

TUI TRAVEL PLC
Update on the transaction between TUIfly and Air Berlin

07 Sep 2009. TUI Travel PLC ("TUI Travel") announced on 27 March 2009 that it had agreed the terms of a transaction between Air Berlin and TUI Travel's German aviation business ("TUIfly") (the "Transaction").

Following discussions with the German Federal Cartel Office, the parties have amended the terms of the Transaction and will not implement the crossshareholdings that were previously announced. The other commercial agreements and the strategic benefits of the transfer of TUIfly's scheduled flying business will remain.

TUI Travel will now either acquire a 9.9% stake in Air Berlin for a cash consideration of €33.5 million, which it will sell over a period of time, or alternatively will pay Air Berlin €15 million. Air Berlin will no longer acquire a stake in TUIfly. TUI Travel will also no longer receive the right to nominate a non-executive director to the Board of Air Berlin.

The transfer of the TUIfly scheduled flying operations shall be effected by the end of October. Air Berlin will initially operate 13 of TUIfly's aircraft in the Winter 2009/10 season, increasing to 14 in Summer 2010. We have also entered into an agreement to sub-charter one additional aircraft to a third party for Winter 2009/10 and will remove a further aircraft from the fleet in May 2010. Accordingly, our charter business in Germany will operate 23 aircraft from Summer 2010.

Except as disclosed in this announcement, there has been no significant change affecting any matter contained in the announcement dated 27 March 2009 and no other significant new matter has arisen which would have been required to be mentioned in that announcement if it had arisen at the time of its preparation.

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