

**Earnings by shipping impacted by persistently weak market environment /
Earnings by tourism at 2005 levels / Turnover for winter season 2006/2007
currently up 5.8 per cent above previous year**

Hanover, 9 November 2006. TUI AG has increased its total turnover in the third quarter of 2006. Turnover of continuing operations grew by 8.3 per cent to 6.74 billion euros (previous year: 6.22 billion euros). In the tourism division, turnover declined slightly by 2.4 per cent to 5.16 billion euros (previous year: 5.29 billion euros), while shipping recorded an increase in turnover of 73.0 per cent to 1.51 billion euros (previous year: 873 million euros) due to the integration of CP Ships.

TUI AG
Investor Relations
Karl-Wiechert-Allee 4
30625 Hannover

Telefon +49(0)511 566-1425
Fax +49(0)511 566-1096
investor.relations@tui.com
www.tui-group.com

Earnings by the two core divisions, in contrast, developed differently. While tourism closed on 2005 levels, shipping recorded a decline in earnings. Tourism posted earnings (EBITA) of 584 million euros (previous year: 583 million euros) in the third quarter. In shipping, in contrast, earnings dropped considerably year-on-year to -25 million euros (previous year: 95 million euros). Overall, TUI recorded earnings of 529 million euros (previous year: 708 million euros) for its continuing operations in the third quarter.

Earnings by tourism were supported in particular by the contribution made by the Central Europe sector with its improvement in earnings from flight operations, the Northern Europe sector, the hotel companies and the source markets Belgium and the Netherlands. Earnings grew 6.8 per cent to 173 million euros (previous year: 162 million euros) in the Central Europe sector and by 2.6 per cent to 235 million euros (previous year: 229 million euros) in the Northern Europe sector. As in the previous quarter, the strategy of focusing on price quality rather than volume growth proved successful again in the third quarter. The Northern Europe sector benefited from the positive business development in the Scandinavian countries and despite weaker market conditions in the UK from structural measures implemented during the previous year.

The performance of the Western Europe sector, in contrast, did not improve in the third quarter. Restrained demand in France impacted both Nouvelles Frontières and the Corsair airline.

The weak market environment in France was not offset by the gratifying trends in the Netherlands and Belgium. Overall, earnings by the division declined by 18.3 per cent to 67 million euros (previous year: 82 million euros) for the Western Europe sector.

TUI AG
Investor Relations
Karl-Wiechert-Allee 4
30625 Hannover

Telefon +49(0)511 566-1425
Fax +49(0)511 566-1096
investor.relations@tui.com
www.tui-group.com

The destinations sector (incoming agencies and hotel companies) posted a 5.2 per cent increase to 207 million euros (previous year: 197 million euros) in turnover in the third quarter of 2006. Earnings by the sector rose by 0.9 per cent to 112 million euros (previous year: 111 million euros). The incoming agencies recorded varying trends. At 3.99 million, the number of guests catered for in the third quarter of 2006 matched the previous year's level. The hotel companies of the Hotels & Resorts segment managed to maintain the high occupancy rates achieved in 2005.

In the third quarter of 2006, the shipping division operated virtually in the same environment as in the previous quarter. In the period under review, the trend was characterised by a reduction in freight rates and high costs. The oil price-related bunker costs and charter rates remained high in all trade lanes. The growth in transport volumes in the third quarter of 2006 remained at the previous year's level. As a result, earnings dropped significantly to -25 million euros (previous year: 95 million euros) and included one-off expenses for the integration of CP Ships.

Prospects

In the 2006 summer season, which ended on 31 October 2006, customer numbers were 2.4 per cent up year-on-year at TUI Group level. Booked turnover roughly matched the previous year's level, growing 0.1 per cent. TUI started off into the current winter season at solid growth in bookings. Tourism turnover for the winter season is 5.8 per cent up year-on-year at Group level, with customer numbers up 11.5 per cent year-on-year.

Concerning the development of earnings (EBITA) of the individual tourism sectors, an uneven trend emerges for the 2006 financial year. The Central Europe sector is expected to see an improvement in earnings. The optimisation programmes already initiated will more than offset the associated one-off expenses.

