

TUI AG Financial Year 2009
Half-Year Financial Report
1 January – 30 June 2009



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Reservation concerning future-related statements

The present interim report contains various statements relating to TUI's future development. These statements are based on assumptions and estimates. Although we are convinced that these forward-looking statements are realistic they are not guarantees of future performance since our assumptions involve certain risks and uncertainties that may cause actual results to differ materially from expected results. This may be due to market fluctuations, the development of world market prices for commodities and exchange rates or fundamental changes in the economic environment. TUI does not intend to and does not undertake any obligation to update or revise any forward-looking statements in order to reflect events or developments after the date of this report.

Q2 2009

TUI Group in Figures

€ million	Q2 2009	Q2 2008 restated	Var. %	H1 2009 restated	H1 2008 restated	Var. %	
Continuing operations							
Turnover	4,175.7	4,740.4	- 11.9	7,258.6	8,371.2	- 13.3	
EBITDAR	371.0	185.1	+ 100.4	316.7	194.7	+ 62.7	
EBITDA	150.8	- 5.6	n/a	- 112.5	- 170.9	+ 34.2	
EBITA	52.1	- 133.3	n/a	- 309.7	- 432.4	+ 28.4	
of which tourism	63.8	- 146.7	n/a	- 287.9	- 452.7	+ 36.4	
of which central operations	- 11.7	13.4	n/a	- 21.8	20.3	n/a	
Underlying EBITA	94.9	101.1	- 6.1	- 191.8	- 112.6	- 70.3	
of which tourism	106.6	87.7	+ 21.6	- 170.0	- 132.9	- 27.9	
of which central operations	- 11.7	13.4	n/a	- 21.8	20.3	n/a	
Discontinued operation – Container shipping							
Earnings discontinued operation	- 8.1	151.7	n/a	937.0	140.2	+ 568.3	
EBITA	- 8.1	89.0	n/a	894.2	90.1	+ 892.5	
Underlying EBITA	0.0	114.9	n/a	- 221.7	133.4	n/a	
Group							
EBITA	44.0	- 44.3	n/a	584.5	- 342.3	n/a	
Underlying EBITA	94.9	216.0	- 56.1	- 413.5	20.8	n/a	
Group profit/loss	- 523.6	- 126.9	- 312.6	81.9	- 405.7	n/a	
Basic earnings per share	in €	- 2.16	- 0.24	- 800.0	+ 0.78	- 0.93	n/a
Capital expenditure		81.5	228.5	- 64.3	220.5	474.0	- 53.5
Equity ratio (30 June)	in %	-	-	-	15.0	13.4	+ 1.6*)
Employees (30 June)		-	-	-	69,331	77,352	- 10.4

*)percentage points

- Positive development of TUI Travel in Q2 due to active capacity management.
- Stable earnings by TUI Hotels & Resorts despite negative market environment.
- Earnings by cruises down year-on-year due to start-up costs for TUI Cruises.

Economic Situation in Q2 2009

General economic situation

In the second quarter of 2009, recessionary tendencies continued both in the industrialised countries and in most emerging economies. However, the downward momentum of the world economy slowed down substantially towards the end of the first half of 2009. Following a sharp downturn at the beginning of the year, the decline in global trade almost came to an end. Industrial production continued to contract in the second quarter; however, the pace of the decline has moderated noticeably since February. Commodity prices have bottomed out. Sentiment indicators such as business and consumer climate have stabilised at a low level or have improved. The situation in the financial markets has also eased slightly. The comprehensive national economic stimulus packages, combined with monetary and fiscal policies massively supporting the economy worldwide, are increasingly taking effect. However, cyclical risks continue to be strong.

Special events in the quarter under review and after the closing date

The difficult global economic framework continued to adversely affect the business development of Hapag-Lloyd AG in the second quarter of 2009. Due to the high level of operating costs, the shareholders had to take measures to stabilise Hapag-Lloyd AG's equity and liquidity situation as the year progressed. In this connection, the Presiding Committee of TUI AG's Supervisory Board approved a set of measures to support Hapag-Lloyd AG on 28 July 2009. A special purpose vehicle formed by some shareholders of Hamburgische Seefahrtsbeteiligung 'Albert Ballin' GmbH & Co. KG and TUI AG has acquired Hapag-Lloyd AG's 25.1% share in Containerterminal Altenwerder (CTA) for a purchase price of €315m. TUI AG has contributed a sum of €215m towards financing the purchase. The transaction entails the option for Hapag-Lloyd to repurchase the stake as soon as possible in the light of the economic development and the financial situation. The city of Hamburg as a co-shareholder has guaranteed TUI AG a reflow of €25m as per 31 March 2011 for the amount exceeding its proportional stake.

On top of this acquisition further capital and funding measures including the application for government aid in order to secure the long-term financial situation of the Hapag-Lloyd Group are planned to be carefully reviewed and implemented in the next few weeks.

Consolidated turnover and earnings

Following the completion of the sale of container shipping, the 43.33% stake in 'Albert Ballin' Joint Venture GmbH & Co. KG has been measured at equity in TUI's consolidated financial statements since the second quarter of 2009. In line with its character as a shareholding, the proportional at equity earnings by the container shipping shareholding, to be included in consolidated earnings as of the second quarter of 2009, are not included in the TUI Group's operating management variable EBITA. Accordingly, the comments below will focus on the operative development of tourism and central operations (continuing operations).

Information about the development of container shipping operations in the second quarter of 2009 is provided on pages 13 et seq. of this report.

Since container shipping was no longer included in consolidation in the second quarter and the first half of 2009, respectively, a year-on-year comparison of cumulative turnover or earnings by division is of limited use only.

Development of turnover

Divisional turnover

€ million	Q2 2009	Q2 2008 restated	Var. %	H1 2009	H1 2008 restated	Var. %
Tourism	4,158.8	4,721.8	- 11.9	7,227.0	8,339.4	- 13.3
TUI Travel	4,007.9	4,575.5	- 12.4	6,922.3	8,041.2	- 13.9
TUI Hotels & Resorts	106.3	99.8	+ 6.5	202.1	193.7	+ 4.3
Cruises	44.6	46.5	- 4.1	102.6	104.5	- 1.8
Central operations	16.9	18.6	- 9.1	31.6	31.8	- 0.6
Continuing operations	4,175.7	4,740.4	- 11.9	7,258.6	8,371.2	- 13.3
Discontinued operation – Container shipping	–	1,510.1	n/a	1,118.9	2,961.3	- 62.2
Divisional turnover	4,175.7	6,250.5	- 33.2	8,377.5	11,332.5	- 26.1

In the second quarter of 2009, turnover by the continuing operations amounted to €4.2bn, down 12% year-on-year. The decline in turnover was in particular attributable to TUI Travel's diminishing business volume going along with the capacity cuts. In addition, the British tour operators generated lower turnover in tourism due to the weaker exchange rate of the British pound against the euro. Accumulated turnover for the first half of the year was 13% down year-on-year.

Following the deconsolidation of the container shipping operations, the discontinued operations have no longer posted any turnover as of the second quarter.

Development of earnings

Underlying divisional EBITA

€ million	Q2 2009	Q2 2008 restated	Var. %	H1 2009 restated	H1 2008 restated	Var. %
Tourism	106.6	87.7	+ 21.6	- 170.0	- 132.9	- 27.9
TUI Travel	98.0	72.4	+ 35.4	- 191.2	- 167.3	- 14.3
TUI Hotels & Resorts	12.1	15.3	- 20.9	24.8	28.5	- 13.0
Cruises	- 3.5	0.0	n/a	- 3.6	5.9	n/a
Central operations	- 11.7	13.4	n/a	- 21.8	20.3	n/a
All other segments	- 9.5	11.4	n/a	36.1	54.9	- 34.2
Consolidation	- 2.2	2.0	n/a	- 57.9	- 34.6	- 67.3
Continuing operations	94.9	101.1	- 6.1	- 191.8	- 112.6	- 70.3
Discontinued operation – Container shipping	0.0	114.9	n/a	- 221.7	133.4	n/a
Underlying divisional EBITA	94.9	216.0	- 56.1	- 413.5	20.8	n/a

Divisional EBITA

€ million	Q2 2009	Q2 2008 restated	Var. %	H1 2009 restated	H1 2008 restated	Var. %
Tourism	63.8	- 146.7	n/a	- 287.9	- 452.7	+ 36.4
TUI Travel	55.2	- 159.7	n/a	- 309.1	- 484.8	+ 36.2
TUI Hotels & Resorts	12.1	13.0	- 6.9	24.8	26.2	- 5.3
Cruises	- 3.5	0.0	n/a	- 3.6	5.9	n/a
Central operations	- 11.7	13.4	n/a	- 21.8	20.3	n/a
All other segments	- 9.5	11.4	n/a	36.1	54.9	n/a
Consolidation	- 2.2	2.0	n/a	- 57.9	- 34.6	n/a
Continuing operations	52.1	- 133.3	n/a	- 309.7	- 432.4	+ 28.4
Discontinued operation – Container shipping	- 8.1	89.0	n/a	894.2	90.1	+ 892.5
Divisional earnings (EBITA)	44.0	- 44.3	n/a	584.5	- 342.3	n/a

Continuing operations

Earnings adjusted for special effects of the continuing operations tourism and central operations (underlying divisional EBITA) decreased by €6m to €95m year-on-year in the second quarter of 2009. With tourism recording a stable business development, this was solely due to lower earnings by central operations. Accumulated underlying EBITA for the first half of the year declined to €-192m, down €80m.

In the second quarter of 2009, underlying earnings by tourism rose by €19m against previous year's level to €107m. TUI Travel's profit contribution rose year-on-year also benefitting from the change in Easter timing, with demand in the travel market impacted by the current economic climate in the quarter under review, as expected. Earnings by hotel operations fell year-on-year but, at €12m, remained on a stable earnings level year-on-year. Earnings by the cruises sector were impacted by start-up losses for TUI Cruises. Besides business volumes of Hapag-Lloyd Kreuzfahrten were down year-on-year. In the first half of the year, underlying earnings by tourism were €37m down year-on-year due to the disruption of travel to individual long-haul destinations in the first quarter and the current economic environment.

Underlying earnings by central operations declined by €25m to €-12m year-on-year in the second quarter of 2009. The decrease in earnings was mainly driven by the reversal of provisions no longer required, effected in the previous year. The decline in earnings of €42m in the first half of the year was also caused by the profit contributions from the valuation of hedges, included in 2008 figures.

Underlying divisional EBITA – Continuing operations

€ million	Q2 2009	Q2 2008 restated	Var. %	H1 2009 restated	H1 2008 restated	Var. %
Divisional EBITA	52.1	- 133.3	n/a	- 309.7	- 432.4	+ 28.4
<i>Gains on disposal</i>	-	-		-	-	
<i>Restructuring</i>	+ 7.4	+ 190.6		+ 34.9	+ 217.7	
<i>Purchase price allocation</i>	+ 11.1	+ 13.9		+ 21.6	+ 56.5	
<i>Other one-off items</i>	+ 24.3	+ 29.9		+ 61.4	+ 45.6	
Underlying divisional EBITA	94.9	101.1	- 6.1	- 191.8	- 112.6	- 70.3

In the second quarter of 2009, the Group's continuing operations included items worth a total of €43m to be adjusted. Reported divisional EBITA accounted for €52m in the second quarter, up €185m as against the comparative period in 2008, which was impacted in particular by the strategic realignment of TUI Travel's flight operations. Adjustments effected in the first half of 2009 totalled €118m, exclusively relating to TUI Travel.

Discontinued operation

In the framework of the early first-time application of the revised IAS 27, the gains on disposal from the sale of container shipping, carried in discontinued operations, had to be revalued. The resulting additional gain (€192m) was fully adjusted in underlying earnings by discontinued operations. Following the deconsolidation of container shipping, the TUI Group has no longer posted any earnings shown in EBITA as of the second quarter of 2009.

TUI Travel

TUI Travel – Key figures

€ million	Q2 2009	Q2 2008 restated	Var. %	H1 2009 restated	H1 2008 restated	Var. %
Turnover	4,007.9	4,575.5	- 12.4	6,922.3	8,041.2	- 13.9
Divisional EBITA	55.2	- 159.7	n/a	- 309.1	- 484.8	+ 36.2
<i>Gains on disposal</i>	-	-		-	-	
<i>Restructuring</i>	+ 7.4	+ 190.6		+ 34.9	+ 217.7	
<i>Purchase price allocation</i>	+ 11.1	+ 13.9		+ 21.6	+ 56.5	
<i>Other one-off items</i>	+ 24.3	+ 27.6		+ 61.4	+ 43.3	
Underlying divisional EBITA	98.0	72.4	+ 35.4	- 191.2	- 167.3	- 14.3
Capital expenditure	62.4	85.9	- 27.4	117.1	150.4	- 22.1
Headcount (30 June)	-	-	-	50,391	51,230	- 1.6

Turnover and earnings

In the second quarter of 2009, turnover by TUI Travel decreased 12% year-on-year. The decline in turnover was due to lower volumes and corresponding capacity cuts, above all in the volume business, and the year-on-year weakening of the exchange rate of the British pound against the euro. Accumulated turnover for the first half of the year totalled €6.9bn, down 14% year-on-year.

