TUI AG FINANCIAL YEAR 2010/11

Half-Year Financial Report 1 October 2010 - 31 March 2011

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TUI
Aktiengesellschaft

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Reservation concerning future-related statements

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

Q2 2010/11

TUI Group – Financial Highlights

		Q2 2010/11	Q2 2009/10 revised	Var. %	**H1 2010/11**	H1 2009/10 revised	Var. %
Development of Sectors							
Sector turnover							
TUI Travel	€m	2,923.0	2,707.5	+ 8.0	6,078.5	5,519.2	+ 10.1
TUI Hotels & Resorts	€m	86.6	101.4	- 14.6	163.4	188.8	- 13.5
Cruises	€m	56.2	59.7	- 5.9	96.6	100.7	- 4.1
Sector EBITDA							
TUI Travel	€m	- 128.5	- 199.9	+ 35.7	- 193.7	- 292.0	+ 33.7
TUI Hotels & Resorts	€m	5.9	25.2	- 76.6	27.0	42.2	- 36.0
Cruises	€m	3.3	4.1	- 19.5	1.1	- 0.1	n/a
Underlying sector EBITDA							
TUI Travel	€m	- 208.9	- 195.0	- 7.1	- 263.8	- 267.0	+ 1.2
TUI Hotels & Resorts	€m	26.7	27.7	- 3.6	47.8	44.7	+ 6.9
Cruises	€m	3.3	4.1	- 19.5	1.1	- 0.1	n/a
Sector EBITA							
TUI Travel	€m	- 197.4	- 268.8	+ 26.6	- 331.1	- 432.4	+ 23.4
TUI Hotels & Resorts	€m	6.4	4.4	+ 45.5	8.7	2.9	+ 200.0
Cruises	€m	1.5	2.2	- 31.8	- 2.9	- 4.1	+ 29.3
Underlying sector EBITA							
TUI Travel	€m	- 254.8	- 245.1	- 4.0	- 359.7	- 372.6	+ 3.5
TUI Hotels & Resorts	€m	9.1	14.2	- 35.9	11.4	12.7	- 10.2
Cruises	€m	1.5	2.2	- 31.8	- 2.9	- 4.1	+ 29.3
Development of Group							
Sector turnover	€m	3,078.2	2,883.1	+ 6.8	6,364.3	5,838.8	+ 9.0
Sector EBITDA	€m	- 119.5	- 178.9	+ 33.2	- 163.0	- 264.0	+ 38.3
Underlying sector EBITDA	€m	- 187.2	- 171.5	- 9.2	- 236.5	- 236.5	-
Sector EBITA	€m	- 192.7	- 273.6	+ 29.6	- 325.0	- 453.9	+ 28.4
Underlying sector EBITA	€m	- 255.5	- 240.1	- 6.4	- 375.1	- 384.3	+ 2.4
Net profit for the year	€m	- 209.4	- 265.6	+ 21.2	- 303.6	- 431.6	+ 29.7
Earnings per share	€	- 0.60	- 0.73	+ 17.8	- 0.81	- 1.17	+ 30.8
Equity ratio (31 Mar)	%	-	-	-	16.8	15.5	+ 1.3 *)
Investments in other intangible assets and property, plant and equipment	€m	98.0	61.7	+ 58.8	195.8	155.8	+ 25.7
Net debt (31 Mar)	€m	-	-	-	2,723.5	3,450.9	- 21.1
Employees (31 Mar)		-	-	-	62,329	60,949	+ 2.3

Differences may occur due to rounding
*) percentage points

→ Sound trading performance in Tourism in Q2 2010/11 despite impact of unrest in Tunisia and Egypt

→ Further reduction in financial commitment to Container Shipping

→ Extension of TUI AG's debt maturity profile

Management Report
Economic Situation in Q2 2010/11

General economic situation

Following a slight slowdown at the end of calendar year 2010, the global economy regained momentum in the first quarter of 2011. Economic recovery has therefore increasingly been self-sustaining. In its current forecast, the International Monetary Fund (IMF, World Economic Outlook, April 2011) continues to expect global gross domestic product (GDP) to grow by 4.4% in 2011 and 4.5% in 2012. According to the IMF, the main risk for future economic growth is a longer-term rise in oil prices. In the wake of the political upheavals in the Middle East and North Africa, the price of oil already rose substantially in the first calendar quarter of 2011. However, the industrialised countries have so far only seen minor increases in consumer prices.

Since the end of 2010, the US economy has picked up again. In Japan, the strong earthquake in March 2011 caused production losses. The economies of the Eurozone have continued to show strong variations in economic momentum. In northern Europe, the German economy has out-performed the other Eurozone economies. In the UK, the economy has slowed down due to the austerity programme pursued by the British government in recent months. The southern European countries with their higher public debt levels have remained decoupled from economic recovery this far. In April 2011, the European Central Bank increased its key interest rate for the first time in almost three years from 1.0% to 1.25% with a view to promoting price stability in the Eurozone.

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

Sound trading performance in Tourism impacted by the unrest in Tunisia and Egypt

The positive business performance in Tourism continued in the second quarter of 2010/11. Bookings in most source markets were up year-on-year by the end of the period under review. The political unrest in Tunisia and Egypt and the subsequent conflict in Libya caused a shift in demand away from holiday destinations in North Africa towards alternative holiday regions, e.g. Spain, Greece and Turkey. In the light of this rise in demand, TUI tour operators increased their summer capacities in these destinations.

In the second quarter of 2010/11, the repatriation of customers from Tunisia and Egypt and the temporary cancellation of all travel activities to these two countries created additional costs and turnover losses of €34m in TUI Travel and €4m in TUI Hotels & Resorts. When the travel warnings were lifted, the TUI tour operators recommenced their programmes, initially with lower capacities.

In addition, the late timing of Easter in 2011 caused a shift in earnings of around €20m from the second to the third quarter of 2011/11. Adjusted for this effect, operating earnings (underlying Sector EBITA) of TUI Travel declined by €9.7m to €-254.8m year-on-year. TUI Hotels & Resorts recorded a decline in earnings of €5.1m to €9.1m. In the Cruises Sector, earnings fell by €0.7m to €1.5m.

TUI Travel enters into strategic partnership in the adventure travel segment

In February 2011, TUI Travel announced that the company would enter into a strategic venture for adventure travel and establish a subsidiary with the Australian Intrepid Group. TUI Travel will contribute its entire adventure travel portfolio to the new company. TUI Travel will hold 60% of the subsidiary, which will be fully consolidated by TUI Travel, with Intrepid shareholders holding the remaining 40%.

TUI Travel expects the partnership to deliver sustainable synergies of at least £10m per annum, fully achieved as of 2014, as well as new growth stimuli in this segment.

TUI AG reduces its financial commitment to Container Shipping

At its extraordinary meeting held on 3 March 2011, the Supervisory Board of TUI AG resolved to reduce TUI's stake in Hapag-Lloyd. TUI AG sells 11.33% of its stake in Hapag-Lloyd to the Albert Ballin consortium. These shares have resulted from the conversion of the hybrid I loan into equity in Hapag-Lloyd as per the end of 2010. This conversion operation was based on an agreed warrant. The purchase price for this stake is €315m. In the event of an IPO of Hapag-Lloyd, the purchase price paid by the Albert Ballin consortium will increase by up to €35m (earn out) if certain conditions are met.

Furthermore, Hapag-Lloyd repaid the vendor loan to TUI in April 2011, prior to the due date.

Following completion of the sale of the stake by the end of May 2011, TUI will retain a stake of around 38.4% in Hapag-Lloyd with an investment of €1.54bn (equity of €1.19bn and hybrid capital of €0.35bn).

TUI continues to pursue the goal of optimising its exit from its investment in Hapag-Lloyd and will continue to explore all options for exiting Container Shipping.

See page 17 of this Half-Year Financial Report

A detailed presentation of TUI's financial commitment to Container Shipping is shown in the section Information on Container Shipping.

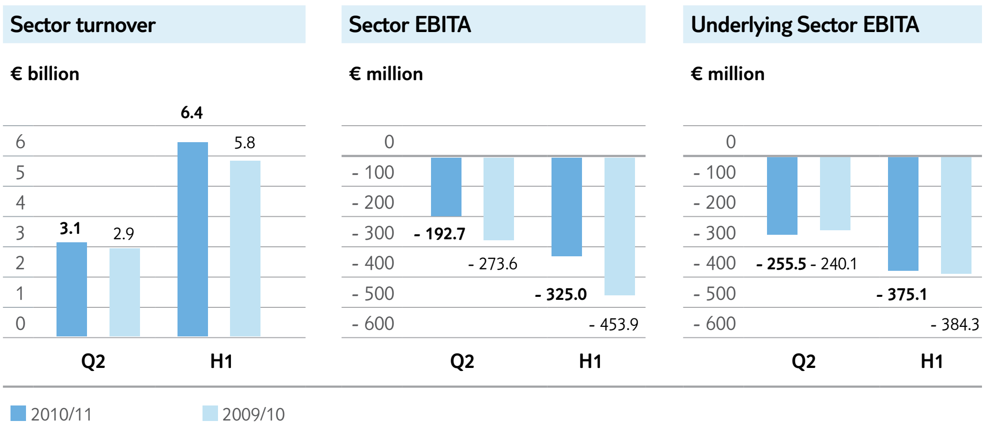
TUI AG extends debt maturity profile

On 24 March 2011 (value date), TUI AG issued convertible bonds with subscription rights for TUI shareholders worth an aggregate principal amount of €339m, with initially 28.6m shares of TUI AG underlying the bonds. The coupon is 2.75% per annum, payable semi-annually in arrears. The bonds will have a maturity of five years. At the end of their maturity, the bonds will be redeemed at 100% of their principal value unless previously converted, redeemed or cancelled. The bonds are callable by the issuer on or after 14 April 2014 if the price of ordinary shares in TUI AG exceeds 130% of the then applicable conversion price (over a certain period of time).

In connection with the issue of the new convertible bonds, TUI AG has launched a partial tender offer targeting its outstanding 5.125% per annum bonds due December 2012 and its outstanding 2.75% per annum bonds due September 2012. In the framework of this tender offer, TUI repurchased outstanding bonds worth around €563m including accrued interest in March 2011. TUI has funded the tender offer with the net proceeds of approximately €334m from the issue of the new convertible bonds and existing cash resources of around €229m.

The transactions will result in an extension of the maturity profile of TUI's financial liabilities.

Earnings by the Sectors



The TUI Group operates in tourism with its operating shareholdings. The section below presents the development of business operations in TUI Travel, TUI Hotels & Resorts and the Cruises Sector and the development of Central Operations in the second quarter and first half of financial year 2010/11.

See page 17

The stake in the Hapag-Lloyd Holding AG of around 49.8% (as per 31 March 2011) is measured at equity in TUI's consolidated financial statements. In accordance with their investment nature, the at equity earnings from the stake in Container Shipping are not included in the TUI Group's operating performance indicator EBITA. Information about the development of business operations in Container Shipping in the period under review is presented in the section Information on Container Shipping.

Development of turnover

Sector turnover

€ million	Q2 2010/11	Q2 2009/10 revised	Var. %	H1 2010/11	H1 2009/10 revised	Var. %
Tourism	3,065.8	2,868.6	+ 6.9	6,338.5	5,808.7	+ 9.1
TUI Travel	2,923.0	2,707.5	+ 8.0	6,078.5	5,519.2	+ 10.1
TUI Hotels & Resorts	86.6	101.4	- 14.6	163.4	188.8	- 13.5
Cruises	56.2	59.7	- 5.9	96.6	100.7	- 4.1
Central Operations	12.4	14.5	- 14.5	25.8	30.1	- 14.3
Sector turnover	**3,078.2**	**2,883.1**	**+ 6.8**	**6,364.3**	**5,838.8**	**+ 9.0**

In the second quarter of 2010/11, turnover by the TUI Group was €3.1bn, up 6.8% year-on-year. This rise in turnover was above all attributable to higher business volumes in TUI Travel. In addition, turnover benefited from the approximately 4% rise in the exchange rate of Sterling against the Euro, which caused an increase in turnover by the British tour operators in Tourism on a Euro basis.

Accumulated turnover for the first half of 2010/11 was €6.4bn, up 9.0% year-on-year. The turnover growth in the first half of the year was driven by higher business volumes in TUI Travel but also the around 4% rise in the Sterling exchange rate.

Development of earnings

Underlying sector EBITA

€ million	Q2 2010/11	Q2 2009/10 revised	Var. %	H1 2010/11	H1 2009/10 revised	Var. %
Tourism	- 244.2	- 228.7	- 6.8	- 351.2	- 364.0	+ 3.5
TUI Travel	- 254.8	- 245.1	- 4.0	- 359.7	- 372.6	+ 3.5
TUI Hotels & Resorts	9.1	14.2	- 35.9	11.4	12.7	- 10.2
Cruises	1.5	2.2	- 31.8	- 2.9	- 4.1	+ 29.3
Central Operations	- 11.3	- 11.4	+ 0.9	- 23.9	- 20.3	- 17.7
Underlying sector EBITA	**- 255.5**	**- 240.1**	**- 6.4**	**- 375.1**	**- 384.3**	**+ 2.4**

Sector EBITA

€ million	Q2 2010/11	Q2 2009/10 revised	Var. %	H1 2010/11	H1 2009/10 revised	Var. %
Tourism	- 189.5	- 262.2	+ 27.7	- 325.3	- 433.6	+ 25.0
TUI Travel	- 197.4	- 268.8	+ 26.6	- 331.1	- 432.4	+ 23.4
TUI Hotels & Resorts	6.4	4.4	+ 45.5	8.7	2.9	+ 200.0
Cruises	1.5	2.2	- 31.8	- 2.9	- 4.1	+ 29.3
Central Operations	- 3.2	- 11.4	+ 71.9	0.3	- 20.3	n/a
Sector EBITA	**- 192.7**	**- 273.6**	**+ 29.6**	**- 325.0**	**- 453.9**	**+ 28.4**

In the second quarter of 2010/11, underlying earnings by the TUI Group, adjusted for one-off effects (underlying Sector EBITA), decreased by €15.4m to €-255.5m year-on-year. They mainly reflected the development of underlying earnings by Tourism, which declined by €15.5m to €-244.2m in the second quarter of 2010/11. Central Operations reported stable year-on-year earnings of €-11.3m.

The decline in earnings by Tourism was mainly driven by the impact of the political unrest in North Africa on TUI Travel and TUI Hotels & Resorts. In the second quarter of 2010/11, the repatriation of customers from Tunisia and Egypt and the temporary cancellation of travel operations to these two countries generated additional costs and turnover losses of €34m in TUI Travel and €4m in TUI Hotels & Resorts.

Moreover, due to the late timing of Easter in 2011, the associated profit contributions of around €20m in Tourism will only be generated in the third quarter, while they already arose in the second quarter in the previous year.

Apart from the above-mentioned adverse effects, earnings by TUI Travel also reflected the sound development of business in the Nordics and Canada and the improved performance of the French Corsair airline as against the previous year. In the second quarter, underlying earnings by TUI Travel declined by €9.7m year-on-year to €-254.8m.

Earnings by TUI Hotels & Resorts decreased by €5.1m to €9.1m year-on-year in the second quarter. While hotels in the Canary Islands benefited from higher customer numbers from the European source markets and the hotel complexes in the Caribbean recorded stronger demand from the US market, the development of earnings was adversely affected by the political unrest in North Africa.