The restructuring programmes launched in the UK in 2005 will have a positive effect on earnings by the Northern Europe sector. An opposite effect will be caused by the declining trend in the market observed since the summer months. The development of the Western Europe sector, in contrast, fails to meet expectations.

Due to the persistent market weakness in France, the Western Europe sector will probably not generate positive earnings for the year as a whole. In August 2006, the TUI Executive Board activated a catalogue of measures in order to enhance efficiency and cut costs throughout the Group. Some individual measures are currently being scrutinised. Details on measures to be taken will be announced on 15 December 2006.

In shipping, the integration of CP Ships has progressed significantly faster than expected and has meanwhile almost been completed. In 2007 already, a large part of the 220 million euros in synergies expected will affect earnings. The cost of the restructuring and integration of CP Ships total around 100 million euros and will largely be incurred in the 2006 financial year. Turnover and earnings by the division will therefore be characterised by the first-time consolidation of CP Ships for a full year. Despite a so far positive development of transport volumes, the shipping division is expected to considerably undercut the high earnings level achieved in 2005. This is due to the cost of integration, the partly negative development of freight rates, in particular in Asian transports, the oil price-induced increase in bunker costs and land-based transport costs. In the light of the current external framework, it is to be expected that the one-off integration costs will result in negative earnings by the shipping division.

For the overall 2006 financial year, the TUI Group expects significant turnover growth. Earnings by divisions (EBITA), in contrast, will decline year-on-year.

TUI AG
Investor Relations
Karl-Wiechert-Allee 4
30625 Hannover

Telefon +49(0)511 566-1425
Fax +49(0)511 566-1096
investor.relations@tui.com
www.tui-group.com

Detailed development of the divisions

Tourism

In the third quarter, the **Central Europe** sector (Germany, Austria, Switzerland and airlines Hapagfly and Hapag-Lloyd Express) recorded an increase in customer numbers of 3.2 per cent to 3.8 million (previous year: 3.7 million).

Turnover, however, declined slightly by 0.8 per cent to 2.14 billion euros (previous year: 2.16 billion euros). On the other hand, a significant increase in earnings from flight operations ensured an overall positive trend in this sector. In the third quarter, earnings by the Central Europe sector amounted to 173 million euros, up 6.8 per cent year-on-year (162 million euros). In Germany, the market and competitive situation continued to be difficult in the period under review, but TUI tour operators managed to increase their customer numbers. In addition, income of 6 million euros was generated from an aircraft sale-and-lease-back agreement. At the same time, however, expenses of 1 million euros were incurred in the framework of the restructuring programme aimed at enhancing efficiency.

In the **Northern Europe** sector (UK, Ireland, Nordic countries and airlines Thomsonfly (charter and scheduled flights) and TUIfly Nordic), customer numbers declined 5.4 per cent to 2.36 million (previous year: 2.49 million) in a difficult market environment. Turnover dropped accordingly by 4.3 per cent to 1.74 billion euros (previous year: 1.82 billion euros). At 235 million euros, earnings by the sector were slightly up year-on-year (229 million euros). Adjusted for non-periodic income, earnings for the Northern Europe sector dropped slightly year-on-year in the third quarter of 2006. Restructuring measures initiated in 2005, however, had a positive impact by improving cost structures for example through commission cuts at third-party distribution.

At 1.62 million, the number of customers travelling with tour operators of the **Western Europe** sector (France, Belgium, Netherlands and airlines Corsair, TUI Airlines Belgium, TUI Airlines Nederland) almost matched 2005 levels (1.63 million) in the third quarter of 2006. Turnover grew 2.1 per cent to 1.07 billion euros (previous year: 1.05 billion euros). This was primarily attributable to the positive trend in Belgium and the Netherlands. Earnings by the Western Europe sector, in

contrast, were strongly characterised by the development in the French market. In the third quarter of 2006, EBITA totalled 67 million euros, down 18.3 per cent year-on-year (82 million euros). The persistently difficult market environment impacted Nouvelles Frontières and Corsair. The good performance of the French national team at the World Cup, the current weak demand in the French market and the oil price-induced increase in aircraft fuel costs caused margin-losses.