Operating earnings by TUI Travel rose by €26m year-on-year in the second quarter. This increase resulted in particular from the timing of Easter with the Easter business falling in the second quarter. Accumulated earnings for the first half of the year fell by €24m to €-191m.

As expected, demand for holiday tours was again impacted by the economic environment in all volume markets in the second quarter. Despite a decline in bookings, both pricing and load factors were kept at high levels thanks to active capacity management.

In the second quarter of 2009, TUI Travel had to carry adjustments totalling €43m for the following special one-off effects:

- restructuring costs of €7m, arising in particular on restructuring tour operator activities in France
- effects of €11m from purchase price allocations, and
- one-off effects of €24m, in particular integration costs incurred for tour operator and incoming activities.

Reported earnings by TUI Travel grew by €215m year-on-year to €55m in the second quarter. This was mainly attributable to the inclusion of the cost of the strategic realignment of TUI Travel's flight operations in 2008 figures. Accumulated earnings for the first half of 2009 rose by €176m.

Mainstream

Mainstream, the largest sector within TUI Travel, comprises sales of flight, accommodation and other tourism services in the three source markets Central Europe, Northern Region and Western Europe.

TUI Travel – Mainstream volumes

'000	Q2 2009	Q2 2008 restated	Var. %	H1 2009	H1 2008 restated	Var. %
Central Europe	2,650	2,957	- 10.4	4,183	4,912	- 14.8
Northern Region	1,908	2,387	- 20.1	3,095	3,782	- 18.2
Western Europe	1,407	1,577	- 10.8	2,172	2,579	- 15.8
Total	5,965	6,921	- 13.8	9,450	11,273	- 16.2

Central Europe

In the Central Europe sector (Germany, Austria, Switzerland, Poland with airline TUIfly) customer volumes decreased by 10% year-on-year in the second quarter due to the reduced TUIfly capacity. Profit contributions rose since price-reduced offerings accounted for a lower proportion of the volume sold and the Easter business fell in the second quarter. TUI Suisse reported a continued decline in margins in the second quarter due to the intensified competition in the Swiss travel market. In Austria, TUI Austria benefited from synergies from the merger of TUI and First Choice activities, on lower customer volumes. Following the substantial growth achieved in 2008, TUI Poland recorded a decline in demand in the second quarter of 2009, in particular due to the weaker exchange rate of the Polish zloty against the euro.

Northern Region

In the Northern Region sector (UK, Ireland, Canada, Nordic countries with airlines First Choice Airways, Thomsonfly and TUIfly Nordic) customer volumes declined by 20% year-on-year in the second quarter of 2009, roughly matching capacity cuts. The UK recorded strong business in the lates market, creating margin improvements and a year-on-year increase in load factors. In contrast, the Nordic TUI tour operators again saw their business impacted by the weaker consumer climate in Sweden and Denmark. However, compared with the winter season, bookings for the summer of 2009 have improved substantially. Business in the Canadian travel market, characterised by overcapacity, remained unsatisfactory.

The integration of activities in the UK market continued to progress according to plan in the second quarter, and synergies were therefore delivered as expected.

Western Europe

The Western Europe sector (France, the Netherlands, Belgium with airlines Corsairfly, Arkefly and Jetairfly) recorded a decrease of 11% in customer volumes in the second quarter of 2009. TUI's tour operators in France recorded a weakening of demand due to the economic environment and remained affected by the adverse effects of the political unrest in Guadeloupe and Madagascar. TUI tour operators in the Netherlands also reported declines in volumes. TUI activities in Belgium benefited from stable demand and an improved cost base of TUI's own airline, reporting a positive business development in the second quarter.

Specialist & Emerging Markets

The Specialist & Emerging Markets sector, which consists of specialist tour operators in Europe, North America and emerging markets such as Russia, reported a year-on-year decrease in customer volumes of 11% at 293 thousand customers in the second quarter of 2009. The specialist tour operators in Continental Europe reported a positive development of business. The premium segment in the UK continued to show a positive development in the second quarter, with long-haul tours, in particular, benefiting from the integration of the former TUI entities and First Choice. While capacity was cut year-on-year, the TUI Travel business in North America was impacted by a decline in demand for expedition tours.

Activity

The Activity sector, which comprises travel companies offering active holidays in the Marine, Adventure as well as Ski, Student & Sport segments, recorded a clearly positive business performance in the second quarter. Growth resulted in particular from the profit contributions of the tour operators newly acquired in 2008. The increase was also attributable to the integration of the skiing business of TUI and First Choice as well as cost savings.

Accommodation and Destination (A&D)

The online services and incoming agencies, formerly forming the Online Destination Services sector, have been carried under 'Accommodation and Destination' (A&D) as of the second quarter of 2009. Online Services continued the gratifying development achieved in 2008. Earnings by incoming agencies fell year-on-year due to a decline in customer volumes and a weakening of the excursion business in Spain.

TUI Hotels & Resorts

The Group's hotel companies are pooled in TUI Hotels & Resorts. The sector reported a total of 5.1m bednights (previous year: 5.4m) in the second quarter of 2009 and 9.0m (previous year: 9.4m) bednights in the first half of the year. Bed occupancy amounted to 73% in the second quarter, down 7 percentage points year-on-year. The individual hotel groups and regions showed variations in terms of the development of business.

TUI Hotels & Resorts – Key figures

€ million	Q2 2009	Q2 2008 restated	Var. %	H1 2009	H1 2008 restated	Var. %
Turnover	106.3	99.8	+ 6.5	202.1	193.7	+ 4.3
Divisional EBITA	12.1	13.0	- 6.9	24.8	26.2	- 5.3
<i>Gains on disposal</i>	–	–		–	–	
<i>Restructuring</i>	–	–		–	–	
<i>Purchase price allocation</i>	–	–		–	–	
<i>Other one-off items</i>	–	+ 2.3		–	+ 2.3	
Underlying divisional EBITA	12.1	15.3	- 20.9	24.8	28.5	- 13.0
Capital expenditure	16.2	45.8	- 64.6	36.6	96.5	- 62.1
Headcount (30 June)	–	–	–	18,061	17,417	+ 3.7

Turnover and earnings

TUI Hotels & Resorts posted consolidated turnover growth of 7% in the second quarter of 2009. The number of bednights sold in the second quarter decreased year-on-year since seven hotels in Mexico were temporarily closed. Average revenues per bednight, in contrast, grew year-on-year. This increase was partly attributable to positive exchange rate effects for destinations in the US dollar currency area.

In the second quarter of 2009, underlying earnings totalled €12m, down €3m year-on-year. This decline reflected the impact of swine flu and in particular lower customer volumes from the large source markets, which were only partly offset by means of cost savings. Accumulated underlying earnings for the first half of 2009 totalled €25m, down €4m year-on-year.

TUI Hotels & Resorts

Hotelbrand	Capacity ('000) ¹⁾			Occupancy rate (%) ²⁾			Average revenue per bed (€) ³⁾		
	Q2 2009	Q2 2008	Var. %	Q2 2009	Q2 2008	Var. % points	Q2 2009	Q2 2008	Var. %
Riu	4,151	3,848	+ 7.9	78.6	87.5	- 8.9	43.44	40.73	+ 6.7
Magic Life	810	863	- 6.1	73.1	76.3	- 3.2	38.86	37.85	+ 2.7
Grupotel	287	290	- 1.0	72.2	77.0	- 4.8	39.75	38.33	+ 3.7
Iberotel	729	731	- 0.3	63.1	66.9	- 3.8	34.51	31.38	+ 10.0
Robinson	767	641	+ 19.7	59.4	67.9	- 8.5	73.61	67.23	+ 9.5
Grecotel	211	265	- 20.4	65.1	67.7	- 2.6	59.79	57.49	+ 4.0
Dorfhotel ⁴⁾	45	42	+ 7.1	45.0	53.9	- 8.9	39.66	43.13	- 8.0
aQi	15	-	n/a	8.8	-	n/a	44.31	-	n/a
Total	7,015	6,680	+ 5.0	73.2	80.4	- 7.2	44.97	42.14	+ 6.7

Hotelbrand	Capacity ('000) ¹⁾			Occupancy rate (%) ²⁾			Average revenue per bed (€) ³⁾		
	H1 2009	H1 2008	Var. %	H1 2009	H1 2008	Var. % points	H1 2009	H1 2008	Var. %
Riu	8,036	7,505	+ 7.1	78.0	85.6	- 7.6	48.51	45.60	+ 6.4
Magic Life	1,291	1,381	- 6.5	60.1	63.6	- 3.5	37.86	36.95	+ 2.5
Grupotel	391	396	- 1.3	65.9	69.0	- 3.1	38.70	37.61	+ 2.9
Iberotel	1,310	1,314	- 0.3	56.8	62.0	- 5.2	35.98	32.30	+ 11.4
Robinson	1,331	1,113	+ 19.6	57.8	68.4	- 10.6	83.71	80.07	+ 4.5
Grecotel	211	266	- 20.7	65.1	67.4	- 2.3	59.79	57.66	+ 3.7
Dorfhotel ⁴⁾	103	99	+ 4.0	57.2	60.4	- 3.2	26.36	27.28	- 3.4
aQi	37	-	n/a	40.6	-	n/a	58.63	-	n/a
Total	12,710	12,074	+ 5.3	71.0	77.8	- 6.8	49.32	46.31	+ 6.5

¹⁾ Number of owned/leased beds multiplied by open days per quarter

²⁾ Occupied beds divided by capacity

³⁾ Arrangement turnover divided by occupied beds

⁴⁾ Key figures refer to two owned hotels

Riu

Riu, one of Spain's leading hotel chains, operated 103 hotels in the period under review. In the second quarter of 2009, capacity grew 8% year-on-year to 4.2 million hotel beds available. In May and June, seven hotels in Mexico were temporarily closed as demand was impacted by swine flu. Thanks to these measures and strict cost management, earnings by the Riu Group were kept stable despite the adverse effects. Average occupancy of Riu hotels decreased by 9 percentage points to 79% year-on-year. Average revenues per bednight, in contrast, grew by 7%, mainly due to the rise in the US dollar exchange rate.

Business in the individual regions developed as follows:

Average occupancy of Riu hotels in the Canary Islands fell 6 percentage points year-on-year to 84%. This decrease was caused by the worldwide economic slow-down and the tour operator capacity cuts. Booking numbers decreased in particular in the British market, driven by the weak British pound.

At 76%, Riu Hotels in the Balearic Islands recorded a year-on-year decline of 3 percentage points. This relatively positive performance was attributable in particular to stable tour operator capacity, with UK customers accounting for a lower portion of total customer numbers compared with other Spanish destinations.

Average occupancy of Riu hotels in mainland Spain declined by 5 percentage points to 77% year-on-year. This development was driven by the selective reduction in flight capacity by tour operators and the exchange rate of the British pound, which was unfavourable for the British source market.

In its long-haul destinations, Riu hotels recorded an average occupancy rate of 74%. This corresponds to a year-on-year decline of 14 percentage points. Apart from weaker demand from the US caused by the economic environment, this performance also reflected swine flu-induced cancellations of bookings. Average revenues per bednight grew by 16%, primarily due to the rise in the US dollar exchange rate.

Magic Life

Magic Life, the all-inclusive club brand, operated all of its 14 complexes in the second quarter of 2009. Capacity on offer declined year-on-year since two facilities in Tunisia were opened later. Due to weaker demand from the Belgian and Russian source markets, occupancy declined by 3 percentage points. Average revenues per bednight grew by 3% year-on-year.

Grupotel

In the second quarter of 2009, all 35 hotels of the Grupotel chain in Majorca, Menorca and Ibiza were open. Grupotel achieved an occupancy rate of 72%, down 5 percentage points year-on-year, on lower capacity – some hotels were opened only in the course of second quarter. Average revenues per bednight increased year-on-year.

Iberotel

In the second quarter of 2009, all 24 facilities in Egypt, the United Arab Emirates and Germany were open. At 63%, occupancy of Iberotels fell 4 percentage points year-on-year. Average revenues per bednight showed a positive development. Occupancy in Egypt declined by 8% and fell short of expectations. Sharm El Sheikh represented the only destination recording somewhat more stable demand and only reporting a decline of 4%.

