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Reservation concerning future-related statements

This interim report contains a number of statements related to the future development of TUI. These statements are based both on assumptions and estimates. Although we are convinced that these future-related statements are realistic, we cannot guarantee them, for our assumptions involve risks and uncertainties which may give rise to situations in which the actual results differ substantially from the expected ones. The potential reasons for such differences include market fluctuations, the development of world market commodity prices, the development of exchange rates or fundamental changes in the economic environment. TUI does not intend or assume any obligation to update any forward-looking statement to reflect events or circumstances after the date of these materials.

Q2 2007

TUI Group in figures

€ million	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
Continuing operations						
Turnover	5,196.8	5,301.7	- 2.0	9,290.9	9,502.1	- 2.2
EBITDAR	467	557	- 16.2	835	934	- 10.6
EBITDA	167	272	- 38.7	238	375	- 36.5
EBITA	5	89	- 94.4	- 78	19	n. m.
of which tourism	13	152	- 91.4	- 224	69	n. m.
of which shipping	13	- 41	n. m.	154	- 66	n. m.
of which central operations	- 21	- 22	+ 4.5	- 8	16	n. m.
Underlying EBITA	18	128	- 75.9	- 249	- 43	n. m.
of which tourism	48	145	- 66.9	- 179	- 71	- 152.1
of which shipping	- 15	5	n. m.	- 68	27	n. m.
of which central operations	- 15	- 22	+ 31.8	- 2	1	n. m.
Discontinuing operations						
EBITA	-	- 2	-	-	23	-
Group						
EBITA	5	87	- 94.3	- 78	42	n. m.
Underlying EBITA	18	138	- 87.0	- 249	- 13	n. m.
Group profit/loss	67.8	39.2	+ 73.0	- 38.0	- 51.7	+ 26.5
Basic earnings per share	in € + 0.19	+ 0.06	+ 216.7	- 0.29	- 0.31	+ 6.5
Capital expenditure	285.3	183.0	+ 55.9	482.1	496.5	- 2.9
Equity ratio (30 June)	in % -	-	-	21.5	24.9	- 13.7
Employees (30 June)	-	-	-	61,452	63,845	- 3.7

- **Strain on the operating performance in tourism and shipping in Q2.**
- **Substantial improvement in earnings in both core businesses expected in the second half of 2007.**
- **Net debt reduced to € 2.7 billion.**

Economic Situation in Q2 2007

General economic situation

In the first half of 2007, the world economy showed a clearly positive trend. World production showed almost the same robust growth as before, although the individual regions reported varying trends. In the US, production growth continued to weaken, while Japan continued to record an economic upswing. Production growth in the European Union, in contrast, slowed down slightly against the backdrop of an increase in overall economic capacity utilisation. The economy in the industrialised countries was boosted by the strong growth in the developing countries and the emerging economies.

Special events in the quarter under review

Update on the merger between TUI's tourism division and First Choice Holidays

On 4 June 2007, the European Commission approved the merger between TUI's tourism division – excluding the hotel companies pooled under TUI Hotels & Resorts – and the British travel group First Choice Holidays PLC to form TUI Travel PLC, announced on 19 March 2007. The approval was granted subject to the condition that TUI AG sells its Irish subsidiary Budget Travel. On 29 June 2007, TUI AG and First Choice Holidays PLC published the prospectus for the planned merger for the listing on the London Stock Exchange. At an extraordinary annual general meeting held on 25 July 2007, the shareholders of First Choice Holidays PLC approved the merger by the required majority of three quarters of the votes.

The closing of the merger, the listing and the first trading day for the shares of TUI Travel PLC on the London Stock Exchange is expected for 3 September 2007. The new company will be based in the UK. At 51 per cent of the shares, TUI AG will hold the majority in the new company, while the shareholders of First Choice Holidays PLC will hold 49 per cent. TUI Travel PLC will be fully consolidated in TUI AG's consolidated financial statements.

Issuance of a convertible bond

In May 2007, TUI AG issued an uncollateralised, non-subordinated convertible bond which was exclusively offered to institutional investors outside the US. TUI responded to the unusually strong demand and directly increased the originally planned initial volume of € 550 million by € 82.5 million. In addition, the banks mandated to place the bond exercised the greenshoe option of € 61.5 million to cover surplus allocations. The total issuance volume of the convertible bond thus amounted to € 694 million. The issuing proceeds will be used both for general corporate purposes and the potential refinancing of part of TUI's existing debt.

Consolidated turnover and earnings

Against the background of almost constant turnover in tourism and a decline in turnover by container shipping caused by the development of the US dollar exchange rate and freight rates, the business trend in the second quarter of 2007 and thus also the first half of the year showed clearly negative tendencies compared with 2006.

Nevertheless, the Executive Board maintains its cautiously optimistic assessment of the development of the operative business in the overall year 2007.

In tourism, the UK will see significant earnings improvements on the second half of 2007 year-on-year due to the market trend and the cost cuts. The Western Europe sector is also expected to show a substantial improvement since strains incurred in France in the second half of 2006 will not recur. The destinations are also expected to show positive trends, primarily driven by capacity trends.

The Central Europe sector is characterised by earnings opportunities in the tour operator business, which is currently showing a very sound development, but also risks related to the seat load factor of the TUIfly fleet. The business trend over the next few weeks will be crucial to the earnings trend.

Further changes in earnings will result from the merger with First Choice expected for early September. Upon completion of the merger with First Choice, the reporting structure in tourism will change. In addition, the inclusion of First Choice will create one-off as well as sustainable earnings effects. At the current point in time, a final assessment of the implications of these effects is not possible yet.

In shipping, strong volume growth and a significant recovery in freight rates are observed in the substantial markets. This is also reflected by the development of freight rates between the first and the second quarter of 2007. The current development of the market environment is expected to enable shipping to generate positive operating earnings again in the near future and to create a sustainable market recovery.

Development of turnover by divisions

Turnover by divisions

€ million	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
Tourism	3,646.0	3,641.5	+ 0.1	6,235.5	6,152.1	+ 1.4
Central Europe	1,652.2	1,554.8	+ 6.3	2,636.3	2,459.7	+ 7.2
Northern Europe	1,119.5	1,235.2	- 9.4	2,056.0	2,149.9	- 4.4
Western Europe	706.9	710.5	- 0.5	1,259.9	1,236.4	+ 1.9
Destinations	167.4	137.1	+ 22.1	283.3	238.4	+ 18.8
Other tourism	–	3.9	–	–	67.7	–
Shipping	1,537.6	1,605.8	- 4.2	3,037.9	3,245.4	- 6.4
Central operations	13.2	54.4	- 75.7	17.5	104.6	- 83.3
Continuing operations	5,196.8	5,301.7	- 2.0	9,290.9	9,502.1	- 2.2
Trading	–	123.0	–	–	401.0	–
Discontinuing operations	–	123.0	–	–	401.0	–
Turnover by divisions	5,196.8	5,424.7	- 4.2	9,290.9	9,903.1	- 6.2

In the second quarter of 2007, the turnover of the TUI Group's continuing operations – tourism, shipping and central operations – was 2.0% down year-on-year. Accumulated turnover for the first half of 2007 also declined by 2.2% year-on-year.

At € 3.6 billion, turnover by tourism matched 2006 levels in the second quarter of 2007. For the first half of 2007, turnover rose slightly by 1.4%. Adjusted for the development of turnover by the Other tourism sector, which still comprised prorated turnover from the divested business travel operations in the first quarter of 2006, turnover grew by 2.5% in the first half of 2007. The increase in turnover was supported in particular by the Central Europe sector and the destinations sector, which recorded significant growth in turnover.

In the shipping sector, turnover declined by 4.2% to € 1.5 billion in the second quarter and by 6.4% to € 3.0 billion in the first half of 2007. This was due to the weakening of the US dollar against the euro and the year-on-year decline in freight rates in almost all trade lanes.

At € 13 million, turnover by central operations dropped by 75.7% year-on-year in the second quarter of 2007, and at € 18 million it declined by 83.3% year-on-year in the first half of the year. This was primarily due to the divestment of the majority interest in Wolf GmbH, a heating and air conditioning company, in October 2006 and the resulting decline in turnover.

In the 2007 financial year, the TUI Group no longer conducts any activities to be classified as discontinuing operations in accordance with IFRS regulations. In 2006, turnover of € 123 million was generated in the second quarter and accumulated turnover of € 401 million was generated in the first half of 2006 in the trading sector.

At € 5.2 billion, total turnover by the TUI Group's divisions was 4.2% down year-on-year in the second quarter of 2007. Accumulated turnover for the first half of 2007 totalled € 9.3 billion, down 6.2% year-on-year.