In the Netherlands and Belgium, the operative business showed a positive trend. Both sectors managed to achieve year-on-year earnings growth.

TUI AG
Investor Relations
Karl-Wiechert-Allee 4
30625 Hannover

Telefon +49(0)511 566-1425
Fax +49(0)511 566-1096
investor.relations@tui.com
www.tui-group.com

Turnover in the **destinations** sector (incoming agencies and hotel companies) grew to 207 million euros (previous year: 197 million euros) in the third quarter. Earnings by the sector were constant in the third quarter at 112 million euros (previous year: 111 million euros). Hotel companies in particular showed a positive trend. In the third quarter, occupancy rates were kept at the high levels achieved in 2005.

Shipping

In the third quarter of 2006, the shipping division posted turnover of 1.51 billion euros (previous year: 873 million euros) up 73.1 per cent. This growth mainly resulted from the integration of CP Ships, which has meanwhile virtually been completed. In contrast to the two preceding quarters, transport volumes (Hapag-Lloyd including CP Ships) were constant at 1.24 million standard containers (TEU) in the third quarter of 2006 (previous year: 1.24 million TEU).

The average freight rate in the third quarter (Hapag-Lloyd including CP Ships) was 1,431 US dollars/TEU, down 4.2 per cent year-on-year (1,494 US dollars/TEU). Overall, freight rates dropped in almost all trade lanes due to intense competition.

While turnover grew in the third quarter of 2006, costs rose again year-on-year: in all trade lanes, charter rates and the oil price-induced increase in bunker costs remained high. Operating earnings therefore declined again year-on-year. Moreover, one-off expenses of 14 million euros were incurred in the third quarter of 2006 in the framework of the restructuring and integration of CP Ships. Earnings by the shipping division totalled –25 million euros (previous year: 95 million euros).

Central Operations

Earnings at central operations (corporate centre functions, real estate companies) dropped to -30 million euros in the third quarter. This decline was attributable to the positive effects of both convertible options and hedging transactions.

Discontinuing operations

Following the divestment of the PNA steel trading activities in the second quarter, the TUI Group no longer holds any discontinuing operations. In the third quarter of 2006, however, gains on disposal of 6 million euros were posted from the divestment of rail logistics in December 2005.

TUI AG
Investor Relations
Karl-Wiechert-Allee 4
30625 Hannover

Telefon +49(0)511 566-1425
Fax +49(0)511 566-1096
investor.relations@tui.com
www.tui-group.com

Note concerning the reporting structure in the shipping division

As of the third quarter of 2006, freight rates and transport volumes were presented jointly for Hapag-Lloyd and CP Ships, broken down according to the geographical structure of the trade lanes. To this end, CP Ships' indicators for 2006 were broken down accordingly, with reference indicators for the 2005 reference periods determined on the basis of a pro forma calculation in order to obtain a basis for comparisons.

If we comment on forecasts or expectations in this announcement or if our statements relate to the future, these statements may be associated with known and unknown risks and uncertainties. Actual outcomes and developments may, therefore, deviate significantly from the expressed expectations and assumptions. In addition, the performance of financial markets and exchange rates as well as national and international law amendments, particularly with regard to tax regulations, may have an influence. Except as provided by law, the company assumes no obligation to update future statements.

Contact:

Björn Beroleit, phone +49 (0)511 – 566 1310

Nicola Gehrt, phone +49 (0)511 – 566 1435

Turnover by divisions

€ million	Q3 2006	Q3 2005	9M 2006	9M 2005	Var. %
Tourism	5,160.8	5,285.8	11,312.9	11,294.3	+ 0.2
Central Europe	2,137.5	2,155.8	4,597.2	4,510.2	+ 1.9
Northern Europe	1,743.4	1,820.9	3,893.3	3,945.6	- 1.3
Western Europe	1,069.9	1,048.1	2,306.3	2,245.3	+ 2.7
Destinations	206.8	196.5	445.2	406.8	+ 9.4
Other tourism	3.2	64.5	70.9	186.4	- 62.0
Shipping	1,511.0	873.3	4,756.4	2,307.3	+ 106.1
Central operations	67.9	63.6	172.5	191.5	- 9.9
Continuing operations	6,739.7	6,222.7	16,241.8	13,793.1	+ 17.8
Trading	-	252.1	401.0	747.6	- 46.4
Special logistics	-	109.2	-	325.3	-
Discontinuing operations	-	361.3	401.0	1,072.9	- 62.6
Turnover by divisions	6,739.7	6,584.0	16,642.8	14,866.0	+ 12.0

TUI AG
Investor Relations
Karl-Wiechert-Allee 4
30625 Hannover

Telefon +49(0)511 566-1425
Fax +49(0)511 566-1096
investor.relations@tui.com
www.tui-group.com

Earnings by divisions (EBITA)

€ million	Q3 2006	Q3 2005	9M 2006	9M 2005	Var. %
Tourism	584	583	653	521	+ 25.3
Central Europe	173	162	137	115	+ 19.1
Northern Europe	235	229	186	170	+ 9.4
Western Europe	67	82	28	58	- 51.7
Destinations	112	111	156	180	- 13.3
Other tourism	- 3	- 1	146	- 2	n. m.
Shipping	- 25	95	- 91	218	n. m.
of which operating earnings	- 11	95	15	218	- 93.1
of which integration costs	- 14	-	- 106	-	-
Central operations	- 30	30	- 14	- 26	+ 46.2
Continuing operations	529	708	548	713	- 23.1
Trading	-1	11	17	39	- 56.4
Special logistics	5	15	5	77	- 93.5
Other divestments	2	35	7	35	- 80.0
Discontinuing operations	6	61	29	151	- 80.8
Earnings by divisions (EBITA)	535	769	577	864	- 33.2

Condensed profit and loss statement

€ million	Q3 2006	Q3 2005	9M 2006	9M 2005	Var. %
Turnover	6,739.7	6,222.7	16,241.8	13,793.1	+ 17.8
Other income	119.5	235.0	581.9	584.2	- 0.4
Change in inventories and other own work capitalised	6.7	4.2	14.0	- 3.8	+ 468.4
Cost of material and purchased services	4,883.6	4,307.5	12,110.1	9,722.8	+ 24.6
Personnel costs	603.2	568.3	1,848.0	1,637.4	+ 12.9
Depreciation and amortisation	159.6	122.1	496.5	347.9	+ 42.7
Impairment of fixed assets	2.8	0.1	19.7	4.6	+ 328.3
Other expenses	717.8	817.1	1,890.4	2,010.1	- 6.0
Financial income	47.4	83.0	159.7	150.3	+ 6.3
Financial expenses	97.5	78.9	296.1	263.5	+ 12.4
Earnings from companies measured at equity	24.2	16.2	40.1	30.1	+ 33.2
Earnings before taxes on income	473.0	667.1	376.7	567.6	- 33.6
Income taxes	176.8	111.1	146.0	99.1	+ 47.3
Result from continuing operations	296.2	556.0	230.7	468.5	- 50.8
Result from discontinuing operations	3.2	48.3	16.2	95.5	- 83.0
Group profit	299.4	604.3	246.9	564.0	- 56.2
- attributable to shareholders of TUI AG	273.0	573.6	207.1	527.0	- 60.7
- attributable to minority interests	26.4	30.7	39.8	37.0	+ 7.6
Group profit	299.4	604.3	246.9	564.0	- 56.2

Earnings per share

€	Q3 2006	Q3 2005	9M 2006	9M 2005	Var. %
Basic earnings per share	1.09	2.98	0.83	2.88	- 71.2
Diluted earnings per share	1.05	2.74	0.81	2.68	- 69.8

TUI AG
Investor Relations
Karl-Wiechert-Allee 4
30625 Hannover
Telefon +49(0)511 566-1425
Fax +49(0)511 566-1096
investor.relations@tui.com
www.tui-group.com