Robinson

Robinson, market leader in the premium club holiday segment, operated all 23 club facilities in the second quarter of 2009. With three new facilities in Morocco, Portugal and Turkey, capacity rose substantially year-on-year. While the clubs in Morocco, Portugal and mainland Spain recorded declines in occupancy rates, the clubs in Turkey and Italy matched the previous year's occupancy levels. As a result, occupancy declined year-on-year. Average revenues per bednight grew 10% year-on-year.

Grecotel

In the second quarter, all 20 holiday facilities of the leading hotel company in Greece were open. Capacity declined year-on-year since some hotel facilities were only opened very late in the second quarter due to the booking situation. Occupancy decreased by 3 percentage points and stood at 65%. Average revenues rose by 4%.

Dorffhotel

In the second quarter of 2009, Dorffhotels recorded a decrease in occupancy in combination with a decline in average revenues. Booking levels of Dorffhotels in Germany matched expectations and reproduced 2008 levels.

aQi

Occupancy and average revenues for the first hotel of the lifestyle hotel brand fell slightly short of expectations.

Cruises

The cruises sector comprises Hapag-Lloyd Kreuzfahrten and the joint venture TUI Cruises.

Cruises – Key figures

€ million	Q2 2009	Q2 2008 restated	Var. %	H1 2009	H1 2008 restated	Var. %
Turnover	44.6	46.5	- 4.1	102.6	104.5	- 1.8
Divisional EBITA	- 3.5	0.0	n/a	- 3.6	5.9	n/a
<i>Gains on disposal</i>	–	–		–	–	
<i>Restructuring</i>	–	–		–	–	
<i>Purchase price allocation</i>	–	–		–	–	
<i>Other one-off items</i>	–	–		–	–	
Underlying divisional EBITA	- 3.5	0.0	n/a	- 3.6	5.9	n/a
<i>thereof equity result of TUI Cruises</i>	<i>- 2.0</i>	<i>–</i>	<i>n/a</i>	<i>- 4.8</i>	<i>–</i>	<i>n/a</i>
Capital expenditure	0.5	0.6	- 16.7	1.6	0.8	+ 100.0
Headcount (30 June)	–	–	–	213	210	+ 1.4
Utilisation						
Hapag-Lloyd Kreuzfahrten (in %)	71.0	78.5	- 7.5*)	73.4	77.5	- 4.1*)
TUI Cruises (in %)	74.0	–	n/a	74.0	–	n/a

*)percentage points

Turnover and earnings

Turnover in the second quarter of 2009 totalled €45m, down 4% year-on-year due to a decline in the business volume of Hapag-Lloyd Kreuzfahrten. In the first half of the year, turnover stabilised overall at 2008 levels. The joint venture TUI Cruises is consolidated as a company measured at equity so that its turnover is not shown here.

Underlying earnings by the cruises sector amounted to €-4m in the second quarter of 2009, down €4m year-on-year. Earnings for the second quarter included proportionate start-up costs for TUI Cruises of €2m. Hapag-Lloyd Kreuzfahrten posted earnings of €-2m for the second quarter, down €2m year-on-year. Accumulated underlying earnings by the cruises sector totalled €-4m (previous year: €6m) for the first half of the year.

In the German-speaking cruises market, the development of bookings in the two companies continued to reflect the tight economic situation, affecting both the niche market for luxury and expedition cruises of Hapag-Lloyd Kreuzfahrten and the volume market for premium cruises served by TUI Cruises.

Hapag-Lloyd Kreuzfahrten

In the second quarter, Hapag-Lloyd Kreuzfahrten recorded an occupancy rate of 71%, down 8 percentage points year-on-year. Average revenues per day and

passenger also fell slightly. In the second quarter, 86,132 passenger days were generated. This number was 9% down year-on-year.

TUI Cruises

For TUI Cruises, the second quarter was characterised by the commissioning of 'Mein Schiff' at the end of May 2009. Bookings in the second quarter fell short of the level recorded in the previous quarter; however, demand picked up again towards the end of the second quarter. The recovery was supported by various marketing campaigns such as the introduction of package offerings or flexible pricing models. Occupancy stood at 74% for the period since the commissioning of the ship, with 66,899 passenger days reported.

Central operations

Central operations comprise the corporate centre functions of TUI AG and the interim holdings as well as other operating areas, primarily comprising the Group's real estate companies.

Central operations – Key figures

€ million	Q2 2009	Q2 2008	Var. %	H1 2009 restated	H1 2008	Var. %
Turnover	16.9	18.6	- 9.1	31.6	31.8	- 0.6
Divisional EBITA	- 11.7	13.4	n/a	- 21.8	20.3	n/a
<i>Gains on disposal</i>	–	–		–	–	
<i>Restructuring</i>	–	–		–	–	
<i>Purchase price allocation</i>	–	–		–	–	
<i>Other one-off items</i>	–	–		–	–	
Underlying divisional EBITA	- 11.7	13.4	n/a	- 21.8	20.3	n/a
Capital expenditure	2.4	2.4	–	4.8	3.9	+ 23.1
Headcount (30 June)	–	–	–	666	772	- 13.7

Underlying earnings by central operations decreased by €25m to €-12m in the second quarter of 2009 against the second quarter of 2008, which had been characterised by the reversal of provisions no longer required. Accumulated earnings for the first half of the year totalled €-22m (previous year: €20m). Apart from the reason indicated above, the decline in earnings of €42m in the first half of the year was also attributable to the inclusion of profit contributions from the valuation of hedges in 2008 figures.

Information on the development of container shipping operations

The 43,33% stake in 'Albert Ballin' Joint Venture GmbH & Co. KG, taken after the sale of container shipping, will be measured at equity and included in TUI's consolidated financial statements on that basis as of the second quarter of 2009. Since the stake in 'Albert Ballin' represents a financial investment from TUI AG's perspective, the proportionate at equity earnings are not included in the TUI Group's operative management variable EBITA. The table below presents for information only container shipping from a Hapag-Lloyd perspective on a 100-percent basis.

Key figures – Container shipping

€ million	Q2 2009	Q2 2008	Var. %	H1 2009	H1 2008	Var. %
Turnover	1,123.0	1,510.7	- 25.7	2,241.8	2,960.8	- 24.3
EBITA	- 221.8	89.3	n/a	- 483.5	90.2	n/a
<i>Gains on disposal</i>	-	-	-	-	-	-
<i>Restructuring</i>	+ 17.3	+ 7.3	-	+ 17.3	+ 7.3	-
<i>Purchase price allocation</i>	+ 12.4	+ 18.6	-	+ 31.4	+ 37.7	-
<i>Other one-off items</i>	-	-	-	-	- 1.7	-
Underlying EBITA	- 192.1	115.2	n/a	- 434.8	133.5	n/a

Turnover and earnings

In the second quarter of 2009, turnover by container shipping operations declined by 26% to around €1.1bn. This development resulted from a 17% decrease in margins and a 25% fall in freight rate levels, while the US dollar exchange rate rose by 15% against the euro.

Underlying earnings declined by €307m to €-192m in the second quarter of 2009. One-of effects of €30m had to be adjusted for in the second quarter. Prior to adjustment of these one-off effects, earnings in the second quarter of 2009 amounted to €-222m, down €311m year-on-year. Accumulated underlying earnings for the first half totalled €-435m (previous year €134m), reported earnings declined to €-484m (previous year €90m).

Despite intensive cost-cutting measures, the earnings and liquidity situation of the Hapag-Lloyd Group was strongly impacted by the combined effects of declining volumes and falling freight rates. In mid-June, the rate increases expected for April 2009 and subsequent periods proved not to be implementable in the market, not least because some competitors until then launched selective pricing measures to try and win additional volume. Given the level of the declines, measures will be required in order to secure Hapag-Lloyd's long-term future. Such steps are currently being negotiated.

Transport volumes and freight rates Hapag-Lloyd

		Q2 2009	Q2 2008	Var. %	H1 2009	H1 2008	Var. %
Transport volumes	in '000 TEU	1,187	1,434	- 17.2	2,307	2,752	- 16.1
Freight rates	in US-\$/TEU	1,182	1,568	- 24.6	1,247	1,554	- 19.8

In the second quarter, Hapag-Lloyd's transport volumes totalled 1.2m TEU, down 17% year-on-year. The average freight rate level was 1,182 USD/TEU, a year-on-year decline of 25%.

Accumulated transport volumes for the first half of the year amounted to 2.3m TEU, down 16%. At 1,247 USD/TEU, average freight rates were 20% down year-on-year.

The decline in transport volumes and average freight rates was caused by the global economic downswing triggered by the financial market crisis. The decrease in worldwide transport volumes resulting from the fall in consumption caused an intensification of competition for the remaining transport volumes so that freight rates also came under pressure as a result. Transportation in the Far East and Atlantic trade lanes was particularly strongly affected by the fall in demand for consumer goods.

Consolidated earnings

Consolidated income statement

€ million	Q2 2009	Q2 2008 ¹⁾ restated	Var. %	H1 2009 ²⁾ restated	H1 2008 ¹⁾ restated	Var. %	
Turnover	4,175.7	4,740.4	- 11.9	7,258.6	8,371.2	- 13.3	
Cost of sales	3,785.5	4,449.9	- 14.9	6,950.0	8,017.6	- 13.3	
Gross profit/loss	390.2	290.5	+ 34.3	308.6	353.6	- 12.7	
Administrative expenses	342.1	322.6	+ 6.0	630.3	699.8	- 9.9	
Other income/other expenses	- 1.9	- 99.7	+ 98.1	2.6	- 82.1	n/a	
Impairment of goodwill	-	76.1	n/a	-	76.1	n/a	
Financial result	- 419.3	- 100.5	- 317.2	- 482.4	- 193.6	- 149.2	
Financial income	50.9	63.9	- 20.3	91.0	72.4	+ 25.7	
Financial expenses	470.2	164.4	+ 186.0	573.4	266.0	+ 115.6	
Share of results of joint ventures and associates	- 115.2	+ 5.3	n/a	- 111.4	+ 12.9	n/a	
Earnings before taxes on income	- 488.3	- 303.1	- 61.1	- 912.9	- 685.1	- 33.3	
Reconciliation to underlying earnings:							
Earnings before taxes on income	- 488.3	- 303.1	- 61.1	- 912.9	- 685.1	- 33.3	
Result from container shipping measured at equity	121.2	-	n/a	121.2	-	n/a	
Interest result from the valuation of loans to container shipping	371.0	-	n/a	371.0	-	n/a	
Interest result and earnings from the valuation of interest hedges	48.2	93.7	- 48.6	111.0	176.6	- 37.1	
Impairment of goodwill	-	76.1	n/a	-	76.1	n/a	
EBITA from continuing operations	52.1	- 133.3	n/a	- 309.7	- 432.4	+ 28.4	
Adjustments:							
Gains on disposal	-	-	-	-	-	-	
Restructuring	+ 7.4	+ 190.6		+ 34.9	+ 217.7		
Purchase price allocation	+ 11.1	+ 13.9		+ 21.6	+ 56.5		
Other one-off items	+ 24.3	+ 29.9		+ 61.4	+ 45.6		
Underlying EBITA from continuing operations	94.9	101.1	- 6.1	- 191.8	- 112.6	- 70.3	
Earnings before taxes on income	- 488.3	- 303.1	- 61.1	- 912.9	- 685.1	- 33.3	
Taxes on income	27.2	- 24.5	n/a	- 57.8	- 139.2	+ 58.5	
Result from continuing operations	- 515.5	- 278.6	- 85.0	- 855.1	- 545.9	- 56.6	
Result from discontinued operation	- 8.1	151.7	n/a	937.0	140.2	+ 568.3	
Group profit/loss	- 523.6	- 126.9	- 312.6	81.9	- 405.7	n/a	
attributable to shareholders of TUI AG	- 536.9	- 56.4	- 852.0	207.4	- 223.6	n/a	
attributable to minority interests	13.3	- 70.5	n/a	- 125.5	- 182.1	+ 31.1	
Group profit/loss	- 523.6	- 126.9	- 312.6	81.9	- 405.7	n/a	
Basic earnings per share	in €	- 2.16	- 0.24	- 800.0	+ 0.78	- 0.93	n/a
Diluted earnings per share	in €	- 2.16	- 0.24	- 800.0	+ 0.78	- 0.93	n/a

¹⁾ Restatement as a consequence of the application of IFRIC 13 and the purchase price allocations finalised until 31 December 2008.

²⁾ Caused by the application of the revised IFRS 3 and IAS 27 starting from 1 January 2009, the result from the discontinued operation of the 1st quarter 2009 has increased accordingly by € 191.5m due to a higher gain on disposal.

The year-on-year development of consolidated earnings was mainly characterised by the sale of container shipping in the first quarter of 2009. The consolidated income statement for the continuing operations reflects the seasonality of the tourism business, with positive earnings primarily generated in the second and third quarters of any one year due to the nature of the business.