Development of earnings by divisions

Earnings by divisions (EBITA)

€ million	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
Tourism	13	152	- 91.4	- 224	69	n. m.
Central Europe	41	66	- 37.9	- 57	- 36	- 58.3
Northern Europe	- 36	43	n. m.	- 155	- 49	- 216.3
Western Europe	- 22	- 3	n. m.	- 57	- 39	- 46.2
Destinations	30	38	- 21.1	45	44	+ 2.3
Other tourism	-	8	-	-	149	-
Shipping	13	- 41	n. m.	154	- 66	n. m.
Central operations	- 21	- 22	+ 4.5	- 8	16	n. m.
Continuing operations	5	89	- 94.4	- 78	19	n. m.
Trading	-	- 2	-	-	18	-
Divestments	-	-	-	-	5	-
Discontinuing operations	-	- 2	-	-	23	-
Earnings by divisions (EBITA)	5	87	- 94.3	- 78	42	n. m.

Continuing operations

Earnings by the continuing operations tourism and shipping as well as central operations (before interest, taxes and amortisation of goodwill) totalled € 5 million in the second quarter of 2007, € 84 million down year-on-year. Accumulated earn-

ings for the first half of 2007 also declined to € - 78 million, down € 97 million. Both in 2007 and in 2006, earnings were affected by a number of one-off effects. In order to ensure a transparent presentation of the development of earnings by the divisions, a reconciliation to underlying earnings (underlying EBITA by division) is provided in the section below.

Underlying EBITA by division: Tourism

€ million	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
EBITA by division	13	152	- 91.4	- 224	69	n. m.
<i>Gains on disposals</i>	-	- 19		-	- 163	
<i>Restructuring expenses</i>	+ 3	+ 6		+ 5	+ 6	
<i>Other one-off items</i>	+ 32	+ 6		+ 40	+ 17	
Underlying EBITA by division	48	145	- 66.9	- 179	- 71	- 152.1

At € 13 million, earnings by tourism dropped by 91.4%, a significant decline year-on-year. Accumulated earnings for the first half of 2007 also dropped by € 293 million to € - 224 million. Earnings for the second quarter included restructuring expenses of € 3 million for the Dutch source market. They also included one-off items for the rebranding of the new TUfly.com brand, one-off expenses for a conversion of the air passenger duty in the UK which could not be rolled over to passengers, one-off expenses for a revaluation of maintenance provisions in the wake of the planned merger between First Choice and TUI's tourism division as well as consultation fees in the framework of the planned merger totalling € 32 million. On the other hand, gains on disposals from the divestment of the specialist tour operator operations in the Netherlands and lagging income from the divestment of the business travel operations (TQ3), already effected in the first quarter of 2006, of € 19 million was generated in the second quarter 2006. In the second quarter of 2006, restructuring expenses for the reorganisation of source market Germany and a one-off expense in connection with litigation in the destinations sector totalling € 12 million had been incurred. Adjusted for the one-off effects, underlying earnings declined by 66.9% in the second quarter of 2007 and by 152.1% in the first half of 2007.

Underlying EBITA by division: Shipping

€ million	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
EBITA by division	13	- 41	n. m.	154	- 66	n. m.
<i>Gains on disposals</i>	+ 3	-		- 193	-	
<i>Restructuring expenses</i>	-	+ 30		-	+ 70	
<i>Other one-off items</i>	- 31	+ 16		- 29	+ 23	
Underlying EBITA by division	- 15	5	n. m.	- 68	27	n. m.

At € 13 million in the second quarter of 2007, earnings by the shipping division rose by € 54 million year-on-year. Accumulated earnings for the first half of 2007 also increased year-on-year to € 154 million, up € 220 million. Earnings for the second quarter comprised one-off expense of € 3 million from a contractual settlement payment in connection with the divestment of Montreal Gateway Terminals, sold in the first quarter of 2007. Further one-off income of € 32 million from a revaluation of a risk position formed in the wake of the acquisition of CP Ships at the acquisition date had to be accounted for. On the other hand, a minor lagging expense of € 1 million was incurred in the framework of the integration of CP Ships. In net terms, one-off effects of € 31 million were generated. In the 2006 reference quarter, expenses of € 46 million had been incurred for the integration of CP Ships. Adjusted for the

one-off effects, underlying earnings in the second quarter of 2007 amounted to € - 15 million, down € 20 million year-on-year. Underlying earnings for the first half of 2007 declined by € 95 million year-on-year, in particular due to the operative result for the first quarter of 2007.

Underlying EBITA by division: Central operations

€ million	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
EBITA by division	- 21	- 22	+ 4.5	- 8	16	n. m.
<i>Gains on disposals</i>	-	-		-	-	
<i>Restructuring expenses</i>	+ 6	-		+ 6	-	
<i>Other one-off items</i>	-	-		-	-	
<i>Revaluation of convertible options</i>	-	-		-	- 15	
Underlying EBITA by division	- 15	- 22	+ 31.8	- 2	1	n. m.

In the second quarter of 2007, earnings by central operations grew by € 1 million year-on-year to € - 21 million. For the first half of 2007, earnings declined by € 24 million to € - 8 million. Earnings in the second quarter of 2007 included restructuring expenses of € 6 million, incurred in connection with the personnel adjustment measures taken by the TUI AG holding. In the 2006 reference period, no one-off effects had to be accounted for. Adjusted for the one-off effects, underlying earnings in the second quarter of 2007 rose by € 7 million to € - 15 million. At € - 2 million, underlying earnings for the first half of 2007 declined slightly year-on-year.

Discontinuing operations

In the 2007 financial year, the TUI Group no longer conducts any discontinuing operations. In the second quarter of 2006, earnings from current business activities had totalled € - 2 million. In the first half of 2006, earnings from current operations totalled € 23 million, including lagging income from the divestment of the energy sector of € 5 million in the first quarter of 2006 and a loss on disposal of € 12 million from the divestment of the US steel trading activities in the second quarter of 2006, resulting in a net one-off expense of € 7 million for the first half of 2006, to be included in the underlying EBITA.

Underlying EBITA by divisions: Group

€ million	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
EBITA by divisions	5	87	- 94.3	- 78	42	n. m.
<i>Gains on disposals</i>	+ 3	- 7		- 193	- 156	
<i>Restructuring expenses</i>	+ 9	+ 36		+ 11	+ 76	
<i>Other one-off items</i>	+ 1	+ 22		+ 11	+ 40	
<i>Revaluation of convertible options</i>	-	-		-	- 15	
Underlying EBITA by divisions	18	138	- 87.0	- 249	- 13	n. m.

In the second quarter of 2007, total earnings by the TUI Group declined by 94.3% to € 5 million (previous year: € 87 million). Accumulated earnings for the first half of the year amounted to € - 78 million, down € 120 million (previous year: € 42 million). Adjusted for the one-off effects, underlying earnings totalled € 18 million (previous year: € 138 million) in the second quarter and € - 249 million (previous year: € - 13 million) in the first half of the year.

Development of the divisions: Tourism

Tourism – Key figures

€ million	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
Turnover	3,646.0	3,641.5	+ 0.1	6,235.5	6,152.1	+ 1.4
EBITA by division	13	152	- 91.4	- 224	69	n. m.
<i>Gains on disposals</i>	–	- 19		–	- 163	
<i>Restructuring expenses</i>	+ 3	+ 6		+ 5	+ 6	
<i>Other one-off items</i>	+ 32	+ 6		+ 40	+ 17	
Underlying EBITA by division	48	145	- 66.9	- 179	- 71	- 152.1
Capital expenditure	96.3	151.9	- 36.6	185.1	348.1	- 46.8
Employees (30 June)	–	–	–	52,081	52,785	- 1.3

At € 3.6 billion, turnover by tourism matched 2006 levels in the second quarter of 2007. For the first half of the year, turnover rose slightly by 1.4% year-on-year. The Central Europe sector grew by 6.3% in the second quarter and by 7.2% in the first half of the year; this was due to the increase in customer numbers both in package tours but also the modular and seat-only businesses. The Northern Europe sector reported a slight increase in customer numbers and a decline in turnover of 9.4% in the second quarter and 4.4% in the first half of the year. The Western Europe sector recorded a slight decrease in turnover of 0.5% in the second quarter and an increase in accumulated turnover of 1.9% for the first half of the year, with an overall growth in customer numbers. The destinations sector recorded turnover growth of 22.1% in the second quarter and 18.8% in the first half of the year. Other tourism sector contained no more turnover due to the divestments in the 2006 financial year.