At €1.5m, earnings by the Cruises Sector were €0.7m down year-on-year. The performance of Hapag-Lloyd Kreuzfahrten was impacted by start-up costs in connection with the fleet expansion programme. Moreover, MS Europa only offered a reduced cruise programme in the second quarter of 2010/11 due to a dry-dock period. The Mein Schiff vessel operated by TUI Cruises showed a positive development in its second winter season.

Underlying earnings by Central Operations totalled €-11.3m in the second quarter of 2010/11, flat on the prior year.

Accumulated underlying earnings by the TUI Group amounted to €-375.1m for the first half of 2010/11; they thus rose by €9.2m year-on-year.

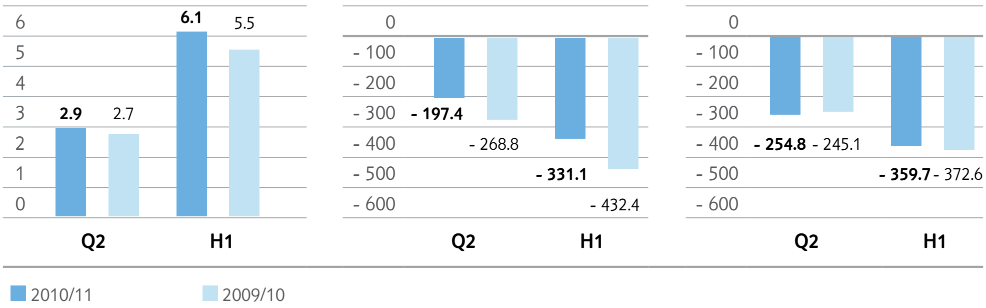
Underlying sector EBITA: TUI Group

€ million	**Q2 2010/11**	Q2 2009/10 revised	Var. %	**H1 2010/11**	H1 2009/10 revised	Var. %
Sector EBITA	**- 192.7**	**- 273.6**	**+ 29.6**	**- 325.0**	**- 453.9**	**+ 28.4**
Gains on disposal	-	- 2.0		-	- 2.0	
Restructuring	+ 1.1	+ 9.6		+ 10.7	+ 13.2	
Purchase price allocation	+ 19.0	+ 16.3		+ 39.5	+ 31.9	
Other one-off items	- 82.9	+ 9.6		- 100.3	+ 26.5	
Underlying sector EBITA	**- 255.5**	**- 240.1**	**- 6.4**	**- 375.1**	**- 384.3**	**+ 2.4**

In the second quarter of 2010/11, the balance of adjustments to be carried was €62.8m. They mainly resulted from income posted by TUI Travel in connection with a reduction in its pension obligations. The Group's reported Sector EBITA was €-192.7m in the first quarter, up €80.9m year-on-year. For the first six months, reported Sector EBITA totalled €-325.0m, with accumulated adjustments totalling €50.1m in net terms.

TUI Travel

Sector turnover — **€ billion** | **Sector EBITA** — **€ million** | **Underlying Sector EBITA** — **€ million**



TUI Travel - Key figures

€ million	Q2 2010/11	Q2 2009/10 revised	Var. %	H1 2010/11	H1 2009/10 revised	Var. %
Sector turnover	2,923.0	2,707.5	+ 8.0	6,078.5	5,519.2	+ 10.1
Sector EBITA	**- 197.4**	**- 268.8**	**+ 26.6**	**- 331.1**	**- 432.4**	**+ 23.4**
Gains on disposal	-	- 2.0		-	- 2.0	
Restructuring	+ 1.1	+ 9.6		+ 10.7	+ 13.2	
Purchase price allocation	+ 19.0	+ 16.3		+ 39.5	+ 31.9	
Other one-off items	- 77.5	- 0.2		- 78.8	+ 16.7	
Underlying sector EBITA	**- 254.8**	**- 245.1**	**- 4.0**	**- 359.7**	**- 372.6**	**+ 3.5**
Underlying sector EBITDA	- 208.9	- 195.0	- 7.1	- 263.8	- 267.0	+ 1.2
Investments in other intangible assets and property, plant and equipment	79.4	50.9	+ 56.0	146.3	125.5	+ 16.6
Employees (31 Mar)	47,822	45,966	+ 4.0	47,822	45,966	+ 4.0

In the second quarter of 2010/11, turnover by TUI Travel climbed by 8.0% year-on-year. This increase was primarily attributable to a positive foreign exchange effect from the 4% rise of Sterling against the Euro and higher customer numbers in the Mainstream Business.

At €-254.8m, underlying earnings by TUI Travel declined by €9.7m year-on-year. This decrease in earnings posted in spite of a sound business performance was mainly driven by the political unrest in Tunisia and Egypt. The repatriation of customers and the temporary cancellation of travel to these two countries caused additional expenses and turnover losses of €34m in TUI Travel in the second quarter of 2010/11.

In addition, earnings of around €20m were shifted from the second to the third quarter of 2010/11 due to the late timing of Easter in 2011.

Despite the disruption of trading for destinations in North Africa, the overall strong demand for travel products triggered a slight rise in customer numbers in TUI tour operators in almost all source markets in the second quarter. Earnings by TUI Travel also benefited in particular from the persistently sound business performance of tour operators in the Nordics and Canada and the improvement in the performance of the French Corsair airline in the second quarter of 2010/11.

In the second quarter of 2010/11, TUI Travel had to carry net adjustments worth €57.4m:

- restructuring costs of €1.1m, mainly arising in connection with the restructuring of the tour operator and airline business in France,
- effects of purchase price allocations worth €19.0m, and
- one-off effects of €77.5m, in particular income from the reduction in pension obligations.

In the second quarter of 2010/11, reported earnings by TUI Travel grew by €71.4m year-on-year to €-197.4m. Accumulated reported earnings for the first half of 2010/11 improved by €101.3m to €-331.1m year-on-year. Underlying earnings for the first half of the year declined by €12.9m to €-359.7m.

Mainstream

Customer numbers Mainstream

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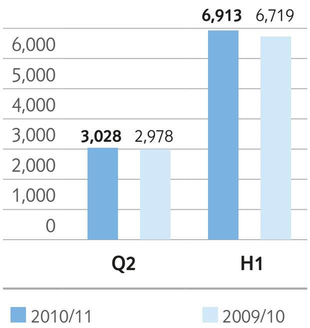

Mainstream is the largest business line within TUI Travel and comprises sales of flights, accommodation and other tourism services in three divisions: Central Europe, Northern Region and Western Europe. In the second quarter of 2010/11, the Mainstream Business serviced a total of 3,028 thousand guests, an increase of 1.7% year-on-year.

Central Europe

Customer numbers Central Europe

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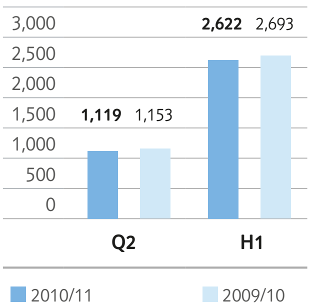

In the Central Europe Division (Germany, Austria, Switzerland, Poland and airline TUIfly), customer numbers decreased by 2.9% year-on-year in the second quarter of 2010/11.

German tour operators recorded a positive development of business year-on-year, which, however, was impacted by the cost for the repatriation of customers from Tunisia and Egypt and the temporary cancellation of travel to these two countries. The resulting effect was not fully offset by the rise in demand for holiday destinations in the Western Mediterranean. In March 2011, programmes to Tunisia and Egypt were recommenced with lower capacities, while the portfolio of alternative holiday destinations was increased. In Switzerland, TUI Suisse reported a sustained positive performance. TUI Austria continued its positive business development in the second quarter but also recorded higher expenses for the integration of travel shops acquired in the previous year. TUI Poland recorded a substantial increase in trading volumes, in particular in the lates segment.

Northern Region

Customer numbers Northern Region

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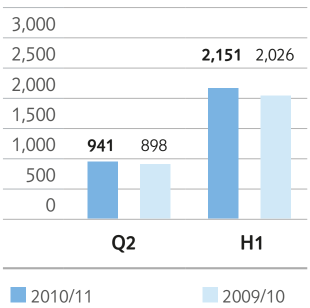

In the Northern Region (UK, Ireland, Canada, Nordics, airlines Thomson Airways and TUIfly Nordic and the hotel business of the Northern Region), customer numbers rose by 4.8% year-on-year in the second quarter of 2010/11.

Overall, the Northern Region showed a gratifying performance in the second quarter of 2010/11, in particular due to the sound development of business in Canada and the Nordics. In the UK, winter capacity increased as larger aircraft continued to be operated in the second quarter, causing a reduction in load factors. The British TUI tour operators were also impacted by the unrest in North Africa. The hotels previously managed in the Nordics segment are now treated as a separate reporting level. Their development was characterised by seasonal losses of the Turkish hotel management company, which had been acquired in 2010.

Western Europe

Customer numbers Western Europe

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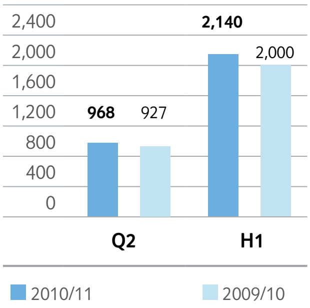


In the Western Europe Division (France, the Netherlands, Belgium and airlines Corsairfly, Arkefly and Jetairfly) volumes grew by 4.5% year-on-year in the second quarter of 2010/11.

As Tunisia is a key holiday destination for the French market, the political unrest in North Africa significantly impacted the development of business in Nouvelles Frontières and Marmara in the second quarter. As a result, the positive development which had been initiated for the two tour operator brands was temporarily interrupted. Marmara, in particular, was unable to replace the cancelled offerings of attractive, company-owned club hotels in Tunisia with alternative travel offerings in the short term.

The French Corsair airline recorded a positive development. Thanks to a more favourable flight schedule and a higher proportion of direct flights, Corsair achieved a year-on-year increase in its load factor. Activities in the Netherlands also showed a positive development. Capacity for the summer season was increased in response to strong demand in the period under review. TUI Belgium continued the sound development of the previous quarter. Due to the unrest in North Africa and the late timing of Easter in 2011, however, its business performance declined slightly in the second quarter of 2010/11.

Emerging Markets

The Emerging Markets Business comprises activities in growth markets, in particular Russia. Earnings in the second quarter of 2010/11 continued to reflect the costs incurred to launch the TUI brand in Russia and the CIS states and to set up the organisation.

Specialist & Activity

The Specialist & Activity Business comprises tour operators in six divisions: Adventure, North American Specialist, Education, Sport, Marine and Specialist Holidays Group.

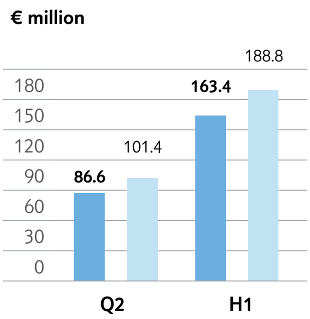
The development of the divisions in this business line varied in the second quarter. The premium tour operators in North America benefited from stronger demand and the reexpansion of the luxury travel portfolio, e.g. luxury private jet tours. The tour operators for experiential tours managed in the Adventure Division reported a year-on-year decline in margins.

Accommodation and Destinations (A&D)

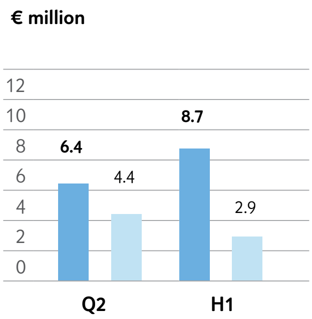
The A&D Business comprises online services and incoming agencies. Online services continued to record considerable volume growth in the second quarter of 2010/11 following an expansion of its portfolio and associated marketing activities. The incoming agencies also reported a positive performance, with the exception of agencies in Tunisia and Egypt. Earnings benefited from volume growth in individual destinations and the restructuring programmes implemented in the previous year.

TUI Hotels & Resorts

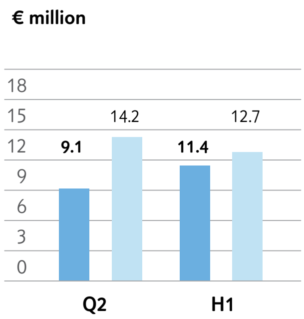
Sector turnover



Sector EBITA



Underlying Sector EBITA



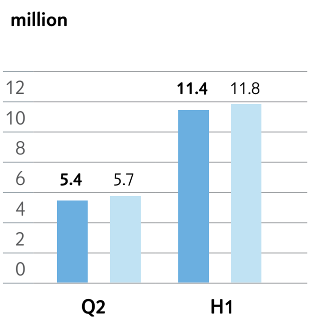
2010/11 2009/10

TUI Hotels & Resorts - Key figures

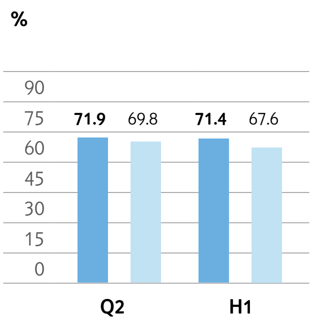
€ million	Q2 2010/11	Q2 2009/10 revised	Var. %	H1 2010/11	H1 2009/10 revised	Var. %
Total turnover	183.6	198.7	- 7.6	365.1	376.1	- 2.9
Sector turnover	86.6	101.4	- 14.6	163.4	188.8	- 13.5
Sector EBITA	**6.4**	**4.4**	**+ 45.5**	**8.7**	**2.9**	**+ 200.0**
Gains on disposal	-	-		-	-	
Restructuring	-	-		-	-	
Purchase price allocation	-	-		-	-	
Other one-off items	+ 2.7	+ 9.8		+ 2.7	+ 9.8	
Underlying sector EBITA	**9.1**	**14.2**	**- 35.9**	**11.4**	**12.7**	**- 10.2**
Underlying sector EBITDA	26.7	27.7	- 3.6	47.8	44.7	+ 6.9
Investments in other intangible assets and property, plant and equipment	17.5	10.6	+ 65.1	46.6	23.4	+ 99.1
Employees (31 Mar)	13,650	14,098	- 3.2	13,650	14,098	- 3.2

The Group's hotel companies are pooled in TUI Hotels & Resorts. In the second quarter of 2010/11, the Sector reported a total of 3.9m bednights (previous year: 4.0m). Bed occupancy was 71.9% in the second quarter of 2010/11, up 2.1 percentage points on the previous year. The development of business varied for the individual hotel groups and regions.

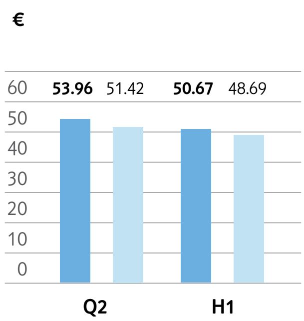
Capacity [1]



Occupancy [2]



Average revenue per bed [3]



2010/11 2009/10

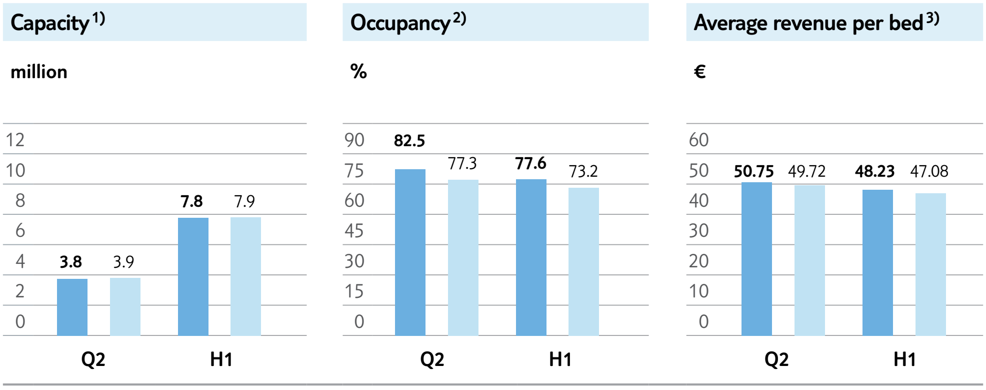
[1] Group owned or leased hotel beds multiplied by opening days per year
[2] Occupied beds divided by capacity
[3] Arrangement revenue divided by occupied beds

At €183.6m, total turnover by TUI Hotels & Resorts was down year-on-year. Due to overall good demand and lower capacity, occupancy and average revenues per bed grew overall year-on-year. Sector turnover with non-Group third parties decreased to €86.6m in the second quarter of 2010/11, down 14.6% year-on-year.