Turnover and cost of sales

Turnover comprised the turnover of the continuing operations, i.e. tourism and central operations. Turnover declined by 12% year-on-year to €4.2bn in the second quarter of 2009 and fell by 13% to €7.3bn in the first half of the year. The decline was driven in particular by the year-on-year weakening of the exchange rate of the British pound and TUI Travel's diminishing business volume caused by

the capacity cuts. Turnover was presented alongside the cost of sales, which also decreased due to the lower business volume, the weakness of the British pound and cost reductions in the framework of integration measures. A detailed breakdown of turnover and the development of turnover is presented in the section 'Consolidated turnover and earnings'.

Gross profit/loss	Gross profit as the balance of turnover and the cost of sales rose by 34% year-on-year to €390m in the second quarter of 2009. In the first half of the year, gross profit amounted to €309m, down 13%.
Administrative expenses	Administrative expenses comprised expenses not directly allocable to the turnover transactions, such as expenses for general management functions. At €342m, they were up 6% year-on-year in the second quarter. For the first half of the year, they fell 10% year-on-year, in particular due to the weakness of the British pound and synergies delivered in the wake of the integration of TUI's former tourism division and First Choice.
Other income/Other expenses	Other income and other expenses primarily comprised profits and losses from the sale of fixed asset items. The balance of income and expenses totalled €-2m in the second quarter, an improvement of 98% against the comparative 2008 figure, which had increased due to expenses for sale-and-lease-back transactions. In the first half of the year, netted income and expenses rose by €85m year-on-year for the same reason.
Impairment of goodwill	No goodwill impairments were effected in the second quarter of 2009.
Financial result	<p>The financial result comprised the interest result and the net result from marketable securities. At €-419m, the financial result declined by 317% year-on-year in the second quarter of 2009 and comprised financial income of €51m (previous year: €64m) and financial expenses of €470m (previous year: €164m), which were up 186%. Financial expenses for the second quarter of 2009 included a charge of interest effects of €371m on the loans extended to container shipping.</p> <p>Adjusted for this expense, the financial result rose by €82m year-on-year in the first half of 2009. This positive trend mainly resulted from the substantial improvement in the financial situation of the continuing operations following the sale of maritime assets to Hapag Lloyd AG and the loans extended to container shipping. An additional positive effect was generated by the overall fall in interest rate levels year-on-year.</p>
Share of results of joint ventures and associates	The share of results of joint ventures and associates comprised the share in net profit for the year of the associated companies and joint ventures as well as impairments of the goodwill of these companies. The significant decline in the share of results of joint ventures and associates in the second quarter and the first half of 2009 was attributable to the first-time inclusion of the 43.33% stake held by the TUI Group after the sale of the majority stake in container shipping in March 2009 as an associate in the consolidated financial statements. The proportionate negative earnings of container shipping accounted for €-121m in the second quarter of 2009.

Underlying EBITA from continuing operations

In the second quarter of 2009, underlying earnings by the continuing operations totalled €95m, down 6% year-on-year. EBITA was adjusted for gains on disposal, restructuring expenses, purchase price allocations and one-off items. The adjustments are outlined in detail in the section 'Consolidated turnover and earnings' and the comments concerning the individual divisions.

Taxes on income

Taxes on income comprised taxes on profits from the business activities of the continuing operations. In the second quarter they totalled €27m, following €-25m in 2008. The tax income for the first half of 2009 was attributable to the seasonality of the tourism business, since the remeasurement of the investment for the share of profit or loss for container shipping and the charges for the loan to the container shipping did not affect deferred taxes.

Result from discontinued operation

The result from the discontinued operation comprised the operating income and expenses of container shipping until the disposal date as well as the gain on disposal. In accordance with the early application of IAS 27, the gain on disposal for the first quarter of 2009 from the sale of the majority stake in container shipping associated with the loss of control was restated. As a result, the gain on disposal (after deduction of the cost to sell) for the first quarter of 2009 rose by €192m. Taking account of subsequent purchase price adjustments, an overall positive gain on disposal of €1,135m is now carried. A detailed breakdown is provided in the section 'Result from discontinued operation' in the notes.

Group profit/loss

In the second quarter, Group profit/loss declined by €397m to €-524m. For the first half of the year, a Group profit of €82m was carried (previous year: Group loss of €-406m). The increase in the Group result for the first half of 2009 resulted from the charges carried in 2008 in the framework of the strategic realignment of TUI Travel's flight operations.

Minority interests

Minority interests in Group profit/loss amounted to €13m for the second quarter and €-126m for the first half of 2009. They related to the outside shareholders of TUI Travel PLC and companies in the TUI Hotels & Resorts sector.

Earnings per share

After deduction of minority interests, TUI AG shareholders accounted for €-537m (previous year: €56m) of Group profit in the second quarter of 2009. As a result, basic earnings per share amounted to €-2.16 (previous year: €-0.24) in the second quarter.

Performance indicators

Key figures of the consolidated statement of the continuing operations

€ million	Q2 2009	Q2 2008 restated	Var. %	H1 2009 restated	H1 2008 restated	Var. %
Earnings before interest, taxes on income, depreciation, impairment and rent (EBITDAR)	371.0	185.1	+ 100.4	316.7	194.7	+ 62.7
Operating rental expenses	220.2	190.7	+ 15.5	429.2	365.6	+ 17.4
Earnings before interest, taxes on income, depreciation and impairment (EBITDA)	150.8	- 5.6	n/a	- 112.5	- 170.9	+ 34.2
Depreciation/amortisation less reversals of depreciation ¹⁾	98.7	127.7	- 22.7	197.2	261.5	- 24.6
Earnings before interest, taxes on income and impairment of goodwill (EBITA)	52.1	- 133.3	n/a	- 309.7	- 432.4	+ 28.4
Impairment of goodwill	-	76.1	n/a	-	76.1	n/a
Earnings before interest and taxes on income (EBIT)	52.1	- 209.4	n/a	- 309.7	- 508.5	+ 39.1
Interest result	- 419.2	- 93.7	- 347.4	- 482.0	- 176.6	- 172.9
Equity result Container shipping	- 121.2	-	n/a	- 121.2	-	n/a
Earnings before taxes on income (EBT)	- 488.3	- 303.1	- 61.1	- 912.9	- 685.1	- 33.3

¹⁾ on property, plant and equipment, intangible assets, financial and other assets

Operating rental expenses

Operating rental expenses of the continuing operations amounted to €220m (previous year: €191m) in the second quarter and €429m (previous year: €366m) in the first half of the year. The rise in rental and leasing expenses was caused by the strategic realignment of flight operations (sale-and-lease-back agreements) of the TUI Travel Group. This increase was partly offset by capacity cuts in aviation and currency effects resulting from the development of the British pound.

Interest result

In the second quarter of 2009, the interest result of the continuing operations totalled €-419m (previous year: €-94m). The accumulated interest result for the first half of the year stood at €-482m (previous year: €-177m). Financial expenses for the second quarter of 2009 comprised in particular charges for interest effects on the loans totalling €371m extended to 'Albert Ballin' Holding GmbH & Co. KG and Hapag-Lloyd AG, resulting from a comparison between the currently appropriate interest rates in the light of the current financial and risk position of container shipping and the interest rates agreed in March 2009. Adjusted for this expense, the interest result rose by €66m in the first half of the year. This positive trend was mainly attributable to the significant improvement in the financial situation of the continuing operations following the sale of the maritime assets to Hapag-Lloyd AG and the loans extended to container shipping. An additional positive effect was generated by the overall fall in interest rate levels year-on-year.

Net assets and financial position

The Group's balance sheet total fell by 11% to €14.9bn as against the end of 2008. The changes in the consolidated statement of financial position partly resulted from the business cycle in tourism. Essential changes in net assets and the financial position were also caused by the sale of container shipping and the acquisition of an entrepreneurial stake of 43.33% in 'Albert Ballin' Joint Venture GmbH & Co. KG.

Assets and liabilities

€ million	30 Jun 2009	31 Dec 2008 restated	Var. %
Non-current assets	9,407.2	7,346.3	+ 28.1
Current assets	5,510.3	9,365.9	- 41.2
Assets	14,917.5	16,712.2	- 10.7
Equity	2,237.4	2,242.5	- 0.2
Provisions	2,070.1	2,148.9	- 3.7
Financial liabilities	4,552.2	4,974.7	- 8.5
Other liabilities	6,057.8	7,346.1	- 17.5
Liabilities	14,917.5	16,712.2	- 10.7

Non-current assets

As at 30 June 2009, non-current assets accounted for 63% of total assets, compared with 44% as at 31 December 2008. Non-current assets rose from €7.3bn to €9.4bn in the period under review. This increase mainly resulted from the acquisition of an entrepreneurial stake of 43.33% in 'Albert Ballin' Joint Venture GmbH & Co. KG and the loans extended to 'Albert Ballin' Holding GmbH & Co. KG in the framework of the sale of container shipping.

Current assets

As at 30 June 2009, current assets accounted for 37% of total assets, following 56% as at 31 December 2008. Current assets declined from €9.4bn as at 31 December 2008 to €5.5bn as at 30 June 2009. The change mainly resulted from the reduction in assets held for sale due to the sale of container shipping.

Equity

Equity totalled €2.2bn as at 30 June 2009. The equity ratio stood at 15%, compared with 13% as at the end of the 2008 financial year. Detailed information on the changes is provided under 'Changes in equity' in the notes to this half-year financial report.

Provisions

Provisions mainly comprised provisions for pension obligations, effective and deferred tax provisions and provisions for typical operating risks. As at 30 June 2009, they totalled €2.1bn and were thus 4% down on their level as at 31 December 2008.

Financial liabilities

As at 30 June 2009, financial liabilities consisted of non-current liabilities of €3.4bn and current financial liabilities of €1.1bn. As at 31 December 2008, non-current financial liabilities stood at €4.0bn, with current financial liabilities of €1.0bn. At the end of the first half of the 2009 financial year, net debt totalled €2.6bn, following €4.1bn as at the end of the 2008 financial year.

Other liabilities

As at 30 June 2009, other liabilities amounted to €6.1bn, down 18% or €1.3bn as against 31 December 2008. The decline was primarily attributable to the reduction in debt in connection with assets held for sale due to the sale of container shipping.

Other segment indicators

Capital expenditure

€ million	Q2 2009	Q2 2008	Var. %	H1 2009	H1 2008	Var. %
Tourism	79.1	132.3	- 40.2	155.3	247.7	- 37.3
TUI Travel	62.4	85.9	- 27.4	117.1	150.4	- 22.1
TUI Hotels & Resorts	16.2	45.8	- 64.6	36.6	96.5	- 62.1
Cruises	0.5	0.6	- 16.7	1.6	0.8	+ 100.0
Central Operations	2.4	2.4	-	4.8	3.9	+ 23.1
Continuing operations	81.5	134.7	- 39.5	160.1	251.6	- 36.4
Discontinued operation – Container shipping	-	93.8	n/a	60.4	222.4	- 72.8
Total	81.5	228.5	- 64.3	220.5	474.0	- 53.5

Depreciation of property, plant and equipment

€ million	Q2 2009	Q2 2008 restated	Var. %	H1 2009	H1 2008 restated	Var. %
Tourism	98.0	118.8	- 17.5	193.5	254.0	- 23.8
TUI Travel	79.0	97.7	- 19.1	152.1	212.4	- 28.4
TUI Hotels & Resorts	17.3	19.3	- 10.4	37.4	38.0	- 1.6
Cruises	1.7	1.8	- 5.6	4.0	3.6	+ 11.1
Central Operations	1.0	2.4	- 58.3	2.9	4.8	- 39.6
Continuing operations	99.0	121.2	- 18.3	196.4	258.8	- 24.1
Discontinued operation – Container Shipping	-	-	n/a	-	65.1	n/a
Total	99.0	121.2	- 18.3	196.4	323.9	- 39.4

Employees

	30 Jun 2009	31 Dec 2008	Var. %
Tourism	68,665	61,972	+ 10.8
TUI Travel	50,391	48,508	+ 3.9
TUI Hotels & Resorts	18,061	13,255	+ 36.3
Cruises	213	209	+ 1.9
Central Operations	666	665	+ 0.2
Continuing operations	69,331	62,637	+ 10.7
Discontinued operation – Container shipping	-	7,617	n/a
Total	69,331	70,254	- 1.3

Prospects

The world economy is still in recession. For 2009, the International Monetary Fund (IMF, World Economic Outlook, July 2009) projects a contraction of global gross domestic product of 1.4%. The rate of decline in economic activity moderated in the second quarter of 2009. In addition, several key indicators stabilised worldwide, so that it appears possible that the decline will bottom out in the second half of 2009. The core problems regarding a recovery of the world economy remain the continued uncertainty in the financial markets and the persistent fall in many assets, in particular real estate, adversely impacting financing conditions for the real economy and curbing investments worldwide. The crisis is also partly driven by the weakness of global trade, which the IMF expects to decline by around 12% in 2009 and which primarily affects export-oriented countries such as Germany and Japan as well as Central and Eastern European countries and some minor emerging economies in Asia. Overall, the world economy is expected to only recover gradually over time. In the industrialised countries, production is not expected to pick up substantially until the end of 2009, with activity in the Eurozone projected to recover more slowly than in the US and Japan. In the light of rising unemployment and increasing fuel costs, private consumption is not expected to expand considerably in the near future. The tight situation in the labour market, in particular, is expected to intensify further in the next few months. Corporate investments are expected to remain considerably lower than before in the next few months in the light of extremely low capacity utilisation and difficult financing conditions. Prospects for increases in industrial production in the near future have improved, benefiting from substantial inventory cutting in recent quarters. Inventory adjustment might trigger considerable production rises in the short term and thus create a more notable economic recovery. On the other hand, however, severe downward risks, resulting above all from the development in the financial markets, remain in effect.

