

Ad-hoc announcement according to § 15 WpHG (German Stock Trading Law)

Hanover, 14 December 2006. Against the background of the deterioration in earnings in 2006, in particular in the shipping division, TUI AG announces:

The Supervisory Board of TUI AG has approved the plan submitted by the Executive Board for the next few years and in this context also approved a comprehensive action plan to improve earnings in tourism. Besides measures for further growth in the airline, internet and hotel businesses, a comprehensive cost-cutting programme totalling 250 million euros by 2008 was resolved. The cost of materials will be cut by around 150 million euros, with personnel costs reduced by around 100 million euros.

The plan also includes cutting around 3,600 jobs in the tourism division. The expected restructuring costs of 140 million euros will be carried in the balance sheet for 2006 to the largest extent possible.

Against the background of the currently difficult market situation in particular in the shipping division, TUI has specified its medium-term profit targets. In the shipping division, a considerable improvement in earnings is expected due to the non-recurrence of the integration costs and the onset of the synergy effects. In combination with notable volume growth, an earnings level of 400 to 500 million euros is planned for 2008. Due to the persistent pressure on margins in tourism, the Executive Board considers earnings of 450 to 550 million euros in 2008 as realistic. In the tourism division, the Executive Board considers it probable that a restatement of goodwill may be required due to the changes in earnings expectations.

At the same time, TUI has launched a new programme for a further reduction in debt and an associated reduction in capital tied up in the Group. For the shipping division, the decision was taken to sell a harbour terminal in Montréal, Canada, and several small ships owned by CP Ships, some of which have been chartered out. In addition, the divestment of real estate not required for operative purposes has been planned. The total cash potential resulting from these measures is around one billion euros. For 2008, TUI thus expects net debt of around 2.5 billion euros. Additional debt reduction potential will result from the cash flow from operating activities.

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Moreover, the TUI AG Supervisory Board has authorised the Executive Board to prepare the annual financial statements for 2006 on the assumption that a dividend will not be paid. Servicing of the Group's hybrid bond will not be affected. For the 2007 financial year, a significant improvement of Group earnings is expected and in this regard dividends are assumed to be paid again.

Further details concerning the resolutions adopted at the Supervisory Board meeting will be announced on Friday, 15 December 2006, 10:00 a.m. (CET).

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List of stock exchanges:

Berlin/Bremen, Düsseldorf, Frankfurt, Hamburg, Hannover, München, Stuttgart

ISIN codes:

DE000TUAG000
DE0003659884
DE0002913894
XS0191794782
XS0191795672
XS0195307367
DE000TUAG059
XS0237431837
XS0237433700
XS0237435317
XS0237436711

End of ad-hoc notice

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