Underlying earnings totalled €9.1m in the second quarter of 2010/11, down €5.1m year-on-year. This decline was mainly attributable to negative impacts driven by the political unrest in Tunisia and Egypt worth €4m while Riu hotels reported improvements in their performance. Accumulated underlying earnings for the first half of 2010/11 totalled €11.4m, down €1.3m year-on-year.

In the second quarter of 2010/11, TUI Hotels & Resorts had to carry net adjustments of €2.7m for one-off effects. They mainly related to the reversal of value adjustments for hotel facilities effected in the previous year, carried alongside expenses of almost the same amount.

Riu



2010/11 2009/10

[1] Group owned or leased hotel beds multiplied by opening days per year
[2] Occupied beds divided by capacity
[3] Arrangement revenue divided by occupied beds

Riu, one of Spain's leading hotel chains, operated 102 hotels in the period under review. Capacity decreased by 2.3% year-on-year to 3.8m hotel beds available. Average occupancy of Riu hotels in the second quarter of 2010/11 grew by 5.2 percentage points to 82.5% year-on-year. Average revenues per bed rose by 2.2%.

Business developed as follows in the individual regions:

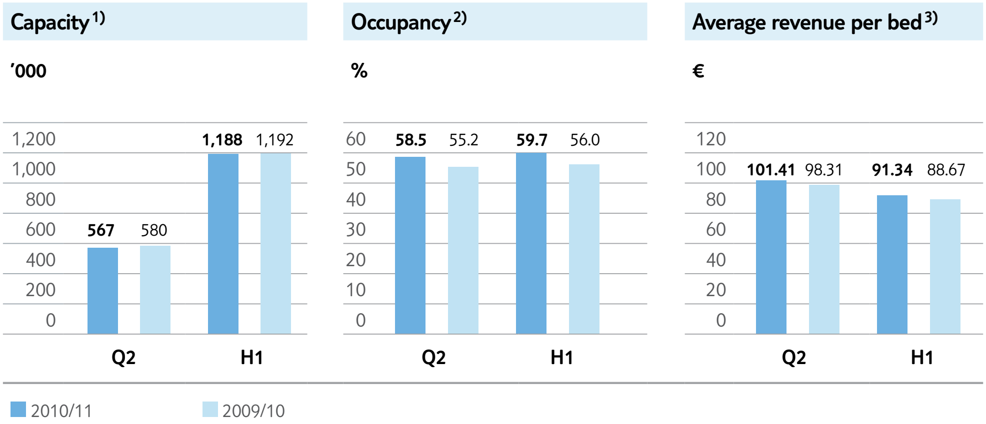
Average occupancy of Riu hotels in the Canaries rose by 14.3 percentage points to 90.4% year-on-year. This improvement reflected in particular stronger demand for the Canaries. Moreover, many tour operator customers decided to rebook their holiday to the Canaries against the backdrop of the political unrest in Tunisia and Egypt.

At 63.4%, occupancy of Riu hotels in the Balearics was down 6.6 percentage points year-on-year. The main reasons for this development were the bad weather in January and in particular the decline in customer volume from the Spanish market, affected by the financial crisis.

Average occupancy of Riu hotels in mainland Spain grew by 2.0 percentage points to 56.1%.

In the longhaul segment, Riu hotels recorded an average occupancy rate of 87.8%, up 1.9 percentage points on the prior year. The increase was above all driven by stronger demand in the US for hotels in Mexico and the Caribbean. Average revenues per bed were flat on the prior year.

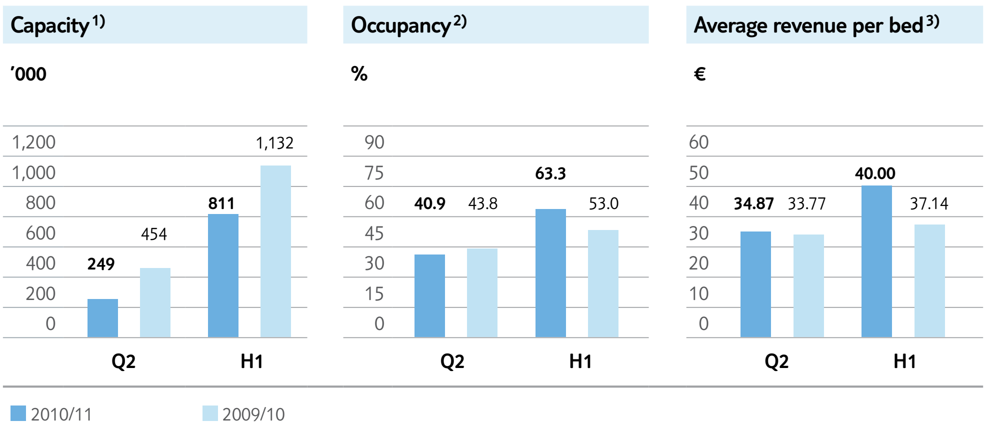
Robinson



1) Group owned or leased hotel beds multiplied by opening days per year
2) Occupied beds divided by capacity
3) Arrangement revenue divided by occupied beds

At the end of the second quarter of 2010/11, 17 club facilities operated by Robinson, market leader in the premium club holiday segment, were open. A club facility in Spain was opened later for seasonal reasons. As a result, capacity was down year-on-year. The Robinson clubs in Spain and the Robinson Club in the Maldives achieved higher occupancy rates as against the previous year. The resorts in Switzerland, Germany and Egypt reported lower occupancy rates. Occupancy grew by 3.3 percentage points year-on-year for the overall Robinson Group. Average revenues per bed climbed by 3.2%.

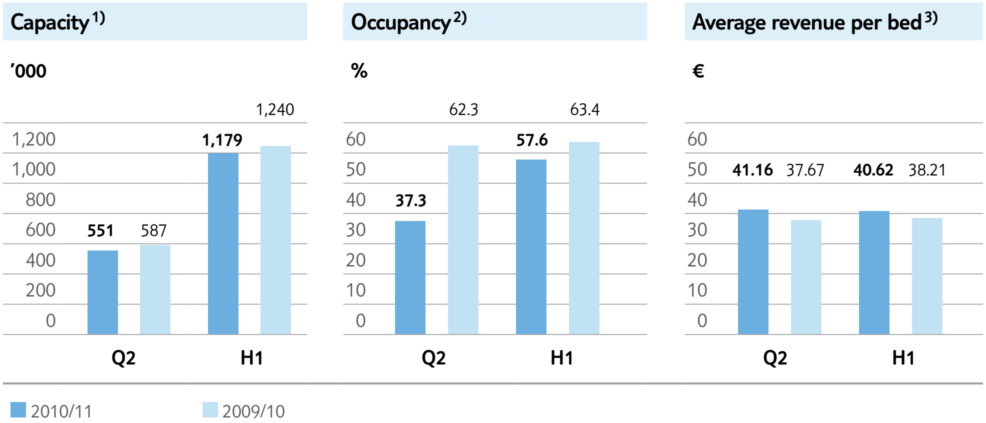
Magic Life



1) Group owned or leased hotel beds multiplied by opening days per year
2) Occupied beds divided by capacity
3) Arrangement revenue divided by occupied beds

In the period under review, Magic Life, the all-inclusive club brand, only operated five of its 14 facilities at the end of the second quarter for seasonal reasons. Capacity on offer declined by 45.2% as the clubs in Tunisia and Egypt were temporarily closed because of the political unrest and one club in Turkey opened later in the season. Following the re-opening of the resorts in Tunisia and Egypt, occupancy rates were 2.9 percentage points down year-on-year. Average revenues per bed grew slightly by 3.3% year-on-year.

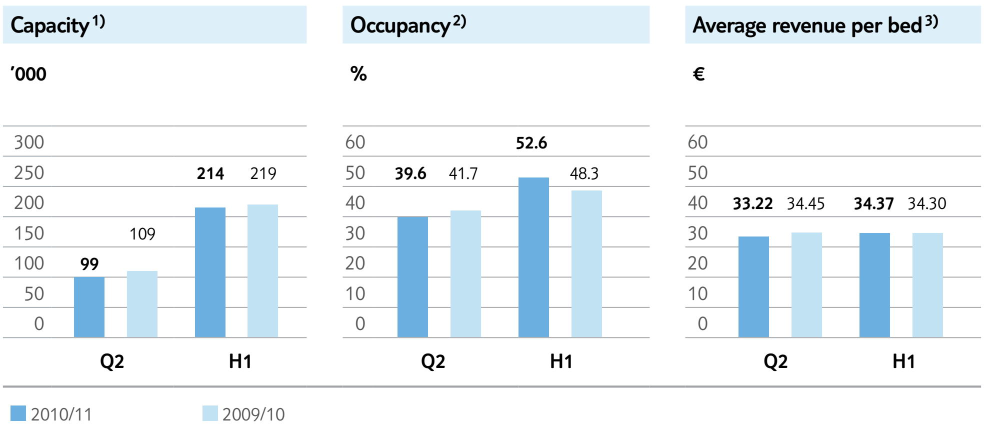
Iberotel



[1] Group owned or leased hotel beds multiplied by opening days per year
[2] Occupied beds divided by capacity
[3] Arrangement revenue divided by occupied beds

In the second quarter of 2010/11, 21 facilities in Egypt, the United Arab Emirates and Germany were open. Iberotel also operates hotels in Turkey and Italy, which were closed for seasonal reasons. The temporary closure of hotels in Egypt caused a slight decline in capacity. Following the re-opening of the facilities, Iberotels in Egypt, in particular, recorded low occupancy rates. As a result, total occupancy of Iberotels decreased to 37.3%, down 25.0 percentage points year-on-year. Average revenues per bed grew by 9.3%.

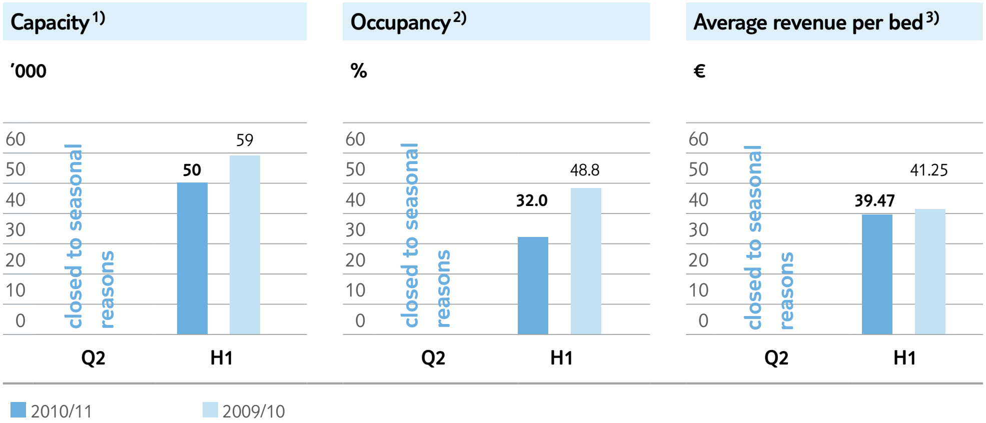
Grupotel



[1] Group owned or leased hotel beds multiplied by opening days per year
[2] Occupied beds divided by capacity
[3] Arrangement revenue divided by occupied beds

At the end of the second quarter of 2010/11, 13 hotels of the Grupotel chain, represented in Majorca, Menorca and Ibiza, were open. Due to changes in opening schedules, capacity declined by 8.5%. Occupancy of the reduced capacity was 39.6%, down 2.1 percentage points year-on-year. Average revenues per bed also decreased by 3.8% year-on-year.

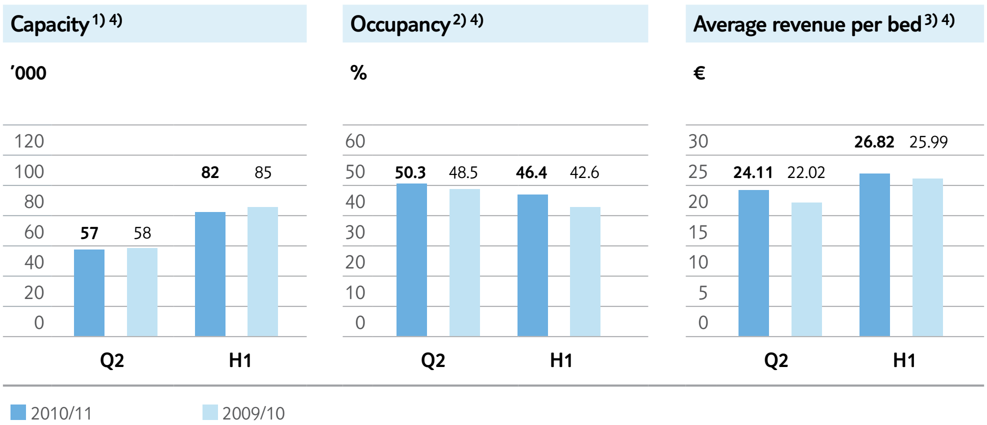
Grecotel



[1] Group owned or leased hotel beds multiplied by opening days per year
[2] Occupied beds divided by capacity
[3] Arrangement revenue divided by occupied beds

All resorts operated by Grecotel, the leading Greek hotel company, were closed for seasonal reasons in the second quarter of 2010/11.

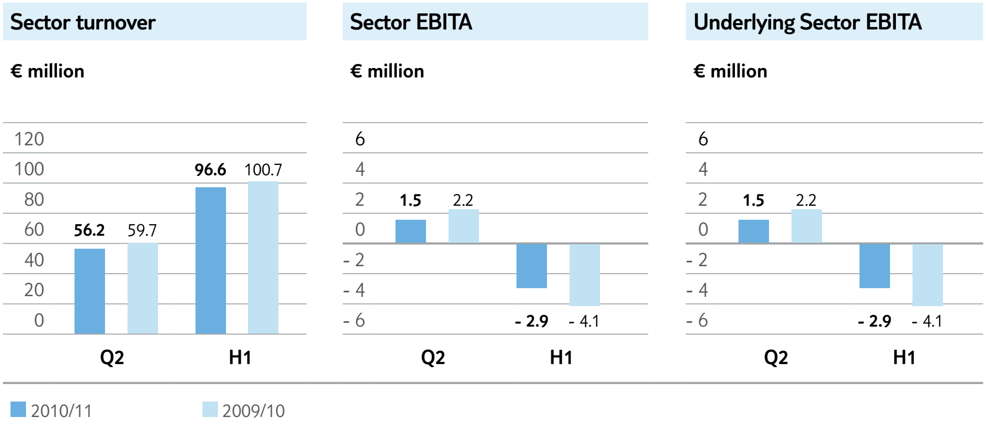
Dorfhotel



[1] Group owned or leased hotel beds multiplied by opening days per year
[2] Occupied beds divided by capacity
[3] Arrangement revenue divided by occupied beds
[4] Figures refer to two owned hotels

The indicators relate to the two Group-owned Dorfhotel complexes in Austria. Dorfhotel additionally operates the Dorfhotels in Land Fleesensee, Sylt, and Boltenhagen on the Baltic Sea as a management company. On slightly lower capacity, Dorfhotel reported an increase in occupancy of 1.8 percentage points in the second quarter of 2010/11. Average revenues per bed rose by 9.5% in the period under review.