Customer numbers tourism

'000	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
Central Europe	3,203	2,989	+ 7.1	5,110	4,696	+ 8.8
Northern Europe	1,916	1,883	+ 1.7	3,199	3,096	+ 3.3
Western Europe	1,227	1,136	+ 8.0	2,040	1,950	+ 4.6
Total	6,346	6,008	+ 5.6	10,348	9,742	+ 6.2

At € 13 million in the second quarter of 2007 and € - 224 million in the first half of the year, total earnings by the tourism division dropped by € 139 million and € 293 million, respectively, year-on-year. One of the main reasons for the decline in earnings year-on-year in the first half of the year was the one-off income from the divestment of the business travel operations and the Dutch specialist tour operators totalling € 163 million, included in earnings for the first quarter of 2006. Adjusted for the one-off effects, underlying earnings declined by € 97 million year-on-year in the second quarter of 2007 and € 108 million in the first half of the year.

Central Europe

Central Europe – Key figures

€ million	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
Turnover	1,652.2	1,554.8	+ 6.3	2,636.3	2,459.7	+ 7.2
EBITA by division	41	66	- 37.9	- 57	- 36	- 58.3
<i>Gains on disposals</i>	–	–	–	–	–	–
<i>Restructuring expenses</i>	–	+ 6	–	–	+ 6	–
<i>Other one-off items</i>	+ 6	–	–	+ 11	–	–
Underlying EBITA by division	47	72	- 34.7	- 46	- 30	- 53.3
Capital expenditure	4.2	59.8	- 93.0	11.7	174.7	- 93.3
Employees (30 June)	–	–	–	9,752	9,831	- 0.8

Turnover and earnings

In the Central Europe sector (Germany, Austria, Switzerland and airline TUIfly.com), the number of customers rose by 7.1% in the second quarter of 2007, with accumulated customer numbers for the first half of 2007 up 8.8%. Turnover grew by 6.3% in the second quarter and 7.2% in the first half of 2007. All source markets achieved year-on-year growth.

At € 41 million, earnings by the Central Europe sector dropped by 37.9% year-on-year in the second quarter of 2007. Earnings for the first half of the year also declined by 58.3% to € - 57 million. Against the backdrop of an overall positive trend for travelling with TUI, the business trend in source market Germany was slightly curbed by additional expenses for the integration of the two airlines Hapag-Lloyd Flug and Hapag-Lloyd Express into the new brand TUIfly.com. The integration resulted in one-off rebranding expenses of € 6 million for the new TUIfly.com brand in the second quarter of 2007 and € 11 million for the first half of the year. Apart from the one-off expenses, another main reason for the drop in earnings was the decline in the seat load factor in the airline sector. Source markets Switzerland and Austria achieved a year-on-year increase in earnings. Adjusted for the one-off effects in the second quarter of 2007, underlying earnings totalled € 47 million, down 34.7% year-on-year. Accumulated underlying earnings for the first half of the year amounted to € - 46 million, a decline of 53.3%. Income of € 8 million (previous year: € 10 million) from sale-and-lease-back transactions for three aircraft was included in earnings for the second quarter.

Customer numbers Central Europe

'000	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
Germany	2,886	2,681	+ 7.6	4,692	4,299	+ 9.1
Switzerland	83	68	+ 20.8	129	106	+ 20.8
Austria	234	240	- 2.4	289	291	- 0.4
Central Europe	3,203	2,989	+ 7.1	5,110	4,696	+ 8.8

Germany

In the second quarter of 2007, the travel market in Germany showed different trends. Customer numbers of the TUI tour operators and TUIfly.com grew by 7.6% year-on-year in the second quarter of 2007 and 9.1% for the first half of the year. This was largely attributable to the tour operators of TUI Deutschland – both in the package tour but also modular segments – and the seat-only business of TUIfly.com. Demand for tours to Egypt, Turkey and mainland Spain as well as long-haul destinations was very strong, while bookings of tours to the Balearic Islands, Greece and Cyprus still showed some restraint.

Switzerland

The Swiss tour operator market continued to show a very gratifying trend in the second quarter of 2007. TUI Suisse tour operators recorded an increase in customer numbers of 20.8%, both in the second quarter and the first half of 2007. This was largely attributable to the two brands TUI and 1-2-Fly. The strong growth of the FlexTravel brand slowed down slightly. Vögele recorded a slight decrease in bookings.

Austria

In Austria, the tour operator market weakened again in the second quarter of 2007, following a relatively good first quarter. TUI Austria reported a 2.4% drop in customer numbers year-on-year, with customer numbers declining slightly by 0.4% year-on-year in the first half of 2007. The TUI and Terra brands showed a relatively gratifying trend, while Gulet did not report a satisfactory performance yet. Demand was particularly good for North African destinations and Turkey. Bookings of the Balearic Islands and Portugal were less strong.

Flight operations Central Europe – Key figures

	Number of operated aircraft			Seat kilometres (bn)			Seat load factor (%)		
	Q2 2007	Q2 2006	Abs. var.	Q2 2007	Q2 2006	Var. %	Q2 2007	Q2 2006	Var. %-points
TUIfly.com	55	51	+ 4	6.8	6.3	+ 7.3	79.5	91.5	- 12.0

TUIfly.com

Following the integration of the two airlines Hapag-Lloyd Flug and Hapag-Lloyd Express in January 2007, the second quarter of 2007 was again characterised by the integration activities. In the framework of the fleet renewal programme, five new Boeing 737s were delivered in the course of the second quarter; so four more aircraft were operated year-on-year. The seat load factor declined significantly, partly due to the return of commitments.

Northern Europe**Northern Europe – Key figures**

€ million	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
Turnover	1,119.5	1,235.2	- 9.4	2,056.0	2,149.9	- 4.4
EBITA by division	- 36	43	n. m.	- 155	- 49	- 216.3
<i>Gains on disposals</i>	-	-		-	-	
<i>Restructuring expenses</i>	-	-		-	-	
<i>Other one-off items</i>	+ 26	-		+ 28	-	
Underlying EBITA by division	- 10	43	n. m.	- 127	- 49	- 159.2
Capital expenditure	23.4	19.6	+ 19.4	37.6	28.2	+ 33.3
Employees (30 June)	-	-	-	14,242	16,338	- 12.8

Turnover and earnings

In the Northern Europe sector (UK, Ireland, Nordic countries and airlines Thomsonfly and TUIfly Nordic), the number of customers rose by 1.7% in the second quarter of 2007 and 3.3% in the first half of the year in a persistently difficult market environment. This growth in customer numbers was mainly driven by the increase in Thomsonfly's seat-only business. Turnover declined by 9.4% year-on-year in the second quarter and 4.4% in the first half of the year. Source market UK reported a decline in turnover, while the Nordic countries managed to expand their business volume.

In the second quarter of 2007, earnings by the Northern Europe sector declined by € 79 million year-on-year to € - 36 million. Earnings for the first half of the year dropped by € 106 million to € - 155 million. Earnings in the second quarter

included one-off expenses of € 4 million resulting from changes in the air passenger duty in the UK which could not be rolled over to customers and the revaluation of maintenance provisions in the framework of the merger between First Choice and TUI's tourism division of € 20 million. In addition, the Northern Europe sector had incurred consultancy fees of € 2 million in the framework of the merger mentioned above. In the 2006 reference period, no one-off effects had been included in earnings. Adjusted for the one-off effects, underlying earnings totalled € - 10 million, a decline of € 53 million year-on-year. The drop in earnings was primarily attributable to the difficult market environment and the strong price pressure in source market UK. However, following a very strong first quarter of 2007, the Nordic countries did not fully reproduce 2006 levels, either. For the first half of 2007, underlying earnings totalled € - 127 million, a decline of € 78 million. Earnings for the second quarter included income of € 2 million from a sale-and-lease-back transaction for one aircraft in source market UK.

Customer numbers Northern Europe

'000	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
UK	1,513	1,473	+ 2.8	2,506	2,417	+ 3.7
Ireland	105	117	- 10.6	130	142	- 8.4
Nordic countries	298	293	+ 1.5	563	537	+ 4.8
Northern Europe	1,916	1,883	+ 1.7	3,199	3,096	+ 3.3

UK

TUI UK's British tour operators operated in a persistently difficult market environment and reported a decline in customer numbers, while Thomsonfly recorded a substantial increase in customer numbers in the seat-only business. Total customer numbers rose by 2.8% year-on-year in the second quarter of 2007 and 3.7% year-on-year in the first half of 2007. In terms of medium-haul destinations, bookings of tours to France and Portugal rose for the 2007 summer season while bookings of Spanish destinations declined year-on-year. The long-haul segment reported sound demand for the new destinations Cape Verde Islands. The performance of the tour operators of the Specialist Holidays Group matched 2006 levels. While demand dropped for skiing tours as well as short- and long-haul trips, Al Fresco recorded an increase in bookings.

