

TUI AG Financial Year 2009/10
Corrected Interim Report
1 October 2009 – 30 June 2010



Table of Contents

2 Economic Situation

2 General Economic Situation

2 Correction of Interim Financial Statements

3 Special Events in the Quarter Under Review

3 Consolidated Turnover and Earnings

4 Development of turnover

4 Development of earnings

6 Development of the Tourism Division

6 TUI Travel

9 TUI Hotels & Resorts

12 Cruises

14 Central Operations

15 Information on Container Shipping

17 Consolidated Earnings

20 Net Assets and Financial Position

22 Other Segment Indicators

23 Prospects

25 Corporate Governance

26 Interim Financial Statements

26 Corrected Profit and Loss Statement

27 Corrected Condensed Statement
of Comprehensive Income

28 Corrected Financial Position

29 Corrected Condensed Cash Flow Statement

29 Corrected Condensed Statements of
Changes in Equity

30 Notes

30 Correction of Interim Financial Statements

31 Accounting Principles

32 Group of Consolidated Companies

35 Discontinued Operation

37 Notes on the Consolidated Profit
and Loss Statement

39 Notes on the Consolidated Statement
of Financial Position

40 Changes in Equity

40 Contingent Liabilities

41 Other Financial Commitments

42 Notes on the Consolidated Cash Flow Statement

43 Segment Indicators

44 Related Parties

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.

Q3 2009/10

Corrected TUI Group in figures

€ million	Q3 2009/10	Q3 2008/09 revised	Var. %	9M 2009/10	9M 2008/09 revised	Var. %	
Continuing Operations							
Turnover	4,035.0	4,172.3	- 3.3	9,854.4	10,719.5	- 8.1	
EBITDAR	260.3	336.4	- 22.6	378.4	439.9	- 14.0	
EBITDA	63.7	147.6	- 56.8	- 200.3	- 101.7	- 97.0	
TUI Travel	8.1	129.7	- 93.8	- 283.9	- 134.7	- 110.8	
TUI Hotels & Resorts	33.2	32.4	+ 2.5	75.4	87.3	- 13.6	
Cruises	3.1	- 1.9	n/a	3.0	- 1.6	n/a	
Underlying EBITDA	184.6	181.9	+ 1.5	- 45.0	- 13.8	- 226.1	
TUI Travel	151.2	164.0	- 7.8	- 116.2	- 50.3	- 131.0	
TUI Hotels & Resorts	36.6	32.4	+ 13.0	88.6	92.6	- 4.3	
Cruises	4.3	- 1.9	n/a	4.2	- 1.6	n/a	
EBITA	- 32.5	48.6	n/a	- 486.4	- 436.4	- 11.5	
TUI Travel	- 66.2	51.8	n/a	- 498.6	- 387.2	- 28.8	
TUI Hotels & Resorts	14.9	12.0	+ 24.2	17.8	33.6	- 47.0	
Cruises	1.0	- 3.5	n/a	- 3.1	- 8.0	+ 61.3	
Underlying EBITA	108.4	91.4	+ 18.6	- 275.9	- 312.3	+ 11.7	
TUI Travel	96.9	94.6	+ 2.4	- 275.7	- 266.6	- 3.4	
TUI Hotels & Resorts	18.3	12.0	+ 52.5	31.0	38.9	- 20.3	
Cruises	2.2	- 3.5	n/a	- 1.9	- 8.0	+ 76.3	
Discontinued Operation							
Earnings Discontinued Operation	-	- 8.1	+ 100.0	-	944.8	+ 100.0	
EBITA	-	- 8.1	+ 100.0	-	871.0	+ 100.0	
Underlying EBITA	-	-	n/a	-	- 230.1	+ 100.0	
Group							
EBITA	- 32.5	40.5	n/a	- 486.4	434.6	n/a	
Underlying EBITA	108.4	91.4	+ 18.6	- 275.9	- 542.4	+ 49.1	
Group loss	- 12.4	- 460.2	+ 97.3	- 443.8	- 47.2	- 840.3	
Basic earnings per share	in €	- 0.01	- 1.90	+ 99.5	- 1.18	0.39	n/a
Capital expenditure		82.5	81.5	+ 1.2	238.3	362.8	- 34.3
Equity ratio (30 June)	in %	-	-	-	13.6	14.5	- 0.9*)
Employees (30 June)		-	-	-	70,990	69,331	+ 2.4

*) percentage points

- TUI Travel's earnings almost match the previous year's quarter.
- Improvement in operating earnings by TUI Hotels & Resorts and Cruises.
- Positive trend in Container Shipping continues to strengthen.

Economic Situation in Q3 2009/10

General Economic Situation

The world economy, which started to pick up again in mid-2009, continued to recover in the period under review. While the pace of expansion continued to accelerate in the emerging markets and developing countries, the upward trend was less pronounced in the industrialised countries. Economic activity in the Eurozone was additionally curbed by the crisis of confidence in the financial markets. Due to the crisis, investors withdrew from higher-risk investments.

The United States and Japan recorded considerably stronger growth than the Eurozone. However, reducing the structural deficits in the US and Japan will hinge upon sustained economic recovery.

Since macroeconomic output only rose slightly overall in the Eurozone and the UK, private demand in these regions was curbed by the associated slow growth in employment. Private consumption was also impacted by the expiry of scrapping premiums, the initiation of fiscal consolidation in various member states of the Eurozone and the effects of the recession, which continue to be felt in the labour markets.

In contrast, global trade continued to normalise at a high pace. The recovery was stimulated by the emerging markets, which showed considerably stronger economic momentum. The main drivers were changes in companies' stock management policies and expansionary fiscal policies pursued by the majority of countries.

Correction of Interim Financial Statements

As described in the corrected consolidated financial statements for the short financial year 2009, TUI AG directly corrected the booking errors identified in TUI Travel PLC in turnover recognition and the reversal of adjustment items shown under trade accounts payable in the respective consolidated financial statements and in the interim reports that might be of relevance for TUI AG's ability to operate in the financial markets.

Against this backdrop, the present Management Report has also been corrected. Further details and the effects, in particular on the consolidated profit and loss statement, are presented in a note on this item on pages 30 and 31 in the consolidated Notes.

Special Events in the Quarter Under Review

Closure of Europe's airspace due to volcanic ash cloud

As a result of the volcanic eruption in Iceland, large parts of Europe's airspace were closed from 15 to 21 April 2010 due to the volcanic ash cloud. The associated flight disruptions had an adverse impact on the scheduled implementation of the TUI Group's tourism business. In total, over 180,000 TUI customers in resorts were affected. TUI organised holiday extensions or alternative return options from the holiday regions for these customers. In addition, more than 175,000 TUI trips had to be cancelled; these customers were offered rebooking their holidays free of charge. The cumulative cost resulting from the airspace closure for the TUI Group's earnings totalled €128m. The largest portion of €123m related to the activities of the TUI Travel Group, while €3m related to TUI Hotels & Resorts and €1m to Hapag-Lloyd Kreuzfahrten.

As the earnings effects associated with the airspace closure were one-off in nature, they were carried as an adjustment item in the interim financial statements for the third quarter of 2009/10.

TUI Travel PLC issues convertible bond

On 27 April 2010, TUI Travel PLC issued convertible bonds worth £400m. TUI AG has secured the purchase of 50% of these convertible bonds via an agreement with Deutsche Bank expiring in March 2013. A mechanism has been put in place to always secure TUI AG's voting rights majority in TUI Travel PLC by then in the event of any third party conversions.

TUI Cruises announces expansion

On 27 May 2010, TUI Cruises GmbH announced an expansion of its fleet. Following the successful establishment of Mein Schiff, the company will thus further expand its market position in the volume cruise segment. The second liner will be commissioned in May 2011. A cruise ship built in 1997 and currently sailing for Celebrity Cruises will be extensively converted and redesigned. The aim is to follow the successfully implemented premium concept in modernising the cabins and the catering and wellness facilities of Mein Schiff 2.

Consolidated Turnover and Earnings

Following the introduction of a nine-month short financial year in 2009, the TUI Group now reports about the period from 1 October of any one year until 30 September of the subsequent year. The quarter Q3 2009/10 and the first nine months of 2009/10 are thus presented alongside the reporting periods from April to June 2009 and from October 2008 to June 2009, respectively.

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 April 2009. In line with their participating nature, the proportionate at equity earnings of the stake in Container Shipping to be included in consolidated earnings as of the third quarter of 2008/09 are not included in the TUI Group's operating performance indicator EBITA. Accordingly, the comments provided below will focus on the development of business operations in Tourism and Central Operations (Continuing Operations).

Information about the development of business operations in Container Shipping in the third quarter of 2009/10 is presented from page 15 of this interim report.

In the summer of 2010, TUI AG and TUI Travel PLC decided to transfer the operation of the club hotel chain Magic Life, previously shown under Discontinued Operation, to TUI Travel. This move will be subject to approval by the supervisory bodies and regulatory authorities. Due to this decision, the Magic Life Group is no longer shown under Discontinued Operation but will be carried under TUI Hotels & Resorts until the transfer. In the previous year's comparative period, Discontinued Operation had still included the key indicators for Container Shipping.

Development of turnover

Divisional turnover

€ million	Q3 2009/10	Q3 2008/09 revised	Var. %	9M 2009/10	9M 2008/09 revised	Var. %
Tourism	4,019.2	4,155.4	- 3.3	9,808.5	10,648.5	- 7.9
TUI Travel	3,890.3	4,004.5	- 2.9	9,409.5	10,238.2	- 8.1
TUI Hotels & Resorts	97.3	106.3	- 8.5	266.7	262.6	+ 1.6
Cruises	31.6	44.6	- 29.1	132.3	147.7	- 10.4
Central Operations	15.8	16.9	- 6.5	45.9	71.0	- 35.4
Continuing Operations	4,035.0	4,172.3	- 3.3	9,854.4	10,719.5	- 8.1
Discontinued Operation	-	-	n/a	-	2,705.2	n/a
Consolidation	-	-	n/a	-	- 30.3	+ 100.0
Divisional turnover	4,035.0	4,172.3	- 3.3	9,854.4	13,394.4	- 26.4

Continuing Operations

In the third quarter of 2009/10, turnover by the Continuing Operations was €4.0bn, down 3.3% year-on-year. The decline in turnover was above all attributable to turnover losses in connection with the closure of European airspace due to a volcanic ash cloud. On the other hand, turnover benefited from the 3% rise in the exchange rate of Sterling against the Euro. This development resulted in a slight increase in turnover by the British tour operators in Tourism on a Euro basis. Cumulative turnover for the first nine months of 2009/10 totalled €9.8bn, down 7.9% year-on-year.

Development of earnings

Underlying divisional EBITA

€ million	Q3 2009/10	Q3 2008/09 revised	Var. %	9M 2009/10	9M 2008/09 revised	Var. %
Tourism	117.4	103.1	+ 13.9	- 246.6	- 235.7	- 4.6
TUI Travel	96.9	94.6	+ 2.4	- 275.7	- 266.6	- 3.4
TUI Hotels & Resorts	18.3	12.0	+ 52.5	31.0	38.9	- 20.3
Cruises	2.2	- 3.5	n/a	- 1.9	- 8.0	+ 76.3
Central Operations	- 9.0	- 11.7	+ 23.1	- 29.3	- 76.6	+ 61.7
All other segments	- 9.0	- 11.7	+ 23.1	- 29.3	- 76.6	+ 61.7
Consolidation	-	-	n/a	-	-	n/a
Continuing Operations	108.4	91.4	+ 18.6	- 275.9	- 312.3	+ 11.7
Discontinued Operation	-	-	n/a	-	- 230.1	+ 100.0
Underlying divisional earnings (EBITA)	108.4	91.4	+ 18.6	- 275.9	- 542.4	+ 49.1

Divisional EBITA

€ million	Q3 2009/10	Q3 2008/09 revised	Var. %	9M 2009/10	9M 2008/09 revised	Var. %
Tourism	- 50.3	60.3	n/a	- 483.9	- 361.6	- 33.8
TUI Travel	- 66.2	51.8	n/a	- 498.6	- 387.2	- 28.8
TUI Hotels & Resorts	14.9	12.0	+ 24.2	17.8	33.6	- 47.0
Cruises	1.0	- 3.5	n/a	- 3.1	- 8.0	+ 61.3
Central Operations	17.8	- 11.7	n/a	- 2.5	- 74.8	+ 96.7
All other segments	17.8	- 11.7	n/a	- 2.5	- 74.8	+ 96.7
Consolidation	-	-	n/a	-	-	n/a
Continuing Operations	- 32.5	48.6	n/a	- 486.4	- 436.4	- 11.5
Discontinued Operation	-	- 8.1	+ 100.0	-	871.0	+ 100.0
Divisional earnings (EBITA)	- 32.5	40.5	n/a	- 486.4	434.6	n/a

Continuing Operations

In the third quarter of 2009/10, underlying earnings by the Continuing Operations (underlying divisional EBITA) rose by €17m year-on-year to €108m. The positive development of earnings was driven by the development of business in Tourism and higher earnings by Central Operations.

In the third quarter of 2009/10, Tourism achieved a year-on-year increase in underlying earnings of €14m to €117m. The development of earnings varied for the individual sectors. While TUI Travel was almost flat year-on-year in the third quarter of 2009/10, TUI Hotels & Resorts and Cruises each recorded earnings growth of €6m.