Cruises



The Cruises Sector comprises Hapag-Lloyd Kreuzfahrten and the joint venture TUI Cruises. The German-speaking market for cruises was characterised by a continued rise in demand in the second quarter of 2010/11. This affected both the niche market for luxury and expedition cruises of Hapag-Lloyd Kreuzfahrten and the volume market for premium cruises, served by TUI Cruises. Both companies are planning to expand their fleets in the short to medium term to strengthen their market positions in this growth market.

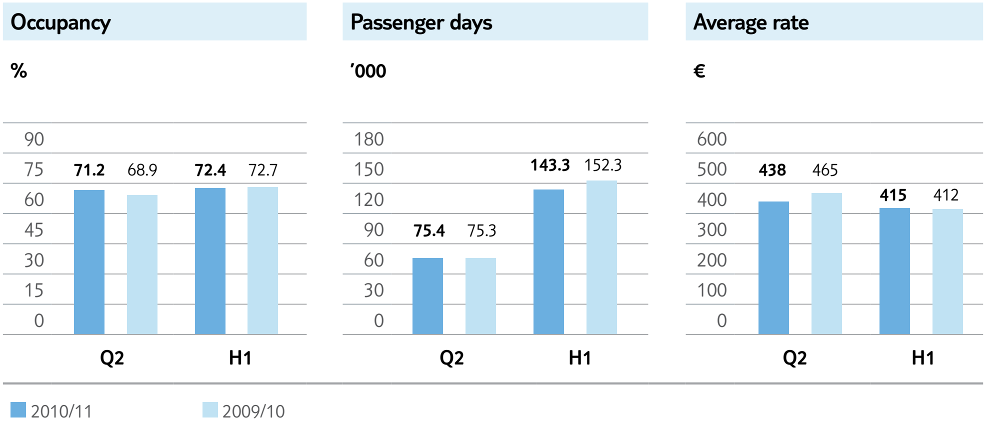
Cruises - Key figures

€ million	Q2 2010/11	Q2 2009/10	Var. %	H1 2010/11	H1 2009/10	Var. %
Sector turnover	56.2	59.7	- 5.9	96.6	100.7	- 4.1
Sector EBITA	**1.5**	**2.2**	**- 31.8**	**- 2.9**	**- 4.1**	**+ 29.3**
Gains on disposal	-	-		-	-	
Restructuring	-	-		-	-	
Purchase price allocation	-	-		-	-	
Other one-off items	-	-		-	-	
Underlying sector EBITA	**1.5**	**2.2**	**- 31.8**	**- 2.9**	**- 4.1**	**+ 29.3**
Underlying sector EBITDA	3.3	4.1	- 19.5	1.1	- 0.1	n/a
Investments in other intangible assets and property, plant and equipment	0.9	- 0.5	n/a	2.3	4.8	- 52.1
Employees (31 Mar)	249	226	+ 10.2	249	226	+ 10.2

In the second quarter of 2010/11, turnover by the Cruises Sector totalled €56.2m, down 5.9% year-on-year due to an unscheduled dry-dock period of MS Europa. The joint venture TUI Cruises is measured at equity in the consolidated financial statements; its turnover is therefore not shown here.

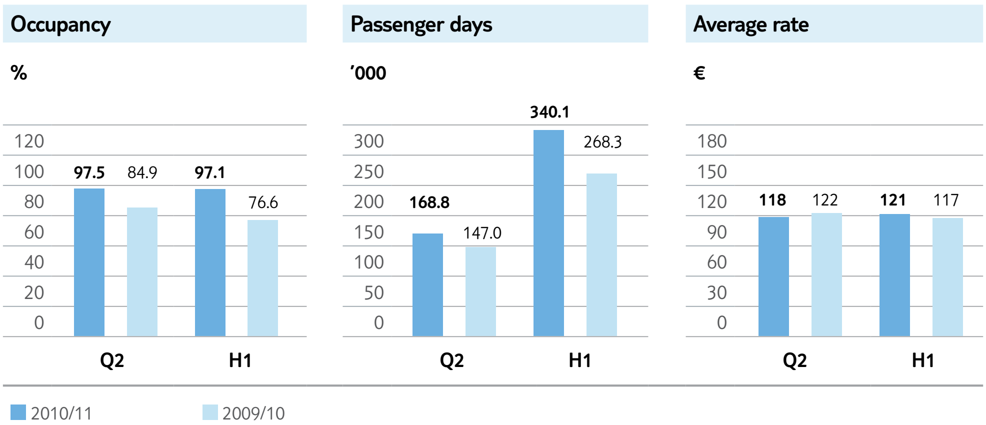
In the second quarter of 2010/11, underlying earnings by the Cruises Sector stood at €1.5m, down €0.7m year-on-year. The improvement in earnings by TUI Cruises did not offset the weaker performance of Hapag-Lloyd Kreuzfahrten. Both companies were impacted by start-up costs incurred in connection with the expansion of their fleets. Accumulated underlying earnings for the first half of the year rose by €1.2m year-on-year to €-2.9m.

Hapag-Lloyd Kreuzfahrten



In the second quarter of 2010/11, Hapag-Lloyd Kreuzfahrten achieved an increase in the load factor for its four vessels of 2.3 percentage points year-on-year to 71.2%. In the second quarter, 75,353 passenger days were achieved, flat on the prior year. This number reflected a decline in passenger days for MS Europa due to a dry-dock period, offset by an increase in passenger days for MS Columbus. The lost cruise days caused by the dry-dock period of MS Europa also impacted the average rate per passenger per day, which was €438, down around 5.8% year-on-year.

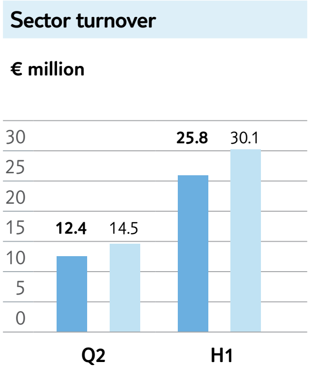
TUI Cruises

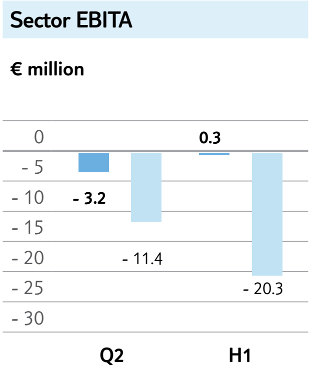


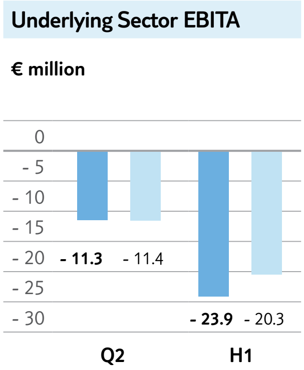
In the second quarter of 2010/11, TUI Cruises achieved a significant increase in the load factor of Mein Schiff of 12.6 percentage points year-on-year to 97.5%. This rise reflected the attractiveness of the Canaries as a winter cruise lane and the high level of passenger satisfaction in TUI Cruises, which continued to rise after the introduction of the "Premium all-inclusive concept". In the second quarter of 2010/11, 168,785 passenger days were recorded. The average rate per passenger per day was €118, down 3.3% year-on-year. The decrease in the average rate was mainly attributable to the introduction of attractive fixed rates for children.

Mein Schiff 2 will be commissioned in May 2011. All conversion and refurbishment operations are on schedule. Current trading for the second vessel operated by TUI Cruises also shows a very positive development.

Central Operations







2010/11 2009/10

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

Central Operations - Key figures

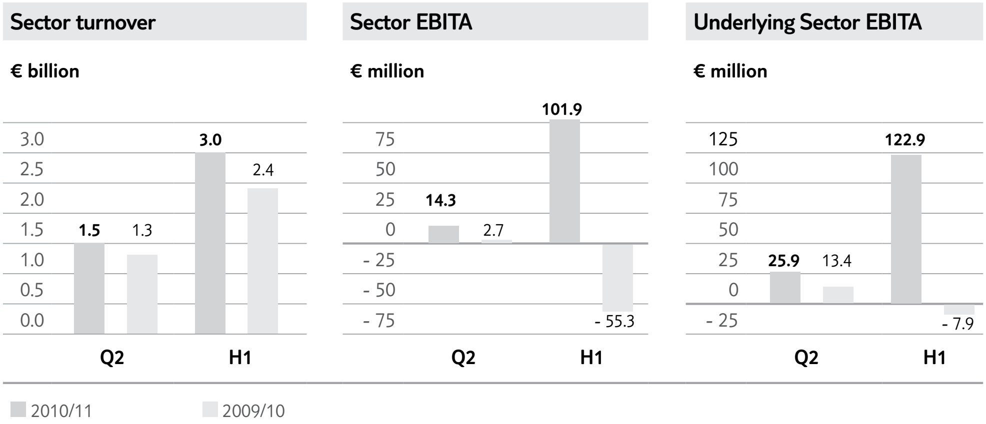
€ million	Q2 2010/11	Q2 2009/10 revised	Var. %	H1 2010/11	H1 2009/10 revised	Var. %
Sector turnover	12.4	14.5	- 14.5	25.8	30.1	- 14.3
Sector EBITA	**- 3.2**	**- 11.4**	**+ 71.9**	**0.3**	**- 20.3**	**n/a**
Gains on disposal	-	-		-	-	
Restructuring	-	-		-	-	
Purchase price allocation	-	-		-	-	
Other one-off items	- 8.1	-		- 24.2	-	
Underlying sector EBITA	**- 11.3**	**- 11.4**	**+ 0.9**	**- 23.9**	**- 20.3**	**- 17.7**
Underlying sector EBITDA	- 8.3	- 8.3	-	- 21.6	- 14.1	- 53.2
Investments in other intangible assets and property, plant and equipment	0.2	0.7	- 71.4	0.6	2.1	- 71.4
Employees (31 Mar)	608	659	- 7.7	608	659	- 7.7

In the second quarter of 2010/11, underlying earnings by Central Operations totalled €-11.3m, flat on the prior year. Accumulated underlying earnings for the first half of the year totalled €-23.9m, up €3.6m.

In the quarter under review, Central Operations had to carry adjustments worth €8.1m. They related to book profits from the sale of the Rosenstrasse property in Hamburg, occupied by Hapag-Lloyd AG, to Hapag-Lloyd AG.

At €-3.2m, reported earnings by Central Operations were up €8.2m year-on-year in the second quarter of 2010/11. Accumulated reported earnings for the first half of the year stood at €0.3m, a year-on-year improvement of €20.6m.

Information on Container Shipping



The 49.8% stake (as per end of March 2011; previous year 43.33%) in Hapag-Lloyd Holding AG, taken after the sale of Container Shipping, is measured at equity in TUI's consolidated financial statements. Since the stake in Hapag-Lloyd Holding AG constitutes a financial investment from TUI AG's perspective, the proportionate at equity result is not included in the TUI Group's operating performance indicator EBITA. For information purposes, the table below presents Container Shipping from Hapag-Lloyd AG's perspective on a 100 per cent basis.

Container Shipping - Key figures

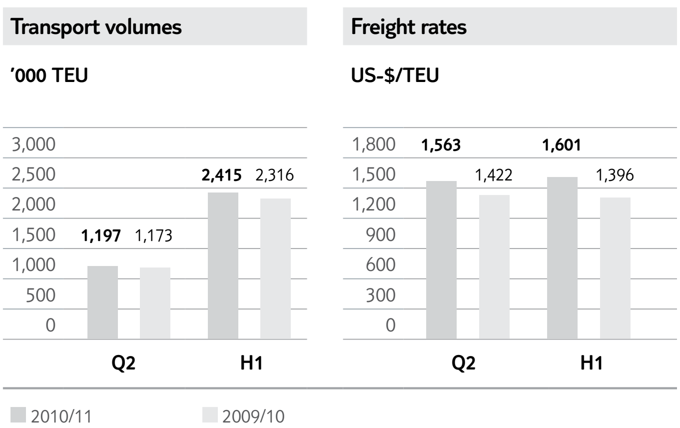
€ million	Q2 2010/11	Q2 2009/10	Var. %	H1 2010/11	H1 2009/10	Var. %
Turnover	1,485.7	1,268.8	+ 17.1	3,018.6	2,415.7	+ 25.0
EBITA	**14.3**	**2.7**	**+ 429.6**	**101.9**	**- 55.3**	**n/a**
Gains on disposal	- 0.5	-		+ 1.6	+ 1.4	
Restructuring	-	-		+ 0.1	+ 0.4	
Purchase price allocation	+ 12.1	+ 11.7		+ 24.4	+ 22.9	
Other one-off items	-	- 1.0		- 5.1	+ 22.7	
Underlying EBITA	**25.9**	**13.4**	**+ 93.3**	**122.9**	**- 7.9**	**n/a**

Turnover and earnings

Turnover by Container Shipping rose by 17.1% year-on-year to around €1.5bn in the second quarter of 2010/11. This development was driven by the 2.0% rise in transport volumes and the 9.9% growth in freight rate levels over the previous year. Turnover was also affected by the 1% weakening of the US Dollar exchange rate against the Euro.

Underlying earnings rose by €12.5m to €25.9m in the second quarter of 2010/11. Adjustments worth €11.6m had to be carried for special one-off effects. Earnings before adjustment for these effects were €14.3m, up €11.6m year-on-year. The improvement in earnings was above all attributable to a substantial rise in freight rates and a slight increase in transport volumes year-on-year. By contrast, the earnings situation was adversely affected by a substantial increase in ship bunker prices.

Transport volumes and freight rates in Container Shipping



In the second quarter of 2010/2011, Hapag-Lloyd achieved a year-on-year increase in transport volumes of 2.0% to 1,197 thousand standard container units (TEU). This growth was largely driven by the Latin America, Trans-Pacific and Australasia trade lanes, while transport volumes in the Far East routes fell short of the previous year's levels.

The average freight rate stood at 1,563 US$/TEU in the second quarter of 2010/11, up 9.9% year-on-year. Rates rose in almost all trade lanes, also reflecting higher bunker prices. However, pressure on freight rates intensified in the second quarter due to stronger competition, in particular in the Far East trade lane, so that the freight rates moved back to the previous year's level.

The accumulated transport volume for the first half of 2010/11 totalled 2.416m TEU, up 4.3% up year-on-year. Freight rates improved by 14.7% year-on-year to 1,601 US$/TEU.

Financial commitment to Container Shipping

Financial exposure of TUI AG in Container Shipping

€ million	30 Sep 2010	31 Mar 2011	30 Jun 2011 prospected*)
Equity stake	**1,187**	**1,537**	**1,187**
Investment share TUI AG	43.2%	49.8%	38.4%
TUI short-term loan	227	-	-
TUI vendor loan	180	180	-
Loans	**407**	**180**	**-**
Hybrid capital I	350	-	-
Hybrid capital II	350	350	350
Hybrid capital III	215	-	-
Hybrid capital	**915**	**350**	**350**
Financial exposure	**2,509**	**2,067**	**1,537**

*) prospective view incl. agreed and fullfilled transactions

TUI's financial commitment to Container Shipping accounted for around €2.07bn as per the end of the second quarter of 2010/11. After the closing date, Hapag-Lloyd repaid the TUI vendor loan in early April 2011, ahead of the due date.