Ireland

In the second quarter of 2007, Ireland reported a 10.6% decline in customer numbers. For the first half of the year, customer numbers dropped by 8.4% year-on-year.

Nordic countries

The Nordic countries reported a satisfactory performance in the second quarter of 2007. The number of customers of TUI Nordic's tour operators grew by a total of 1.5% in the second quarter, with accumulated customer numbers for the first half of 2007 up 4.8%. Greece, Cyprus and Bulgaria recorded particularly good booking levels.

Flight operations Northern Europe – Key figures

	Number of operated aircraft			Seat kilometres (bn)			Seat load factor (%)		
	Q2 2007	Q2 2006	Abs. var.	Q2 2007	Q2 2006	Var. %	Q2 2007	Q2 2006	Var. % points
Thomsonfly	49	47	+ 2	6.8	7.3	- 6.3	84.4	86.9	- 2.5
TUIfly Nordic	5	5	+/- 0	1.0	1.0	+ 4.0	89.3	90.2	- 0.9

Thomsonfly

By means of route mix variation, Thomsonfly reduced the volume of seat kilometres offered in the charter flight segment for which demand was less strong. Despite this measure, the seat load factor dropped year-on-year due to the difficult market environment in the UK. Due to the delivery of two aircraft, the aircraft fleet was expanded accordingly year-on-year.

TUIfly Nordic

The sound customer numbers of tour operators in the Nordic countries in the first quarter resulted in an expansion in the seat kilometre volume offered in the second quarter. Due to the decline in demand, the seat load factor dropped slightly year-on-year. The fleet size did not change year-on-year.

Western Europe

Western Europe – Key figures

€ million	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
Turnover	706.9	710.5	- 0.5	1,259.9	1,236.4	+ 1.9
EBITA by division	- 22	- 3	n. m.	- 57	- 39	- 46.2
<i>Gains on disposals</i>	-	- 13		-	- 13	
<i>Restructuring expenses</i>	+ 3	-		+ 5	-	
<i>Other one-off items</i>	-	-		+ 1	+ 11	
Underlying EBITA by division	- 19	- 16	- 18.8	- 51	- 41	- 24.4
Capital expenditure	7.6	13.2	- 42.4	14.5	42.1	- 65.6
Employees (30 June)	-	-	-	6,734	6,703	+ 0.5

Turnover and earnings

In the Western Europe sector (France, the Netherlands, Belgium and airlines Corsair, TUI Airlines Nederland and TUI Airlines Belgium), turnover matched 2006 levels in the second quarter of 2007, with an increase in customer numbers. Accumulated turnover for the first half of the year grew slightly by 1.9%. In the Netherlands, turnover declined in the entire reporting period and fell short of 2006 levels. This was due to the omission of the turnover of the Dutch specialist tour operators divested in the second quarter of 2006. In France, turnover grew year-on-year both in the second quarter and the first half of the year despite a decline in customer numbers. Belgium, too, reported a rise in turnover, which resulted from an increase in customer numbers.

At € - 22 million in the second quarter of 2007 and an accumulated level of € - 57 million in the first half of the year, earnings by the division declined year-on-year. Earnings in the second quarter included one-off expenses of € 3 million for the restructuring of business in the Dutch source market. Earnings in the 2006 reference quarter comprised a gain on disposal of € 13 million from the divestment of the specialist operator business in the Netherlands. Adjusted for these one-off effects, underlying earnings dropped by 18.8% year-on-year. This was due to a temporary strain on earnings due to the expansion of capacity in flight operations in Belgium and slight restraint in the French travel market following a good performance in

the first quarter of 2007. The Dutch market showed a positive trend. Accumulated underlying earnings for the first half of the year declined by 24.4% to € - 51 million.

Customer numbers Western Europe

'000	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
France	391	392	- 0.3	749	760	- 1.4
Netherlands	353	314	+ 12.6	547	532	+ 2.8
Belgium	483	431	+ 12.3	744	658	+ 13.0
Western Europe	1,227	1,136	+ 8.0	2,040	1,950	+ 4.6

France

Following a gradual improvement in the situation on the French travel market in the first quarter of 2007, some French holidaymakers waited for the presidential and parliamentary elections in the second quarter before booking or starting their holidays. This trend impacted the business of Nouvelles Frontières to some extent, with customer numbers declining by 0.3% year-on-year. Accumulated customer numbers for the first half of the year also dropped by 1.4% year-on-year. Bookings of tours to Réunion recovered after the end of the chikengunya fever outbreak, and bookings of the new destination Mauritius were also very gratifying. Demand was also strong for tours to Turkey.

Netherlands

Despite a difficult travel market, TUI's Dutch tour operators reported a sound performance in the second quarter. Despite the difficult environment, they reported an increase of 12.6% in customer numbers, with total growth in customer numbers of 2.8% for the first half of 2007. Demand was very strong for France, Turkey and the Caribbean in the second quarter, while Portugal and the Balearic Islands showing the strongest declines in bookings.

Belgium

In Belgium, the number of tour operator customers grew by 12.3% in the second quarter of 2007 and 13.0% in the first half of the year. In terms of flight operations, demand for Egypt and Turkey was very strong in the medium-haul segment, while the Caribbean reported strong growth in the long-haul segment. Bookings of self-drive tours matched 2006 levels, while city trips and short breaks recorded year-on-year growth in bookings.

Flight operations Western Europe – Key figures

	Number of operated aircraft			Seat kilometres (bn)			Seat load factor (%)		
	Q2 2007	Q2 2006	Abs. var.	Q2 2007	Q2 2006	Var. %	Q2 2007	Q2 2006	Var. %-Pkt.
Corsair	8	9	- 1	3.1	3.1	+ 0.7	83.7	80.1	+ 3.6
TUI Airlines Nederland	5	3	+ 2	0.9	0.8	+ 20.3	90.6	91.0	- 0.4
TUI Airlines Belgium	11	8	+ 3	1.5	1.4	+ 9.8	89.2	90.1	- 0.9

Corsair

In the second quarter of 2007, Corsair completed its fleet renewal programme with the decommissioning of the last Boeing 747-300. The number of aircraft operated by the company was thus one down year-on-year. The rise in the demand in the long-haul segment resulted in a slight increase in the seat kilometre volume on offer and the seat load factor increased.

TUI Airlines Nederland/Arkefly

In the second quarter of 2007, TUI Airlines Nederland operated two additional aircraft compared with the 2006 reference period. The seat kilometre volume rose accordingly with a slight decrease in the seat load factor.

TUI Airlines Belgium/Jetairfly

In the second quarter of 2007, TUI Airlines Belgium operated three additional aircraft compared with the 2006 reference period. Seat kilometres offered rose due to the substantial improvement in demand for tour operator products. The seat load factor for the expanded flight capacity was slightly down year-on-year.

Destinations**Destinations – Key figures**

€ million	Q2 2007	Q2 2006	Var.%	H1 2007	H1 2006	Var.%
Turnover	167.4	137.1	+ 22.1	283.3	238.4	+ 18.8
EBITA by division	30	38	- 21.1	45	44	+ 2.3
<i>Gains on disposals</i>	–	–	–	–	–	–
<i>Restructuring expenses</i>	–	–	–	–	–	–
<i>Other one-off items</i>	–	+ 6	–	–	+ 6	–
Underlying EBITA by division	30	44	- 31.8	45	50	- 10.0
Capital expenditure	61.1	53.3	+ 14.6	121.3	92.7	+ 30.9
Employees (30 June)	–	–	–	21,353	19,443	+ 9.8

Turnover and earnings

The destinations sector (incoming agencies and hotel companies) generated 22.1% growth in turnover year-on-year in the second quarter of 2007. Accumulated turnover for the first half of the year also rose by 18.8%. Both incoming agencies and hotel companies achieved turnover growth year-on-year.

Earnings by the division dropped by 21.1% to € 30 million in the second quarter of 2007. In the first half of 2007, earnings grew slightly by 2.3% to € 45 million. There were no one-off effects to be adjusted in the second quarter of 2007. The relevant 2006 quarter included a one-off expense of € 6 million for litigation in connection with a lease agreement for holiday club facilities. Adjusted for this effect, underlying earnings for the second quarter of 2007 declined by 31.8%; however, the year-on-year decline only amounted to 10.0% for the first half of the year. The drop in earnings observed in the period under review was mainly attributable to expenses for the renovation of a Robinson Group club complex and the associated reduction in opening times in the current year 2007. Moreover, earnings in the second quarter of 2006 had included income from the divestment of a complex of the Robinson Group.