In the third quarter of 2009/10, underlying earnings by Central Operations totalled €-9m, up €3m year-on-year. The positive development in earnings of €47m in the first nine months of 2009/10 was driven by charges for the measurement of financial instruments included in the previous year's figures.

Cumulative underlying earnings by Continuing Operations totalled €-276m for the first nine months of 2009/10, up €36m year-on-year.

Underlying divisional EBITA: Continuing Operations

€ million	Q3 2009/10	Q3 2008/09 revised	Var. %	9M 2009/10	9M 2008/09 revised	Var. %
Divisional EBITA	- 32.5	48.6	n/a	- 486.4	- 436.4	- 11.5
Gains on disposal	- 9.4	- 0.6		- 11.4	+ 1.4	
Restructuring	+ 9.0	+ 6.2		+ 22.2	+ 5.6	
Purchase price allocation	+ 17.8	+ 11.1		+ 49.7	+ 33.0	
Other one-off items	+ 123.5	+ 26.1		+ 150.0	+ 84.1	
Underlying divisional EBITA	108.4	91.4	+ 18.6	- 275.9	- 312.3	+ 11.7

In the third quarter of 2009/10, the Group's Continuing Operations had one-off items worth a total of €141m to be adjusted. This total included €128m for expenses in connection with the closure of European airspace due to the volcanic ash cloud. Reported divisional EBITA by the Continuing Operations accounted for €-33m in the third quarter, down €81m versus the comparative prior-year period. In the first nine months, reported divisional EBITA totalled €-486m, down €50m. Cumulative adjustments amounted to €211m.

TUI Travel

TUI Travel – Key figures

€ million	Q3 2009/10	Q3 2008/09 revised	Var. %	9M 2009/10	9M 2008/09 revised	Var. %
Turnover	3,890.3	4,004.5	- 2.9	9,409.5	10,238.2	- 8.1
Divisional EBITA	- 66.2	51.8	n/a	- 498.6	- 387.2	- 28.8
<i>Gains on disposal</i>	- 9.4	- 0.6		- 11.4	- 0.6	
<i>Restructuring</i>	+ 9.0	+ 6.2		+ 22.2	+ 5.6	
<i>Purchase price allocation</i>	+ 17.8	+ 11.1		+ 49.7	+ 33.0	
<i>Other one-off items</i>	+ 145.7	+ 26.1		+ 162.4	+ 82.6	
Underlying divisional EBITA	96.9	94.6	+ 2.4	- 275.7	- 266.6	- 3.4
Underlying divisional EBITDA	151.2	164.0	- 7.8	- 116.2	- 50.3	- 131.0
Capital expenditure	63.2	62.4	+ 1.3	188.7	172.3	+ 9.5
Headcount (30 June)	-	-	-	51,718	50,391	+ 2.6

Turnover and earnings

In the third quarter of 2009/10, turnover by TUI Travel decreased by 3% year-on-year. The decline was primarily driven by the closure of Europe's airspace due to the volcanic ash cloud and the associated loss in turnover. Moreover, the pace of recovery varied in individual source markets following the financial crisis. A slightly positive effect arose from the 3% rise in the exchange rate of Sterling against the Euro versus the previous year.

At €97m, underlying earnings by TUI Travel were almost flat versus the prior year in the third quarter of 2009/10.

The development of earnings benefited in particular from the scheduled delivery of integration synergies in the UK. Moreover, the French tour operator activities grew year-on-year both in terms of customer volumes and average margins and thus contributed to a positive development.

Additional positive effects arose from the restructuring of business in Canada in the wake of the completion of a strategic venture between operations in Canada and tour operator Sunwing in January 2010.

On the other hand, the performance was considerably impacted by the development of the tour operator business in the UK and Germany. Both source markets recorded declining margins in highly competitive environments, with corresponding decreases in earnings year-on-year. The fall in margins in the UK was above all driven by the closure of airspace due to the volcanic eruption and the budget cuts implemented by the government. In Germany the situation was also affected by price pressure on consumer goods and the economic environment, causing a shift in demand to lower value tours, which was higher than expected.

In the third quarter of 2009/10, TUI Travel had to carry adjustments worth a total of €163m for the following one-off effects:

- gains on disposal of €9m, mainly arising in connection with the restructuring of the Canadian business,
- restructuring costs of €9m, in particular for restructuring the tour operator activities in France and Poland and integrating incoming service providers in Spain,

- effects of purchase price allocations worth €18m, and
- one-off effects of €146m. These one off-effects included one-off expenses for the closure of European airspace due to the volcanic ash cloud of €123m.

In the third quarter of 2009/10, reported earnings by TUI Travel decreased by €118m year-on-year to €-66m. Cumulative unadjusted earnings for the first nine months of the year 2009/10 fell by €111m year-on-year to €-499m. Cumulative underlying earnings amounted to €-276m, down €9m year-on-year.

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	Q3 2009/10	Q3 2008/09	Var. %	9M 2009/10	9M 2008/09	Var. %
Central Europe ¹⁾	1,965	2,650	- 25.8	4,658	6,200	- 24.9
Northern Region ²⁾	1,905	1,885	+ 1.1	3,931	4,289	- 8.3
Western Europe	1,419	1,407	+ 0.9	3,104	3,152	- 1.5
Total	5,289	5,942	- 11.0	11,693	13,641	- 14.3

¹⁾ Numbers include city-pairs business up until takeover by Air Berlin.

²⁾ The figures were restated retroactively since Canadian customers are no longer included in the statistics due to the formation of the Sunwing joint venture in Canada.

Central Europe

In the Central Europe sector (Germany, Austria, Switzerland, Poland and airline TUIfly), customer volumes declined by 26% year-on-year in the third quarter of 2009/10. This was mainly attributable to TUIfly's exit from the city-pairs business, which was taken over by Air Berlin in accordance with the agreement made. Adjusted for the effect of exiting the city-pairs business, customer volumes decreased by 7%. The German market was impacted by declines in volumes and lower margins year-on-year. Markets in Switzerland and Austria also recorded falling customer volumes in a highly competitive environment. TUI Poland, by contrast, showed a gratifying development and generated substantial increases in customer volumes.

Northern Region

In the Northern Region sector (UK, Ireland, Canada, Nordics and airlines Thomson Airways and TUIfly Nordic), customer volumes rose slightly by 1% year-on-year in the third quarter of 2009/10. While volumes rose considerably in the Nordics, the UK recorded a relatively weak development of customer volumes. The British market in particular was also affected by lower average margins.

Integration of activities in the UK remained on track in the third quarter of 2009/10 so that the expected synergies were delivered. Business in Canada benefited from the strategic venture with tour operator Sunwing. The joint venture, in which TUI Travel holds a 49% interest, was established in January 2010 in order to enhance the market position.

Western Europe

The Western Europe sector (France, the Netherlands, Belgium and airlines Corsairfly, Arkefly and Jetairfly) recorded a slight year-on-year increase in volumes of 1% in the third quarter of 2009/10. Tour operators in France reported growth, driven above all by an increase in demand for tours to destinations suffering from civil unrest in the previous year. Activities in Belgium were flat versus the previous year, while the Netherlands reported a decline in volumes. The French airline Corsairfly benefited from a stabilisation of margins in a highly competitive environment.

Specialist & Emerging Markets

The Specialist & Emerging Markets sector consists of specialist tour operators in Europe, North America and emerging markets such as Russia. In the third quarter of 2009/10, customer volumes fell by 8% year-on-year to 269 thousand. While specialists in Continental Europe benefited from slight growth, specialists in the UK recorded a decline in volumes. Business in North America decreased year-on-year in the quarter under review, primarily due to continued weak demand for student travel. The development of business in the emerging markets was impacted by the cost of acquisition for newly acquired interests.

Activity

The Activity sector, which comprises Marine, Adventure, Ski, Student and Sport, reported a year-on-year decline in the third quarter of 2009/10. The adverse effect was above all attributable to lower volumes in the Ski and Sport divisions, while the Student division benefited from new acquisitions. Adventure, by contrast, was impacted by lower capacity and tougher competition, in particular in the polar expedition segment.

Accommodation and Destinations (A&D)

The A&D sector comprises online services and incoming agencies. Online services again recorded volume growth, in particular in large European cities, following an expansion of their portfolio and promotional activity. The incoming agency business was almost flat versus the prior year.

TUI Hotels & Resorts

The Group's hotel companies are pooled in TUI Hotels & Resorts. In the third quarter of 2009/10, the sector reported a total of 8.3m bednights (previous year: 8.2m). Bed occupancy was 73% in the third quarter, flat on the previous year, on slightly increased capacity. The development of business varied for the individual hotel groups and regions.

Due to the decision to transfer the club hotel chain Magic Life to TUI Travel, Magic Life has no longer been carried under Discontinued Operation, unlike in previous quarters. Since the transfer to TUI Travel will be subject to approval by the supervisory bodies and regulatory authorities, the Magic Life activities will be reported under TUI Hotels & Resorts until the transfer will be completed and have thus been included in Continuing Operations.

TUI Hotels & Resorts – Key figures

€ million	Q3 2009/10	Q3 2008/09 revised	Var. %	9M 2009/10	9M 2008/09 revised	Var. %
Total turnover	200.2	209.3	- 4.3	556.9	550.9	+ 1.1
Turnover	97.3	106.3	- 8.5	266.7	262.6	+ 1.6
Divisional EBITA	14.9	12.0	+ 24.2	17.8	33.6	- 47.0
<i>Gains on disposal</i>	–	–	–	–	+ 3.8	–
<i>Restructuring</i>	–	–	–	–	–	–
<i>Purchase price allocation</i>	–	–	–	–	–	–
<i>Other one-off items</i>	+ 3.4	–	–	+ 13.2	+ 1.5	–
Underlying divisional EBITA	18.3	12.0	+ 52.5	31.0	38.9	- 20.3
Underlying divisional EBITDA	36.6	32.4	+ 13.0	88.6	92.6	- 4.3
Capital expenditure	17.5	16.2	+ 8.0	40.9	60.4	- 32.3
Headcount (30 June)	–	–	–	18,396	18,061	+ 1.9

Turnover and earnings

TUI Hotels & Resorts posted total turnover of €200m, down 4% year-on-year. This was attributable to a 2% decline in average revenues per bednight, only partly offset by a slight rise in occupancy rates on higher capacity. Consolidated turnover, by contrast, totalled €97m in the third quarter of 2009/10, down 9% year-on-year. Total cumulative turnover for the first nine months increased by 1% to €557m, while consolidated turnover also grew slightly by 2% to €267m.

At €18m, underlying earnings grew by €6m year-on-year in the third quarter of 2009/10. With capacity up by around 1 percentage point, the previous year's sound occupancy rate was reproduced. The year-on-year development of earnings in the quarter under review also benefited from cost savings and positive effects of currency translation. By contrast, earnings were adversely impacted by the overall decline in average revenues per bednight in the hotel portfolio. At €31m, cumulative underlying earnings for the first nine months of 2009/10 were €8m down year-on-year, in particular due to a weaker Winter season in the first quarter of 2009/10.

In the third quarter of 2009/10, TUI Hotels & Resorts had to carry adjustments worth €3m for one-off effects in connection with the effects of the volcanic ash cloud.

In the third quarter of 2009/10, reported earnings by the hotel sector rose €3m year-on-year to €15m. For the first nine months of 2009/10, reported earnings totalled €18, down €16m year-on-year.

TUI Hotels & Resorts

Hotel brand	Capacity ('000) ¹⁾			Occupancy rate (%) ²⁾			Average revenue per bed (€) ³⁾		
	Q3 2009/10	Q3 2008/09	Var. %	Q3 2009/10	Q3 2008/09	Var. % points	Q3 2009/10	Q3 2008/09	Var. %
Riu	4,216	4,151	+ 1.6	77.4	78.6	- 1.2	41.90	43.44	- 3.5
Robinson	792	767	+ 3.3	57.6	59.4	- 1.8	73.67	73.61	+ 0.1
Magic Life	776	810	- 4.2	79.0	73.1	+ 5.9	38.98	38.68	+ 0.8
Iberotel	726	729	- 0.4	69.5	63.1	+ 6.4	37.02	34.51	+ 7.3
Grupotel	287	287	+ 0.0	69.3	72.2	- 2.9	39.52	39.75	- 0.6
Grecotel	224	211	+ 6.2	59.7	65.1	- 5.4	55.20	59.79	- 7.7
Dorfhotel ⁴⁾	42	45	- 6.7	45.8	45.0	+ 0.8	31.99	39.66	- 19.3
aQi	12	15	- 20.0	23.5	8.8	+ 14.7	39.71	44.31	- 10.4
Total	7,075	7,015	+ 0.9	73.4	73.2	+ 0.2	44.09	45.04	- 2.1

Hotel brand	Capacity ('000) ¹⁾			Occupancy rate (%) ²⁾			Average revenue per bed (€) ³⁾		
	9M 2009/10	9M 2008/09	Var. %	9M 2009/10	9M 2008/09	Var. % points	9M 2009/10	9M 2008/09	Var. %
Riu	12,074	11,880	+ 1.6	74.6	77.3	- 2.7	45.20	48.33	- 6.5
Robinson	1,984	1,910	+ 3.9	56.7	60.7	- 4.0	82.58	81.76	+ 1.0
Magic Life	1,908	1,950	- 2.2	63.5	62.5	+ 1.0	38.07	37.27	+ 2.1
Iberotel	1,966	1,965	+ 0.1	65.6	60.4	+ 5.2	37.74	37.23	+ 1.4
Grupotel	506	507	- 0.2	60.2	66.0	- 5.8	37.70	38.71	- 2.6
Grecotel	283	290	- 2.4	57.5	61.7	- 4.2	52.72	54.68	- 3.6
Dorfhotel ⁴⁾	127	128	- 0.8	43.7	54.6	- 10.9	28.09	27.86	+ 0.8
aQi	47	43	+ 9.3	46.7	41.0	+ 5.7	60.17	58.80	+ 2.3
Total	18,895	18,673	+ 1.2	69.8	71.5	- 1.7	46.88	48.99	- 4.3

¹⁾ Number of hotel beds multiplied by open days per quarter

²⁾ Occupied beds divided by capacity

³⁾ Turnover from arrangements divided by occupied beds

⁴⁾ Indicators refer to the two owned hotels

Riu

Riu, one of Spain's leading hotel chains, operated 100 hotels in the period under review. In the third quarter of 2009/10, capacity grew by 2% year-on-year to 4.2m hotel beds available. While positive effects were achieved thanks to strict cost management, earnings were impacted by lower average rates, in particular in the Caribbean. Overall, average revenues per bednight fell by 4%. Occupancy of Riu hotels was slightly down year-on-year in the third quarter.