With regard to the resolution adopted at TUI AG's Annual General Meeting on 13 May 2009 to change the financial year and have an short financial year in 2009, the comments made below shall refer to the TUI Group's expected development of turnover and operating earnings (underlying divisional EBITA) for the period from 1 January 2009 to 30 September 2009.

Tourism

According to UNWTO estimates (World Tourism Barometer, June 2009), international tourist arrivals declined by 8% in the first four months of the year. The negative trend recorded in the second half of 2008 thus continued in 2009. For the overall year 2009, UNWTO has revised its forecast downward and now expects the tourism market to decline by 4 to 6%. According to UNWTO, risks in the tourism market include the uncertain economic development and the further impact of swine flu.

In the first half of 2009, the persistently difficult economic climate caused the expected weakening of incoming bookings in TUI Travel's volume business. For the summer season, booked turnover is 10% down year-on-year, with customer volumes 11% down. At the same time, TUI Travel has cut capacity for the 2009 summer season by 15%. This active capacity management has proven its worth in the year to date. For the forthcoming summer season, TUI Travel therefore expects to be able to achieve the planned pricing and occupancy targets in an overall declining market. While negative earnings effects were recorded in the first half of

2009 from external disruption of travel to individual destinations, cost savings will be achieved and synergies delivered from the integration of tourism activities as the year progresses. They will total 200m British pounds in the final stage. TUI Travel expects to reproduce the previous year's earnings levels in the short financial year despite the shortfall in earnings in the first half of the year. This will in particular be driven by improvements in the lates business and the cost savings resulting from the integration measures taken in 2008.

TUI Hotels & Resorts expects a slight decline in earnings year-on-year for the current short financial year. The fall in customer numbers from the major source markets will cause lower occupancy rates in hotels in Spain and Portugal. In addition, occupancy in Mexico will fall short of the usual level for some time to come due to the impact of swine flu.

Due in particular to the start-up costs for TUI Cruises, the cruises activities will not reproduce the previous year's earnings level.

Based on the current earnings estimates for TUI Travel, TUI Hotels & Resorts and Cruises, the TUI Group expects tourism, its core business, to generate operating earnings slightly below last year's level. The development of earnings will depend to a considerable extent on the further development of the lates business for the summer months from July to September 2009.

Continuing operations

Overall, the Executive Board expects turnover by the TUI Group's continuing operations (tourism and central operations) to decline in the short financial year 2009 due to lower business volumes in tourism and the persistently weak exchange rate of the British pound.

Given an overall development of tourism being slightly below last year's level underlying earnings by the TUI Group's continuing operations are expected to decline year-on-year in the short financial year 2009 since 2008 figures included income by central operations from the reversal of provisions no longer required.

Consolidated earnings

In the short financial year 2009, reported consolidated earnings will be strongly affected by the realised gains on disposal from the sale of container shipping and charges for interest effects on loans extended to the 'Albert Ballin'/Hapag-Lloyd Group. Taking account of the year-on-year decline in integration expenses in tourism and the adverse effect of the negative at equity profit contributions in container shipping, consolidated earnings are overall expected to be positive.

Corporate Governance

In the period under review, the following changes in the composition of the boards of TUI AG occurred:

With the sale of Hapag-Lloyd AG on 23 March 2009, Dieter Lübke ceased to be an employee of a TUI Group company and therefore left TUI AG's Supervisory Board. Ortwin Strubelt was appointed new member by resolution of the district court of Hanover with effect from 3 April 2009.

With effect from the end of the ordinary Annual General Meeting on 13 May 2009, the Supervisory Board members Jean-Claude Baumgarten and Sepp Dieter Heckmann resigned from their Supervisory Board mandates. The Annual General Meeting held this year elected Mustapha Bakkoury and Dr Peter Barrenstein as new members to the Supervisory Board for the remaining term of office of the Supervisory Board (i.e. until the end of the fifth Annual General Meeting following the 2006 election). Mr Bakkoury resigned from his office as at the end of 9 July 2009. Appointment of a successor by the district court of Hanover has been initiated.

The current complete composition of the Executive Board and Supervisory Board is listed on the Company's website (www.tui-group.com) where it has been made permanently available to the public.

Interim Financial Statements

Income statement of the TUI Group for the period from 1 January to 30 June

€ million	Notes	Q2 2009	Q2 2008 ¹⁾ restated	H1 2009 ²⁾ restated	H1 2008 ¹⁾ restated
Turnover		4,175.7	4,740.4	7,258.6	8,371.2
Cost of sales	(1)	3,785.5	4,449.9	6,950.0	8,017.6
Gross profit/loss		390.2	290.5	308.6	353.6
Administrative expenses	(1)	342.1	322.6	630.3	699.8
Other income/other expenses	(2)	- 1.9	- 99.7	+ 2.6	- 82.1
Impairments of goodwill		-	76.1	-	76.1
Financial income		50.9	63.9	91.0	72.4
Financial expenses		470.2	164.4	573.4	266.0
Result from joint ventures and associates measured at equity	(4)	- 115.2	+ 5.3	- 111.4	+ 12.9
Earnings before taxes on income		- 488.3	- 303.1	- 912.9	- 685.1
Reconciliation to underlying earnings:					
Earnings before taxes on income		- 488.3	- 303.1	- 912.9	- 685.1
Result from container shipping measured at equity		121.2	-	121.2	-
Interest result from the valuation of loans to container shipping		371.0	-	371.0	-
Interest result and earnings from the valuation of interest hedges		48.2	93.7	111.0	176.6
Impairments of goodwill		-	76.1	-	76.1
EBITA from continuing operations		52.1	- 133.3	- 309.7	- 432.4
Adjustments:					
<i>Gains on disposals</i>		-	-	-	-
<i>Restructuring</i>		7.4	190.6	34.9	217.7
<i>Purchase price allocation</i>		11.1	13.9	21.6	56.5
<i>Other one-off items</i>	(5)	24.3	29.9	61.4	45.6
Underlying EBITA from continuing operations		94.9	101.1	- 191.8	- 112.6
Earnings before taxes on income		- 488.3	- 303.1	- 912.9	- 685.1
Taxes on income	(6)	27.2	- 24.5	- 57.8	- 139.2
Result from continuing operations		- 515.5	- 278.6	- 855.1	- 545.9
Result from discontinued operation		- 8.1	151.7	937.0	140.2
Group profit/loss		- 523.6	- 126.9	81.9	- 405.7
Group profit/loss attributable to shareholders of TUI AG		- 536.9	- 56.4	207.4	- 223.6
Group profit/loss attributable to minority interests	(7)	13.3	- 70.5	- 125.5	- 182.1
Group profit/loss		- 523.6	- 126.9	81.9	- 405.7

€	Q2 2009	Q2 2008 ¹⁾ restated	H1 2009 ²⁾ restated	H1 2008 ¹⁾ restated
Basic earnings per share	- 2.16	- 0.24	+ 0.78	- 0.93
from continuing operations	- 2.13	- 0.85	- 2.95	- 1.49
from discontinued operation	- 0.03	+ 0.61	+ 3.73	+ 0.56
Diluted earnings per share	- 2.16	- 0.24	+ 0.78	- 0.93
from continuing operations	- 2.13	- 0.85	- 2.95	- 1.49
from discontinued operation	- 0.03	- 0.61	+ 3.73	+ 0.56

¹⁾ Restatement as a consequence of the application of IFRIC 13 and the purchase price allocations finalised until 31 December 2008.

²⁾ Caused by the application of the revised IFRS 3 and IAS 27 starting from 1 January 2009, the result from the discontinued operation of the 1st quarter 2009 has increased accordingly by € 191.5m due to a higher gain on disposal.

Condensed statement of comprehensive income of the TUI Group for the period from 1 January to 30 June

€ million	H1 2009 restated	H1 2008 restated
Group profit/loss	81.9	- 405.7
Currency translation	+ 308.6	- 168.6
Available-for-sale financial instruments	0.0	- 0.1
Cash flow hedges	- 256.4	+ 400.6
Actuarial gains and losses from pension obligations and related fund assets	- 165.5	- 43.3
Share of other comprehensive income of joint ventures and associates	- 37.8	- 19.3
Taxes on income relating to components of other comprehensive income	+ 145.8	- 70.3
Other comprehensive income	- 5.3	99.0
Group total comprehensive income	76.6	- 306.7
attributable to shareholders of TUI AG	63.0	- 322.4
attributable to minority interest	13.6	15.7
Group total comprehensive income	76.6	- 306.7

Statement of financial position of the TUI Group

€ million	30 Jun 2009	31 Dec 2008 ²⁾ restated	1 Jan 2008 ¹⁾ restated
Assets			
Goodwill	2,846.7	2,520.4	3,063.0
Other intangible assets	956.9	805.9	1,385.4
Investment property	86.7	90.1	90.5
Property, plant and equipment	2,689.6	2,699.2	5,698.5
Investment in joint ventures and associates	1,252.5	406.4	540.7
Available-for-sale financial assets	144.1	84.0	108.2
Trade and other receivables	1,056.5	326.4	408.8
Derivative financial instruments	116.2	194.6	28.8
Deferred tax assets	258.0	219.3	204.2
Non-current assets	9,407.2	7,346.3	11,528.1
Inventories	108.1	97.0	208.7
Available-for-sale financial assets	2.4	3.9	13.7
Trade and other receivables	2,912.9	2,011.5	2,456.9
Derivative financial instruments	333.2	1,017.9	413.1
Income tax receivables	35.8	45.6	42.0
Cash and cash equivalents	1,924.8	2,045.5	1,614.0
Assets held for sale	193.1	4,144.5	8.8
Current assets	5,510.3	9,365.9	4,757.2
	14,917.5	16,712.2	16,285.3

€ million	30 Jun 2009	31 Dec 2008 ²⁾ restated	1 Jan 2008 ¹⁾ restated
Equity and liabilities			
Subscribed capital	642.8	642.8	642.3
Capital reserves	969.3	969.3	2,471.9
Revenue reserves	22.9	30.1	- 614.5
Hybrid capital	294.8	294.8	294.8
Equity before minority interests	1,929.8	1,937.0	2,794.5
Minority interests	307.6	305.5	297.1
Equity	2,237.4	2,242.5	3,091.6
Pension provisions and similar obligations	823.0	667.4	825.2
Income tax provisions	216.7	236.7	256.3
Deferred tax provisions	83.3	191.8	246.2
Other provisions	393.2	487.4	487.8
Non-current provisions	1,516.2	1,583.3	1,815.5
Financial liabilities	3,430.6	3,965.4	4,732.8
Derivative financial instruments	82.6	163.4	126.4
Other liabilities	111.1	82.5	133.6
Non-current liabilities	3,624.3	4,211.3	4,992.8
Non-current provisions and liabilities	5,140.5	5,794.6	6,808.3
Pension provisions and similar obligations	37.4	27.1	31.7
Income tax provisions	46.7	83.9	62.3
Other provisions	469.8	454.6	533.9
Current provisions	553.9	565.6	627.9
Financial liabilities	1,121.6	1,009.3	798.5
Trade accounts payable	2,126.9	1,932.7	2,687.2
Derivative financial instruments	475.8	718.6	174.4
Other liabilities	3,244.0	1,948.3	2,097.4
Current liabilities	6,968.3	5,608.9	5,757.5
Liabilities related to assets held for sale	17.4	2,500.6	0.0
Current provisions and liabilities	7,539.6	8,675.1	6,385.4
	14,917.5	16,712.2	16,285.3

¹⁾ Restatement as a consequence of the application of IFRIC 13.

²⁾ Restatement as a consequence of the application of IFRIC 13 and the finalisation of purchase price allocations for acquisitions made during the first six months of 2008.

