleefeld, turn right at the first traffic lights into Clausewitzstraße.

From the west →

Follow the motorway A2 to the junction Hannover-Buchholz. Exit the A2 and follow the motorway A37/Messeschnellweg. Turn right at the exit Hannover-Kleefeld, turn right again at the first traffic lights into Clausewitzstraße.

From the east ←

Follow the motorway A2 right across junction Hannover-Ost up to junction Hannover-Buchholz. Exit the A2 and follow the motorway A37/Messeschnellweg. Turn right at the exit Hannover-Kleefeld, turn right again at the first traffic lights into Clausewitzstraße.

Destination:

Hannover Congress Centrum
Theodor-Heuss-Platz 1-3
30175 Hanover

By public transport

If you have ordered an entry ticket, you will receive a special ticket with your mail which entitles you to use the **public transport** in Hanover (in the area of the GVH) free of charge.

Schedules are available at:

www.efa.de/gvh/

**Hannover city**

From Hanover main station take the **bus lines 128 or 134** towards Peiner Straße **directly to Hannover Congress Centrum**. The trip will take approx. 10 minutes.

Or: by the **tram lines**

- 1 (direction Laatzen/Sarstedt)
- 2 (direction Rethen)
- 8 (direction Messe/Nord)
- 10 or 17 (both directions Aegidientorplatz) **to Aegidientorplatz**. Change for **line 11** (direction Zoo) **to Hannover Congress Centrum**. The trip will take approx. 14 minutes.

From Hanover airport

take the **S-Bahn S5** to **Hauptbahnhof**, there the public transport as described adjoining **directly to Hannover Congress Centrum**. The trip will take approx. 34 minutes.

TUI AG
Karl-Wiechert-Allee 4
30625 Hanover
Germany