Incoming agencies

In the second quarter of 2007, incoming agencies reported a satisfactory business trend. The number of guests catered for in the second quarter of 2007 was 3.22 million, a 6.1% increase year-on-year. Agencies in the western Mediterranean reported a slight decrease in guest numbers in the second quarter. TUI España recorded a slight drop in guest numbers, which primarily resulted from source market UK. TUI Portugal also reported a decrease in guest numbers, with business in the Cape Verde Islands continuing to rise. In the eastern Mediterranean, the TUI Türkiye agency again recorded a positive trend in terms of guest numbers. In Greece, Bulgaria and Egypt also, guest numbers continued to rise in the second quarter. The long-haul segment reported a declining trend: The Dominican Republic suffered strong declines in guest numbers. Mexico saw a decline in the number of guests catered for, in particular from France and the UK.

Hotel companies

In the second quarter of 2007, overall occupancy rates in the hotel companies of the Hotels & Resorts segment exceeded 2006 levels, with a slight increase in capacity. For seasonal reasons, some complexes – of all hotel companies – opened only in

the course of the second quarter. RIU hotels reported a slight expansion in capacity year-on-year and reproduced 2006 occupancy rates. Hotels in Spain, in particular, reported gratifying growth in occupancy rates. The long-haul destinations recorded high occupancy rates, with the Dominican Republic being the only exception and reporting a decline. Robinson Clubs reduced their capacity slightly and achieved a slight increase in occupancy rates year-on-year. The number of clubs already opened, roughly reproduced 2006 levels. Magic Life reduced its capacity substantially and thus achieved an increase in occupancy rates year-on-year. In Turkey and Egypt, Iberotel minimally decreased its capacity and achieved an increase in occupancy rates year-on-year. Grecotel reduced its capacity slightly and achieved a slight year-on-year increase in occupancy rates. Grupotel hotels were impacted to some extent by the fact that the positive trend recorded by the Balearic Islands in the first quarter did not continue, reporting a slight decrease in occupancy rates with a minimal increase in capacity.

Other tourism

Other tourism – Key figures

€ million	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
Turnover	–	3.9	–	–	67.7	–
EBITA by division	–	8	–	–	149	–
<i>Gains on disposals</i>	–	- 6	–	–	- 150	–
<i>Restructuring expenses</i>	–	–	–	–	–	–
<i>Other one-off items</i>	–	–	–	–	–	–
Underlying EBITA by division	–	2	–	–	- 1	–
Capital expenditure	–	6.0	–	–	10.4	–
Employees (30 June)	–	–	–	–	470	–

In 2006, the Other tourism sector still comprised the business travel operations and the IT services companies of TUI InfoTec. The divestment of the business travel operations to the Dutch BCD Holdings N.V. was closed on 31 March 2006. In September 2006, a 50.1% majority in TUI InfoTec was sold to the Indian software company Sonata Software Limited. The transaction was closed on 24 November 2006.

Development in the divisions: Shipping

The shipping division comprises the container shipping and cruise businesses of the Hapag-Lloyd Group.

Shipping – Key figures

€ million	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
Turnover	1,537.6	1,605.8	- 4.2	3,037.9	3,245.4	- 6.4
EBITA by division	13	- 41	n. m.	154	- 66	n. m.
<i>Gains on disposals</i>	+ 3	–	–	- 193	–	–
<i>Restructuring expenses</i>	–	+ 30	–	–	+ 70	–
<i>Other one-off items</i>	- 31	+ 16	–	- 29	+ 23	–
Underlying EBITA by division	- 15	5	n. m.	- 68	27	n. m.
Capital expenditure	185.8	26.7	n. m.	291.8	138.2	+ 111.1
Employees (30 June)	–	–	–	8,451	8,912	- 5.2

The year-on-year decline in freight rates in almost all trade lanes and the persistent weakness of the US dollar caused a reduction in turnover in the shipping division, amounting to 4.2% in the second quarter of 2007 and 6.4% in the first half of

2007. At € 1.5 billion in the second quarter of 2007 and € 3.0 billion in the first half of 2007, the container business accounted for the bulk of turnover by the division; this corresponded to minus 4.3% and minus 6.6%, respectively. Hapag-Lloyd Kreuzfahrten generated turnover of € 36 million in the second quarter of 2007 and € 86 million in the first half of the year; turnover thus declined by 1.4% year-on-year for the quarter and increased by 1.1% for the first half of the year.

Total earnings by the shipping division stood at € 13 million (previous year: € - 41 million) in the second quarter of 2007 and € 154 million (previous year: € - 66 million) in the first half of the year, a substantial increase year-on-year. Container shipping contributed € 14 million to these earnings in the second quarter, with accumulated earnings of € 152 million in the first half of the year. Hapag-Lloyd Kreuzfahrten generated € - 1 million in the second quarter and € 2 million in the first half of the year. Adjusted for the one-off income from the divestments and the one-off expenses for the integration of CP Ships, underlying earnings fell by € 20 million to € - 15 million in the second quarter of 2007; due to the weak performance in the first quarter of 2007, underlying earnings for the first half of the year declined by € 95 million to € - 68 million in the first half of the year.

Container shipping

Container shipping (incl. CP Ships) – Key figures

€ million	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
Turnover	1,501.6	1,569.3	- 4.3	2,952.0	3,160.4	- 6.6
EBITA by division	14	- 39	n. m.	152	- 68	n. m.
<i>Gains on disposals</i>	+ 3	–		- 193	–	
<i>Restructuring expenses</i>	–	+ 30		–	+ 70	
<i>Other one-off items</i>	- 31	+ 16		- 29	+ 23	
Underlying EBITA by division	- 14	7	n. m.	- 70	25	n. m.

Reporting structure

In the wake of the operative integration of CP Ships, acquired in October 2005, into Hapag-Lloyd, the freight rates and transport volumes for Hapag-Lloyd and CP Ships have been jointly presented and broken down according to the geographical structure of the trade lanes since the third quarter of 2006. To this end, CP Ships' key figures were broken down accordingly for 2006 and determined statistically for the reference periods in order to create a basis for comparisons.

Turnover and earnings

Turnover by container shipping declined by 4.3% to € 1.5 billion in the second quarter of 2007. For the first half of the year, turnover of € 3.0 billion was recorded, down 6.6% year-on-year. This resulted from the decline in the US dollar exchange rate against the euro and the year-on-year drop in freight rates (Q2 2007: - 5.6% on average; H1 2007: - 6.8% on average) in almost all trade lanes. The transport volume rose by 7.4% to a total of 1,382 thousand standard containers (TEU) year-on-year in the second quarter of 2007 and by 8.6% to a total of 2,697 thousand TEU in the first half of the year.

Earnings rose to € 14 million, up from € - 39 million in the 2006 reference quarter, with accumulated earnings for the first half of the year rising to € 152 million from € - 68 million. Earnings comprised one-off expenses of € 3 million for the divestment of Montreal Gateway Terminals. In addition, one-off income of € 32 million was generated from the revaluation of a risk position formed in the wake of the acquisition of CP Ships, entailing lagging expenses of € 1 million for the integration of

CP Ships. In net terms, one-off effects to be included in underlying EBITA totalled € 31 million. In the 2006 reference quarter, expenses of € 46 million had been incurred in the wake of the integration of CP Ships. For the first half of 2007, gains on disposal from the divestment of Montreal Gateway Terminals and the minority holding in Germanischer Lloyd AG of € 193 million were generated. On the other hand, integration expenses were incurred for CP Ships, while one-off income was generated from the revaluation of the above-mentioned risk position for CP Ships, resulting in an amount of € 29 million in net terms. Adjusted for the one-off effects, underlying earnings in container shipping totalled € - 14 million in the second quarter of 2007 and € - 70 million for the first half of the year. This corresponded to a decline in earnings of € 21 million year-on-year for the second quarter and of € 95 million for the first half of 2007.