Following completion of the agreed sale of 11.33% of the Hapag-Lloyd stake to the Albert Ballin consortium at the end of May 2011, TUI AG's exposure will be reduced to around €1.54bn (equity of €1.19bn and hybrid capital of €0.35bn). TUI AG's stake in Hapag-Lloyd will thus decrease from the currently around 49.8% to around 38.4%.

Consolidated earnings

Consolidated Income Statement of the TUI Group

€ million	Q2 2010/11	Q2 2009/10 revised	Var. %	H1 2010/11	H1 2009/10 revised	Var. %
Turnover	3,078.2	2,883.1	+ 6.8	6,364.3	5,838.8	+ 9.0
Cost of sales	2,988.6	2,833.8	+ 5.5	6,090.1	5,645.2	+ 7.9
Gross profit	**89.6**	**49.3**	**+ 81.7**	**274.2**	**193.6**	**+ 41.6**
Administrative expenses	333.4	338.0	- 1.4	670.8	655.4	+ 2.3
Other income/Other expenses	+ 34.5	+ 6.1	+ 465.6	+ 52.5	+ 7.6	+ 590.8
Impairment of goodwill	-	-	-	-	-	-
Financial income	33.4	46.9	- 28.8	159.9	112.4	+ 42.3
Financial expenses	138.1	107.3	+ 28.7	295.4	218.0	+ 35.5
Share of result of joint ventures and associates	+ 2.7	+ 3.8	- 28.9	+ 27.3	- 16.5	n/a
Earnings before income taxes	**- 311.3**	**- 339.2**	**+ 8.2**	**- 452.3**	**- 576.3**	**+ 21.5**
Reconciliation to underlying earnings:						
Earnings before incom taxes	- 311.3	- 339.2	+ 8.2	- 452.3	- 576.3	+ 21.5
Result from Container Shipping measured at equity	13.5	- 5.7	n/a	- 4.7	9.0	n/a
Effect of measurement of the loans to Container Shipping	- 2.2	- 4.8	+ 54.2	- 40.9	- 22.9	- 78.6
Interest result and earnings from the measurement of interest hedges	107.3	76.1	+ 41.0	172.9	136.3	+ 26.9
Impairment of goodwill	-	-	-	-	-	-
Group EBITA	- 192.7	- 273.6	+ 29.6	- 325.0	- 453.9	+ 28.4
Adjustments:						
Gains on disposals	-	- 2.0		-	- 2.0	
Restructuring	+ 1.1	+ 9.6		+ 10.7	+ 13.2	
Purchase price allocation	+ 19.0	+ 16.3		+ 39.5	+ 31.9	
Other one-off items	- 82.9	+ 9.6		- 100.3	+ 26.5	
Underlying Group EBITA	**- 255.5**	**- 240.1**	**- 6.4**	**- 375.1**	**- 384.3**	**+ 2.4**
Earnings before income taxes	**- 311.3**	**- 339.2**	**+ 8.2**	**- 452.3**	**- 576.3**	**+ 21.5**
Income taxes	- 101.9	- 73.6	- 38.5	- 148.7	- 144.7	- 2.8
Group loss for the year	**- 209.4**	**- 265.6**	**+ 21.2**	**- 303.6**	**- 431.6**	**+ 29.7**
Group loss for the year attributable to shareholders of TUI AG	- 144.0	- 177.6	+ 18.9	- 190.4	- 281.6	+ 32.4
Group loss for the year attributable to non-controlling interest	- 65.4	- 88.0	+ 25.7	- 113.2	- 150.0	+ 24.5
Group loss for the year	**- 209.4**	**- 265.6**	**+ 21.2**	**- 303.6**	**- 431.6**	**+ 29.7**
Basic and diluted earnings per share in €	**- 0.60**	**- 0.73**	**+ 17.8**	**- 0.81**	**- 1.17**	**+ 30.8**

The consolidated profit and loss statement reflects the seasonality in Tourism, with positive results mainly generated in the second and third calendar quarter. In the second quarter of 2010/11, the year-on-year development of consolidated earnings was mainly characterised by the improvement in the Tourism performance in the second half of the 2010/11 winter season and the impact of the political unrest in Egypt and Tunisia. Overall, the first half of 2010/11 reflected the effect of improvements in the economic framework on the development of business in Tourism.

See page 3

Turnover and cost of sales

Turnover comprises the turnover generated by Tourism and Central Operations. In the second quarter of 2010/11, turnover rose by 6.8% year-on-year to €3.1bn. This increase was primarily attributable to higher business volumes in TUI Travel and the 4% rise in the exchange rate of Sterling against the Euro. For the first half of 2010/11, the year-on-year growth amounted to 9.0%. Turnover is presented alongside the cost of sales, which also rose due to the increased business volumes. A detailed breakdown of turnover and the development of turnover are presented in the section Earnings by the Sectors.

Gross profit

At €89.6m, gross profit as the balance of turnover and the cost of sales rose by 89.6% year-on-year in the second quarter of 2010/11. For the first six months, gross profit amounted to €274.2m, up 41.6% year-on-year.

Administrative expenses

Administrative expenses comprise expenses not directly allocable to the turnover transactions, such as expenses for general management functions. At €333.4m, they were down 1.4% year-on-year in the second quarter. For the first half of the year, they totalled €670.8m, 2.3% ahead of the prior year.

Other income/Other expenses

Other income and Other expenses primarily comprise profits and losses from the sale of fixed assets. The balance of income and expenses totalled €34.5m in the second quarter of 2010/11, a year-on-year increase of €28.4m. For the first half of 2010/11, the increase amounted to €44.9m year-on-year. The increase in the netted amount in the second quarter was partly driven by gains on disposal from the sale of the administrative building in Rosenstraße in Hamburg and other income from the reversal of value adjustments for Turkish hotel facilities which had been effected in prior years.

Impairment of goodwill

As in the previous year, no goodwill impairment charges were carried for the first half of 2010/11.

Financial income and expenses/Financial result

The financial result comprises the interest result and the net result from marketable securities as well as the effect of the measurement of the loans to Container Shipping. In the second quarter, it comprised financial income of €33.4m (previous year €46.9m) and financial expenses of €138.1m (previous year €107.3m). The financial result declined by €44.3m in the second quarter of 2010/11 and €29.9m in the first six months. The decline was attributable to the expenses for the early redemption of the 2007/12 convertible bonds and the 2005/12 bonds, included in the interest result.

Share of result of joint ventures and associates

The share of results of joint ventures and associates comprises the share in net profit for the year of the associated companies and joint ventures as well as any impairments of the goodwill of these companies. The share of results of joint ventures and associates totalled €2.7m (previous year €3.8m) for the second quarter of 2010/11 and €27.3m (previous year €-16.5m) for the first six months. The significant increase in the share of results of joint ventures and associates in the first half of the year was primarily attributable to the positive profit contribution generated by the Hapag-Lloyd stake in the first quarter of 2010/11. In the second quarter of 2010/11, Container Shipping generated a considerable year-on-year improvement in its operating earnings. The measurement of Euro-denominated financial debt of the Container Shipping business, which is managed in US Dollars, in particular, resulted in considerable measurement losses due to the weakness of the US Dollar against the Euro. In combination with higher interest expenses, this led to an overall loss for the period from January to March 2011.

Adjustments see page 3

Underlying Group EBITA

In the second quarter of 2010/11, underlying Group EBITA was negative due to the seasonality in Tourism. It amounted to €-255.5m, down 6.4% year-on-year. Accumulated underlying Group EBITA for the first six months grew by €9.2m year-on-year to €-375.1m. EBITA was adjusted for gains on disposal, restructuring expenses, purchase price allocations and one-off items. The adjustments are outlined in detail in the section Earnings by the Sectors.

Income taxes

Taxes on income comprise taxes on profits from the business activities. Tax assets of €-101.9m arose for the second quarter of 2010/11, following €-73.6m in the prior-year reference quarter. They were mainly attributable to the pronounced seasonality of earnings in Tourism. Accumulated tax assets for the first half of the year totalled €-148.7m, down €4.0m year-on-year.

Group loss

In the second quarter of 2010/11, the Group result was negative at €-209.4m (previous year: €-265.6m). The year-on-year improvement in the Group result for the quarter was mainly driven by the positive development of the Tourism core business as well as by higher one-off adjustments. The improvement in the Group result for the first half of 2010/11 was also attributable to the increase in Hapag-Lloyd's at equity profit contribution.

Non-controlling interests

Non-controlling interests accounted for €-65.4m for the second quarter of 2010/11 and €-113.2m for the first half of the year. They related to the external shareholders of TUI Travel PLC and companies in the TUI Hotels & Resorts Sector.

Earnings per share

After deduction of non-controlling interests, TUI AG shareholders accounted for €-144.0m (previous year: €-177.6m) of the Group result in the second quarter of 2010/11. As a result, basic earnings per share amounted to €-0.60 (previous year €-0.73) for the second quarter and €-0.81 (previous year €-1.17) for the first half of 2010/11.

Performance indicators

Key figures of Income Statement

€ million	**Q2 2010/11**	Q2 2009/10 revised	Var. %	**H1 2010/11**	H1 2009/10 revised	Var. %
Earnings before interest, income taxes, depreciation, impairment and rent (EBITDAR)	**82.8**	**18.6**	**+ 345.2**	**228.5**	**118.1**	**+ 93.5**
Operating rental expenses	202.3	197.5	+ 2.4	391.5	382.1	+ 2.5
Earnings before interest, income taxes, depreciation and impairment (EBITDA)	**- 119.5**	**- 178.9**	**+ 33.2**	**- 163.0**	**- 264.0**	**+ 38.3**
Depreciation/amortisation less reversals of depreciation[1]	- 73.2	- 94.7	+ 22.7	- 162.0	- 189.9	+ 14.7
Earnings before interest, income taxes and impairment of goodwill (EBITA)	**- 192.7**	**- 273.6**	**+ 29.6**	**- 325.0**	**- 453.9**	**+ 28.4**
Impairment of goodwill	-	-	-	-	-	-
Earnings before interest and income taxes (EBIT)	**- 192.7**	**- 273.6**	**+ 29.6**	**- 325.0**	**- 453.9**	**+ 28.4**
Interest result and earnings from the measurement of interest hedges	- 107.3	- 76.1	- 41.0	- 172.9	- 136.3	- 26.9
Effect of measurement of the loans to Container Shipping	2.2	4.8	- 54.2	40.9	22.9	+ 78.6
Result from Container Shipping measured at equity	- 13.5	5.7	n/a	4.7	- 9.0	n/a
Earnings before income taxes (EBT)	**- 311.3**	**- 339.2**	**+ 8.2**	**- 452.3**	**- 576.3**	**+ 21.5**

[1] on property, plant and equipment, intangible asssets, financial and other assets

Net assets and financial position

The Group's balance sheet total declined by 4.4% to €14.0bn versus the end of financial year 2009/10. The changes in the consolidated statement of financial position against 30 September 2010 primarily reflect the seasonality in the tourism business.

Assets and liabilities

€ million	31 Mar 2011	30 Sep 2010	Var. %
Non-current assets	9,347.8	9,356.7	- 0.1
Current assets	4,631.6	5,258.8	- 11.9
Assets	**13,979.4**	**14,615.5**	**- 4.4**
Equity	2,347.9	2,434.2	- 3.5
Provisions	2,050.1	2,147.5	- 4.5
Financial liabilities	4,174.0	4,511.9	- 7.5
Other liabilities	5,407.4	5,521.9	- 2.1
Liabilities	**13,979.4**	**14,615.5**	**- 4.4**

Non-current assets

As at 31 March 2011, non-current assets accounted for 66,9% of total assets, compared with 64.0% as at 30 September 2010. Non-current assets stayed at €9.3bn in the period under review.

Current assets

As at 31 March 2011, current assets accounted for 33,1% of total assets, following 36.0% as at 30 September 2010. Current assets decreased from €5.3bn as at 30 September 2010 to €4.6bn as at 31 March 2011. This decrease was mainly attributable to the seasonality of the tourism business.

See page 40

Equity

Equity totalled €2.3bn as at 31 March 2011. At 16.8%, the equity ratio increased against its level on 30 September 2010 of 16.7%. Further information on the changes in equity is provided in the notes on this Interim Report.

Provisions

Provisions mainly comprise provisions for pension obligations, effective and deferred tax provisions and provisions for typical operating risks. As at 31 March 2011, they totalled €2.1bn, down 4.5% versus their level as at 30 September 2010. The decline was above all attributable to the rise in the interest rate for the measurement of the provisions for pension obligations.

Financial liabilities

As at 31 March 2011, financial liabilities consisted of non-current financial liabilities of €3.2bn and current financial liabilities of €0.9bn. As at 30 September 2010, non-current financial liabilities stood at €2.8bn, with current financial liabilities of €1.7bn.

At the end of the second quarter (31 March 2011), the TUI Group's net debt including the assets held for sale and the associated liabilities totalled €2.7bn. Net debt thus decreased by €727m year-on-year. This significant decline in net debt resulted above all from inflow of funds in the framework of the reduction in the commitment to Container Shipping.

Other liabilities

As at 31 March 2011, other liabilities amounted to €5.4bn, slightly down against 30 September 2010.

Other segment indicators

Underlying sector EBITDA

€ million	Q2 2010/11	Q2 2009/10 revised	Var. %	H1 2010/11	H1 2009/10 revised	Var. %
Tourism	- 178.9	- 163.2	- 9.6	- 214.9	- 222.4	+ 3.4
TUI Travel	- 208.9	- 195.0	- 7.1	- 263.8	- 267.0	+ 1.2
TUI Hotels & Resorts	26.7	27.7	- 3.6	47.8	44.7	+ 6.9
Cruises	3.3	4.1	- 19.5	1.1	- 0.1	n/a
Central Operations	- 8.3	- 8.3	-	- 21.6	- 14.1	- 53.2
Underlying sector EBITDA	**- 187.2**	**- 171.5**	**- 9.2**	**- 236.5**	**- 236.5**	**-**

Sector EBITDA

€ million	Q2 2010/11	Q2 2009/10 revised	Var. %	H1 2010/11	H1 2009/10 revised	Var. %
Tourism	- 119.3	- 170.6	+ 30.1	- 165.6	- 249.9	+ 33.7
TUI Travel	- 128.5	- 199.9	+ 35.7	- 193.7	- 292.0	+ 33.7
TUI Hotels & Resorts	5.9	25.2	- 76.6	27.0	42.2	- 36.0
Cruises	3.3	4.1	- 19.5	1.1	- 0.1	n/a
Central Operations	- 0.2	- 8.3	+ 97.6	2.6	- 14.1	n/a
Sector EBITDA	**- 119.5**	**- 178.9**	**+ 33.2**	**- 163.0**	**- 264.0**	**+ 38.3**

Investments in other intangible assets and property, plant and equipment

€ million	Q2 2010/11	Q2 2009/10	Var. %	H1 2010/11	H1 2009/10	Var. %
Tourism	97.8	61.0	+ 60.3	195.2	153.7	+ 27.0
TUI Travel	79.4	50.9	+ 56.0	146.3	125.5	+ 16.6
TUI Hotels & Resorts	17.5	10.6	+ 65.1	46.6	23.4	+ 99.1
Cruises	0.9	- 0.5	n/a	2.3	4.8	- 52.1
Central Operations	0.2	0.7	- 71.4	0.6	2.1	- 71.4
Total	**98.0**	**61.7**	**+ 58.8**	**195.8**	**155.8**	**+ 25.7**

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

€ million	Q2 2010/11	Q2 2009/10	Var. %	H1 2010/11	H1 2009/10	Var. %
Tourism	96.4	94.2	+ 2.3	185.9	183.7	+ 1.2
TUI Travel	68.9	71.5	- 3.6	137.4	140.4	- 2.1
TUI Hotels & Resorts	25.6	20.8	+ 23.1	44.5	39.3	+ 13.2
Cruises	1.9	1.9	-	4.0	4.0	-
Central Operations	1.1	3.1	- 64.5	2.3	4.8	- 52.1
Total	**97.5**	**97.3**	**+ 0.2**	188.2	**188.5**	**- 0.2**

Employees

	31 Mar 2011	30 Sep 2010	Var. %
Tourism	61,721	70,745	- 12.8
TUI Travel	47,822	52,025	- 8.1
TUI Hotels & Resorts	13,650	18,495	- 26.2
Cruises	249	225	+ 10.7
Central Operations *)	608	653	- 6.9
Total	**62,329**	**71,398**	**- 12.7**

*) of which Corporate Center: 186 employees as of 31 March 2011; 181 employees as of 30 Sept 2010.