Business developed as follows in the individual regions:

Average occupancy of Riu hotels in the Canaries decreased by 3 percentage points to 81% year-on-year.

At 76%, occupancy of Riu hotels in the Balearics was flat year-on-year. By contrast, facilities in mainland Spain recorded a decline in occupancy of 5 percentage points to 71% year-on-year.

In the long-haul segment, Riu hotels recorded an average occupancy rate of 74%, flat on the previous year's level. Jamaica and the Dominican Republic recorded lower bookings, while the load factor on tours to Mexico rose by 11 percentage points. Average revenues per bednight declined by 6%, in particular due to the weakening of the national currencies in the Caribbean.

Robinson

In the third quarter of 2009/10, 24 Robinson club facilities were open. With three new facilities in Morocco, the Maldives and Turkey, capacity rose by 3% year-on-year. While the clubs in Spain, Austria and Switzerland recorded lower load factors, facilities in Greece and Turkey reported flat year-on-year load factors. Overall, occupancy was 2 percentage points down year-on-year with average revenues per bednight flat versus the previous year.

Magic Life

In the third quarter of 2009/10, 14 Magic Life facilities were open. Capacity decreased slightly due to a change in the portfolio. Occupancy and average revenues per bednight rose year-on-year, above all due to the positive development in Turkey and Egypt.

Iberotel

In the third quarter of 2009/10, 26 facilities in Egypt, Turkey, Italy, the United Arab Emirates and Germany were open. At 70%, occupancy of Iberotels was 6% up year-on-year. This was mainly due to the significant rise in the load factor in the facilities in Turkey and Egypt. Average revenues per bednight grew by 7%.

Grupotel

In the third quarter of 2009/10, 33 hotels of the Grupotel chain represented in Majorca, Menorca and Ibiza were open. Grupotel recorded an occupancy rate of 69%, down 3 percentage points year-on-year, with flat year-on-year capacity. Average revenues per bednight matched the previous year's level.

Grecotel

All of the 20 facilities of the leading Greek hotel company were operated in the third quarter of 2009/10. As the season started earlier than in 2008/09, the number of open days rose so that capacity grew by 6%. Occupancy and average revenues per bednight decreased year-on-year.

Dorffhotel

The indicators relate to the two Group-owned Dorffhotel complexes in Austria. Dorffhotel additionally operates the Dorffhotels in Land Fleesensee, Sylt, and Boltenhagen on the Baltic Sea as a management company. Dorffhotel recorded stable load factors, while average revenues decreased by 19%.

aQi

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

Cruises

The Cruises sector comprises Hapag-Lloyd Kreuzfahrten and the joint venture TUI Cruises. The companies operate in the German-speaking market for cruises and serve the luxury and expedition cruises segment and the volume market for premium cruises. With the waning of the impact of the global financial crisis, the two companies saw improvements in bookings.

Cruises – Key figures

€ million	Q3 2009/10	Q3 2008/09 revised	Var. %	9M 2009/10	9M 2008/09 revised	Var. %
Turnover	31.6	44.6	- 29.1	132.3	147.7	- 10.4
Divisional EBITA	1.0	- 3.5	n/a	- 3.1	- 8.0	+ 61.3
<i>Gains on disposal</i>	–	–		–	–	
<i>Restructuring</i>	–	–		–	–	
<i>Purchase price allocation</i>	–	–		–	–	
<i>Other one-off items</i>	+ 1.2	–		+ 1.2	–	
Underlying divisional EBITA	2.2	- 3.5	n/a	- 1.9	- 8.0	+ 76.3
Underlying divisional EBITDA	4.3	- 1.9	n/a	4.2	-1.6	n/a
Capital expenditure	1.3	0.5	+ 160.0	6.1	2.8	+ 117.9
Headcount (30 June)	–	–	–	225	213	+ 5.6

Turnover and earnings

In the third quarter of 2009/10, turnover by Hapag-Lloyd Kreuzfahrten totalled €32m, down 29% year-on-year. This decline was attributable to interruption of service of MS Europa due to repairs and associated unscheduled time in dock in Singapore. The joint venture TUI Cruises, the second company in this sector, was measured at equity in the consolidated financial statements so that its turnover is not shown here.

In the third quarter of 2009/10, underlying earnings by the Cruises sector stood at €2m, up €6m year-on-year. The profit contribution by Hapag-Lloyd Kreuzfahrten remained flat versus the previous year. The unscheduled dry-dock period of MS Europa mentioned above only had a minor earnings impact since most of the resulting cancellations were covered by corresponding insurance policies. The remaining impact on earnings from the deductible for the trip cancellation insurance was offset by cost savings.

The considerable increase in earnings by the Cruises sector was driven by TUI Cruises. While earnings in the comparative prior-year period still reflected start-up costs, a clearly positive development of operating earnings was recorded in the period under review.

In the third quarter of 2009/10, the Cruises sector had to carry adjustments worth €1m in connection with the effects of the ash cloud. Total reported earnings by the sector were €1m in the third quarter of 2009/10, up €5m year-on-year.

Cumulative underlying earnings for the first nine months of 2009/10 grew by €6m to €-2m year-on-year. Reported earnings for the first nine months of 2009/10 grew by €5m to €-3m.

Hapag-Lloyd Kreuzfahrten

	Q3 2009/10	Q3 2008/09	Var. %	9M 2009/10	9M 2008/09	Var. %
Occupancy (in %)	54.7	71.0	- 16.3 ¹⁾	66.7	74.3	- 7.6 ¹⁾
Passenger cruise days	56,248	78,757	- 28.6	210,001	229,959	- 8.7
Average daily rates (in € ²⁾)	367	381	- 3.7	400	410	- 2.4

¹⁾ percentage points

²⁾ per day and passenger

Hapag-Lloyd Kreuzfahrten

In the third quarter of 2009/10, Hapag-Lloyd Kreuzfahrten recorded a load factor of 55%, down 16 percentage points year-on-year. The average rate per passenger per day was €367, down 4% year-on-year. In the third quarter of 2009/10, 56,248 passenger days were achieved, down 29%. These declines in operating indicators were above all driven by the unscheduled dry-dock period of MS Europa, which did not resume its cruising schedule until 15 June 2010 so that the number of cruise days completed during the quarter under review was very low. MS Columbus completed a world tour ending in Nice in May, setting sail for Nordland and the Baltic Sea in order to implement several summer cruises in these regions. MS Hanseatic sailed the American East Coast, while MS Bremen crossed the Atlantic and subsequently completed a scheduled dry-dock period.

TUI Cruises

	Q3 2009/10	Q3 2008/09	Var. %	9M 2009/10	9M 2008/09 ²⁾	Var. %
Occupancy (in %)	92.7	n/m	n/a	82.0	n/m	n/a
Passenger cruise days	162,249	n/m	n/a	430,549	n/m	n/a
Average daily rates (in € ¹⁾)	166	n/m	n/a	136	n/m	n/a

¹⁾ per day and passenger

²⁾ meaningful comparative values for previous year's reporting periods are not available, because operations of Mein Schiff started in May 2009

TUI Cruises

Following the Atlantic crossing, Mein Schiff cruised the Mediterranean and set sails for Nordland and the Baltic Sea in the third quarter of 2009/10. At 93%, the load factor again rose significantly versus the previous quarter of 2009/10. This growth was primarily driven by the sustained general recovery of the cruise market and particularly attractive products and events of TUI Cruises, e.g. the 'Rock Liner' theme cruise. Following the successful positioning of Mein Schiff in the market, Mein Schiff 2 will be commissioned in May 2011. Bookings of the sister ship have also shown a promising development.

TUI Cruises continued to strengthen its brand profile in a market environment that remained highly competitive, above all in traditional destinations such as the Mediterranean and the Canary Islands. In the third quarter of 2009/10, 162,249 passenger days were recorded, up 10% versus the previous quarter in 2009/10. The average rate grew by €44 per passenger per day to €166 versus the previous quarter in 2009/2010.

Central Operations

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

Central Operations – Key figures

€ million	Q3 2009/10	Q3 2008/09 revised	Var. %	9M 2009/10	9M 2008/09 revised	Var. %
Turnover	15.8	16.9	- 6.5	45.9	71.0	- 35.4
Divisional EBITA	17.8	- 11.7	n/a	- 2.5	- 74.8	+ 96.7
<i>Gains on disposal</i>	–	–		–	- 1.8	
<i>Restructuring</i>	–	–		–	–	
<i>Purchase price allocation</i>	–	–		–	–	
<i>Other one-off items</i>	- 26.8	–		- 26.8	–	
Underlying divisional EBITA	- 9.0	- 11.7	+ 23.1	- 29.3	- 76.6	+ 61.7
Underlying divisional EBITDA	- 7.5	- 12.6	+ 40.5	- 21.6	- 4.5	+ 60.4
Capital expenditure	0.5	2.4	- 79.2	2.6	6.6	- 60.6
Headcount (30 June)	–	–	–	651	666	- 2.3

In the third quarter of 2009/10, underlying earnings by Central Operations grew by €3m to €-9m year-on-year. Cumulative earnings for the first nine months rose by €47m year-on-year. This was mainly attributable to the charges for the measurement of financial instruments included in the prior-year figures.

In the third quarter of 2009/10, Central Operations had to carry adjustments for income worth €27m from currency gains in connection with capital reduction measures in foreign subsidiaries.

At €18m, reported earnings by Central Operations were up €30m year-on-year. For the first nine months, reported earnings totalled €-3m, an improvement of €72m year-on-year.

Information on Container Shipping

The 43.33% stake in 'Albert Ballin' Joint Venture GmbH & Co. KG taken after the sale of Container Shipping has been measured at equity in TUI's consolidated financial statements since April 2009. Since the stake in 'Albert Ballin' constitutes a financial investment from TUI AG's perspective, the proportionate at equity result is not included in the TUI Group's operative performance indicator EBITA. For information purposes, the table below presents Container Shipping from Hapag-Lloyd's perspective on a 100 per cent basis.

Key figures – Container Shipping

€ million	Q3 2009/10	Q3 2008/09	Var. %	9M 2009/10	9M 2008/09	Var. %
Turnover	1,630.4	1,268.8	+ 28.5	4,046.1	3,974.0	+ 1.8
EBITA	213.5	- 222.7	n/a	158.2	656.4	- 75.9
<i>Gains on disposal</i>	- 2.2	-		- 0.8	- 1,143.0	
<i>Restructuring</i>	-	+ 17.1		+ 0.4	+ 17.2	
<i>Purchase price allocation</i>	+ 13.5	+ 12.3		+ 36.4	+ 45.7	
<i>Other one-off items</i>	+ 1.4	-		+ 24.1	+ 0.3	
Underlying EBITA	226.2	- 193.3	n/a	218.3	- 423.4	n/a

Development of business operations

Turnover and earnings

The positive trend in Container Shipping strengthened in the third quarter of 2009/10. Turnover grew by 29% year-on-year to around €1.6bn. This development was mainly driven by a considerable rise in freight rate levels and a year-on-year increase in transport volumes.

Underlying earnings grew by €420m to €226m in the third quarter of 2009/10. Hapag-Lloyd thus posted the highest quarterly earnings since the onset of the financial crisis. Earnings benefited above all from a substantial rise in freight rates and higher transport volumes. In the course of the third quarter of 2009/10, rates were increased by 114 US dollars/TEU on average. Moreover, the planned cost savings were successfully implemented. In addition, the development of costs benefited from the 7% weakening of the Euro exchange rate versus the functional currency US Dollar.

In the quarter under review, one-off effects worth €13m had to be adjusted for. Reported earnings before adjustment of these effects totalled €214m.

Cumulative underlying earnings for the first nine months of 2009/10 grew by €642m to €218m. Reported earnings for the first nine months of 2009/10 totalled €158m. The previous year's comparative period had comprised the book profit from the sale of the majority stake in Hapag-Lloyd of €1.1bn.