Condensed statement of cash flows

€ million	H1 2009	H1 2008
Cash flow from operating activities	+ 751.4	+ 1,364.1
Cash flow from investing activities	- 276.4	- 191.3
Cash flow from financing activities	- 730.1	- 40.1
Change in funds with cash effect	- 255.1	1,132.7
Change in cash and cash equivalents due to changes in consolidation and exchange rate fluctuation	+ 10.5	- 54.0
Cash and cash equivalents at the beginning of the period	2,169.4	1,614.0
Cash and cash equivalents at the end of the period	1,924.8	2,692.7
<i>of which included in the balance sheet as assets held for sale</i>	<i>0.0</i>	<i>104.4</i>
Cash and cash equivalents at the end of the period for continuing operations	1,924.8	2,588.3

Condensed statements of changes in equity
for the period from 1 January to 30 June 2009

€ million	Subscribed capital	Capital reserves	Revenue reserves	Hybrid capital	Equity before minority interests	Minority interests	Equity
Balance as at 31 Dec 2008	642.8	969.3	30.6	294.8	1,937.5	305.8	2,243.3
First-time adoption of IFRIC 13	-	-	- 0.5	-	- 0.5	- 0.3	- 0.8
Balance as at 1 January 2009 (restated)	642.8	969.3	30.1	294.8	1,937.0	305.5	2,242.5
Dividend payments	-	-	- 43.2	-	- 43.2	- 11.1	- 54.3
Dividend hybrid capital	-	-	- 12.8	-	- 12.8	-	- 12.8
Deconsolidation	-	-	-	-	-	- 0.4	- 0.4
Effect of acquisition of minority interests	-	-	- 10.1	-	- 10.1	-	- 10.1
Effect of option writer position from an option on minority interests	-	-	- 12.7	-	- 12.7	-	- 12.7
Share-based payment schemes of TUI Travel	-	-	8.6	-	8.6	-	8.6
Group total comprehensive income	-	-	63.0	-	63.0	13.6	76.6
Balance as at 30 June 2009	642.8	969.3	22.9	294.8	1,929.8	307.6	2,237.4

for the period from 1 January to 30 June 2008

€ million	Subscribed capital	Capital reserves	Revenue reserves	Hybrid capital	Equity before minority interests	Minority interests	Equity
Balance as at 31 Dec 2007	642.3	2,471.9	- 614.0	294.8	2,795.0	297.4	3,092.4
First-time adoption of IFRIC 13	-	-	- 0.5	-	- 0.5	- 0.3	- 0.8
Balance as at 1 January 2008 (restated)	642.3	2,471.9	- 614.5	294.8	2,794.5	297.1	3,091.6
Dividend payments	-	-	- 108.8	-	- 108.8	-	- 108.8
Dividend hybrid capital	-	-	- 12.9	-	- 12.9	-	- 12.9
First-time consolidation	-	-	1.7	-	1.7	-	1.7
Effect of acquisition of minority interests	-	-	- 32.2	-	- 32.2	-	- 32.2
Share-based payment schemes of TUI Travel	-	-	5.1	-	5.1	-	5.1
Group total comprehensive income	-	-	- 322.4	-	- 322.4	15.7	- 306.7
Balance as at 30 June 2008 (restated)	642.3	2,471.9	- 1,084.0	294.8	2,325.0	312.8	2,637.8

Notes

Accounting principles

In accordance with IAS 34 'Interim Financial Reporting', the Group's interim financial statements as at 30 June 2009 were published in a condensed form compared with the consolidated annual financial statements. They were based on the historical cost principle, the only exception being the accounting method applied in measuring financial instruments.

The following standards and interpretations revised or newly published by the IASB were mandatory as of the beginning of financial year 2009:

- IFRS 8: 'Operating Segments'
- Amendments to IAS 1: 'Presentation of Financial Statements'
- Amendments to IAS 23: 'Borrowing Costs' concerning removal of the option of capitalising borrowing costs
- IFRIC 13: 'Customer Loyalty Programmes'
- Amendments to IFRS 2: 'Share-based Payment' concerning the definition of vesting conditions and cancellations
- Amendments to IAS 32: 'Financial instruments: Presentation' and follow-up amendment to IAS 1: 'Presentation of Financial Statements' concerning puttable financial instruments and obligations arising on liquidation
- Amendments to IFRS 1: 'First-time Adoption of International Financial Reporting Standards' and IAS 27: 'Consolidated and Separate Financial Statements' concerning the determination of the cost of an investment in a subsidiary, a jointly controlled entity or an associate
- Annual improvements project

IFRS 8 replaces the previous provisions of IAS 14 on segment reporting. The main amendment is that the structure of segment reporting follows the reporting structure internally used by the chief operating decision makers (management approach). In addition, disclosures on geographical regions and major customers are exclusively required for the preparation of annual financial statements.

The present interim financial statements also reflect the amendments to IAS 1 concerning the presentation of the financial position and financial performance for IFRS-based financial statements. Accordingly, a consolidated statement of comprehensive income is now presented, and the statement of changes in equity is shown as a separate element of the financial statements. The statement of comprehensive income comprises the consolidated profit and loss and the other income, which corresponds to income and expenses directly recognised in equity. On top of the previous presentation, the statement of financial position comprises an additional column showing the values as at the beginning of the comparative period in the event of retrospective restatements.

The amendments to IAS 23 now requiring capitalisation of borrowing costs do not impact the financial position and financial performance since the TUI Group already exercised the previous option of capitalising borrowing costs.

Accounting for customer loyalty programmes (e.g. air miles) was adjusted to the requirements of IFRIC 13. The amount of proceeds allocated to the award credits is therefore now measured at its fair value, and the fair value is deferred from turnover until the credits are redeemed. Application of this interpretation does not have a material effect on the TUI Group's earnings. The effects on the consolidated statement of financial position are presented below:

Effects of IFRIC 13 on the consolidated statement of financial position

€ million	30 Jun 2009	31 Dec 2008	1 Jan 2008
Deferred tax asset	+ 0.4	+ 0.4	+ 0.4
Equity	- 1.0	- 0.8	- 0.8
Provisions	- 4.1	- 4.0	- 3.2
Other liabilities (including deferred revenue)	+ 5.5	+ 5.2	+ 4.4

The mandatory application of all other amendments to or improvements of standards and interpretations listed above did not give rise to any major effects on the TUI Group's financial position and financial performance.

In addition, the TUI Group already applies the provisions of the revised IFRS 3 'Business Combinations', put into EU law in June 2009, and the amendments to IAS 27 'Consolidated and Separate Financial Statements' for financial year 2009. The accounting and measurement methods were changed in accordance with the transitional provisions of the standards.

The amendments to IFRS 3 mainly consist of provisions concerning purchase price components and ancillary acquisition costs, business combinations achieved in stages, goodwill, non-controlling interest and remeasurement of agreements assumed. IAS 27 stipulates that disposals and acquisitions of shares in subsidiaries with a change of control lead to measurement at fair value, through profit and loss, of the stake already held by the Group or the residual holding of the Group. In contrast, transactions without a change of control will be recognised directly in equity.

Effects of the early application of IFRS 3 and IAS 27 on the Group financial statement

€ million/€	H1 2009
Other expenses	+ 0.5
Result from discontinued operation/Gain on disposal	+ 191.5
Group profit	+ 191.0
Goodwill	- 0.5
Equity	+ 188.9
Basic earnings per share	+ 0.61
from continuing operations	0.00
from discontinued operation	+ 0.61
Diluted earnings per share	+ 0.61
from continuing operations	0.00
from discontinued operation	+ 0.61

EBITA, the variable presented in the income statement, represents the TUI Group's operating earnings. Following the sale of the majority stake in container shipping, proportionate earnings resulting from this stake are therefore no longer to be included in operating earnings by continuing operations.

Apart from these changes, the interim financial statements as at 30 June 2009 were prepared in accordance with the same accounting, measurement and presentation methods as those applied in the preceding consolidated financial statements as at 31 December 2008.

Basis of consolidation

The consolidated financial statements included all major subsidiaries in which TUI AG was able to directly or indirectly control the financial or operating policies such that the Group obtained benefits from the activities of these companies.

The interim financial statements as at 30 June 2009 included a total of 44 domestic and 683 foreign subsidiaries, besides TUI AG.

Since 1 January 2009, 12 tourism companies and one container shipping company have been newly included in consolidation. The additions in tourism consisted of 2 newly established and 10 acquired companies. In the same period, two tourism companies were deconsolidated due to a merger and a reduction in business operations, respectively. While one container shipping company was included in consolidation due to an expansion of its business operations as against the end of 2008, a total of 47 companies were removed from consolidation due to the sale of container shipping completed in the first quarter of 2009.

Acquisitions – divestments

In the first half of 2009, 10 tourism companies were acquired at acquisition costs totalling the equivalent of €34.9m. All companies were acquired in the second quarter of 2009.

Summary presentation of acquisitions

Name and headquarters of the acquired company	Business activity	Acquirer	Date of acquisition	Acquired share	Acquisition costs € million
Adventure Tours Australia group, Australia (3 companies)	Special tour operator	TUI Travel Holdings Ltd.	2 Apr 09	each 100.0%	6.4
Williment World Travel group, New Zealand (4 companies)	Special tour operator	TUI Travel Holdings New Zealand Ltd.	1 May 09	each 100.0%	11.0
Aragon Tours Ltd., UK	Provider of services for cruise companies	TUI Travel Holdings Ltd.	8 May 09	100.0%	2.6
Zeghram Expeditions group, US (2 companies)	Tour operator for expeditions	First Choice Holdings, Inc.	30 Jun 09	each 100.0%	14.9
Total					34.9

Acquisition costs in foreign currencies were translated into Euro. In accordance with the provisions of the revised IFRS 3, ancillary costs totalling €0.5m were taken to the income statement through profit or loss.

Fair values of considerations transferred

€ million	
Purchase price paid	17.1
Deferred and contingent consideration	17.8
Total	34.9

In some cases, the acquisition costs comprise the fair values of contingent considerations, i.e. considerations depending on future events, apart from the purchase prices already paid.

Summary presentation of balance sheets as at the date of first-time consolidation

€ million, translated	Carrying amounts at date of acquisition	Revaluation of assets and liabilities	Revalued carrying amounts at date of first-time consolidation
Other intangible assets	1.9	1.9	3.8
Property, plant and equipment	4.1	- 0.2	3.9
Investments	0.7	- 0.6	0.1
Fixed assets	6.7	1.1	7.8
Inventories	0.1	-	0.1
Other receivables and other assets including prepaid expenses	4.6	- 0.2	4.4
Cash and cash equivalents	12.4	-	12.4
Deferred tax provisions	0.1	0.8	0.9
Other provisions	0.5	0.1	0.6
Financial liabilities	2.8	-	2.8
Liabilities and deferred income	13.3	-	13.3
Equity	7.1	0.0	7.1

Total goodwill of €29.6m (including currency translation) arising between the acquisition costs and the acquired revalued net assets as at the acquisition date was temporarily carried as goodwill. This goodwill largely represented part of the expected synergy potential.

Due to the short period of time between the acquisition of the companies and the preparation of the present interim financial statement of the TUI Group, the purchase price allocation to the individual assets and liabilities was only prepared on a temporary basis and it was not possible to make any further disclosures on IFRS 3.

In the present interim financial statements, the purchase price allocations of the following companies and groups acquired in the first half of 2008 were finalised in accordance with the provisions of IFRS 3 within the required period of twelve months.

- Active Safari Group, Australia
- Destination Florida Group, US
- Gullivers Group, UK
- Your Sporting Challenge, UK
- Real Travel Group, UK
- World Challenge Group, UK
- Sportsworld Group, UK
- Travelmood Ltd., UK

Comparative information for reporting periods prior to the completion of the first-time accounting for an acquisition transaction retrospectively has to be pre-

sented as if the purchase price allocation had already been finalised as at the acquisition date. The table below provides an overview of the combined final purchase price allocations:

Summary presentation of the final first-time consolidation balance sheets of acquisitions made during the first six months of 2008

€ million	Carrying amounts at date of acquisition	Revaluation of assets and liabilities	Revalued carrying amounts at date of first-time consolidation
Other intangible assets	7.0	42.9	49.9
Property, plant and equipment	4.1	- 0.6	3.5
Fixed assets	11.1	42.3	53.4
Inventories	0.3	- 0.3	0.0
Receivables and other assets including deferred tax receivables	25.8	- 0.4	25.4
Cash and cash equivalents	19.8	–	19.8
Deferred tax provisions	- 1.3	14.0	12.7
Financial liabilities	8.2	–	8.2
Liabilities and deferred income	58.3	6.5	64.8
Equity	- 8.2	21.1	12.9

Due to the changes in the purchase price allocation, the goodwill arising in the consolidated statement of financial position on eliminating the acquisition cost against the prorated revalued equity rose by 3.5m GBP (€3.6m) to 57.8m GBP (€60.2m, including currency translation) as against 31 December 2008. The capitalised goodwill essentially represents a part of the expected synergy potential. These purchase price allocations did not significantly affect the consolidated income statement.

