

TUI starts the 2005/2006 travel year with increased bookings

Turnover growth in key source markets / Online turnover up by 44 per cent

Hanover/Berlin, 8 March 2006. TUI AG, Europe's leading travel group, has started the 2005/2006 travel year with solid growth. In the current winter business, TUI has recorded Europe-wide growth in booked turnover of 2.4 per cent and an increase in customer numbers of six per cent. For the 2006 summer season, booked turnover and customer numbers are two per cent up on last year's very high levels. 'In the eastern Mediterranean destinations, the start into the summer season was characterised by the bird flu and the cartoons controversy,' said TUI's CEO

Dr. Michael Frenzel at the opening of the ITB, the world's largest tourism fair held in Berlin. Frenzel pointed out that bookings are currently shifting from the eastern to the western Mediterranean. 'Spain, our most important destination, currently benefits most strongly from this trend', said Frenzel. At the moment the bookings for Spain for the coming summer season are five percent above last year's figures. TUI's CEO expects booking numbers to pick up again also for other destinations over the next few weeks: 'All economic data in Europe are positive. If the positive sentiment is no longer overshadowed by the external factors, booking numbers will rise again in the short term. We are already observing a positive trend again.' Most evident is the current growth in online turnover. At 1.8 billion euros it was up 44 percent in Europe last year. "We have consolidated our leading market position in the internet above all in the United Kingdom, but also in Germany', continued Frenzel.

Domestic market matches last year's performance with good price levels

In the German market, TUI's tour operators and airlines saw off to a stable start to the new travel year. Currently, booked turnover for the summer in source market Germany is matching last year's good level. Customer numbers are growing slightly by 1.5 per cent. 'The first few booking weeks of the summer season were initially promising', said Dr. Böttcher, head of TUI Deutschland. He pointed out that this positive trend has slowed down again due to the bird flu and the cartoons controversy. According to Böttcher, this trend is currently offset by growth in Spain and Greece. There is also a strong demand for holiday destinations in Italy, Germany, many long-haul destinations in Asia as well as city and wellness trips.

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Böttcher underlined the fact that the priority for TUI will be to ensure stable prices in the 2006 summer. 'As market and quality leaders, price quality matters more to us than gaining market shares', said Böttcher.

The head of TUI Deutschland was satisfied with the demand for travel during the Football World Cup. Böttcher: 'Market researchers have warned us that many Germans will not travel during the World Cup. This forecast has not proven true.' Böttcher expects an additional surge in demand after the World Cup.

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Above-average growth in source markets Scandinavia and Benelux

TUI is recording growth in booking numbers for the 2006 summer season in all important source markets in Europe. In the Northern Europe sector, booked turnover is 1.2 per cent up year-on-year. Growth is particularly strong in the source markets in Scandinavia (+10.6 per cent) and Ireland (+5.3 per cent). In the UK, turnover roughly matches last year's figure with prices still at a good level. The current development in the Western Europe sector with year-on-year growth of seven per cent is particularly gratifying. The positive trend is boosted by above-average growth in Belgium (+18.4 per cent) and an increase in bookings in the Netherlands (+7.4 per cent). In contrast, TUI's CEO Frenzel is not yet satisfied with the development of turnover in France (-5.8 per cent). According to Frenzel, the French market is currently struggling with substantial consumer restraint, equally affecting all suppliers. In the Central Europe sector, turnover is slightly up year-on-year (+0.2 per cent). While the Austrian market is still short of last year's level (-8.5 per cent), Switzerland (+18.9 per cent) and the eastern European markets (+24.4 per cent) show above-average growth.

TUI is the no. 1 in direct sales in Europe

Last year, TUI's multi-channel strategy resulted in new record turnover in direct sales. European online sales alone climbed to 1.8 billion euros in 2005. This corresponds to an increase of 44 per cent year-on-year. Frenzel: 'If you include call centres and TV-induced sales, direct sales now account for 25 per cent of turnover in tourism.' According to Frenzel TUI was in January clearly the market leader on the internet with its online offer both in the United Kingdom with 13 per cent and in Germany with 18 per cent market share.

TUI expects the German market to trigger further growth stimuli in online sales this year. After the launch of the master brand portal www.tui.com in December bookings in particular for flights and hotels increased significantly. The websites of the two German airlines HLX and Hapagfly are also continuing to be disproportionately successful.

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