Transport volumes and freight rates Hapag-Lloyd

	Q3 2009/10	Q3 2008/09	Var. %	9M 2009/10	9M 2008/09	Var. %
Transport volumes (in '000 TEU)	1,279	1,187	+ 7.8	3,595	3,624	- 0.8
Freight rates (in US\$/TEU)	1,536	1,182	+ 29.9	1,445	1,382	+ 4.6

In the third quarter, Hapag-Lloyd's transport volume totalled 1.3m TEU, up 8%. The volume growth was driven by almost all trade lanes, with the Latin America and Atlantic trade lanes achieving the strongest growth in transport volumes. In the framework of selective cargo management, services in the Australasia trade lane continued to exclude unprofitable intra-Asian cargo transportation. For the first nine months of 2009/10, transport volumes totalled 3.6m TEU, only 1% down year-on-year.

Freight rate levels also continued to show a positive trend. In the third quarter of 2009/10, Hapag-Lloyd achieved average freight rates of 1,536 US dollars/TEU, up 30% year-on-year. This growth was mainly driven by freight rate increases in the Far East and Trans-Pacific trade lanes.

In the light of the continued recovery of Container Shipping, Hapag-Lloyd expects to be able to generate clearly positive earnings for the reporting period from October 2009 to September 2010. In the framework of the gratifying development of business operations in Container Shipping, a notably positive profit contribution for the TUI Group's share of results from joint ventures and associated is expected.

Financial exposure of TUI AG in Container Shipping

Financial exposure of TUI AG in Container Shipping

€ million	31 Dec 2009	31 Mar 2010	30 June 2010
Equity stake in March 2009	910	910	910
Cash capital increase	62	124	124
Debt equity swap	–	153	153
43,33% stake	972	1,187	1,187
TUI short-term loan	380	227	227
TUI revolving credit facility	200	–	–
TUI vendor loan	180	180	180
Loans	760	407	407
Hybrid capital I	350	350	350
Hybrid capital II	350	350	350
Hybrid capital III	215	215	215
Hybrid capital	915	915	915
Financial exposure	2,647	2,509	2,509

As at 30 June 2010, the financial exposure in Container Shipping totalled €2.51bn, matching the prior-quarter level as at 31 March 2010. Since the refinancing measures for Container Shipping agreed between the shareholders on 17/18 December 2009 were completed in the second quarter of 2009/10, no further measures were required in the quarter under review.

Consolidated Earnings

Consolidated Profit and Loss Statement

€ million	Q3 2009/10	Q3 2008/09 revised	Var. %	9M 2009/10	9M 2008/09 revised	Var. %	
Turnover	4,035.0	4,172.3	- 3.3	9,854.4	10,719.5	- 8.1	
Cost of sales	3,671.2	3,785.5	- 3.0	9,301.7	10,184.5	- 8.7	
Gross profit	363.8	386.8	- 5.9	552.7	535.0	+ 3.3	
Administrative expenses	427.4	342.0	+ 25.0	1,077.9	991.9	+ 8.7	
Other income/other expenses	+ 30.2	- 1.9	n/a	+ 37.7	+ 16.9	+ 123.1	
Impairment of goodwill	-	-	n/a	-	31.1	n/a	
Financial result	- 68.8	- 419.3	+ 83.6	- 174.5	- 560.1	+ 68.8	
Financial income	39.6	50.9	- 22.2	152.0	181.0	- 16.0	
Financial expenses	108.4	470.2	- 76.9	326.5	741.1	- 55.9	
Share of results of joint ventures and associates	+ 73.0	- 48.4	n/a	+ 56.5	- 51.4	n/a	
Earnings before income taxes	- 29.2	- 424.8	+ 93.1	- 605.5	- 1,082.6	+ 44.1	
Reconciliation to underlying earnings:							
Earnings before income taxes	- 29.2	- 424.8	+ 93.1	- 605.5	- 1,082.6	+ 44.1	
Result from Container Shipping measured at equity	- 74.5	54.4	n/a	- 65.5	54.4	n/a	
Effective interest from loans and hybrid capital to Container Shipping	- 8.2	371.0	n/a	- 31.1	371.0	n/a	
Interest result and earnings from the valuation of interest hedges	79.4	48.0	+ 65.4	215.7	189.7	+ 13.7	
Impairment of goodwill	-	-	n/a	-	31.1	n/a	
EBITA from Continuing Operations	- 32.5	48.6	n/a	- 486.4	- 436.4	- 11.5	
Adjustments:							
Gains on disposal	- 9.4	- 0.6		- 11.4	+ 1.4		
Restructuring	+ 9.0	+ 6.2		+ 22.2	+ 5.6		
Purchase price allocation	+ 17.8	+ 11.1		+ 49.7	+ 33.0		
Other one-off items	+ 123.5	+ 26.1		+ 150.0	+ 84.1		
Underlying EBITA from Continuing Operations	108.4	91.4	+ 18.6	- 275.9	- 312.3	+ 11.7	
Earnings before income taxes	- 29.2	- 424.8	+ 93.1	- 605.5	- 1,082.6	+ 44.1	
Income taxes	- 16.8	27.3	n/a	- 161.7	- 90.6	- 78.5	
Result from Continuing Operations	- 12.4	- 452.1	+ 97.3	- 443.8	- 992.0	+ 55.3	
Result from Discontinued Operation	-	- 8.1	+ 100.0	-	944.8	n/a	
Group loss	- 12.4	- 460.2	+ 97.3	- 443.8	- 47.2	840.3	
Group loss attributable to shareholders of TUI AG	3.9	- 471.8	n/a	- 277.5	114.4	n/a	
Group loss attributable to minority interests	- 16.3	11.6	n/a	- 166.3	- 161.6	- 2.9	
Group loss	- 12.4	- 460.2	+ 97.3	- 443.8	- 47.2	840.3	
Basic and diluted earnings per share	in €	- 0.01	- 1.9	+ 99.5	- 1.18	+ 0.39	n/a
from Continuing Operations	in €	- 0.01	- 1.87	+ 99.5	- 1.18	- 3.37	+ 65.0
from Discontinued Operation	in €	-	- 0.03	+ 100.0	-	+ 3.76	n/a

The consolidated profit and loss statement of the Continuing Operations reflects the seasonality in tourism, with positive operating results primarily generated in the third and fourth quarter, i.e. the summer season, for seasonal reasons. Earnings by Continuing Operations reflected the adverse earnings effect caused by the closure of European airspace due to the volcanic eruption in Iceland in April 2010. This effect was partly offset by the strengthening of Sterling against the Euro.

<i>Turnover and cost of sales</i>	Turnover comprised the turnover of the Continuing Operations, i.e. Tourism and Central Operations. In the third quarter of 2009/10, turnover declined by 3% year-on-year to €4.0bn. In the first nine months of 2009/10, the year-on-year decline was 8%. It was primarily attributable to lower business volumes in TUI Travel in the wake of the cancellations of holidays due to the ash cloud. Turnover was presented alongside the cost of sales, which decreased in line with the declining business volume. A detailed breakdown of turnover and the development of turnover are presented in the section 'Consolidated turnover and earnings'.
<i>Gross profit</i>	At €364m, gross profit as the balance of turnover and the cost of sales decreased by €23m year-on-year in the third quarter of 2009/10. For the nine-month period, gross profit amounted to €553m, down €18m year-on-year.
<i>Administrative expenses</i>	Administrative expenses comprised expenses not directly allocable to the turnover transactions, such as expenses for general management functions. At €427m, they were up €85m year-on-year in the third quarter. This increase was mainly driven by expenses incurred in connection with the impact of the closure of European airspace and the year-on-year strengthening of Sterling against the Euro. For the first nine months, the corresponding expenses also rose year-on-year to €1.1bn.
<i>Other income/ Other expenses</i>	The balance of other income and other expenses totalled €30m in the third quarter of 2009/10, up €32m year-on-year. This increase was mainly attributable to other income from currency gains in connection with capital reductions in foreign subsidiaries. A year-on-year rise of €21m to €38m was recorded for the first nine months of 2009/10.
<i>Impairment of goodwill</i>	No goodwill impairment charges were carried for the third quarter of 2009/10 or the nine-month period. In the previous year, impairments of goodwill were required in the hotel sector for the first nine months of the year.
<i>Financial result</i>	The financial result comprised the interest result and the net result from marketable securities. At €-69m, it improved by €351m year-on-year in the third quarter of 2009/10 and comprised financial income of €40m, down €11m, and financial expenses of €108m, down €362m. In the prior-year comparative period, financial expenses had been impacted by the measurement of the loans granted to Container Shipping totalling €371m. In the first nine months of 2009/10, the financial result improved by €386m year-on-year. It included interest effects of €31m from the measurement of the loans and hybrid capital granted to Container Shipping using the effective interest method.
<i>Share of results of joint ventures and associates</i>	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. In the third quarter of 2009/10, the share of result of joint ventures and associates rose €121m year-on-year to €73m. For the nine-month period under review, it grew by

€108m year-on-year to €57m. This increase was primarily attributable to the measurement of the 43.33% stake in Container Shipping retained by the TUI Group as an associated company in the consolidated financial statements. In the third quarter of 2009/10, the share of result of Container Shipping amounted to €75m. The cumulative share of result for the first nine months was €66m.

Underlying EBITA from Continuing Operations

In the third quarter of 2009/10, underlying earnings by the Continuing Operations totalled €108m, up €17m year-on-year. Cumulative underlying earnings for the first nine months totalled €-276m, up €36m year-on-year. EBITA was adjusted for gains on disposal, restructuring expenses, purchase price allocations and one-off items. The development of earnings and the adjustments are outlined in detail in the section 'Consolidated turnover and earnings' and the comments concerning the development of business.

Income taxes

Income taxes comprised taxes on profits from the business activities of the Continuing Operations. Tax income of €26m arose for the third quarter of 2009/10, following tax expenses of €27m in the prior-year comparative quarter. Cumulative tax income for the first nine months totalled €171m, following €91m in the previous year's comparative period. In the previous year, the tax income was relatively low in relation to earnings. This was attributable to a negative share of result of Container Shipping and charges resulting from the measurement of the loans granted to Container Shipping.

Result from Discontinued Operation

The result for the periods under review for the current financial year did not comprise any results from Discontinued Operation since the activities of the Magic Life hotel club chain previously carried under this item will now be shown under TUI Hotels & Resorts until they will be transferred to TUI Travel PLC. The results carried for the prior-year periods related to the sale of Container Shipping. A detailed breakdown of this item is provided in the section 'Result from Discontinued Operation' in the notes.

Group loss

In the third quarter of 2009/10, the Group result was negative at €-12m (previous year: €-460m). The year-on-year decline in the Group loss was mainly attributable to lower financial expenses, which had included a one-off expense for the measurement of the loans granted to Container Shipping in the previous year. The year-on-year increase in the Group loss in the first nine months of 2009/10 was attributable to the book profit from the sale of Container Shipping, included in the result for the previous year's comparative quarter.

Minority interests

Minority interests amounted to €-16m for the third quarter of 2009/10 and €166,3m for the nine-month period. They related to the minority 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 €-4m (previous year: €-472m) of the Group result in the third quarter of 2009/10. As a result, basic earnings per share amounted to €-0.01 (previous year: €-1.90) in the third quarter and €-1.18 (previous year: €+0.39) for the first nine months of 2009/10.

Performance indicators

Key figures of Profit and Loss Statement of the Continuing Operations

€ million	Q3 2009/10	Q3 2008/09 revised	Var. %	9M 2009/10	9M 2008/09 revised	Var. %
Earnings before interest, income taxes, depreciation, impairment and rent (EBITDAR)	260.3	336.4	- 22.6	378.4	439.9	- 14.0
Operating rental expenses	196.6	188.8	+ 4.1	578.7	541.6	+ 6.9
Earnings before interest, income taxes, depreciation and impairment (EBITDA)	63.7	147.6	- 56.8	- 200.3	- 101.7	- 97.0
Depreciation/amortisation less reversals of depreciation ¹⁾	96.2	99.0	- 2.8	286.1	334.7	- 14.5
Earnings before interest, income taxes and impairment of goodwill (EBITA)	- 32.5	48.6	n/a	- 486.4	- 436.4	- 11.5
Impairment of goodwill	-	-	n/a	-	31.1	n/a
Earnings before interest and income taxes (EBIT)	- 32.5	48.6	n/a	- 486.4	- 467.5	- 4.0
Interest result	- 71.2	- 419.0	+ 83.0	- 184.6	- 560.7	+ 67.1
Non-operating equity result	74.5	- 54.4	n/a	65.5	- 54.4	n/a
Earnings before income taxes (EBT)	- 29.2	- 424.8	+ 93.1	- 605.5	- 1 082.6	+ 44.1

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

Net Assets and Financial Position

The Group's balance sheet total rose by 14% to €15.3bn versus the end of the short financial year 2009. The changes in the consolidated statement of financial position against 30 September 2009 primarily reflected the seasonality in tourism.

Assets and liabilities

€ million	30 June 2010	30 Sep 2009 revised	Var. %
Non-current assets	10,188.7	9,100.2	+ 12.0
Current assets	5,124.2	4,367.1	+ 17.3
Assets	15,312.9	13,467.3	+ 13.7
Equity	2,079.5	2,240.8	- 7.2
Provisions	2,389.1	2,220.6	+ 7.6
Financial liabilities	4,579.2	3,714.8	+ 23.3
Other liabilities	6,265.1	5,291.1	+ 18.4
Liabilities	15,312.9	13,467.3	+ 13.7

Non-current assets

As at 30 June 2010, non-current assets accounted for 67% of total assets, compared with 68% as at 30 September 2009. Non-current assets rose from €9.1bn to €10.2bn in the period under review. The increase was partly driven by a rise in goodwill, mainly attributable to the translation of goodwill not carried in the TUI Group's functional currency into Euro. The item 'Companies measured at equity' rose above all due to additions, translation effects and improvements in quarterly earnings by Container Shipping.