On 23 March 2009, TUI AG sold its entire container shipping operations. All shares in Hapag-Lloyd AG were sold to 'Albert Ballin' Holding GmbH & Co. KG, an indirect subsidiary of the 'Albert Ballin' GmbH & Co. KG consortium. By the end of March of the current financial year, container shipping had generated turnover of €1,118.9m and earnings after tax of €-197.9m. The 47 subsidiaries were sold for an enterprise value (excluding real estate) of €4.3bn. Taking account of the early application of IAS 27, the sale now results in adjusted after-tax profit of €1,134.9m (Q1 2009: €989.5m) after deduction of the cost to sell and the final purchase price determination.

Deconsolidation balance sheet of container shipping

€ million	March 2009	31 Dec 2008
Non-current assets	3,494.9	3,262.6
Current assets	1,186.3	699.4
Assets	4,681.2	3,962.0
Non-current provisions and liabilities	1,669.6	1,233.6
Current provisions and liabilities	1,401.3	1,241.3
Liabilities	3,070.9	2,474.9
Equity	1,610.3	1,487.1
Equity attributable to shareholders of TUI AG	1,609.9	1,486.8
Minority interests	0.4	0.3

The assets and liabilities of container shipping carried as at 31 December 2008 were carried in separate items in the previous year's statement of financial position.

TUI AG indirectly acquired an entrepreneurial stake of 43.33% in 'Albert Ballin' Joint Venture GmbH & Co. KG, the sole shareholder of 'Albert Ballin' Holding GmbH & Co. KG.

Discontinued operation

In accordance with the provisions of IFRS 5, container shipping had to be carried as a discontinued operation until the end of March 2009. The assets and liabilities therefore had to be shown in separate items in the statement of financial position until the disposal date.

The discontinued operation comprised the container shipping activities and the participations in the container terminals in Altenwerder and Montreal, Canada.

Result from the discontinued container shipping operation

The result from the discontinued operation comprised the operating income and expenses of container shipping and the gain on disposal until the disposal date.

Result from discontinued operation container shipping

€ million	Container shipping			
	Q2 2009	Q2 2008	H1 2009 restated	H1 2008
Turnover	–	1,510.1	1,118.9	2,961.3
Cost of sales	–	1,331.2	1,267.5	2,762.1
Administrative expenses	–	34.0	25.8	64.2
Other income/other expenses	–	+ 2.6	- 0.3	+ 8.0
Financial income	–	3.9	5.8	7.7
Financial expenses	–	6.9	28.1	13.6
Share of results of joint ventures and associates	–	–	–	+ 5.6
Earnings before taxes on income	–	144.5	- 197.0	142.7
Taxes on income	–	- 7.2	0.9	2.5
<i>thereof deferred tax expenses/ -income</i>	–	- 8.2	0.4	0.6
Earnings after taxes on income	–	151.7	- 197.9	140.2
Result on disposal	- 8.1	–	1,134.9	–
Result from discontinued operation	- 8.1	151.7	937.0	140.2
Reconciliation to underlying earnings:				
Earnings after taxes on income	- 8.1	151.7	937.0	140.2
Taxes on income	–	- 7.2	0.9	2.5
Interest result and earnings from the valuation of interest hedges	–	3.0	22.3	5.9
EBITA from discontinued operation ¹⁾	- 8.1	147.5	960.2	148.6
Adjustments:				
<i>Gains on disposals</i>	8.1	–	- 1,134.9	–
<i>Restructuring</i>	–	7.3	–	7.3
<i>Purchase price allocation</i>	–	18.6	19.0	37.7
<i>Other one-off items</i>	–	–	–	- 1.7
<i>IFRS 5 effects</i>	–	- 58.5	- 66.0	- 58.5
Underlying EBITA from discontinued operation	–	114.9	- 221.7	133.4

¹⁾ Earnings for the first quarter 2009 are presented in accordance with IFRS 5, taking account of the suspension of depreciation/amortisation and at equity measurement. In order to enhance comparability of underlying EBITA, this earnings effect was additionally included in the adjustments for the discontinued operation.

In accordance with the early application of IAS 27, the gain on disposal for the first quarter of 2009 from the sale of the majority stake in container shipping associated with a loss of control was restated. As a result, the gain on disposal (after deduction of the cost to sell) for the first quarter of 2009 rose by €191.5m. Taking account of sub-sequent purchase price adjustments and ancillary acquisition costs, an overall positive gain on disposal of €1,134.9m (Q1 2009: €989.5m) is now carried.

Cash flows from operating, investing and financing activities of discontinued operation

€ million	Container shipping	
	Q1 2009	H1 2008
Cash flow from operating activities	+ 4.0	+ 261.7
Cash flow from investing activities	- 59.4	- 189.0
Cash flow from financing activities	- 26.1	- 91.0
Change in cash and cash equivalents due to exchange rate fluctuations	- 28.1	- 8.2
Change of cash and cash equivalents	- 109.6	- 26.5

Notes on the consolidated income statement

The year-on-year development of the Group's earnings position was essentially characterised by the sale of container shipping in the first quarter of 2009. The consolidated income statement of the continuing operations reflected the seasonality of the tourism business, as a result of which positive earnings are primarily generated in the second and third quarter of any one year and a cumulative operating profit is generated as of the third quarter of any one year.

The decline in turnover was mainly driven by the year-on-year weakening of the exchange rate of the British pound. For TUI Travel, turnover also declined due to the reduction in offerings resulting from active capacity management, on sound pricing and load factors. The second quarter of 2009 benefited from the late timing of Easter, which fell in April 2009 and led to a shift of the corresponding turnover.

While TUI Hotels & Resorts recorded a slight increase in turnover against the previous year's comparative period, turnover by the cruises sector matched 2008 levels.

(1) Cost of sales and administrative expenses

The cost of sales decreased by €1,067.6m year-on-year. Apart from effects of the weaker British pound, this development was also due to the reduction in the business volume driven by capacity management and cost savings achieved in the framework of the integration resulting from the merger with the First Choice Holidays Group.

Administrative expenses also fell by €69.5m, mainly due to the weak British pound.

The cost of sales and administrative expenses comprised the following items:

Rental and lease expenses

€ million	Q2 2009	Q2 2008	H1 2009	H1 2008
Rental and lease expenses	220.0	190.7	429.2	365.6

The increase in rental and lease expenses was attributable to the strategic realignment of the TUI Travel Group's flight operations (sale-and-lease-back agreements), implemented since June 2008. This rise was partly offset by means of capacity cuts in aviation and currency effects caused by the development of the British pound.

Personnel costs

€ million	Q2 2009	Q2 2008	H1 2009	H1 2008
Personnel costs	539.1	598.1	1,061.9	1,147.8

The year-on-year decline in personnel costs was attributable to the weak British pound and cost savings generated in the framework of the integration between the First Choice Holidays Group and the TUI Group.

Depreciation/amortisation/impairments

€ million	Q2 2009	Q2 2008 restated	H1 2009	H1 2008 restated
Depreciation and amortisation	99.0	125.7	196.4	258.0
Impairments of property, plant and equipment	–	–	–	0.8
Total	99.0	125.7	196.4	258.8

The decline in depreciation/amortisation/impairments was driven by various factors including the weakness of the British pound and the sale of aircraft in June 2008 in the framework of the strategic realignment of flight operations.

**(2) Other income/
Other expenses****Other income/Other expenses**

€ million	Q2 2009	Q2 2008	H1 2009 restated	H1 2008
Other income	4.9	2.5	10.9	23.6
Other expenses	6.8	102.2	8.3	105.7
Total	- 1.9	- 99.7	2.6	- 82.1

Other expenses carried in the second quarter of 2008 were essentially attributable to book losses of €101.7m from the conclusion of sale-and-lease-back agreements.

(3) Financial result

Financial expenses for the second quarter of 2009 comprised in particular charges for interest effects on the loans totalling €371.0m extended to 'Albert Ballin' Holding GmbH & Co. KG and Hapag-Lloyd AG, resulting from a comparison between the currently appropriate interest rates in the light of the current financial and risk position of container shipping and the interest rates agreed in March 2009.

Adjusted for this expense, the financial result improved by €82.2m year-on-year. This positive development was mainly driven by the substantial improvement in the financial position of the continuing operations following the sale of the maritime assets to Hapag-Lloyd AG and the loans extended to container shipping. An additional positive effect was generated by the overall fall in interest rate levels year-on-year.

(4) Share of results of joint ventures and associates**Result from joint ventures and associates measured at equity**

€ million	Q2 2009	Q2 2008	H1 2009	H1 2008
Tourism	6.0	5.3	9.8	12.9
Container shipping	- 121.2	-	- 121.2	-
Total	- 115.2	+ 5.3	- 111.4	+ 12.9

In the second quarter of 2009, the 43.33% stake retained by the TUI Group after the sale of the majority stake in container shipping in March 2009 was measured at equity as an associate in the consolidated financial statements for the first-time. The prorated negative earnings of €121.2m were largely attributable to the impact of the economic crisis, as a result of which both transport volumes and average freight rates declined.

(5) One-off items by sector

In addition to the disclosures required under IFRS, a reconciliation to underlying earnings is provided in the consolidated income statement. The adjustments show deconsolidation income as gains on disposal, events according to IAS 37 as restructuring measures and any resulting effects on EBITA as purchase price allocations. This reconciliation also includes the following one-off effects:

Other one-off items

€ million	Q2 2009	Q2 2008	H1 2009	H1 2008
Tourism	24.3	29.9	61.4	45.6
TUI Travel	24.3	27.6	61.4	43.3
TUI Hotels & Resorts	-	2.3	-	2.3
Cruises	-	-	-	-
All other segments	-	-	-	-
Total	24.3	29.9	61.4	45.6

The expenses incurred in the first half of 2009 resulted in particular from the merger of the British and Spanish tour operator and incoming activities of the TUI Travel Group and from flight operations.

(6) Taxes on income

The tax income arising for the first half of 2009 was attributable to the seasonality of the tourism business. The remeasurement of the investment for the share of profit or loss for container shipping and the charges for the loan to container shipping did not affect the deferred of taxes.

(7) Minority interests

Earnings break down as follows:

Group profit/loss attributable to minority interests

€ million	Q2 2009	Q2 2008 restated	H1 2009 restated	H1 2008 restated
TUI Travel	8.1	- 75.1	- 141.8	- 196.5
TUI Hotels & Resorts	5.2	4.6	16.3	14.4
Total	13.3	- 70.5	- 125.5	- 182.1

Notes on the consolidated statement of financial position

The changes in the consolidated statement of financial position as against 31 December 2008 were mainly characterised by the seasonality of the tourism business. On the other hand, essential changes in net assets and the financial position also arose from the sale of container shipping and the subsequent acquisition of an entrepreneurial stake of 43.33% in 'Albert Ballin' Joint Venture GmbH & Co. KG and the extension of loans to the new container shipping group.

As against 31 December 2008, trade accounts receivable and other receivables rose due to the seasonality of the business, while other liabilities rose due to downpayments made by customers.

The rise in goodwill mainly resulted from the foreign currency translation of goodwill not carried in the TUI Group's functional currency.

The increase in the item 'Investment in joint ventures and associates' in the statement of financial position was mainly attributable to the acquisition of the 43.33% stake in 'Albert Ballin' Joint Venture GmbH & Co. KG.

The loans extended to the new container shipping group resulted in an increase in non-current receivables from loans in the item 'Trade and other receivables'. Due to the current economic situation of container shipping and the associated increase in risk mark-ups compared with the agreed interest rates, a charge totalling €371.0m on these loans was carried in the second quarter of 2009.

Assets held for sale

€ million	30 Jun 2009	31 Dec 2008
Discontinued operation container shipping	–	3,962.0
Administrative buildings Ballindamm and Rosenstraße in Hamburg	101.9	101.9
Other assets	91.2	80.6
Total	193.1	4,144.5

Liabilities related to assets held for sale

€ million	30 Jun 2009	31 Dec 2008
Discontinued operation container shipping	–	2,474.9
Other liabilities	17.4	25.7
Total	17.4	2,500.6

Other assets carried under this item comprised aircraft assets held for sale of €55.7m (previous year: €46.0m), the assets of Soci t  Investissement A rien S.A. (Casablanca, Morocco) acquired in 2008 and in particular yachts and apartments held for sale.

The decline in receivables from derivative financial instruments as against 31 December 2008 mainly resulted from the rise in the British pound against the euro and the US dollar within that period. The decline in liabilities from derivative financial instruments was mainly caused by the rise in oil prices.

Provisions for pensions and similar obligations rose from €694.5m to €860.4m in particular due to the global fall in interest rate levels, accompanied by a decline in the fair values of the assets held in pension funds for funding purposes and currency differences.