Development of the trade lanes

Transport volumes Hapag-Lloyd (incl. CP Ships)

'000 TEU	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
Far East	352	302	+ 16.6	687	569	+ 20.7
Trans-Pacific	262	241	+ 8.7	505	463	+ 9.1
Atlantic	381	359	+ 6.1	751	720	+ 4.3
Latin America	228	204	+ 11.8	442	400	+ 10.5
Australasia	159	181	- 12.2	312	331	- 5.7
Total	1,382	1,287	+ 7.4	2,697	2,483	+ 8.6

Freight rates Hapag-Lloyd (incl. CP Ships)

US dollar/TEU	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
Far East	1,266	1,211	+ 4.5	1,251	1,208	+ 3.6
Trans-Pacific	1,422	1,513	- 6.0	1,402	1,517	- 7.6
Atlantic	1,451	1,669	- 13.1	1,459	1,677	- 13.0
Latin America	1,345	1,437	- 6.4	1,368	1,465	- 6.6
Australasia	1,179	1,203	- 2.0	1,179	1,239	- 4.8
Ø for all trade lanes	1,350	1,430	- 5.6	1,348	1,447	- 6.8

In its new, integrated structure, Hapag-Lloyd generated growth in transport volume of 7.4% year-on-year in the second quarter of 2007. Accumulated transport volume growth stood at 8.6% for the first half of the year. With the exception of Australasia, all trade lanes reported growth. On the other hand, freight rates declined in almost all trade lanes, the sole exception again being the Far East trade lane. Average freight rates for all trade lanes declined by 5.6% in the second quarter of 2007 and 6.8% in the first half of 2007. Since the beginning of the second quarter of 2007, freight rates have picked up again slightly in almost all trade lanes so that the decline in freight rates slowed down over the previous quarter.

The Far East trade lane again benefited from the strong increase in export volumes from China on its routes from Asia to Europe. This trade lane recorded growth in transport volumes of 16.6% year-on-year in the second quarter and 20.7% in the first half of the year. The Far East trade lane was the only trade lane reporting an increase in freight rates, with growth of 4.5% in the second quarter and 3.6% in the first half of the year. This growth was due to the fact that freight rates could be successfully increased on the routes from Asia to Europe.

The Trans-Pacific trade lane recorded sound growth of 8.7% year-on-year. At 9.1%, the transport volume also grew year-on-year for the first half of the year. Growth slowed down slightly on the routes from Asia to North America; this trend, however, was more than offset by growth in transport volumes in the opposite direction. Competitive pressure intensified on the route from Asia to North America, resulting in a decline in average freight rates of 6.0% in the second quarter and 7.6% in the first half of the year.

In the Atlantic trade lane, the transport volume grew by 6.1% year-on-year in the second quarter of 2007 and 4.3% in the first half of the year. This was primarily attributable to transports from North America to Europe. Freight rates in this trade lane dropped by 13.1% in the second quarter and 13.0% in the first half of the year. This decline was attributable to persistently strong competition in this trade lane, causing a drop in freight rates, in particular on the routes from Europe to North America.

In the Latin America trade lane, the transport volume grew by 11.8% year-on-year in the second quarter and by 10.5% in the first half of the year. Imports rose particularly strongly on the routes from Asia to North America. Freight rates declined by 6.4% in the second quarter and 6.6% in the first half of the year. This trend affected in particular transports from Europe to Latin America. However, rates picked up again towards the end of the second quarter, a trend that mitigated the year-on-year decline in freight rates to some extent.

In the Australasia trade lane, the transport volume dropped by 12.2% year-on-year in the second quarter and 5.7% in the first half of the year. Average freight rates declined by 2.0% year-on-year in the second quarter and 4.8% in the first half of the year. This decline was primarily attributable to a drop in freight rates in intra-regional transports in Asia already observed at the beginning of 2006.

Hapag-Lloyd Kreuzfahrten

Hapag-Lloyd Kreuzfahrten – Key figures

€ million	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
Turnover	36.0	36.5	- 1.4	85.9	85.0	+ 1.1
EBITA by division	- 1	- 2	+ 50.0	2	2	+/- 0
<i>Gains on disposals</i>	-	-		-	-	
<i>Restructuring expenses</i>	-	-		-	-	
<i>Other one-off items</i>	-	-		-	-	
Underlying EBITA by division	- 1	- 2	+ 50.0	2	2	+/- 0

Turnover and earnings

In the second quarter of 2007, Hapag-Lloyd Kreuzfahrten continued to record a positive business trend. Passenger numbers rose substantially year-on-year, causing a gratifying increase in the load factor of the ships. In the second quarter of 2007, turnover totalled € 36 million, slightly down 1.4% year-on-year. For the first half of the year, turnover grew by 1.1% to € 86 million.

Earnings in the second quarter of 2007 improved from € - 2 million to € - 1 million year-on-year. At € 2 million, accumulated earnings for the first half of the year matched the previous year's level.

Business trend

In the second quarter of 2007, Hapag-Lloyd Kreuzfahrten continued to record a positive bookings trend. Passenger numbers again grew substantially year-on-year, resulting in an increase in the load factor of the ships. Booking volumes and the load factor rose in a gratifying way in particular for 'Columbus' and 'Bremen'.

Consolidated earnings

Consolidated profit and loss statement

€ million	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
Turnover	5,196.8	5,301.7	- 2.0	9,290.9	9,502.1	- 2.2
Other income	139.7	154.4	- 9.5	465.8	462.4	+ 0.7
Changes in inventories and other own work capitalised	+ 2.1	+ 3.1	- 32.3	+ 4.5	+ 7.3	- 38.4
Cost of material and purchased services	4,108.0	4,027.3	+ 2.0	7,390.0	7,226.5	+ 2.3
Personnel costs	513.7	631.4	- 18.6	1,052.4	1,244.8	- 15.5
Depreciation and amortisation	160.2	167.0	- 4.1	316.9	336.3	- 5.8
Impairment	0.1	15.8	- 99.4	0.1	16.9	- 99.4
Other expenses	564.6	543.9	+ 3.8	1,124.3	1,172.6	- 4.1
Financial result	- 60.1	- 51.8	- 16.0	- 92.8	- 86.3	- 7.5
– Financial income	46.2	42.3	+ 9.2	109.3	112.3	- 2.7
– Financial expenses	106.3	94.1	+ 13.0	202.1	198.6	+ 1.8
Result from companies measured at equity	+ 13.4	+ 10.9	+ 22.9	+ 20.5	+ 15.9	+ 28.9
Earnings before taxes on income	- 54.7	+ 32.9	n. m.	- 194.8	- 95.7	- 103.6
Income taxes	- 122.5	- 10.8	n. m.	- 156.8	- 31.0	n. m.
Result from continuing operations	+ 67.8	+ 43.7	+ 55.1	- 38.0	- 64.7	+ 41.3
Result from discontinuing operations	–	- 4.5	–	–	+ 13.0	–
Group profit/loss	+ 67.8	+ 39.2	+ 73.0	- 38.0	- 51.7	+ 26.5
– attributable to shareholders of TUI AG	+ 56.4	+ 28.6	+ 97.2	- 60.8	- 65.1	+ 6.6
– attributable to minority interests	+ 11.4	+ 10.6	+ 7.5	+ 22.8	+ 13.4	+ 70.1
Basic earnings per share	in € + 0.19	+ 0.06	+ 216.7	- 0.29	- 0.31	+ 6.5
Diluted earnings per share	in € + 0.19	+ 0.06	+ 216.7	- 0.29	- 0.31	+ 6.5

Turnover

Turnover comprised the turnover of the tourism and shipping divisions and of central operations, which include the holding companies and the Group's real estate companies. In the second quarter of 2007, turnover declined by 2.0% year-on-year to € 5.2 billion. For the first half of the year, turnover decreased by 2.2% to € 9.3 billion. A detailed breakdown of turnover and the turnover trend is presented in the section 'Consolidated turnover and earnings'.

Other income

Other income primarily comprised profits from the sale of fixed and current asset items, supplementary transactions, foreign exchange gains, income from cost reimbursements and income from letting and leasing contracts as well as license agreements. At € 140 million, other income decreased by 9.5% year-on-year in the second quarter of 2007, primarily due to the income from the divestment of the Dutch specialist tour operators in the second quarter of 2006. In the first half of the year, other income totalled € 466 million, reproducing 2006 levels.

Changes in inventories and other own work capitalised

Changes in inventories and other own work capitalised declined year-on-year to € 2 million for the second quarter of 2007 and € 5 million for the first half of 2007. This was primarily due to the industrial activities of Wolf GmbH, still included in the figures for 2006.

Cost of material and purchased services

The cost of material and purchased services comprised the cost of raw materials including fuel, supplies, purchased merchandise and services. In tourism, this item mainly related to the cost of third-party services such as rental and operating lease payments, hotel rental payments, the cost of flight and other transport services as

well as aircraft fuel. In the shipping division, the cost of purchased services primarily included the cost of third-party container transport, bunker costs, port and terminal costs as well as charter, rental and operating lease costs for ships and containers. The cost of material and purchased services rose slightly by 2.0% to € 4.1 billion in the second quarter of 2007 and by 2.3% to € 7.4 billion in the first half of the year, mainly due to an increase in shipping system costs in the shipping division.