Management Report
Report on Subsequent Events

On 4 April 2011, the TUI Group acquired a 60% stake in the Intrepid Travel Group Limited, Australia. All of Intrepid and TUI´s adventure travel business habe been transferred to the newly formed PEAK Group. The TUI Group now holds 60% of the PEAK Group. The Intrepid Group will be included in the consolidated financial statements upon the transfer of control on 4 April 2011.

If the Intrepid Group had been included in the consolidated financial statements since 1 October 2010, turnover would have been around €35.0m higher. In order to be able to provide final guidance on the effect on the Group result, accounting for the acquisition will need to be completed.

In early April 2011, Hapag-Lloyd AG repaid the only loan still outstanding prior to the due date (nominal value €179.4m).

On 30 April 2011, TUI Travel PLC repaid the last tranche of the shareholder loan of €160.0m to TUI AG at the due date.

Management Report
Prospects

Macroeconomic situation

For calendar year 2011, the International Monetary Fund (IMF, World Economic Outlook Update, April 2011) continues to expect global growth of 4.4%, with considerable regional variations.

For calendar year 2012, the IMF expects the global economy to grow by 4.5%. The expected development of the individual economic regions is shown in the table below.

Expected development of gross domestic product

Variation in %	2011	2012
World	**4.4**	**4.5**
Eurozone	1.6	1.8
Germany	2.5	2.1
France	1.6	1.8
UK	1.7	2.3
US	2.8	2.9
Japan	1.4	2.1
China	9.6	9.5
India	8.2	7.8
Emerging Eastern Asia economies	5.4	5.7

Source: International Monetary Fund (IMF), World Economic Outlook, April 2011

Market development in the Sectors

The European Travel Commission has slightly reduced its growth forecast for outbound visitors in Europe in 2011 to 3.4% (European Travel Commission, European Tourism in 2010, Quarterly Report Q4/2010, February 2011). The UNWTO (World Tourism Barometer, February 2011) continues to expect growth in international arrivals of 4% to 5% for 2011.

Expected development of earnings

In the second quarter of 2010/11, TUI Travel and TUI Hotels & Resorts incurred additional costs for the repatriation of customers from Tunisia and Egypt as well as turnover losses totalling €38m. The earnings impact was thus in line with our previous guidance as indicated in our last Interim Report. While demand for destinations in North Africa continues to be weaker, current trading for the 2011 summer season is good overall. TUI Travel has shown flexibility in adjusting its capacity to the changes in demand. In TUI Hotels & Resorts, the hotels in Spain, Turkey and Greece, in particular, are benefiting from stronger demand for these destinations. We therefore expect to be able to offset the current and expected impact of the unrest in North Africa on our Tourism performance in the course of the year. Nevertheless, there will be shifts in earnings within Tourism as, for example, our French tour operators and individual hotel companies have been disproportionately affected by the situation in the North African countries.

The considerable increase in oil prices in recent months will not impact the TUI Group's earnings situation in the short term since the jet fuel and bunker requirements for the 2011 summer season in Tourism have been almost fully hedged or covered by corresponding fuel supplements. Jet fuel costs account for approximately 10% of TUI Travel's cost base.

Our current expectations concerning the anticipated development of the TUI Group in financial year 2010/11 therefore remain in line with the assessment made in the Annual Report 2009/10.

TUI Group

Expected development of Group earnings

€ million	2009/10	2010/11
Sector turnover	16,350.1	↗
Underlying sector EBITA	589.2	↗
Sector EBITA	215.5	↗

Sector turnover

Against the background of the forecast continuation of economic recovery and our current trading performance, we expect Sector turnover to grow in financial year 2010/11 due to higher customer numbers and better average prices in TUI Travel's volume business.

Underlying Sector earnings

Due to the expected earnings improvements in TUI Travel and TUI Hotels & Resorts, underlying Sector earnings are expected to grow slightly financial year 2010/11.

Sector earnings

Reported Sector earnings are also expected to increase in financial year 2010/11. This growth will be driven by better operating earnings and lower one-off expenses. Adjustments are expected to decline considerably year-on-year. In financial year 2010/11, they will include purchase price allocations and in particular one-off costs for the new cost reduction and efficiency enhancement programme in TUI Travel as well as restructuring expenses.

Group profit for the year

Overall, we expect a positive Group result for financial year 2010/11.

Expected development of the Sectors

Expected development of Sector earnings

	Sector turnover		Underlying sector EBITA	
€ million	2009/10	2010/11	2009/10	2010/11
Tourism	16,286.7	↗	640.2	↗
TUI Travel	15,728.0	↗	506.0	↗
TUI Hotels & Resorts	380.0	→	126.6	↗
Cruises	178.7	↗	7.6	↘
Central Operations	63.4	↘	- 51.0	→
Group	**16,350.1**	↗	**589.2**	↗

TUI Travel

For TUI Travel we expect underlying earnings to rise slightly year-on-year in 2010/11. The main earnings drivers in TUI Travel are the expected growth in business volumes and positive effects of the cost reduction and efficiency enhancement programme. On the other hand, there are risks related to economic development in the key volume markets, which might fall short of expectations and thus curb demand in the travel market as well as risks related to the further turnaround process in the French market. Trading for these destinations might also be affected more strongly than expected by the further development of the political conflicts in North Africa. In addition, the development of the exchange rate of Sterling against the Euro also has a substantial impact on TUI Travel's result carried in TUI AG's consolidated financial statements.

TUI Hotels & Resorts

In financial year 2010/11, the capacity of TUI Hotels & Resorts will decline due to the planned transfer of the Magic Life business operations to TUI Travel. Adjusted for this item, both capacity and bed-nights are expected to grow slightly. Overall, we expect occupancy rates in the hotels and operating results to rise slightly. Risks relate to customer numbers in the major source markets, which might fall short of expectations. The further development of the political conflicts in North Africa might impact demand for hotels in these destinations more strongly than expected.

Cruises

Due to the start-up and financing costs for the commissioning of Mein Schiff 2 in TUI Cruises, we expect operating results in the Cruises Sector to decline year-on-year.

Tourism

Based on the earnings estimates for TUI Travel, TUI Hotels & Resorts and Cruises, we expect the Tourism Segment to achieve a slight increase in operating results year-on-year in financial year 2010/11. The business performance in Tourism will be strongly affected by the development of consumer sentiment in the key volume markets.

Central Operations

For Central Operations, we expect underlying earnings to be flat year-on-year.

Management Report
Corporate Governance

Composition of the boards

The term of office of all Supervisory Board members ended upon the close of the Annual General Meeting on 9 February 2011; the new 5-year term started as of then. In the new term of office, the Supervisory Board is composed of eight shareholder and eight employee representatives.

The following Supervisory Board members were elected as shareholder representatives at the Annual General Meeting on 9 February 2011:
- Anass Houir Alami, Chief Executive of Caisse de Dépot et de Gestion (CDG), Rabat/Morocco
- Prof. Dr Edgar Ernst, Management Consultant, Bonn/Germany
- Roberto López Abad, Chief Executive of Caja de Ahorros del Mediterráneo, Alicante/Spain
- Prof. Dr Klaus Mangold, Chairman of the Supervisory Board of Rothschild GmbH, Stuttgart/Germany
- Mikhail Noskov, CFO of Sever Group, Moscow/Russia
- Carmen Riu Güell, Co-owner of the Riu hotel group, Playa de Palma/Spain
- Christian Strenger, supervisory board member, Frankfurt/Germany
- Vladimir Yakushev, Managing Partner of SGCM Ltd., Moscow/Russia

The following Supervisory Board members were elected on 13 January 2011 as employee representatives:
- Petra Gerstenkorn, Member of the Federal Executive Board of ver.di – Vereinte Dienstleistungsgewerkschaft, Berlin/Germany
- Arnd Dunse, Head of Group Controlling of TUI AG, Bad Nenndorf/Germany
- Frank Jakobi, Travel Agent, Hamburg/Germany
- Ingo Kronsfoth, National Negotiator Aviation Sector of ver.di, Berlin/Germany
- Christian Kuhn, Travel Agent, Hanover/Germany
- Hans-Dieter Rüster, Aircraft Engineer, Langenhagen/Germany
- Anette Strempel, Travel Agent, Hemmingen/Germany
- Ortwin Strubelt, Travel Agent, Hamburg/Germany

At its inaugural meeting on 9 February 2011, the chairman and the committee members were elected. Professor Dr Klaus Mangold was elected as chairman of the Supervisory Board. Petra Gerstenkorn was reelected as deputy chairwoman of the Supervisory Board.

The Supervisory Board also elected the members of the committees. The members of the Chairman's Committee are Professor Dr Klaus Mangold, Petra Gerstenkorn (deputy chairwoman), Carmen Riu Güell, Vladimir Yakushev, Frank Jakobi and Hans-Dieter Rüster. Professor Dr Klaus Mangold, Carmen Riu Güell and Vladimir Yakushev also constitute the Nomination Committee. The members of the Audit Committee are Professor Dr Edgar Ernst (chairman), Professor Dr Klaus Mangold, Christian Strenger, Arnd Dunse, Ingo Kronsfoth and Ortwin Strubelt.

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

Interim Financial Statements

Income Statement of the TUI Group for the period from 1 October 2010 to 30 March 2011

€ million	Notes	Q2 2010/11	Q2 2009/10 revised	H1 2010/11	H1 2009/10 revised
Turnover		3,078.2	2,883.1	6,364.3	5,838.8
Cost of sales	(1)	2,988.6	2,833.8	6,090.1	5,645.2
Gross profit		**89.6**	**49.3**	**274.2**	**193.6**
Administrative expenses	(1)	333.4	338.0	670.8	655.4
Other income/Other expenses	(2)	+ 34.5	+ 6.1	+ 52.5	+ 7.6
Impairment of goodwill		-	-	-	-
Financial income	(3)	33.4	46.9	159.9	112.4
Financial expenses	(3)	138.1	107.3	295.4	218.0
Share of result of joint ventures and associates	(4)	+ 2.7	+ 3.8	+ 27.3	- 16.5
Earnings before income taxes		**- 311.3**	**- 339.2**	**- 452.3**	**- 576.3**
Reconciliation to underlying earnings:					
Earnings before incom taxes		- 311.3	- 339.2	- 452.3	- 576.3
Result from Container Shipping measured at equity		13.5	- 5.7	- 4.7	9.0
Effect of measurement of the loans to Container Shipping		- 2.2	- 4.8	- 40.9	- 22.9
Interest result and earnings from the measurement of interest hedges		107.3	76.1	172.9	136.3
Impairment of goodwill		-	-	-	-
Group EBITA		- 192.7	- 273.6	- 325.0	- 453.9
Adjustments:	(5)				
Gains on disposals		-	- 2.0	-	- 2.0
Restructuring		+ 1.1	+ 9.6	+ 10.7	+ 13.2
Purchase price allocation		+ 19.0	+ 16.3	+ 39.5	+ 31.9
Other one-off items		- 82.9	+ 9.6	- 100.3	+ 26.5
Underlying Group EBITA		**- 255.5**	**- 240.1**	**- 375.1**	**- 384.3**
Earnings before income taxes		**- 311.3**	**- 339.2**	**- 452.3**	**- 576.3**
Income taxes	(6)	- 101.9	- 73.6	- 148.7	- 144.7
Group loss for the year		**- 209.4**	**- 265.6**	**- 303.6**	**- 431.6**
Group loss for the year attributable to shareholders of TUI AG		- 144.0	- 177.6	- 190.4	- 281.6
Group loss for the year attributable to non-controlling interest	(7)	- 65.4	- 88.0	- 113.2	- 150.0
Group loss for the year		**- 209.4**	**- 265.6**	**- 303.6**	**- 431.6**

Earnings per share

€	Q2 2010/11	Q2 2009/10 revised	H1 2010/11	H1 2009/10 revised
Basic and diluted earnings per share	- 0.60	- 0.73	- 0.81	- 1.17

Condensed Statement of Comprehensive Income for the period from 1 October 2010 to 31 March 2011

€ million	**Q2 2010/11**	Q2 2009/10 revised	**H1 2010/11**	H1 2009/10 revised
Group loss	**- 209.4**	**- 265.6**	**- 303.6**	**- 431.6**
Foreign exchange differences	- 77.7	184.1	- 34.8	247.4
Financial instruments available for sale	- 14.5	3.9	79.7	3.8
Cash flow hedges	77.8	103.1	228.7	214.2
Actuarial gains and losses from pension provisions and related fund assets	- 21.7	- 52.3	109.3	- 35.3
Changes in the measurement of companies measured at equity outside profit or loss	48.4	9.6	58.9	2.6
Tax effects relating to other comprehensive income	- 25.5	4.3	- 102.9	- 46.9
Other comprehensive income	**- 13.2**	**252.7**	**338.9**	**385.8**
Total comprehensive income	**- 222.6**	**- 12.9**	**35.3**	**- 45.8**
attributable to shareholders of TUI AG	- 236.2	15.5	- 10.3	41.0
attributable to non-controlling interest	13.6	- 28.4	45.6	- 86.8
Total comprehensive income	**- 222.6**	**- 12.9**	**35.3**	**- 45.8**

Financial Position of the TUI Group as at 31 Mar 2011

€ million	31 Mar 2011	30 Sep 2010	30 Sep 2009 revised
Assets			
Goodwill	2,773.3	2,862.6	2,712.3
Other intangible assets	865.4	907.2	887.9
Investment property	65.1	66.2	76.7
Property, plant and equipment	2,446.3	2,499.8	2,370.9
Investments in joint ventures and associates	2,053.3	1,775.2	1,184.0
Financial assets available for sale	369.8	612.0	103.0
Trade receivables and other assets	495.1	334.8	1,369.0
Derivative financial instruments	60.0	165.3	111.4
Deferred tax asset	219.5	133.6	277.9
Non-current assets	**9,347.8**	**9,356.7**	**9,093.1**
Inventories	114.0	89.5	81.5
Financial assets available for sale	-	-	2.0
Trade receivables and other assets	2,381.2	2,328.2	2,066.6
Derivative financial instruments	455.0	203.3	338.1
Current tax asset	102.2	71.1	21.2
Cash and cash equivalents	1,447.5	2,274.3	1,452.0
Assets held for sale	131.7	292.4	405.7
Current assets	**4,631.6**	**5,258.8**	**4,367.1**
	13,979.4	**14,615.5**	**13,460.2**