Current assets

As at 30 June 2010, current assets accounted for 33% of total assets, following 32% as at 30 September 2009. Current assets grew from €4.4bn as at 30 September 2009 to €5.1bn as at 30 June 2010. This increase was mainly attributable to the seasonality of the tourism business.

Equity

Equity totalled €2.1bn as at 30 June 2010. At 14%, the equity rate decreased against its level as at 30 September 2009, i.e. the balance sheet date. Detailed information on the changes in equity is provided in the notes to this interim report.

Provisions

Provisions mainly comprised provisions for pension obligations, effective and deferred tax provisions and provisions for typical operating risks. As at 30 June 2010, they totalled €2.4bn, up 8% versus the level recorded as at 30 September 2009, i.e. the balance sheet date.

Financial liabilities

As at 30 June 2010, financial liabilities consisted of non-current financial liabilities of €2.9bn and current financial liabilities of €1.7bn. As at 30 September 2009, non-current financial liabilities stood at €3.2bn, with current financial liabilities of €0.5bn. The changes resulted, inter alia, from the reclassification of the bonds maturing in December 2010 and May 2011, respectively, from non-current to current financial liabilities and recognition of the convertible bonds issued by TUI Travel and TUI AG in October and November 2009 and in April 2010, respectively, as well as recognition of new borrowings by TUI Travel in the second quarter as non-current financial liabilities.

Other liabilities

As at 30 June 2010, other liabilities amounted to €6.3bn, up 18% against 30 September 2009. The increase was primarily attributable to changes in connection with the seasonality of the tourism business.

Other Segment Indicators

Underlying divisional EBITDA

€ million	Q3 2009/10	Q3 2008/09 revised	Var. %	9M 2009/10	9M 2008/09 revised	Var. %
Tourism	192.1	194.5	- 1.2	- 23.4	40.7	n/a
TUI Travel	151.2	164.0	- 7.8	- 116.2	- 50.3	- 131.0
TUI Hotels & Resorts	36.6	32.4	+ 13.0	88.6	92.6	- 4.3
Cruises	4.3	- 1.9	n/a	4.2	- 1.6	n/a
Central Operations	- 7.5	- 12.6	+ 40.5	- 21.6	- 54.5	+ 60.4
Continuing Operations	184.6	181.9	+ 1.5	- 45.0	- 13.8	- 226.1
Discontinued Operation	-	9.6	n/a	-	- 107.8	+ 100.0
Underlying divisional EBITDA	184.6	191.5	- 3.6	- 45.0	- 121.6	+ 63.0

Divisional EBITDA

€ million	Q3 2009/10	Q3 2008/09 revised	Var. %	9M 2009/10	9M 2008/09 revised	Var. %
Tourism	44.4	160.2	- 72.3	- 205.5	- 49.0	- 319.4
TUI Travel	8.1	129.7	- 93.8	- 283.9	- 134.7	- 110.8
TUI Hotels & Resorts	33.2	32.4	+ 2.5	75.4	87.3	- 13.6
Cruises	3.1	- 1.9	n/a	3.0	- 1.6	n/a
Central Operations	19.3	- 12.6	n/a	5.2	- 52.7	n/a
Continuing Operations	63.7	147.6	- 56.8	- 200.3	- 101.7	- 97.0
Discontinued Operation	-	-	n/a	-	1,027.1	n/a
Divisional earnings (EBITDA)	63.7	147.6	- 56.8	- 200.3	925.4	n/a

Capital expenditure

€ million	Q3 2009/10	Q3 2008/09 revised	Var. %	9M 2009/10	9M 2008/09 revised	Var. %
Tourism	82.0	79.1	+ 3.7	235.7	235.5	+ 0.1
TUI Travel	63.2	62.4	+ 1.3	188.7	172.3	+ 9.5
TUI Hotels & Resorts	17.5	16.2	+ 8.0	40.9	60.4	- 32.3
Cruises	1.3	0.5	+ 160.0	6.1	2.8	+ 117.9
Central Operations	0.5	2.4	- 79.2	2.6	6.6	- 60.6
Continuing Operations	82.5	81.5	+ 1.2	238.3	242.1	- 1.6
Discontinued Operation	-	-	n/a	-	120.7	n/a
Total	82.5	81.5	+ 1.2	238.3	362.8	- 34.3

Amortisation of other intangible assets and depreciation of property, plant and equipment

€ million	Q3 2009/10	Q3 2008/09 revised	Var. %	9M 2009/10	9M 2008/09 revised	Var. %
Tourism	94.7	98.0	- 3.4	278.4	311.2	- 10.5
TUI Travel	74.3	79.0	- 5.9	214.7	250.4	- 14.3
TUI Hotels & Resorts	18.3	17.3	+ 5.8	57.6	54.4	+ 5.9
Cruises	2.1	1.7	+ 23.5	6.1	6.4	- 4.7
Central Operations	1.5	1.0	+ 50.0	6.3	4.7	+ 34.0
Continuing Operations	96.2	99.0	- 2.8	284.7	315.9	- 9.9
Discontinued Operation	-	-	n/a	-	-	n/a
Total	96.2	99.0	- 2.8	284.7	315.9	- 9.9

Employees

	30 June 10	30 Sep 09 revised	Var. %
Tourism	70,339	68,861	+ 2.1
TUI Travel	51,718	50,285	+ 2.8
TUI Hotels & Resorts	18,396	18,357	+ 0.2
Cruises	225	219	+ 2.7
Central Operations*)	651	675	- 3.6
Continuing Operations	70,990	69,536	+ 2.1
Discontinued Operation	-	-	n/a
Total	70,990	69,536	+ 2.1

*) of which Corporate Center: 180 employees as of 30 June 2010; 200 employees as of 30 Sept 2009.

Prospects

The global economy has recovered substantially since mid-2009, driven by the dynamic development in Asia. The upswing in the industrialised countries has also been stronger than initially expected. It was driven by changes in companies' stock management policies and expansionary fiscal policies pursued by most countries.

For calendar year 2010, the economic indicators of the global economy are expected to increase, albeit with considerable regional variations. Expansion will continue to be driven by the developing countries and emerging markets. The crisis of confidence in the financial markets caused a slowdown in the economic parameters in the Eurozone in the second half of the calendar year. Since many countries only have limited fiscal policy options to stimulate economic activities due to their deficits, budget consolidation is expected to occur. The European countries, in particular, have already initiated fiscal tightening in response to pressure in the financial markets. In the United States and Japan, this policy will hinge upon continued economic recovery. Budget consolidation in the industrialised countries may also lead to a considerable slowdown in the economic development in the emerging markets.

In spite of this risk, the International Monetary Fund has again lifted its forecast for calendar year 2010 (IMF, World Recovery Continues, But Risks Increase, Says IMF, July 8, 2010) and now expects global growth of 4.6%, with growth of 3.3% in the United States, 2.4% in Japan and 1.0% in the Eurozone, as before. By contrast, the emerging Asian economies are expected to achieve growth rates almost matching the pre-crisis levels. For 2010, the IMF expects growth of 10.5% for China and 9.4% for India.

Tourism markets usually follow the general economic development with a time lag. After international tourist arrivals declined in the first three calendar quarters of 2009, this trend reversed at the end of the year. Asia, the Pacific region and the Middle East, in particular, recorded considerable growth, while international tourist arrivals grew less strongly in Europe and America. Moreover, growth in Europe was dampened by the one-week closure of airspace due to the ash cloud resulting from volcanic eruption in Iceland in April 2010.

In line with the change in TUI AG's financial year, the information provided below relates to the expected development of turnover and operating earnings (underlying divisional EBITA) of the TUI Group for the period from 1 October 2009 to 30 September 2010.

TUI Travel

Stable underlying earnings versus the prior year continue to be expected for TUI Travel for the financial year 2009/10. For the current Summer 2010 season, booked turnover in the Mainstream business is 6% ahead of prior year, with customer volumes up 3% year-on-year. In the completed quarter under review, however, margins were impacted by a considerable increase in the proportion of lates, in particular in the UK. The German market also saw declines in margins due to the shift in demand from high- to low-price products.

On the other hand, bookings have improved considerably over the last few weeks. An additional positive year-on-year contribution will arise from the delivery of synergies from the integration of the tourism business in the UK and cooperation between TUIfly and Air Berlin in the German market. Furthermore, a positive currency effect is expected to arise for the remaining fourth quarter of 2009/10 from the currently stronger exchange rate of Sterling against the Euro.

TUI Hotels & Resorts

TUI Hotels & Resorts continues to expect a slight year-on-year decline in earnings for the current financial year. The anticipated positive effects of active cost management are expected to be more than offset by declines in average rates per bednight, with the weak first quarter of 2009/10 in particular impacting the development for the overall year. Should the positive booking trend for the Summer 2010 season continue to consolidate, however, this might help to catch up on previous year's earnings level.

Cruises

For the current year 2010, the cruise market continues to be expected to grow. This may benefit the companies of the Cruises sector in their respective market segments. On the basis of the persistently positive booking trend for the Summer 2010 season, earnings are currently expected to rise slightly year-on-year.

Tourism

Based on the current earnings estimate for TUI Travel, TUI Hotels & Resorts and Cruises, the TUI Group expects underlying earnings to be stable overall versus the prior year in its core business Tourism in financial year 2009/10.

Continuing Operations

On the basis of the prospects for Tourism outlined above and cost savings in Central Operations, the TUI Group expects a slight year-on-year rise in earnings by Continuing Operations for financial year 2009/10.

Group result

Overall, the TUI Group expects the Group result for financial year 2009/10 to be positive in spite of the adverse impact of the volcanic eruption in Iceland. This will be attributable above all to the clearly positive result by Container Shipping, measured at equity.

Corporate Governance

The composition of the boards of TUI AG did not change in the period under review. 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.

TUI AG

The Executive Board
August 2010

Interim Financial Statements

Corrected Profit and Loss Statement of the TUI Group for the period from 1 October 2009 to 30 June 2010

€ million	Notes	Q3 2009/10	Q3 2008/09 revised	9M 2009/10	9M 2008/09 revised
Turnover		4,035.0	4,172.3	9,854.4	10,719.5
Cost of sales	(1)	3,671.2	3,785.5	9,301.7	10,184.5
Gross profit		363.8	386.8	552.7	535.0
Administrative expenses	(1)	427.4	342.0	1,077.9	991.9
Other income/other expenses	(2)	+ 30.2	- 1.9	+ 37.7	+ 16.9
Impairment of goodwill		-	-	-	31.1
Financial income	(3)	39.6	50.9	152.0	181.0
Financial expenses	(3)	108.4	470.2	326.5	741.1
Share of results of joint ventures and associates		+ 73.0	- 48.4	+ 56.5	- 51.4
Earnings before income taxes		- 29.2	- 424.8	- 605.5	- 1,082.6
Reconciliation to underlying earnings:					
Earnings before income taxes		- 29.2	- 424.8	- 605.5	- 1,082.6
Result from Container Shipping measured at equity		- 74.5	54.4	- 65.5	54.4
Effective interest from loans and hybrid capital to Container Shipping		- 8.2	371.0	- 31.1	371.0
Interest result and earnings from the valuation of interest hedges		79.4	48.0	215.7	189.7
Impairment of goodwill		-	-	-	31.1
EBITA from Continuing Operations		- 32.5	48.6	- 486.4	- 436.4
Adjustments:	(4)				
<i>Gains on disposals</i>		- 9.4	- 0.6	- 11.4	1.4
<i>Restructuring</i>		9.0	6.2	22.2	5.6
<i>Purchase price allocation</i>		17.8	11.1	49.7	33.0
<i>Other one-off items</i>		123.5	26.1	150.0	84.1
Underlying EBITA from Continuing Operations		108.4	91.4	- 275.9	- 312.3
Earnings before income taxes		- 29.2	- 424.8	- 605.5	- 1,082.6
Income taxes	(5)	- 16.8	27.3	- 161.7	- 90.6
Result from Continuing Operations		- 12.4	- 452.1	- 443.8	- 992.0
Result from Discontinued Operation		-	- 8.1	-	944.8
Group loss		- 12.4	- 460.2	- 443.8	- 47.2
Group loss attributable to shareholders of TUI AG		+ 3.9	- 471.8	- 277.5	114.4
Group loss attributable to minority interests	(6)	- 16.3	11.6	- 166.3	- 161.6
Group loss		- 12.4	- 460.2	- 443.8	- 47.2
Basic and diluted earnings per share					
€		Q3 2009/10	Q3 2008/09 revised	9M 2009/10	9M 2008/09 revised
Basic and diluted earnings per share		- 0.01	- 1.90	- 1.18	+ 0.39
from Continuing Operations		- 0.01	- 1.87	- 1.18	- 3.37
from Discontinued Operation		-	- 0.03	-	+ 3.76

Corrected Condensed Statement of Comprehensive Income of the TUI Group for the period from 1 October 2009 to 30 June 2010