Including the net financial position of container shipping, shown separately in accordance with IFRS 5, the sale of this sector resulted in a substantial improvement in the Group's net debt position from €4.08bn as at 31 December 2008 to €2.63bn as at 30 June 2009.

Changes in equity

Group equity rose due to the overall positive consolidated earnings of €81.9m. Cumulative earnings by continuing operations, included in consolidated earnings, were still negative due to the seasonality of the tourism business; however, in the second quarter of 2009 an operating profit was already posted.

Equity also rose against 31 December 2008 mainly due to the rise in the British pound in the period under review.

In June 2009, an option on the acquisition of shares in a subsidiary already included in consolidation was acquired, which had to be carried as an acquisition of minority interests in accordance with IFRS provisions.

In the framework of long-term incentive programmes, TUI Travel compensates its employees in the form of stock option plans serviced with shares. These stock option plans resulted in an increase in pre-tax equity of €8.6m out-side profit or loss in the period under review.

The decline in the fair values of hedges (after tax) resulting from the effective hedging of future cash flows, directly eliminated against equity, totalled €162.2m in the period under review.

The TUI Group exercised the option allowed under IAS 19 of recognising actuarial gains and losses from pension commitments in full in the period in which they occur, outside profit or loss. In the period under review, equity declined in particular due to actuarial losses resulting from the global fall in interest rate levels and the decline in the fair values of pension fund assets.

Dividends largely accounted for dividends to non-Group shareholders in subsidiaries, in particular TUI Travel.

TUI AG directly offset the difference between the acquisition costs for minority interests and the prorated carrying amount of the net assets of the subsidiary against other revenue reserves. Due to acquisitions of minority interests in tourism, equity declined by €10.1m.

Contingent liabilities

As at 30 June 2009, contingent liabilities totalled around €250.0m (as at 31 December 2008: around €47.6m). Contingent liabilities were carried at the level of estimated settlement as at the date of the statement of financial position. They mainly related to the guarantees of liability for the benefit of Hapag-Lloyd AG.

Other financial commitments

Financial commitments from operating lease, rental and charter contracts

€ million	30 Jun 2009	31 Dec 2008
Nominal value	3,089.0	5,308.7
Fair value	2,551.4	4,351.6

The decline in the nominal value of €2,219.7m mainly resulted from the sale of container shipping.

Remaining Other financial commitments

€ million	30 Jun 2009	31 Dec 2008
Order commitments in respect of capital expenditure	2,648.3	3,614.4
Other financial commitments	318.9	1,465.4
Total (nominal value)	2,967.2	5,079.8
Fair value	2,441.8	4,277.3

Order commitments in respect of capital expenditure decreased by €966.1m to €2,648.3m, above all due to the sale of container shipping. Order commitments in respect of capital expenditure in aviation amounted to €2,525.1m (nominal value) or €2,049.0m (fair value) as at 30 June 2009 and €2,668.4m (nominal value) or 2,078.0m (fair value) as at 31 December 2008.

The Remaining Other financial commitments fell by €1,146.5m to €318.9m as at 30 June 2009, above all due to the acquisition of an entrepreneurial stake in the new container shipping group.

Notes on the consolidated cash flow statement

Based on after-tax Group profit and loss, the cash flow from operating activities was established using the indirect method. In the period under review, cash and cash equivalents declined by €120.7m to €1,924.8m.

The inflow of cash from operating activities declined by €612.7m year-on-year to €751.4m. One of the reasons for this decrease was the fact that container shipping, which was sold at the end of March 2009, had generated an inflow of cash from operating activities of €179.1m in the second quarter of 2008. However, this decrease was also attributable to the capacity cuts and the later booking trend shown by customers causing customer downpayments in tourism to decline.

The outflow of cash from investing activities totalled €276.4m in the current financial year. While an inflow of cash arose on the sale of container shipping, an

outflow of cash resulted from the extension of loans to the acquirer of Hapag-Lloyd AG and the acquisition of the 43.3% share in 'Albert Ballin' Joint Venture GmbH & Co. KG. A further outflow of cash arose from investments in fixed assets (€256.1m) and financial investments, above all a downpayment on a shareholding which is still subject to antitrust approval, acquisitions of companies in the TUI Travel Group and a capital increase in TUI Cruises GmbH in the current financial year.

The outflow of cash from financing activities totalled €730.1m. To a large extent, this outflow was due to the redemption of liabilities to banks of TUI Travel and the repayment of borrowings of TUI AG. The outflow of cash was also attributable to interest payments (€168.8m), dividends paid to minority shareholders in TUI Travel PLC (€41.1m) and the dividend for TUI AG's hybrid bond (€25.9m).

In addition, cash and cash equivalents rose by €10.5m due to changes in exchange rates.

Segment indicators

Segment reporting slightly changed against the annual financial statements for 2008 due to the application of IFRS 8. The Group's real estate companies and all non-allocable business activities (in particular holdings) are now carried under 'Other segments'. Consolidation effects are shown separately. The previous year's figures were restated accordingly in order to enhance comparability. The introduction of IFRS 8 did not have any further effects on the Group's segmentation or measurement basis.

Turnover by divisions and sectors for the period from 1 January to 30 June 2009

€ million	Q2 2009		H1 2009			
	External	Group	Total	External	Group	Total
Tourism	4,158.8	4.6	4,163.4	7,227.0	8.7	7,235.7
TUI Travel	4,007.9	670.5	4,678.4	6,922.3	1,083.9	8,006.2
TUI Hotels & Resorts	106.3	122.2	228.5	202.1	224.0	426.1
Cruises	44.6	0.8	45.4	102.6	0.8	103.4
Consolidation	–	- 788.9	- 788.9	–	- 1,300.0	- 1,300.0
All other segments	16.9	41.3	58.2	31.6	83.6	115.2
Consolidation	–	- 45.9	- 45.9	–	- 92.3	- 92.3
Continuing operations	4,175.7	–	4,175.7	7,258.6	–	7,258.6
Discontinued operation container shipping	–	–	–	1,118.9	–	1,118.9

Turnover by divisions and sectors for the period from 1 January to 30 June 2008 (restated)

€ million	Q2 2008		H1 2008			
	External	Group	Total	External	Group	Total
Tourism	4,721.8	2.7	4,724.5	8,339.4	7.1	8,346.5
TUI Travel	4,575.5	602.0	5,177.5	8,041.2	1,076.2	9,117.4
TUI Hotels & Resorts	99.8	123.8	223.6	193.7	224.4	418.1
Cruises	46.5	1.0	47.5	104.5	1.1	105.6
Consolidation	–	- 724.1	- 724.1	–	- 1,294.6	- 1,294.6
All other segments	18.6	36.4	55.0	31.8	83.7	115.5
Consolidation	–	- 39.1	- 39.1	–	- 90.8	- 90.8
Continuing operations	4,740.4	–	4,740.4	8,371.2	–	8,371.2
Discontinued operation container shipping	1,510.1	–	1,510.1	2,961.3	–	2,961.3

Earnings before interest, taxes and impairments of goodwill by divisions and sectors (EBITA)

€ million	Q2 2009	Q2 2008 restated	H1 2009 restated	H1 2008 restated
Tourism	63.8	- 146.7	- 287.9	- 452.7
TUI Travel	55.2	- 159.7	- 309.1	- 484.8
TUI Hotels & Resorts	12.1	13.0	24.8	26.2
Cruises	- 3.5	0.0	- 3.6	5.9
All other segments	- 9.5 ²⁾	11.4	36.1 ²⁾	54.9
Consolidation	- 2.2	2.0	- 57.9	- 34.6
Continuing operations	52.1²⁾	- 133.3	- 309.7²⁾	- 432.4
Discontinued operation container shipping	- 8.1	147.5¹⁾	960.2¹⁾	148.6¹⁾
Total	44.0²⁾	14.2¹⁾	650.5^{1) 2)}	- 283.8¹⁾

¹⁾Including follow-up effects from IFRS 5: suspension of depreciation (2009: €73.7m, 2008: €65.8m) and of income of investments measured at equity (2009: €7.7m, 2008: €7.3m).

²⁾For the segmental reporting of 'All other segments' according to IFRS 8 the proportionate results from the container shipping business would be included. Accordingly, the segmental result for 'All other segments' would decrease by € 121.2m.

Underlying earnings before interest, taxes and impairments of goodwill by divisions and sectors (EBITA)

€ million	Q2 2009	Q2 2008 restated	H1 2009 restated	H1 2008 restated
Tourism	106.6	87.7	- 170.0	- 132.9
TUI Travel	98.0	72.4	- 191.2	- 167.3
TUI Hotels & Resorts	12.1	15.3	24.8	28.5
Cruises	- 3.5	0.0	- 3.6	5.9
All other segments	- 9.5 ²⁾	11.4	36.1 ²⁾	54.9
Consolidation	- 2.2	2.0	- 57.9	- 34.6
Continuing operations	94.9²⁾	101.1	- 191.8²⁾	- 112.6
Discontinued operation container shipping	-	114.9¹⁾	- 221.7¹⁾	133.4¹⁾
Total	94.9²⁾	216.0¹⁾	- 413.5^{1) 2)}	20.8¹⁾

¹⁾In order to enhance comparability of underlying EBITA, earnings effects resulting from IFRS 5 were additionally included in the adjustments for the discontinued operation.

²⁾For the segmental reporting of 'All other segments' according to IFRS 8 the proportionate results from the container shipping business would be included. Accordingly, the segmental result for 'All other segments' would decrease by € 121.2m.

Reconciliation to earnings before taxes of the TUI Group

€ million	Q2 2009	Q2 2008 restated	H1 2009 restated	H1 2008 restated
EBITA – total	44.0	14.2	650.5	- 283.8
Result from container shipping measured at equity	- 121.2	-	- 121.2	-
Interest result from the valuation of loans to container shipping	- 371.0	-	- 371.0	-
Interest result and earnings from the valuation of interest hedges from continuing operations	- 48.2	- 93.7	- 111.0	- 176.6
Interest result and earnings from the valuation of interest hedges from discontinued operation	-	- 3.0	- 22.3	- 5.9
Impairment of goodwill	-	- 76.1	-	- 76.1
Earnings before taxes on income of TUI Group	- 496.4	- 158.6	25.0	- 542.4

Related parties

Apart from the subsidiaries included in the consolidated financial statements, TUI AG, in carrying out its ordinary business activities, maintained indirect or direct relationships with related parties. All transactions with related parties were carried out at arm's length on the basis of international comparable uncontrolled price methods in accordance with IAS 24, as before. The equity stake held by Riu Hotels S.A., listed in the notes on the consolidated financial statements as at 31 December 2008, was retained unamended at the closing date for the interim financial statements. More detailed information on related parties is provided under 'Other notes' in the notes on the consolidated financial statements for 2008.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

The Executive Board
Hanover, 9 August 2009

Frenzel

Baier

Engelen

Feuerhake

Long

Review Report

To TUI AG, Berlin and Hanover

We have reviewed the condensed interim consolidated financial statements – comprising the condensed statement of financial position, condensed income statement, condensed statement of cash flows, condensed statement of changes in equity and selected explanatory notes – and the interim Group management report of TUI AG for the period from 1 January to 30 June 2009, which are part of the half-year financial report according to section 37w of the German Securities Trading Act (WpHG). The preparation of the condensed interim consolidated financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and of the interim Group management report which has been prepared in accordance with the regulations of the German Securities Trading Act applicable to interim Group management reports is the responsibility of the Company's management. Our responsibility is to issue a review report of the condensed interim consolidated financial statements and on the interim group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the interim Group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW, German Auditors' Institute), also taking account of the International Standard on Review Engagements 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' (ISRE 2410). Those standards require that we plan and conduct the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim Group management report has not been prepared, in material aspects, in accordance with the regulations of the German Securities Trading Act applicable to interim Group management reports. A review is limited primarily to enquiries of Company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim Group management report has not been prepared, in all materials respects, in accordance with the regulations of the German Securities Trading Act applicable to interim Group management reports.

Hanover, 9 August 2009

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Prof Dr Norbert Winkeljohann
Auditor

Sven Rosorius
Auditor

Financial Calendar 2009/2010

Annual Press Conference	
Abbreviated Financial Year 2009	15 December 2009
Annual General Meeting 2010	17 February 2010

Imprint

TUI AG
Karl-Wiechert-Allee 4
30625 Hanover
Germany

Phone +49.511.566-00
Fax +49.511.566-1901
E-Mail investor.relations@tui.com
Internet www.tui-group.com

The German version of this half-year-financial report is legally binding. The Company cannot be held responsible for any misunderstandings or misinterpretation arising from this translation. Both versions are available on the web: www.tui-group.com

TUI AG
Karl-Wiechert-Allee 4
30625 Hanover
Germany