Personnel costs

Personnel costs included expenses for wages and salaries, social security contributions as well as pension costs (excluding the interest portion) and benefits. They also included expenses for personnel adjustments in the framework of restructuring processes. Personnel costs declined by 18.6% to € 514 million in the second quarter of 2007 and by 15.5% to € 1.1 billion in the first half of the year. This was due to the achievement of savings effects in the wake of the ongoing restructuring programmes in tourism and shipping as well as the reduction in personnel expenses due to the divestments made in the 2006 financial year.

Depreciation and amortisation

Depreciation and amortisation comprised the amortisation of property, plant and equipment and other intangible assets. At € 160 million, it was 4.1% down year-on-year in the second quarter of 2007. In the first half of 2007, it stood at € 317 million, down 5.8% year-on-year. This was mainly due to the divestments (Wolf GmbH, TUI InfoTec, TQ3) made in the 2006 financial year and the associated reduction in depreciation and amortisation as well as adjustment measures for invested capital.

Other expenses

Other expenses included commissions for tourism services, distribution and advertising expenses, rental and lease expenses, administrative expenses including contributions, charges and fees, expenses for financial and monetary transactions as well as other taxes. Other expenses rose by 3.8% to € 565 million in the second quarter of 2007 and dropped by 4.1% to € 1.1 billion in the first half of the year.

Financial result

The financial result comprised the net interest result, the net result from investments and marketable securities and the result from changes in the fair value of derivative financial instruments, which are subject to strong fluctuations as at the measurement dates and may therefore cause strong fluctuations in financial income and expenses over time. At € - 60 million, the financial result was 16.0% down on the 2006 reference level in the second quarter of 2007 and comprised financial income of € 46 million (previous year: € 42 million) as well as financial expenses of € 106 million (previous year: € 94 million). For the first half of 2007, the financial result also declined by 7.5% to € - 93 million. It comprised financial income of € 109 million (previous year: € 112 million) and financial expenses of € 202 million (previous year: € 199 million).

Result from companies measured at equity

The result from companies measured at equity comprised the interest in net result for the year of the associated companies and joint ventures as well as necessary impairments of goodwill of these companies. At € 13 million for the second quarter of 2007 and € 21 million for the first half of the year, it grew by 22.9% and 28.9%, respectively. It mainly resulted from the development of earnings of the companies measured at equity operating in the destinations sector. Impairments of goodwill were not required.

Income taxes	Income taxes comprised taxes on the profits from ordinary business activities of the continuing operations. Income taxes totalled € - 123 million in the second quarter of 2007 (previous year: € - 11 million) and € - 157 million in the first half of 2007 (previous year: € - 31 million). The tax item in the second quarter of 2007 primarily benefited from the reorganisation of structures under German company law in the wake of preparing for the merger between TUI's tourism entities and First Choice.
Result from discontinuing operations	In the first half of 2007, the TUI Group no longer held any discontinuing operations so that no earnings were generated. In the second quarter of 2006, earnings from discontinuing operations had accounted for € 5 million, with earnings of € 13 million for the first half of 2006. A detailed breakdown of the development of these earnings is provided in the section 'Result from discontinuing operations' in the notes.
Group profit	Group profit totalled € 68 million (previous year: € 39 million) in the second quarter of 2007, up 73.0%. For the first half of 2007, Group profit also rose by 26.5% to € - 38 million (previous year: € - 52 million). The decline in earnings by continuing operations was more than offset by the above-mentioned positive tax effect from the reorganisation of the structure of tourism entities under company law.
Minority interests	Minority interests in Group profit totalled € 11 million for the second quarter of 2007 and € 23 million for the first half of 2007. They almost exclusively related to companies in the destinations sector.

Earnings per share

After deduction of minority shares, TUI AG shareholders accounted for € 56.4 million of Group profit in the second quarter of 2007, up 97.2% year-on-year. As a result, basic earnings per share amounted to € + 0.19 (previous year: € + 0.06) in the second quarter. In the first half of the year, TUI AG shareholders accounted for € - 60.8 million after deduction of minority shares, a further improvement of 6.6%. Basic earnings per share in the first half of 2007 thus totalled € - 0.29 (previous year: € - 0.31).

Earnings indicators

Profit and loss statement indicators of the continuing operations

€ million	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
Earnings before interest, taxes, depreciation, amortisation and rent (EBITDAR)	466.5	556.7	- 16.2	835.0	933.9	- 10.6
Operating rental expenses	299.8	284.9	+ 5.2	597.0	559.2	+ 6.8
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	166.7	271.8	- 38.7	238.0	374.7	- 36.5
Depreciation/amortisation less reversals of depreciation ¹⁾	161.4	183.0	- 11.8	316.1	355.4	- 11.1
Earnings before interest, taxes and amortisation of goodwill (EBITA)	5.3	88.8	- 94.0	- 78.1	19.3	n. m.
Amortisation of goodwill	-	-	-	-	-	-
Earnings before interest and taxes (EBIT)	5.3	88.8	- 94.0	- 78.1	19.3	n. m.
Interest result	- 60.0	- 55.9	- 7.3	- 116.7	- 115.0	- 1.5
Earnings before taxes (EBT)	- 54.7	32.9	n. m.	- 194.8	- 95.7	- 103.6

¹⁾ on property, plant and equipment as well as intangible assets, investments and current assets

Operating rental expenses	Operating rental expenses of the continuing operations amounted to € 300 million (previous year: € 285 million) in the second quarter of 2007 and to € 597 million (previous year: € 559 million) in the first half of the year.
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Interest result

The interest result of the continuing operations totalled € - 60 million (previous year: € - 56 million) in the second quarter of 2007 and € - 117 million (previous year: € - 115 million) in the first half of the year.

Net assets and financial position

The Group's balance sheet total rose by 16.9% to € 15.2 billion as against the end of 2006. The changes in the consolidated balance sheet essentially resulted from the tourism cycle. In addition, the Group's net assets and financial position were affected by the acquisitions and divestments (see section 'Acquisitions – divestments' in the notes).

Assets and liabilities

€ million	30 June 2007	31 Dec 2006
Non-current assets	10,317.9	10,141.2
Current assets	4,892.4	2,872.8
Assets	15,210.3	13,014.0
Equity	3,263.3	2,995.1
Provisions	2,137.7	2,436.6
Financial liabilities	4,603.2	3,899.6
Other liabilities	5,206.1	3,682.7
Liabilities	15,210.3	13,014.0

Non-current assets

As at 30 June 2007, non-current assets accounted for 67.8% of total assets, compared with a share of 77.9% as at 31 December 2006. Non-current assets rose from € 10.1 billion to € 10.3 billion in the period under review. This increase was mainly attributable to the increase in other receivables.

Current assets

As at 30 June 2007, current assets accounted for 32.2% of total assets, up from 22.1% as at 31 December 2006. Current assets rose from € 2.9 billion as at 31 December 2006 to € 4.9 billion as at 30 June 2007. This change was in particular attributable to the increase in trade accounts receivable in the tourism business and the increase in cash and cash equivalents from advance payments received in tourism.

Equity

Equity totalled € 3.3 billion as at 30 June 2007. The equity ratio stood at 21.5%, compared with 23.0% at the end of the 2006 financial year. Detailed information on the changes is provided under 'Changes in equity' in the notes on this interim report.

Provisions

Provisions mainly included provisions for pension obligations, effective and deferred income tax provisions and provisions for typical operating risks. As at 30 June 2007, they totalled € 2.1 billion and were thus € 299 million or 12.3% down on 31 December 2006. This was essentially due to a further increase in the long-term market interest rate as at the closing date, to be taken into account in the framework of the measurement of pension obligations. The effect mainly related to obligations in the UK to be recognised in the balance sheet.

Financial liabilities

As at 30 June 2007, financial liabilities comprised non-current financial liabilities of € 4.2 billion and current financial liabilities of € 0.4 billion. As at 31 December 2006, non-current assets stood at € 3.5 billion, with current financial liabilities of € 0.4 billion. The increase in non-current financial liabilities resulted from the convertible bond worth around € 0.7 billion issued in the second quarter of 2007. At the end of the first half of the 2007 financial year, net debt totalled € 2.7 billion (down from € 3.2 billion at the end of the 2006 financial year). The decline in net debt was attributable to the typical seasonal business trend in tourism and the divestments (Montreal Gateway Terminals, Germanischer Lloyd) made in the first quarter of 2007.