€ million	Q3 2009/10	Q3 2008/09 revised	9M 2009/10	9M 2008/09 revised
Group loss	- 12.4	- 460.2	- 443.8	- 47.2
Currency translation	+ 136.8	+ 155.1	+ 384.1	+ 193.2
Financial instruments available-for-sale	+ 0.3	+ 0.8	+ 4.1	- 0.9
Cash flow hedges	- 169.6	- 66.8	+ 44.6	- 456.0
Actuarial gains and losses from pension provisions and related fund assets	- 97.2	- 150.0	- 132.5	- 302.9
Changes in the measurement of companies measured at equity outside profit and loss	- 4.6	- 63.4	- 2.0	- 98.7
Income tax on other comprehensive income	+ 73.8	+ 58.6	+ 26.9	+ 151.7
Other comprehensive income	- 60.5	- 65.7	325.2	- 513.6
Total comprehensive income	- 72.9	- 525.9	- 118.6	- 560.8
attributable to shareholders of TUI AG	- 95.5	- 528.6	- 179.7	- 558.2
attributable to minority interest	+ 22.6	+ 2.7	+ 61.1	- 2.6
Total comprehensive income	- 72.9	- 525.9	- 118.6	- 560.8

Corrected Financial Position of the TUI Group

€ million	30 June 2010	30 Sep 2009 revised	1 Oct 2008 revised
Assets			
Goodwill	3,036.6	2,719.2	2,856.0
Other intangible assets	948.7	887.9	883.7
Investment property	66.3	76.7	87.1
Property, plant and equipment	2,504.6	2,371.1	2,648.9
Companies measured at equity	1,805.0	1,184.0	446.3
Financial assets available-for-sale	606.9	103.0	117.1
Trade accounts receivables and other receivables	611.5	1,369.0	423.4
Derivative financial instruments	214.5	111.4	78.3
Deferred income tax claims	394.6	277.9	182.1
Non-current assets	10,188.7	9,100.2	7,722.9
Inventories	95.0	81.5	81.1
Financial assets available-for-sale	0.0	2.0	11.4
Trade accounts receivables and other receivables	2,600.5	2,066.6	2,018.0
Derivative financial instruments	353.0	338.1	219.3
Current income tax receivables	136.3	21.2	42.3
Cash and cash equivalents	1,680.7	1,452.0	2,793.4
Assets held for sale	258.7	405.7	4,805.8
Current assets	5,124.2	4,367.1	9,971.3
	15,312.9	13,467.3	17,694.2

€ million	30 June 2010	30 Sep 2009 revised	1 Oct 2008 revised
Equity and liabilities			
Subscribed capital	643.1	642.8	642.3
Capital reserves	913.5	871.3	2,471.9
Revenue reserves	- 154.9	107.5	- 900.6
Hybrid capital	294.8	294.8	294.8
Equity before minority interests	1,696.5	1,916.4	2,508.4
Minority interests	383.0	324.4	321.5
Equity	2,079.5	2,240.8	2,829.9
Pension provisions and similar obligations	967.6	838.6	573.6
Current income tax provisions	182.0	169.5	157.7
Deferred income tax provisions	217.3	181.3	273.0
Other provisions	549.1	500.3	524.5
Non-current provisions	1,916.0	1,689.7	1,528.8
Financial liabilities	2,854.0	3,175.1	4,258.2
Derivative financial instruments	95.2	78.7	95.5
Other liabilities	95.8	92.6	95.0
Non-current liabilities	3,045.0	3,346.4	4,448.7
Non-current provisions and liabilities	4,961.0	5,036.1	5,977.5
Pension provisions and similar obligations	34.0	29.8	34.5
Current income tax provisions	71.0	85.9	154.1
Other provisions	368.1	415.2	384.6
Current provisions	473.1	530.9	573.2
Financial liabilities	1,725.2	539.7	810.5
Trade accounts payable	2,322.9	2,640.8	2,800.9
Derivative financial instruments	317.0	363.4	284.2
Other liabilities	3,336.8	1,935.4	2,428.7
Current liabilities	7,701.9	5,479.3	6,324.3
Liabilities related to assets held for sale	97.4	180.2	1,989.3
Current provisions and liabilities	8,272.4	6,190.4	8,886.8
	15,312.9	13,467.3	17,694.2

Corrected Condensed Cash Flow Statement

€ million	9M 2009/10	9M 2008/09 revised
Cash flow from operating activities	+ 123.6	- 361.7
Cash flow from investing activities	- 231.1	- 249.3
Cash flow from financing activities	+ 298.0	- 333.3
Change in funds with cash effect	+ 190.5	- 944.3
Change in cash and cash equivalents due to exchange rate fluctuation	+ 31.9	- 75.1
Cash and cash equivalents at beginning of period	1,458.3	2,944.2
Cash and cash equivalents at end of period	1,680.7	1,924.8
<i>of which included in the balance sheet as assets held for sale</i>	-	+ 123.9
Cash and cash equivalents at end of period for Continuing Operations	1,680.7	1,800.9

Corrected Condensed Statements of Changes in Group Equity for the Period from 1 October 2009 to 30 June 2010

€ million	Subscribed capital	Capital reserves	Revenue reserves	Hybrid capital	Equity before minority interests	Minority interests	Equity
Balance as at 1 Oct 2009 (revised)	642.8	871.3	107.5	294.8	1,916.4	324.4	2,240.8
Dividend payments	-	-	- 76.1	-	- 76.1	- 2.5	- 78.6
Hybrid capital dividend	-	-	- 19.4	-	- 19.4	-	- 19.4
Issue of convertible bonds	-	41.8	91.3	-	133.1	-	133.1
Issue of employee shares	0.3	0.4	-	-	0.7	-	0.7
Effect of the acquisition of minority interests	-	-	- 92.3	-	- 92.3	-	- 92.3
Deconsolidation	-	-	- 2.0	-	- 2.0	-	- 2.0
Share-based payment schemes of TUI Travel	-	-	15.9	-	15.9	-	15.9
Group total comprehensive income	-	-	- 179.8	-	- 179.8	61.1	- 118.7
Balance as at 30 June 2010	643.1	913.5	- 154.9	294.8	1,696.5	383.0	2,079.5

Corrected Condensed Statements of Changes in Group Equity for the Period from 1 October 2008 to 30 June 2009

€ million	Subscribed capital	Capital reserves	Revenue reserves	Hybrid capital	Equity before minority interests	Minority interests	Equity
Balance as at 1 Oct 2008 (revised)	642.3	2,471.9	- 900.6	294.8	2,508.4	321.5	2,829.9
Dividend payments	-	-	- 55.2	-	- 55.2	- 11.3	- 66.5
Hybrid capital dividend	-	-	- 19.3	-	- 19.3	-	- 19.3
Issue of employee shares	0.5	1.2	-	-	1.7	-	1.7
First-time consolidation	-	-	1.9	-	1.9	-	1.9
Effect of step acquisitions	-	-	- 6.6	-	- 6.6	0.1	- 6.5
Effect of the acquisition of minority interests	-	-	- 18.2	-	- 18.2	0.3	- 17.9
Deconsolidation	-	-	-	-	-	- 0.4	- 0.4
Effect of option writer position from an option on minority interests	-	-	- 15.4	-	- 15.4	-	- 15.4
Share-based payment schemes of TUI Travel	-	-	14.9	-	14.9	-	14.9
Transfer from reserves	-	- 1,503.8	1,503.8	-	-	-	-
Group total comprehensive income	-	-	- 558.2	-	- 558.2	- 2.6	- 560.8
Balance as at 30 June 2009 (revised)	642.8	969.3	- 52.9	294.8	1,854.0	307.6	2,161.6

Notes

Correction of Interim Financial Statements

As described in the corrected consolidated financial statements for the short financial year 2009, TUI AG directly corrected the booking errors identified in TUI Travel PLC in turnover recognition and the reversal of adjustment items shown under trade accounts payable in the respective consolidated financial statements and in the interim reports that might be of relevance for TUI AG's ability to operate in the financial markets.

The following corrections were effected in the profit and loss statement:

Corrected items of the TUI Group's profit and loss statement for the period from 1 April 2010 to 30 June 2010

€ million	Q3 2009/10			Q3 2008/09		
	before revision	revision	revised	before revision	revision	revised
Turnover	4,002.1	32.9	4,035.0	4,175.7	- 3.4	4,172.3
Gross profit	330.9	32.9	363.8	390.2	- 3.4	386.8
Earnings before income taxes	- 62.1	32.9	- 29.2	- 421.4	- 3.4	- 424.8
EBITA from continuing operations	- 65.4	32.9	- 32.5	52.0	- 3.4	48.6
Underlying EBITA from continuing operations	104.8	3.6	108.4	94.8	- 3.4	91.4
Income taxes	- 25.8	9.0	- 16.8	27.3	0.0	27.3
Result from continuing operations	- 36.3	23.9	- 12.4	- 448.7	- 3.4	- 452.1
Group profit/loss for the year	- 36.3	23.9	- 12.4	- 456.8	- 3.4	- 460.2
Attributable to TUI AG shareholders	- 9.4	13.3	3.9	- 470.1	- 1.7	- 471.8
Attributable to minority interests	- 26.9	10.6	- 16.3	13.3	- 1.7	11.6
Earnings per share	€ - 0.06	0.05	- 0.01	- 1.89	- 0.01	- 1.90

Corrected items of the TUI Group's profit and loss statement for the period from 1 October 2009 to 30 June 2010

€ million	9M 2009/10			9M 2008/09		
	before revision	revision	revised	before revision	revision	revised
Turnover	9,821.5	32.9	9,854.4	10,728.6	- 9.1	10,719.5
Gross profit	519.8	32.9	552.7	544.1	- 9.1	535.0
Earnings before income taxes	- 638.4	32.9	- 605.5	- 1 073.5	- 9.1	- 1,082.6
EBITA from continuing operations	- 519.3	32.9	- 486.4	- 427.3	- 9.1	- 436.4
Underlying EBITA from continuing operations	- 279.5	3.6	- 275.9	- 303.2	- 9.1	- 312.3
Income taxes	- 170.7	9.0	- 161.7	-90.6	0.0	- 90.6
Result from continuing operations	- 467.7	23.9	- 443.8	- 982.9	- 9.1	- 992.0
Group profit/loss for the year	- 467.7	23.9	- 443.8	- 38.1	- 9.1	- 47.2
Attributable to TUI AG shareholders	- 290.8	13.3	- 277.5	119.1	- 4.7	114.4
Attributable to minority interests	- 176.9	10.6	- 166.3	- 157.2	- 4.4	- 161.6
Earnings per share	€ - 1.23	0.05	- 1.18	0.41	- 0.02	0.39

The corrections result in a reduction in trade accounts receivable of €49.0m as at 30 June 2010 (previous year € 59.1m) and an increase in trade accounts payable of €52.6m (previous year €63.4m). Equity (other revenue reserves) is reduced by €111.3m (previous year €122.5m), with an amount of €75.0m relating to prior financial years.

Accounting Principles

In accordance with IAS 34 'Interim Financial Reporting', the Group's interim report as at 30 June 2010 are published in a condensed form compared with the consolidated annual financial statements. As before, they were based on the historical cost principle, the only exception being the accounting method applied in measuring financial instruments.

Following the change in TUI AG's financial year-end to 30 September, the TUI Group now reports about the period from 1 October of any one year until 30 September of the subsequent year. Accordingly, the comparative period for Q3 2009/10 was the period from April to June 2009 (Q3 2008/09), while the comparative period for the nine-month period in 2009/10 was the period from October 2008 to June 2009 (9M 2008/09).

The comparative figures for the prior-year periods were adjusted for the purchase price allocations of the acquisitions made from 1 October 2008 to 30 June 2009, finalised within the mandatory 12-month period.

At the end of September 2009, 'Magic Life' was classified as Discontinued Operation. Due to a change in the disposal plan the respective results were reallocated to Continuing Operations. This also applies to the comparative figures.

As a matter of principle, the accounting and measurement methods applied in the preceding consolidated financial statements as per 30 September 2009 were retained in preparing the interim report as per 30 June 2010.

In addition, the following standards and interpretations revised or newly published by the IASB were mandatory as of the beginning of financial year 2009/10:

- IFRS 3: 'Business Combinations'
- IAS 27: 'Consolidated and Separate Financial Statements according to IFRS'
- IAS 39: 'Financial Instruments: Recognition and Measurement – Eligible Hedged Items'
- IFRIC 12: 'Service Concession Arrangements'
- IFRIC 16: 'Hedges of a Net Investment in a Foreign Operation'
- Annual Improvements Project (2009) where IFRS 2 'Share-based Payment', and IAS 38 'Intangible Assets' are concerned

TUI AG has been an early adopter of the amendments to IFRS 3 'Business Combinations' and IAS 27 'Consolidated and Separate Financial Statements according to IFRS' and has applied the amendments since 1 January 2009. The provisions of IFRIC 17 'Distribution of Non-cash Assets to Owners' and IFRIC 18 'Transfers of Assets from Customers' were voluntarily applied in the present interim report prior to their effective date of 1 November 2009.

The application of all amendments and newly published standards listed above did not result in any material effects on the TUI Group's net assets, financial position and financial performance in the present interim report.

Group of Consolidated Companies

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

The interim report as at 30 June 2010 included a total of 45 domestic and 693 foreign subsidiaries, besides TUI AG.

Since 1 October 2009, four companies have been newly included in consolidation due to an expansion of their business operations and a further nine companies due to acquisitions. Two companies were newly established. One company previously measured at equity was included as a fully consolidated subsidiary due to the purchase of additional shares. Twelve companies were deconsolidated due to mergers or liquidation. Five companies were sold and therefore removed from consolidation. Two companies were newly included in the group of companies measured at equity due to acquisitions, and one company was measured at equity for the first time due to an expansion of its business operations.