€ million	31 Mar 2011	30 Sep 2010	30 Sep 2009 revised
Equity and liabilities			
Subscribed capital	643.4	643.1	642.8
Capital reserves	955.7	913.5	871.3
Revenue reserves	451.3	489.5	356.7
Hybrid capital	294.8	294.8	294.8
Equity before non-controlling interest	**2,345.2**	**2,340.9**	**2,165.6**
Non-controlling interest	2.7	93.3	75.2
Equity	**2,347.9**	**2,434.2**	**2,240.8**
Pension provisions and similar obligations	677.6	878.5	838.6
Current tax provisions	108.5	114.5	169.5
Deferred tax provisions	173.5	80.2	181.3
Other provisions	512.5	520.2	482.8
Non-current provisions	**1,472.1**	**1,593.4**	**1,672.2**
Financial liabilities	3,233.8	2,827.5	3,175.1
Derivative financial instruments	18.5	47.8	78.7
Other liabilities	74.6	86.4	101.2
Non-current liabilities	**3,326.9**	**2,961.7**	**3,355.0**
Non-current provisions and liabilities	**4,799.0**	**4,555.1**	**5,027.2**
Pension provisions and similar obligations	32.4	32.8	29.8
Current tax provisions	128.9	137.8	85.9
Other provisions	416.7	383.5	287.0
Current provisions	**578.0**	**554.1**	**402.7**
Financial liabilities	940.2	1,684.4	539.7
Trade payables	1,840.9	2,847.4	2,640.8
Derivative financial instruments	163.1	147.4	363.4
Other liabilities	3,295.0	2,297.0	2,065.4
Current liabilities	**6,239.2**	**6,976.2**	**5,609.3**
Liabilities related to assets held for sale	**15.3**	**95.9**	**180.2**
Current provisions and liabilities	**6,832.5**	**7,626.2**	**6,192.2**
	13,979.4	**14,615.5**	**13,460.2**

Condensed Statement of Changes in Group Equity for the period from 1 October 2010 to 31 March 2011

€ million	Subscribed capital	Capital reserves	Revenue reserves	Hybrid capital	Equity before non-controlling interest	Non-controlling interest	**Total**
Balance as at 1 Oct 2010	**643.1**	**913.5**	**489.5**	**294.8**	**2,340.9**	**93.3**	**2,434.2**
Dividend payments	-	-	-	-	-	- 136.9	- 136.9
Hybrid capital dividend	-	-	- 12.9	-	- 12.9	-	- 12.9
Share based payment schemes of TUI Travel PLC	-	-	7.2	-	7.2	5.7	12.9
Issue of employee shares	0.3	0.4	-	-	0.7	-	0.7
Issue of convertible bonds	-	41.8	-	-	41.8	-	41.8
Effects on the acquisition of non-controlling interests	-	-	- 22.2	-	- 22.2	- 5.0	- 27.2
Other comprehensive income	-	-	180.1	-	180.1	158.8	338.9
Group loss for the year	-	-	- 190.4	-	- 190.4	- 113.2	- 303.6
Total comprehensive income	-	-	- 10.3	-	- 10.3	45.6	35.3
Balance as at 31 March 2011	**643.4**	**955.7**	**451.3**	**294.8**	**2,345.2**	**2.7**	**2,347.9**

Condensed Statement of Changes in Group Equity for the period from 1 October 2009 to 31 March 2010

€ million	Subscribed capital	Capital reserves	Other revenue reserves	Hybrid capital	Equity before non-controlling interest	Non-controlling interest	**Total**
Balance as at 1 Oct 2009 (revised)	**642.8**	**871.3**	**356.7**	**294.8**	**2,165.6**	**75.2**	**2,240.8**
Dividend payments	-	-	-	-	-	- 70.2	- 70.2
Hybrid capital dividend	-	-	- 12.9	-	- 12.9	-	- 12.9
Share based payment schemes of TUI Travel PLC	-	-	7.4	-	7.4	6.1	13.5
Issue of employee shares	0.3	0.4	-	-	0.7	-	0.7
Issue of convertible bonds	-	41.8	-	-	41.8	40.3	82.1
Deconsolidation	-	-	-	-	-	- 2.0	- 2.0
Effects on the acquisition of non-controlling interests	-	-	- 79.0	-	- 79.0	- 1.0	- 80.0
Other comprehensive income	-	-	322.6		322.6	63.2	385.8
Group loss for the year	-	-	- 281.6		- 281.6	- 150.0	- 431.6
Total comprehensive income	-	-	41.0	-	41.0	- 86.8	- 45.8
Balance as at 31 March 2010 (revised)	**643.1**	**913.5**	**313.2**	**294.8**	**2,164.6**	**- 38.4**	**2,126.2**

Condensed Cash Flow Statement

€ million	**H1 2010/11**	H1 2009/10
Cash flow from operating activities	- 645.0	- 817.6
Cash flow from investing activities	497.5	- 110.6
Cash flow from financing activities	- 695.4	635.4
Change in funds with cash effect	**- 842.9**	**- 292.8**
Change in cash and cash equivalents due to exchange rate fluctuation	+ 16.1	+ 6.1
Cash and cash equivalents at beginning of period	**2,274.3**	**1,458.3**
Cash and cash equivalents at end of period	**1,447.5**	**1,171.6**
of which included in the balance sheet as assets held for sale	-	12.9
Cash and cash equivalents at end of period	**1,447.5**	**1,158.7**

Interim Financial Statements Notes

Accounting principles

In accordance with IAS 34 Interim Financial Reporting, the Group's interim financial statements as at 31 March 2011 are published in a condensed form compared with the consolidated annual financial statements. As before, they are based on the historical cost principle, the only exception being the accounting method applied in measuring financial instruments.

As a matter of principle, the accounting and measurement methods applied in the preceding consolidated financial statements as per 30 September 2010 were retained in preparing the interim financial statements as per 31 March 2011.

In addition, the following standards and interpretations revised or newly published by the IASB were mandatory as of the beginning of financial year 2010/11:

- Amendment to IFRS 1: First-time Adoption of International Financial Reporting Standards
- Amendment to IFRS 1: Additional Exemptions for First-time Adopters
- Amendment to IFRS 2: Share-based Payment for group cash-settled share-based payment transactions
- Amendment to IAS 32: Classification of Rights Issues
- Improvements to IFRSs (2009)
- Improvements to IFRSs (2010) concerning clarification of the transition guidance of IAS 21, IAS 28, IAS 31, IFRS 7, IAS 32 and IAS 39 as a result of the amended provisions of IFRS 3, and two other amendments to IFRS 3 itself
- IFRIC 15: Agreements for the Construction of Real Estate
- IFRIC 17: Distribution of Non-Cash Assets to Owners
- IFRIC 18: Transfer of Assets from Customers
- IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments

The mandatory application of these provisions have not caused any effects on the net assets, financial position and financial performance in the present interim financial statements of the TUI Group. Potential effects on future periods will be taken into account accordingly.

Group of consolidated companies

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

The interim financial statements as at 31 March 2011 included a total of 44 domestic and 704 foreign subsidiaries, besides TUI AG.

Since 1 October 2010, three companies have been newly included in consolidation due to acquisitions by TUI Travel, and five additional companies have been newly founded. On the other hand, six companies have been deconsolidated due to liquidation, one company due to a merger and another one due to dissolution. The number of companies measured at equity has remained unchanged compared with the previous year as one company was newly acquired while another one was sold.

Acquisitions - divestments

Summary presentation of acquisition

Name and headquarters of the acquired company or business	Business activity	Acquirer	Date of acquisition	Acquired share	Consideration transferred in € million
Top Class – European Cruise Services S.a.r.l., Monaco	Cruise Handling	Trina Group Limited	1.10.10	100%	0.5
Travel shop in Austria	Travel shop	TUI Austria Holding GmbH	1.10.-31.12.10	n/a	2.6
Lima Tours S.A.C., Peru	Tour Operator	Trina Group Limited	21.1.11	100%	6.2
Travel & More GmbH, Germany	Travel shop	TUI Leisure Travel GmbH	1.3.11	100%	0.2
25 Travel shops in Germany	Travel shop	TUI Leisure Travel GmbH	1.10.10-31.3.11	n/a	4.1
Total					**13.6**

The acquisitions of the travel shops in Germany and Austria were carried out in the form of asset deals.

The consideration transferred consist of the purchase prices already paid and in some instances the fair values of contingent considerations, i.e. considerations depending on the future development of business (€4.7m in total). Ancillary acquisition-related costs and payments for future services by the employees (€5.3m maximum) of the acquired companies are expensed through profit and loss in accordance with the amended provisions of IFRS 3. In the period under review, the total expense resulting from this item was €0.3m.

Summary presentation of statements of financial position as at the date of first-time consolidation

€ million	Fair values at date of first-time consolidation
Intangible assets	3.7
Property, plant and equipment	0.2
Fixed assets	**3.9**
Trade receivables	2.5
Cash and cash equivalents	0.9
Financial liabilities	0.1
Liabilities and deferred income	4.0
Equity	**3.2**

The difference arising between the consideration transferred and the fair values of the remeasured net assets acquired of €10.0m (after foreign exchange differences) as at the acquisition date was temporarily carried as goodwill. This goodwill essentially forms part of the future earnings potential. The goodwill capitalised in the period under review includes an amount of €3.8m expected to be tax-deductible.

Based on the information available, it was not possible to finalise measurement of several components of the acquired assets and liabilities by the balance sheet date. The 12-month period permitted under IFRS 3 for finalising purchase price allocations was used; it allows for provisional allocation of the purchase price to the individual assets and liabilities until the end of that period.

The acquisitions contributed around €7.0m to consolidated turnover in the period under review as from the individual acquisition dates. They did not have a material effect on the Group result. If the companies had already been included in the consolidated financial statements since 1 October 2010, additional turnover of €5.7m woud have been generated, but the effect on the Group result would still have been immaterial.

In the present interim financial statements, the purchase price allocations of the following companies and groups acquired in the first half of 2009/10 were finalised within the 12-month period stipulated by IFRS 3:

- Select-World Pty Ltd., Australia
- Sport Executive Travel Group, UK
- The Hampstead School of English Ltd., UK
- TURKUAZ Insaat Turizm A.S., Turkey
- TUI Travel Hotel Management Services Ltd., Turkey

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

Final presentation of the statements of financial position as at first-time consolidation for acquisitions from 1 October 2009 to 31 March 2010

€ million	Carrying amounts at date of acquisition	Revaluation of assets and liabilities	Fair values at date of first-time consolidation
Other intangible assets	0.1	41.8	41.9
Property, plant and equipment	15.1	1.8	16.9
Fixed assets	**15.2**	**43.6**	**58.8**
Inventories	0.4	-	0.4
Trade receivables	1.9	- 0.1	1.8
Cash and cash equivalents	4.7	-	4.7
Income tax provisions	0.2	3.2	3.4
Other provisions	1.7	-	1.7
Financial liabilities	7.2	-	7.2
Liabilities and deferred income	38.0	-	38.0
Equity	**- 24.9**	**40.3**	**15.4**

The goodwill arising in the consolidated statement of financial position on eliminating the consideration transferred against the acquirer's interest in the remeasured equity rose by €3.1m as against 31 March 2010 due to the changes in the purchase price allocation. The capitalised goodwill essentially represents a part of the expected synergy potential.

The changed purchase price allocations have had the following effects on the consolidated statement of financial position as per 31 March 2010:

Impact of changes in purchase price allocations and adjustments on the consolidated statement of financial position

€ million	Adjustment 31 Mar 2010
Goodwill	+ 3.1
Other intangible assets	+ 0.6
Non-current assets	**+ 3.7**
Trade receivables	+ 0.1
Current assets	**+ 0.1**
Income tax provisions	+ 0.1
Other provisions	+ 0.3
Non-current liabilities	**+ 0.4**
Other liabilities	+ 3.4
Current liabilities	**+ 3.4**

The finalised purchase price allocations did not cause any material effects on the consolidated statement of financial position as at 30 September 2010 and the consolidated income statement for the prior-year reference period.

The divestments did not have a material impact on the TUI Group's net assets, financial position and financial performance.

Notes on the income statement of the TUI Group

The consolidated income statement for the continuing operations reflects the seasonality of the tourism business, as a result of which the result generated in the period from October to March is negative.

The increase in turnover and the cost of sales is attributable to the higher business volume in the TUI Travel Sector and the rise in the exchange rate of Sterling.

(1) Cost of sales and administrative expenses

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

Lease, rental and leasing expenses

€ million	Q2 2010/11	Q2 2009/10 revised	H1 2010/11	H1 2009/10 revised
Lease, rental and leasing expenses	203.0	197.8	393.1	382.7

Staff cost

€ million	Q2 2010/11	Q2 2009/10 revised	H1 2010/11	H1 2009/10 revised
Staff cost	466.9	552.0	998.5	1.059.9

Staff costs declined year-on-year, in particular due to the netting of income from changes in the pension plans in the UK. The income resulted from a reduction in the salary increases taken into account in determining pensionable pay.

Depreciation/amortisation/impairments

€ million	Q2 2010/11	Q2 2009/10 revised	H1 2010/11	H1 2009/10 revised
Depreciation and amortisation	84.8	92.6	175.5	183.8
Impairments of property, plant and equipment	12.7	4.7	12.7	4.7
Total	**97.5**	**97.3**	**188.2**	**188.5**

The impairments carried in the second quarter of 2010/11 consist of an amount of €4.7m for the Island Escape cruise ship and €8.0m for a Turkish hotel complex. The impairment on the cruise ship was driven by increased costs for renovation. The impairment on the hotel facility reflects an adjustment to the fair value of the hotel complex expected to be recoverable in the event of a probable sale.

(2) Other income/Other expenses

Other income/other expenses

€ million	Q2 2010/11	Q2 2009/10 revised	H1 2010/11	H1 2009/10 revised
Other income	39.0	9.1	57.2	12.6
Other expenses	4.5	3.0	4.7	5.0
Total	**+ 34.5**	**+ 6.1**	**+ 52.5**	**+ 7.6**

Other income for the current financial year includes an amount of €24.0m from the gains on disposal from the sale of the administrative buildings at Ballindamm and Rosenstrasse in Hamburg (including €7.9m in the second quarter of 2010/11). Additional income of €26.1m was carried in the second quarter of 2010/11 from the reversal of non-scheduled write-downs on Turkish hotel facilities. Since the sale of these complexes is about to be completed, the write-downs on the purchase price had to be reversed. In addition, book profits from the disposal of aircraft assets were carried in the quarter under review.

(3) Financial result

The financial result for the first half of 2010/11 includes in particular measurement effects worth €40.9m (previous year's reference quarter €22.9m) from reversals of write-downs on loans and hybrid instruments granted to Hapag-Lloyd Holding AG (previously "Albert Ballin" Holding GmbH & Co. KG) and Hapag-Lloyd AG as well as income from the conversion of a hybrid instrument into equity. The interest result also includes expenses for the partial, early redemption of the 2007/12 convertible bond and the 2005/12 bond. These expenses are interest expenses for the debt component of the convertible bond to be recognised until maturity, carried through the redemption effected in the second quarter of 2010/11.

(4) Share of result of joint ventures and associates

Share of result of joint ventures and associates

€ million	Q2 2010/11	Q2 2009/10	H1 2010/11	H1 2009/10
Tourism	+ 16.2	- 1.9	+ 22.6	- 7.5
Container Shipping	- 13.5	+ 5.7	+ 4.7	- 9.0
Total	**+ 2.7**	**+ 3.8**	**+ 27.3**	**- 16.5**

In the second quarter of 2010/11, Container Shipping generated a considerable year-on-year improvement in its operating earnings, in particular due to a substantial rise in freight rates. The measurement of Euro-denominated financial debt of the Container Shipping business, which is managed in US Dollars, in particular, resulted in considerable measurement losses due to the weakness of the US Dollar against the Euro. In combination with higher interest expenses, this led to an overall loss for the period from January to March 2011.