Acquisitions

Summary presentation of acquisitions

Name and headquarters of the acquired company	Business activity	Acquirer	Date of acquisition	Acquired share	Acquisition costs € million
Select-World Pty Ltd., Australia	Cruise handling	First Choice Holdings Australia Pty Ltd.	26 Nov 2009	100.0%	8.3
Sport Executive Travel Limited, UK (5 companies)	Tour operator for students	TUI Travel Holdings Ltd.	22 Dec 2009	100.0%	0.5
The Hampstead School of English Ltd., UK	Language courses	TUI Travel Holdings Ltd.	19 Feb 2010	n/a	8.0
TUI Travel Hotel Management Services Ltd., Turkey	Hotel management	TUI Travel Holdings Ltd.	1 Mar 2010	n/a	–
TURKUAZ Insaat Turizm A.S., Turkey	Hotel company	TUI AG	30 Mar 2010	50.0%	9.0
Hilario Tours S.A., Dominican Republic	Bus company	Hotelbeds Dominicana S.A.	27 Apr 2010	n/a	9.9
Wonderholding AB, Sweden and its stake in another company	Tour operator	TUI Nordic Holding AB	19 May 2010	100.0%	0.7
19 travel agencies in Germany	Travel agencies	TUI Leisure Travel GmbH	Various	n/a	7.7
Total					44.1

Following its formation, TUI Travel Hotel Management Services Ltd. acquired the business operations and associated contracts of a hotel management company, including services for hotels in Turkey.

Following acquisition of the shares listed above, TUI AG now holds 100% of TURKUAZ Insaat Turizm A.S. Fair value measurement of the previously held shares of €3.7m as at the acquisition date resulted in income of €0.2m, carried under Other income.

Acquisition costs comprised paid purchase prices and an amount of €1.4m which depends on the outcome of future events. Ancillary acquisitions costs and payments for future services by the employees of the acquired companies were carried as administrative expenses through profit and loss in accordance with the amendments to IFRS 3. In the period under review, total acquisition costs amounted to €11.2m.

Summary presentation of statements of financial position 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	–	46.4	46.4
Property, plant and equipment	16.8	1.9	18.7
Fixed assets	16.8	48.3	65.1
Inventories	0.8	–	0.8
Receivables and other assets including prepaid expenses	1.9	–	1.9
Cash and cash equivalents	5.2	–	5.2
Deferred income tax provisions	0.1	3.5	3.6
Other provisions	1.8	–	1.8
Financial liabilities	8.1	–	8.1
Liabilities and deferred income	39.9	–	39.9
Equity	- 25.2	44.8	19.6

The difference arising between the acquisition costs and the revalued acquired net assets, constituting synergy potential, was temporarily carried as goodwill. As a result, goodwill rose by a total of €29.1m.

The 12-month period permitted under IFRS 3 for finalising purchase price allocations was used. It permits temporary allocation of the purchase price to the individual assets and liabilities until the end of that period.

€6.9m of the goodwill capitalised in the period under review are expected to be tax-deductible.

The companies and business operations acquired in the period under review posted turnover of €15.3m, contained in the profit and loss statement for the period from 1 October 2009 to 30 June 2010. They generated profits of €2.0m. If they had been included in the consolidated financial statements since 1 October 2009, turnover for the reporting period ended 30 June 2010 would have been €16.5m higher and the Group result would have changed by €1.3m.

In the present interim report, the purchase price allocations of the following companies and groups acquired in the period from 1 October 2008 to 30 June 2009 were finalised within the required 12-month period in accordance with the provisions of IFRS 3:

- Travel Adventures Inc., USA
- Sport Abroad Ltd., UK
- Teamlink Travel Group, UK
- Sunshine Cruises Ltd., UK
- Edwin Doran Travel Ltd., UK
- Master Yachting GmbH, Germany
- On the piste.com Group, UK
- Adventure Tours Australia Group, Australia
- Williment World Travel Group, New Zealand
- Aragon Tours Ltd., UK
- Zeghrum Expeditions Group, USA

Comparative information for reporting periods prior to the completion of the first-time accounting for an acquisition transaction retrospectively has to be presented 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 statements of financial position
as at the date of first-time consolidation**

€ million, translated	Carrying amounts at date of acquisition	Revaluation of assets and liabilities	Carrying amounts at date of first-time consolidation
Other intangible assets	2.5	17.8	20.3
Property, plant and equipment	60.2	- 15.4	44.8
Fixed assets	62.7	2.4	65.1
Inventories	2.0	–	2.0
Receivables and other assets including prepaid expenses	31.3	3.1	34.4
Cash and cash equivalents	37.8	–	37.8
Deferred income tax provisions	0.1	1.4	1.5
Other provisions	7.2	4.2	11.4
Financial liabilities	2.8	–	2.8
Liabilities and deferred income	50.3	1.5	51.8
Equity	73.4	- 1.6	71.8

The goodwill arising in the consolidated statement of financial position on eliminating the acquisition cost against the acquirer's interest in the revalued equity declined by €3.4m as against 30 September 2009. The capitalised goodwill essentially represents a part of the expected synergy potential.

As at the end of March 2009, the 43.33% stake in 'Albert Ballin' Joint Venture GmbH & Co. KG was measured at equity for the first time. The determination of the fair values of the assets and liabilities, in particular of Hapag-Lloyd AG, implemented in connection with this measurement, was finalised in the second quarter of 2009/10. As a result, the carrying amount of Container Shipping, measured at equity, decreased by €16.7m as per 30 September 2009. At the same time, the result from joint ventures and associates for the previous year's comparative period rose by €66.8m due to the changed depreciation or reversal of the assets and liabilities revalued in the framework of purchase price allocation. The prior year comparative periods were restated accordingly.

Divestments

The tourism operations of the TUI Travel Group in Canada, hereinafter referred to as Canada Mainstream, were classified as a disposal group in accordance with IFRS 5 as at 30 September 2009.

On 14 January 2010, following regulatory clearance by the competent authorities, Canada Mainstream was contributed to the Sunwing Group. In consideration, TUI Travel received a 49% stake in the tourism venture formed with the Sunwing Travel Group. In addition, €97.7m were paid as the purchase price for shares in the new company and as a cash contribution to the new company. The new company will be measured at equity as an associated company. The disposal resulted in income of €2.0m, carried under Other income.

In order to enhance comparability, the expenses and income of Canada Mainstream included in the periods under review are presented below.

Effect of the change in the basis of consolidation on the profit and loss statement due to the disposal of Canada Mainstream

€ million	Q3 2009/10	Q3 2008/09	9M 2009/10	9M 2008/09
Turnover	–	24.9	58.8	196.5
Cost of sales and administrative expenses	–	36.3	65.2	221.2
Financial result	–	- 0.4	- 0.3	+ 0.1
Earnings before income taxes	–	- 11.8	- 6.7	- 24.6
Result from Continuing Operations	–	- 11.8	- 6.7	- 24.6

Other divestments did not have any noteworthy effects on the TUI Group's net assets, financial position and financial performance.

Discontinued Operation

In the quarter under review, the decision was taken to sell the Magic Life hotel company, available for sale since 30 September 2009, to TUI Travel PLC as an intra-Group transaction. Due to that decision, the hotel activities of the Magic Life Group will be combined with the remaining tourism activities of TUI Travel PLC in Turkey and placed under the responsibility of the tour operators in Tourism. The four owned hotel facilities in Turkey leased by the Magic Life Group had to be classified as a disposal group in accordance with IFRS 5.

Accordingly, the results of the Magic Life Group have been reallocated to Continuing Operations. The depreciation and amortisation suspended for the period under review were caught up on. Earnings by Continuing Operations declined overall by €35.9m (previous year: €-31.8m), while earnings by Discontinued Operation rose accordingly by €34.4m (previous year: €+31.8m).

In the comparative period from 1 October 2008 to 30 June 2009, this item still included the Container Shipping activities until they were sold at the end of March 2009 and the stakes in the container terminals in Altenwerder and Montreal/Canada.

Result from Discontinued Operation

Result from Discontinued Operation

€ million	Q3 2009/10	Q3 2008/09 revised	9M 2009/10	9M 2008/09 revised
Turnover	–	–	–	2,705.2
Cost of sales	–	–	–	2,767.5
Administrative expenses	–	–	–	68.3
Other income/other expenses	–	–	–	- 1.5
Financial income	–	–	–	6.7
Financial expenses	–	–	–	34.8
Earnings before income taxes	–	–	–	- 160.2
Income taxes	–	–	–	29.9
<i>of which deferred tax expenses/income</i>	–	–	–	- 36.2
Earnings after income taxes	–	–	–	- 190.1
Result on disposal	–	- 8.1	–	1,134.9
Result from Discontinued Operation	–	- 8.1	–	944.8
Reconciliation to underlying earnings:				
Earnings after income taxes	–	- 8.1	–	944.8
Income taxes	–	–	–	29.9
Interest result	–	–	–	27.9
EBITA from Discontinued Operation ¹⁾	–	- 8.1	–	1,002.6
Adjustments:				
<i>Gains on disposal</i>	–	8.1	–	- 1,134.9
<i>Restructuring</i>	–	–	–	- 0.2
<i>Purchase price allocation</i>	–	–	–	33.8
<i>One-off items</i>	–	–	–	0.2
<i>IFRS 5 effects¹⁾</i>	–	–	–	- 131.6
Underlying EBITA from Discontinued Operation	–	–	–	- 230.1

¹⁾ Where earnings were determined in accordance with IFRS 5, taking account of the discontinuation of depreciation/amortisation and at equity measurement, this earnings effect was additionally included in the adjustments for the Discontinued Operations in order to enhance comparability of the underlying EBITA with the results from Continuing Operations.

Due to the deconsolidation of Container Shipping as at the end of March 2009, the assets and liabilities of the Discontinued Operation as at 30 September 2009 exclusively related to the Magic Life hotel company, including the four owned hotel facilities.

Assets and liabilities of the Discontinued Operation

€ million	30 Jun 2010	30 Sep 2009
Non-current assets	–	100.7
Current assets	–	50.8
Assets held for sale	–	151.5
Non-current provisions and liabilities	–	92.0
Current provisions and liabilities	–	30.5
Liabilities related to assets held for sale	–	122.5

Cash flows from operating, investing and financing activities

€ million	9M 2009/10	9M 2008/09 revised
Cash flow from operating activities	–	+ 43.0
Cash flow from investing activities	–	- 113.0
Cash flow from financing activities	–	+ 271.1
Change in cash and cash equivalents due to exchange rate fluctuation	–	+ 0.0
Change of cash and cash equivalents	–	+ 201.1

Notes on the Consolidated Profit and Loss Statement

As a matter of principle, the consolidated profit and loss statement for the Continuing Operations reflect the seasonality of the tourism business, as a result of which earnings are highest in the months falling into the third and fourth quarters due to the nature of the business. Earnings in the third quarter of 2009/10 reflected the impact caused by the closure of Europe's airspace due to the volcanic eruption in Iceland in April 2010 totalling €127.8m. This negative effect was slightly offset by the strengthening of Sterling against the Euro.

(1) Cost of sales and administrative expenses

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

Lease, rental and leasing expenses

€ million	Q3 2009/10	Q3 2008/09 revised	9M 2009/10	9M 2008/09 revised
Lease, rental and leasing expenses	196.6	176.3	578.7	541.6

Personnel costs

€ million	Q3 2009/10	Q3 2008/09 revised	9M 2009/10	9M 2008/09 revised
Personnel costs	559.2	535.9	1,619.1	1,596.3

Depreciation/amortisation/impairments

€ million	Q3 2009/10	Q3 2008/09 revised	9M 2009/10	9M 2008/09 revised
Depreciation and amortisation	90.4	96.7	280.0	296.2
Impairments of property, plant and equipment	–	–	4.7	19.7
Total	90.4	96.7	284.7	315.9

(2) Other income/Other expenses

Other income/other expenses

€ million	Q3 2009/10	Q3 2008/09 revised	9M 2009/10	9M 2008/09 revised
Other income	34.1	1.4	46.6	38.6
Other expenses	3.9	3.3	8.9	21.7
Total	30.2	-1.9	37.7	16.9

Other income carried in the quarter under review mainly resulted from currency gains in connection with capital reduction measures in foreign subsidiaries (€27.4m).

(3) Financial income/Financial expenses

The financial result for 9M 2009/10 included in particular interest effects of €31.1m from the measurement of the loans and hybrid capital granted to 'Albert Ballin' Holding GmbH & Co. KG and Hapag-Lloyd AG using the effective interest method.

In connection with these loans, charges for interest effects totalling €371.0m were carried for the previous year's comparative period. They resulted from a comparison of appropriate interest rates at the time with the originally agreed interest rates.

(4) Adjustments

In addition to the disclosures required under IFRS, the consolidated profit and loss statement comprises a reconciliation to underlying earnings. The adjustments show deconsolidation income as gains on disposals, events according to IAS 37 as restructuring and effects of purchase price allocations on EBITA, ancillary acquisition

costs and contingent purchase price payments to be carried as expenses as purchase price allocation. This reconciliation also includes the one-off items presented below:

One-off items by sector

€ million	Q3 2009/10	Q3 2008/09 revised	9M 2009/10	9M 2008/09 revised
Tourism	150.3	26.1	176.8	84.1
TUI Travel	145.7	26.1	162.4	82.6
TUI Hotels & Resorts	3.4	–	13.2	1.5
Cruises	1.2	–	1.2	–
All other segments	- 26.8	–	- 26.8	–
Total	123.5	26.1	150.0	84.1

The one-off items carried for the third quarter of 2009/10 included an amount of €127.8m reflecting the impact from the closure of European airspace due to the volcanic eruption in Iceland in April 2010, comprising €123.2m related to TUI Travel, €3.4m related to TUI Hotels & Resorts and €1.2m related to Cruises.

One-off items relating to Other segments consisted of currency effects in connection with capital reduction measures in foreign subsidiaries.

(5) Income taxes

The tax income arising for the first nine months of the financial year was largely attributable to the seasonality in tourism.

The previous year's tax income, which was relatively low in relation to results, was attributable to the negative share of result of Container Shipping and the charges for the loan granted to Container Shipping, which did not affect deferred taxes.

(6) Group loss attributable to minority interests

Group loss attributable to minority interests

€ million	Q3 2009/10	Q3 2008/09 revised	9M 2009/10	9M 2008/09 revised
TUI Travel	- 24.0	6.5	- 188.7	- 182.1
TUI Hotels & Resorts	7.7	5.1	22.4	20.5
Total	- 16.3	+ 11.6	- 166.3	- 161.6

Notes on the Consolidated Statement of Financial Position

The changes in the consolidated statement of financial position as against 30 September 2009 primarily reflected the seasonality in tourism.

The increase in goodwill mainly resulted from the translation of goodwill not carried in the TUI Group's functional currency into Euros.

Moreover, the refinancing agreement concluded in December 2009 between the shareholders of the container shipping line already caused shifts in non-current assets in prior quarters. Under the Container Shipping refinancing agreement, TUI AG converted part of its non-current receivables from Container Shipping into hybrid capital.

Assets held for sale

€ million	30 Jun 2010	30 Sep 2009
Discontinued Operation 'Magic Life'	–	151.5
Property and hotel facilities	195.6	101.9
'Jet4You'	32.3	18.8
Other assets	30.8	55.5
'Canada Mainstream'	–	78.0
Total	258.7	405.7

Liabilities related to assets held for sale

€ million	30 Jun 2010	30 Sep 2009
Discontinued Operation 'Magic Life'	–	122.5
Hotel facilities	46.6	–
'Jet4You'	50.8	23.7
'Canada Mainstream'	–	34.0
Total	97.4	180.2

Non-current financial liabilities decreased by a total of €321.1m to €2,854.0m. Bonds worth €625.0m repayable in May 2011 had to be reclassified to current financial liabilities. Moreover, the floating rate notes repayable in December 2010 now had to be carried under current liabilities at the amount of the liabilities still outstanding (nominal value €455.0m) upon repurchase in the first half of 2009/10 (nominal value €95.0m). In addition, three bonds worth a total of €150.0m, planned to be redeemed in December 2010, now had to be carried as current financial liabilities. TUI Travel PLC issued convertible bonds in October 2009 and April 2010. Further convertible bonds were issued by TUI AG in November 2009. Following deduction of the charge for the conversion right, these bonds had to be recognised as non-current financial liabilities at €934.2m as at 30 June 2010. Facilities newly raised by TUI Travel PLC under the revolving syndicated credit facility amounted to €183.5m as at 30 June 2010.

Current liabilities rose by €1,185.5m to €1,725.2m, primarily due to the reclassification from non-current liabilities.

Changes in Equity

In the period under review, equity declined due to the payment of dividends to non-Group shareholders, above all the dividend paid by TUI Travel PLC on its ordinary shares. In addition, the interest paid on the hybrid capital issued by TUI AG had to be carried as a dividend in accordance with IFRS rules.

Convertible bonds were issued by TUI Travel PLC in October 2009 and April 2010 as well as by TUI AG in November 2009. In accordance with the IFRS rules, the bond components relating to the conversion options had to be classified as equity instruments and carried as equity after deduction of borrowing costs. Overall, the convertible bonds led to an increase in equity of €133.1m.

The goodwill arising from the balance between acquired equity and acquisition costs in acquiring minority interests was eliminated directly against revenue reserves. The acquisition of additional shares in TUI Travel PLC by TUI AG, in particular, resulted in a decrease in equity of €92.3m.

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 €15.9m outside profit or loss in the period under review.

The Group result was negative due to the seasonality in tourism. It was also affected above all by the financial impact of €127.8m from the closure of European airspace due to the volcanic eruption in Iceland in April 2010.

Equity benefited from translation effects caused by the weakening of the Euro, in particular against Sterling, US Dollar and Canadian Dollar, as against 30 September 2009.

The revaluation reserve for cash flow hedges comprised the results of hedges resulting from the effective hedging of future cash flows. In the period under review, these results, which had to be eliminated against equity, totalled €44.6m before taxes, with associated taxes of €-10.4m. Overall, equity thus rose by €34.2m.

The reserve according to IAS 19 comprised profit and losses from changes in actuarial parameters in connection with the measurement of pension obligations and associated fund assets, carried with no effect on results. Due to lower global long-term interest rates and lower fair values of plan assets, pension obligations rose and the value of plan assets declined, in particular in the UK, causing an increase in pension liabilities respectively a decrease in pension assets and therefore in the charges for the reserve according to IAS 19 outside profit or loss.

Contingent Liabilities

As at 30 June 2010, contingent liabilities amounted to €258.0m (as at 30 September 2009: around €254.7m). Contingent liabilities were carried at the level of estimated settlement as at the date of the statement of financial position. They mainly related to guarantees denominated in US Dollar for the benefit of Hapag-Lloyd AG.

Other Financial Commitments

Financial commitments from operating rental, lease and charter agreements

€ million	30 Jun 2010	30 Sep 2009
Nominal value	3,202.3	2,900.9
Fair value	2,726.9	2,446.0

Financial commitments from operating rental, lease and charter agreements rose by €301.4m to €3,202.3m as against 30 September 2009. This increase included an amount of €140.3m for leasing additional aircraft as well as currency effects caused by the strengthening of US Dollar against the Euro. In addition, financial commitments rose by €84.6m due to the charter commitments for an additional cruise liner and an extension of the contract term for a cruise ship already operated.

Remaining other financial commitments

€ million	30 Jun 2010	30 Sep 2009
Order commitments in respect of capital expenditure	1,978.2	2,518.6
Other financial commitments	189.9	555.8
Total (nominal value)	2,168.1	3,074.4
Fair value	1,912.2	2,619.3

As against 30 September 2009, order commitments in respect of capital expenditure, almost exclusively relating to Tourism, decreased by €540.4m to €1,978.2m, above all due to the cancellation of orders for ten B787 aircraft. An opposite effect was mainly driven by the translation effects arising from the strengthening of US Dollar against the Euro.

As at 30 June 2010, the Remaining other financial commitments decreased by €365.9m to €189.9m as against 30 September 2009, above all due to completion of the cash contribution commitment to increase equity in Container Shipping. Unused loan commitments in Tourism also declined.

Notes on the Consolidated Cash Flow Statement

Based on the after-tax Group result, the cash flow from operating activities was established using the indirect method. In the period under review, cash and cash equivalents of the Continuing Operations rose by €228.7m to €1,680.7m.

The inflow of cash from operating activities was €123.6m (previous year: outflow of €361.7m) in the period under review. The considerable rise in the inflow of cash year-on-year was primarily caused by a stronger seasonal increase in advance payments by customers versus the prior year.

The figure for the prior-year comparative period had included an inflow of cash worth €43.0m from operating activities in Container Shipping, sold at the end of March 2009.

The outflow of cash from investing activities totalled €231.1m in the period under review. An outflow of €97.7m arose in connection with the restructuring of the Canadian TUI Travel operations. This item also included the contribution to the capital increase (€123.5m) in Container Shipping. On 31 March 2010, the 'Albert Ballin' consortium took over a loan worth €200.0m granted by TUI AG to Container Shipping, as scheduled.

The cash flow from investing activities also included an outflow of cash for investments in fixed assets in TUI Travel of €183.8m and the hotel companies of €41.9m as well as an inflow of cash of €40.0m from the sale of property.

The inflow of cash from financing activities totalled €298.0m. This inflow was largely attributable to the convertible bonds issued by TUI AG of €211.1m and two convertible bond issues by TUI Travel PLC of €811.4m (each after deduction of borrowing costs). This item also comprised the acquisition of additional shares in TUI Travel PLC by TUI AG (€94.7m). In the first nine months of 2009/10, bonds and financial liabilities worth €573.6m were repaid. Interest payments amounted to €184.8m. Other outflows of cash related to the dividend on TUI AG's hybrid loan (€25.9m) and the dividends for minority shareholders (€72.5m), in particular in TUI Travel PLC.

In addition, cash and cash equivalents rose by €31.9m due to changes in exchange rates.

Segment Indicators

Turnover by divisions and sectors for the period from 1 October 2009 to 30 June 2010

€ million	Q3 2009/10			9M 2009/10		
	External	Group	Total	External	Group	Total
Tourism	4,019.2	1.9	4,021.1	9,808.5	12.0	9,820.5
TUI Travel	3,890.3	8.5	3,898.8	9,409.5	19.8	9,429.3
TUI Hotels & Resorts	97.3	102.9	200.2	266.7	290.2	556.9
Cruises	31.6	–	31.6	132.3	–	132.3
Consolidation	–	- 109.5	- 109.5	–	- 298.0	- 298.0
All other segments	15.8	43.5	59.3	45.9	88.1	134.0
Consolidation	–	- 45.4	- 45.4	–	- 100.1	- 100.1
Continuing Operations	4,035.0	–	4,035.0	9,854.4	–	9,854.4
Discontinued Operation	–	–	–	–	–	–

Turnover by divisions and sectors for the period from 1 October 2008 to 30 June 2009

€ million	Q3 2008/09			9M 2008/09		
	External	Group	Total	External	Group	Total
Tourism	4,155.4	0.9	4,156.3	10,648.5	23.5	10,672.0
TUI Travel	4,004.5	6.9	4,011.4	10,238.2	29.6	10,267.8
TUI Hotels & Resorts	106.3	103.0	209.3	262.6	288.3	550.9
Cruises	44.6	0.8	45.4	147.7	2.7	150.4
Consolidation	–	- 109.8	- 109.8	–	- 297.1	- 297.1
All other segments	16.9	39.9	56.8	71.0	130.5	201.5
Consolidation	–	- 40.8	- 40.8	–	- 154.0	- 154.0
Continuing Operations	4,172.3	0.0	4,172.3	10,719.5	–	10,729.5
Discontinued Operation	–	–	–	2,705.2	–	2,705.2

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

€ million	Q3 2009/10	Q3 2008/09 revised	9M 2009/10	9M 2008/09 revised
Tourism	- 50.3	60.3	- 483.9	- 361.6
TUI Travel	- 66.2	51.8	- 498.6	- 387.2
TUI Hotels & Resorts	14.9	12.0	17.8	33.6
Cruises	1.0	- 3.5	- 3.1	- 8.0
All other segments	17.8	- 11.7	- 2.5	- 74.8
Continuing Operations	- 32.5	48.6	- 486.4	- 436.4
Discontinued Operation	–	- 8.1	–	1,002.6
Total	- 32.5	40.5	- 486.4	566.2

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

€ million	Q3 2009/10	Q3 2008/09 revised	9M 2009/10	9M 2008/09 revised
Tourism	117.4	103.1	- 246.6	- 235.7
TUI Travel	96.9	94.6	- 275.7	- 266.6
TUI Hotels & Resorts	18.3	12.0	31.0	38.9
Cruises	2.2	- 3.5	- 1.9	- 8.0
All other segments	- 9.0	- 11.7	- 29.3	- 76.6
Continuing Operations	108.4	91.4	- 275.9	- 312.3
Discontinued Operation	–	–	–	- 230.1¹⁾
Total	108.4	91.4	- 275.9	- 542.4¹⁾

¹⁾ Including follow-up effects of IFRS 5: Discontinuation of depreciation/amortisation and the income from the measurement of share-holdings using the at equity method. In order to enhance comparability of underlying EBITA, this earnings effect was included in the adjustments for the Discontinued Operation.

Reconciliation to earnings before taxes of the TUI Group

€ million	Q3 2009/10	Q3 2008/09 revised	9M 2009/10	9M 2008/09 revised
EBITA – total	- 32.5	40.5	- 486.4	566.2
Result from Container Shipping measured at equity	74.5	- 54.4	65.5	- 54.4
Interest result from the measurement of loans to Container Shipping	8.2	- 371.0	31.1	- 371.0
Interest result and earnings from the valuation of interest hedges from Continuing Operations	- 79.4	- 48.0	- 215.7	- 189.7
Interest result from Discontinued Operation	-	-	-	- 27.9
Impairment of goodwill	-	-	-	- 31.1
Earnings before taxes on income of TUI Group	- 29.2	- 432.9	- 605.5	- 107.9

As against 30 September 2009, assets changed in line with the seasonality in tourism, in particular in the TUI Travel segment. The assets of the other segments remained largely unchanged.

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 30 September 2009, was retained unamended at the closing date for the interim report. More detailed information on related parties is provided under 'Other notes' in the notes on the consolidated financial statements for 2009.

Financial Calendar 2010

Interim Report 3rd quarter 2009/10	11 August 2010
Annual Press Conference 2009/10	14 December 2010
Annual General Meeting 2011	9 February 2011

Imprint

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The German version of this interim 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

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