(5) Adjustments

In addition to the disclosures required under IFRS, the consolidated income statement comprises a reconciliation to underlying earnings. The adjustments show deconsolidation income as gains on disposal, events according to IAS 37 as restructuring measures and all effects of purchase price allocations on EBITA as purchase price allocations. This reconciliation also includes one-off expenses.

One-off items by sector

€ million	Q2 2010/11	Q2 2009/10 revised	H1 2010/11	H1 2009/10 revised
Tourism	- 74.8	9.6	- 76.1	26.5
TUI Travel	- 77.5	- 0.2	- 78.8	+ 16.7
TUI Hotels & Resorts	+ 2.7	+ 9.8	+ 2.7	+ 9.8
All other segments	- 8.1	-	- 24.2	-
Total	**- 82.9**	**9.6**	**- 100.3**	**26.5**

The one-off items carried for TUI Travel include an amount of €75.3m for adjustments of income from changes in the pension plans in the UK.

In the second quarter of 2010/11, adjustments for write-downs required on receivables and hotel complexes as well as reversals of write-downs on fixed assets of Turkish hotel facilities were carried for TUI Hotels & Resorts.

One-off items carried under Other segments in the first half of 2010/11 primarily show the gains on disposal from the sale of the administrative buildings in Hamburg (€24.0m).

(6) Income taxes

The tax asset for the first six months is largely attributable to the seasonality of the tourism business.

(7) Group loss for the year attributable to non-controlling interest

Group loss for the year attributable to non-controlling interest

€ million	Q2 2010/11	Q2 2009/10	H1 2010/11	H1 2009/10
TUI Travel	- 79.1	- 99.1	- 131.7	- 164.7
TUI Hotels & Resorts	+ 13.7	+ 11.1	+ 18.5	+ 14.7
Total	**- 65.4**	**- 88.0**	**- 113.2**	**- 150.0**

Notes on the financial position of the TUI Group

The changes in the consolidated statement of financial position as against 30 September 2010 primarily reflect the seasonality of the tourism business.

The item "Investments in joint ventures and associates" in the statement of financial position rose by €278.1m to €2,053.3m, primarily reflecting the increase in the stake in Container Shipping. As the hybrid I loan was converted into equity, TUI's stake in Container Shipping rose to 49.8%.

Assets held for sale

€ million	31 Mar 2011	30 Sep 2010
Disposal Group Turcotel (30 Sep 2010 including also other property)	113.9	225.0
Jet4You	-	35.0
Other assets	17.8	32.4
Total	**131.7**	**292.4**

The decline in assets held for sale was driven by the completion of the sale of administrative buildings and a Turkish hotel complex. The carrying amount shown for the remaining Turkish hotel facilities increased due to the reversal of the write-down on the sales price. Furthermore, the sales negotiations to divest Jet4You were concluded so that the assets and liabilities of this disposal group were reclassified from the corresponding balance sheet items.

Other assets primarily comprise aircraft assets available for sale.

Liabilities held for sale

€ million	31 Mar 2011	30 Sep 2010
Jet4You	-	35.9
Disposal group Turcotel	15.3	60.0
Total	**15.3**	**95.9**

Pension provisions declined by €201.3m to €710.0m, above all due to higher interest rate levels in Germany and the UK. These provisions also decreased due to changes in pension plans in the UK.

Non-current assets rose by a total of €406.3m to €3,233.8m, primarily because TUI Travel drew on long-term credit lines to cover the seasonal payments due in Tourism in the first half of 2010/11, and TUI Hotels & Resorts conclued long-term financing schemes.

In March 2011, TUI AG issued a convertible bond due 2016 with a principal value of €339.0m. TUI AG used the issue proceeds from the new convertible bond to partly repay outstanding long-term bonds including accrued interest.

Current financial liabilities, by contrast, declined by €744.2m to €940.2m. This was mainly due to the scheduled repayment of the bond due in December 2010 (€440.0m) and several loans by TUI AG (€150.0m) as well as the repayment of short-term liabilities in TUI Hotels & Resorts.

Other liabilities rose in line with the seasonality in the tourism business due to the advance payments received from customers.

Changes in equity

Since 30 September 2010, equity decreased by €86.3m overall to €2,347.9m.

The decline in equity was attributable to the payment of dividends to non-Group shareholders, above all dividends paid by TUI Travel PLC and RIUSA II SA. Moreover, the interest on the hybrid capital issued by TUI AG also has to be carried as a dividend in accordance with IFRS rules.

In the framework of long-term incentive programmes, TUI Travel PLC 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 €12.9m outside profit and loss in the period under review.

In March 2011, TUI AG issued a convertible bond. In accordance with IFRS rules, the bond components related to the conversion rights had to be classified as equity instruments and carried under equity. Overall, equity increased by €41.8m due to the convertible bond.

TUI AG acquired additional shares in TUI Travel PLC. The statutory elimination of these costs and other acquisition costs against revenue reserves caused a decline in equity of €27.2m.

The Group result is negative due to the seasonality of the tourism business.

Equity also declined due to the strengthening of Euro, in particular against Sterling and US Dollar, as compared with 30 September 2010.

The measurement of hybrid instruments in Container Shipping classified as financial assets available for sale caused an increase in after-tax revenue reserves outside profit and loss of €66.3m as at the closing date.

The (after-tax) results directly to be eliminated against equity from higher fair values of hedges resulting from the effective hedging of future cash flows totalled €+168.2m.

In the period under review, pension obligations fell, primarily due to the rise in the long-term interest rate levels in Germany and the UK. This resulted in an after-tax increase in the reserves in accordance with IAS 19, included in revenue reserves, of €83.8m.

Contingent liabilities

As at 31 March 2011, contingent liabilities totalled around €483.8m (as at 30 September 2010 around €453.7m). Contingent liabilities are carried at the level of estimated settlement as at the balance sheet date. They mainly relate to the assumption of liability for the benefit of Hapag-Lloyd AG for ship financing schemes. In the second quarter of 2010/11, guarantees were granted in favour of TUI Cruises GmbH to secure a ship financing scheme.

Other financial commitments

Financial commitments from operating lease, rental and charter contracts

€ million	31 Mar 2011	30 Sep 2010
Nominal value	3,124.5	2,907.3
Fair value	2,639.2	2,540.3

As per 31 March 2011, the financial commitments from operating lease, rental and charter contracts rose by €217.2m to €3,124.5m as against 30 September 2010. As compared with 30 September 2010, additional financial commitments of €177.0m resulted from an extension of the contract terms for cruise ships already operated by TUI Travel and charter commitments for an additional cruise ship operated by Hapag-Lloyd Kreuzfahrten. The increase was also driven by the long-term lease of a sold administrative building.

Remaining Other financial commitments

€ million	31 Mar 2011	30 Sep 2010
Order commitments in respect of capital expenditure	2,366.0	1,857.7
Other financial commitments	129.2	199.8
Total (Nominal value)	**2,495.2**	**2,057.5**
Fair value	**2,176.2**	**1,849.9**

As per 31 March 2011, order commitments in respect of capital expenditure, almost exclusively relating to Tourism, increased by €508.3m as against 30 September 2010, above all due to the ordering of five additional B737-800s and two A330 aircraft, while four B737-800 aircraft were delivered in the first half of 2010/11.

Order commitments also rose due to a planned hotel project by the RIUSA II Group.

Moreover, Hapag-Lloyd Kreuzfahrten placed an order with a French shipyard for a new cruise ship, the MS Europa 2, as part of its plans to expand its fleet. The new vessel is to enter service in the spring of 2013.

Notes on the cash flow statement of the TUI Group

Based on the after-tax Group result, the cash flow from operating activities is determined using the indirect method. In the period under review, cash and cash equivalents declined by €826.8m to €1,447.5m.

The outflow of cash from operating activities was €645.0m (previous year €817.6m) in the period under review. As every year, the strong outflow of cash is due to the fact that liabilities to suppliers are paid after the end of the tourism season. The amount carried for the first half of the year includes €91.2m of interest payments received in the framework of the financial commitment to Container Shipping.

The inflow of cash from investing activities totalling €497.5m was mainly driven by the repayment of loans granted to Container Shipping (€453.3). The payments include payments made for investments in property, plant and equipment of the TUI Travel Group of €154.7m and the hotel companies of €46.4m as well as payments received for the sale of real estate in Central Operations of €172.2m. The TUI Travel Group spent €18.7m for company acquisitions.

The outflow of cash from financing activities totalled €695.4m.

In March 2011, TUI AG received an inflow of €334.8m (after deduction of capital procurement costs) for the issue of a new convertible bond. In December 2010, TUI AG redeemed a bond worth €440.0m according to schedule. A further outflow of €721.2m related to the redemption of bonds and the repayment of loans. In order to cover the payments due in the first half of the year due to the seasonality in the tourism business, TUI Travel PLC primarily drew on long-term credit lines. Loans worth €549.6m were taken out, liabilities worth €46.6m from finance leases were repaid, and bank loans worth €28.3m were redeemed. The hotel companies recorded an inflow of cash and cash equivalents worth €83.0m from new financing schemes and spent €72.6m on redemption.

Interest payments amounted to €138.0m. Further payments related to the dividend on TUI AG's hybrid loan (€25,9m), the dividends for the minority shareholders of TUI Travel PLC and the hotel companies (€114.0m) and the increase in the stake in TUI Travel PLC (€64.0m).

Cash and cash equivalents also rose by €16.1m due to changes in exchange rates.

Segment indicators

Turnover by divisions and sectors for the period from 1 October 2010 to 31 March 2011

€ million	External	Group	Q2 2010/11 Total	External	Group	H1 2010/11 Total
Tourism	3,065.8	4.1	3,069.9	6,338.5	7.9	6,346.4
TUI Travel	2,923.0	5.8	2,928.8	6,078.5	12.0	6,090.5
TUI Hotels & Resorts	86.6	97.0	183.6	163.4	201.7	365.1
Cruises	56.2	-	56.2	96.6	-	96.6
Consolidation	-	- 98.7	- 98.7	-	- 205.8	- 205.8
All other segments	12.4	6.8	19.2	25.8	17.3	43.1
Consolidation	-	- 10.9	- 10.9	-	- 25.2	- 25.2
Total	**3,078.2**	**-**	**3,078.2**	**6,364.3**	**-**	**6,364.3**

Turnover by divisions and sectors for the period from 1 October 2009 to 31 March 2010

€ million	External	Group	Q2 2010/11 Total revised	External	Group	H1 2009/10 Total revised
Tourism	2,868.6	- 6.8	2,861.8	5,808.7	10.1	5,818.8
TUI Travel	2,707.5	4.9	2,712.4	5,519.2	11.3	5,530.5
TUI Hotels & Resorts	101.4	97.3	198.7	188.8	187.3	376.1
Cruises	59.7	-	59.7	100.7	-	100.7
Consolidation	-	- 109.0	- 109.0	-	- 188.5	- 188.5
All other segments	14.5	13.4	27.9	30.1	44.6	74.7
Consolidation	-	- 6.6	- 6.6	-	- 54.7	- 54.7
Total	**2,883.1**	**-**	**2,883.1**	**5,838.8**	**-**	**5,838.8**

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

€ million	Q1 2010/11	Q1 2009/10 revised	H1 2010/11	H1 2009/10 revised
Tourism	- 189.5	- 262.2	- 325.3	- 433.6
TUI Travel	- 197.4	- 268.8	- 331.1	- 432.4
TUI Hotels & Resorts	6.4	4.4	8.7	2.9
Cruises	1.5	2.2	- 2.9	- 4.1
All other segments	- 3.2	- 11.4	0.3	- 20.3
Total	**- 192.7**	**- 273.6**	**- 325.0**	**- 453.9**

In the first half of financial year 2010/11, earnings before interest, taxes and amortisation of goodwill (EBITA) include an amount of €+22.6m (previous year €-7.5m) of results from joint ventures and associates, fully generated in Tourism.

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

€ million	Q1 2010/11	Q1 2009/10 revised	H1 2010/11	H1 2009/10 revised
Tourism	- 244.2	- 228.7	- 351.2	- 364.0
TUI Travel	- 254.8	- 245.1	- 359.7	- 372.6
TUI Hotels & Resorts	9.1	14.2	11.4	12.7
Cruises	1.5	2.2	- 2.9	- 4.1
All other segments	- 11.3	- 11.4	- 23.9	- 20.3
Total	**- 255.5**	**- 240.1**	**- 375.1**	**- 384.3**

Reconciliation to earnings before taxes of the TUI Group

€ million	Q1 2010/11	Q1 2009/10 revised	H1 2010/11	H1 2009/10 revised
Group EBITA	**- 192.7**	**- 273.6**	**- 325.0**	**- 453.9**
Result from Container Shipping measured at equity	- 13.5	5.7	4.7	- 9.0
Effect from the measurement of loans to Container Shipping	2.2	4.8	40.9	22.9
Interest result and earnings from the valuation of interest hedges	- 107.3	- 76.1	- 172.9	- 136.3
Impairment of Goodwill	-	-	-	-
Total	**- 311.3**	**- 339.2**	**- 452.3**	**- 576.3**

Related parties

Apart from the subsidiaries included in the consolidated financial statements, TUI AG, in carrying out its ordinary business activities, maintains direct or indirect relationships with related parties. All transactions with related parties are 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 2010, was retained unamended at the closing date for the interim financial statements. More detailed information on related parties is provided under "Other notes" in the notes on the consolidated financial statements for 2009/10.

Major transactions after the balance sheet date

On 4 April 2011, the TUI Group acquired a 60% stake in the Intrepid Travel Group Limited, Australia. All of Intrepid and TUI's adventure travel business have been transferred to the newly formed PEAK Group. The TUI Group now holds 60% of the PEAK Group. The Intrepid Group will be included in the consolidated financial statements upon the transfer of control on 4 April 2011.

If the Intrepid Group had been included in the consolidated financial statements since 1 October 2010, turnover would have been around €35.0m higher. The accounting for the acquisition will have to be completed before its final effect on the Group result can be specified.

In early April 2011, Hapag-Lloyd AG repaid the only loan still outstanding prior to the due date (nominal value € 179.4m).

On 30 April 2011, TUI Travel PLC repaid the last tranche of the shareholder loan worth €160.0m to TUI AG on the due date.

Responsibility Statement

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

The Executive Board
Hanover, 10 May 2011

Dr Frenzel

Baier Engelen Long

Review Report

To TUI AG, Berlin and Hanover

We have reviewed the condensed interim consolidated financial statements – comprising the statement of financial position, the income statement, the condensed statement of comprehensive income, the condensed statement of cash flows, the condensed statement of changes in equity and selected explanatory notes – and the interim Group management report of TUI AG, Berlin and Hanover, for the period from 1 October 2010 to 31 March 2011, which are part of the half-year financial report according to section 37w of the German Securities Trading Act (WpHG). The preparation of the condensed interim consolidated financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and of the interim Group management report which has been prepared in accordance with the regulations of the German Securities Trading Act applicable to interim Group management reports is the responsibility of the Company's management. Our responsibility is to issue a review report of the condensed interim consolidated financial statements and on the interim group management report based on our review.

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

Hanover, 10 May 2011

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Prof. Dr Norbert Winkeljohann
Auditor

Sven Rosorius
Auditor

Financial Calendar

	Calendar
Interim Report Q3 2010/11	11 August 2011
Annual Report 2010/11 – Press Conference & Analysts' Meeting	14 December 2011
Annual General Meeting	15 February 2012

Imprint

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