Other liabilities

As at 30 June 2007, other liabilities stood at € 5.2 billion, up € 1.5 billion or 41.4% as against 31 December 2006. This was mainly due to the increase in advance payments received in the tourism business.

Other segment indicators

Capital expenditure

€ million	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
Tourism	96.3	151.9	- 36.6	185.1	348.1	- 46.8
Central Europe	4.2	59.8	- 93.0	11.7	174.7	- 93.3
Northern Europe	23.4	19.6	+ 19.4	37.6	28.2	+ 33.3
Western Europe	7.6	13.2	- 42.4	14.5	42.1	- 65.6
Destinations	61.1	53.3	+ 14.6	121.3	92.7	+ 30.9
Other tourism	-	6.0	-	-	10.4	-
Shipping	185.8	26.7	n. m.	291.8	138.2	+ 111.1
Central operations	3.2	4.2	- 23.8	5.2	8.2	- 36.6
Continuing operations	285.3	182.8	+ 56.1	482.1	494.5	- 2.5
Trading	-	0.2	-	-	2.0	-
Discontinuing operations	-	0.2	-	-	2.0	-
Total	285.3	183.0	+ 55.9	482.1	496.5	- 2.9

Depreciation of property, plant and equipment

€ million	Q2 2007	Q2 2006	Var. %	H1 2007	H1 2006	Var. %
Tourism	89.0	91.0	- 2.2	174.2	178.5	- 2.4
Central Europe	13.3	15.4	- 13.6	26.9	31.4	- 14.3
Northern Europe	36.0	31.5	+ 14.3	69.1	59.2	+ 16.7
Western Europe	17.6	17.5	+ 0.6	35.8	34.6	+ 3.5
Destinations	22.1	20.2	+ 9.4	42.4	40.7	+ 4.2
Other tourism	-	6.4	-	-	12.6	-
Shipping	69.8	81.4	- 14.3	139.7	160.7	- 13.1
Central operations	1.4	10.4	- 86.5	3.0	14.0	- 78.6
Continuing operations	160.2	182.8	- 12.4	316.9	353.2	- 10.3
Trading	-	-	-	-	-	-
Discontinuing operations	-	-	-	-	-	-
Total	160.2	182.8	- 12.4	316.9	353.2	- 10.3

Employees

	30 June 2007	31 Dec 2006	Var. %
Tourism	52,081	44,409	+ 17.3
Central Europe	9,752	9,411	+ 3.6
Northern Europe	14,242	14,711	- 3.2
Western Europe	6,734	6,504	+ 3.5
Destinations	21,353	13,783	+ 54.9
Other tourism	-	-	-
Shipping	8,451	8,571	- 1.4
Central operations	920	950	- 3.2
Continuing operations	61,452	53,930	+ 13.9
Trading	-	-	-
Discontinuing operations	-	-	-
Total	61,452	53,930	+ 13.9

Prospects

For 2007, economists expect the stable growth of the world economy to continue. In the US, business investments are beginning to rise. This trend is expected to boost growth in the US in the current second half of the year. Japan, too, is expected to record a continuation of its strong economic expansion. For the eurozone, experts expect business activity to pick up in the rest of the year and in 2008. Following further strong growth in real gross domestic product in the summer of 2007, the expansion trend is expected to slow down slightly. As in previous periods, the world economy will be boosted by the expected dynamic growth in the emerging economies, China and India.

The positive economic environment in the key source markets in tourism is expected to ensure sustained growth in demand in the travel market. The growth trend is reflected by the Group's current bookings situation for the 2007 summer season. The future growth momentum may vary in the different source markets. In shipping, a recovery of freight rate levels is emerging against the backdrop of a positive economic environment, a trend expected to be boosted by growth in world trade in the second half of 2007. The risk/reward profile of the shipping division will depend on the further development of the external cost components.

Tourism

Bookings for the 2006/2007 winter season, which ended in April, closed at growth of 8.5% in customer numbers and 4.9% in booked turnover at Group level. Bookings for the current 2007 summer season have shown an overall gratifying level. At Group level, bookings are currently up 7.9% year-on-year in terms of customer numbers and 3.5% in terms of booked turnover, with variations in the large source markets: The Central Europe sector with the large source market Germany reported a considerable year-on-year increase in booked turnover and customer numbers. The Northern Europe sector also achieved an overall increase in customer numbers; however, booked turnover in this sector decreased year-on-year. The turnover trend observed reflects in particular the currently difficult market environment in the British mass market. The Nordic countries, in contrast, have continued their positive trend. In the Western Europe sector, all sub-markets achieved growth in booked turnover. In France, customer numbers are still slightly down year-on-year.

Booking numbers

Year-on-year variation in %	Winter 2006/2007		Summer 2007	
	Turnover	Customers	Turnover	Customers
Germany	+ 3.5	+ 7.8	+ 5.8	+ 11.7
Switzerland	+ 20.5	+ 20.1	+ 20.5	+ 12.9
Austria	+ 8.3	+ 2.3	- 1.0	- 3.4
Eastern Europe	+ 15.0	+ 9.3	+ 21.0	+ 16.2
Central Europe	+ 4.7	+ 7.9	+ 6.1	+ 10.7
UK	- 3.2	+ 10.7	- 4.9	+ 4.9
Nordic countries	+ 24.4	+ 8.4	+ 5.5	+ 3.1
Northern Europe	+ 3.5	+ 10.0	- 3.4	+ 4.0
France	+ 3.8	+ 6.1	+ 2.8	- 1.7
Netherlands	+ 12.2	+ 1.8	+ 15.8	+ 11.4
Belgium	+ 14.7	+ 14.1	+ 9.6	+ 9.3
Western Europe	+ 8.1	+ 7.3	+ 8.8	+ 6.3
Group	+ 4.9	+ 8.5	+ 3.5	+ 7.9

As at 27 April 2007 for the winter season, 27 July 2007 for the summer season

Concerning the development of earnings (underlying earnings before interest, taxes and amortisation of goodwill – underlying EBITA by division), an uneven trend is emerging. Based on the gratifying bookings situation for the 2007 summer season in the Central Europe sector, a positive trend is expected for the tour operator segment. This trend is contrasted by a temporary burden caused by a decline in the seat load factor in the flight segment. Overall, the Central Europe sector is expected to fall short of its good performance in 2006. The development of earnings by the Northern Europe sector was impacted by the difficult market environment in the British mass market in the first half of 2007. From today's perspective, the business trend is expected to pick up again in the second half of 2007. Earnings improvements will also result from the realisation of cost savings potentials from the ongoing restructuring programmes and those completed in previous periods. However, overall the Northern Europe sector is not expected to fully match the good performance achieved in 2006. In the framework of the recovery trends observed in the French market and the stable business trends in the Dutch and Belgian markets, overall earnings by the Western Europe sector are expected to rise considerably. Earnings by the destinations sector are expected to grow year-on-year due to the positive operating development of the hotel companies.

Shipping

In the shipping division, the development of earnings is primarily characterised by the year-on-year decline in freight rate levels. In the second quarter of 2007, freight rates started to recover on the previous quarter. This applies in particular to out-bound Asian transports in the Far East trade lane. Against the background of the freight rate trend observed, positive operating profit contributions are expected for the second half of 2007.

Irrespective of the currently positive volume trend in container shipping, turnover is impacted by the current weakness of the US dollar and the decrease in average freight rates. The rise in freight rate levels which has begun to emerge, however, is expected to go hand in hand with corresponding turnover growth in the second half of 2007, with the US dollar expected to remain low.

Central operations

From today's perspective, central operations will fall slightly short of the previous year's level.

Group

Overall, the Group's continuing operations are expected to show a stable turnover trend in 2007. Concerning the development of the operative business for the Group's existing structure, the Executive Board maintains its cautiously optimistic assessment since an improvement in operating earnings can be expected for the second half of 2007 based on the strong level of incoming bookings recorded in tourism over the previous weeks and the increase in freight rates in shipping. Due to the merger between the TUI Group's tourism entities and the British travel group First Choice Holidays PLC at the beginning of September and the associated earnings effects of the first-time consolidation of the sectors newly included in consolidation, a final assessment of the development of earnings by the end of 2007 is not possible yet at the current point in time.

Corporate Governance

In the course of the second quarter of 2007, the composition of the Executive Board and Supervisory Board of TUI AG did not change.

At the beginning of the third quarter, on 11 July 2007, the Supervisory Board appointed Peter Long, CEO of First Choice Holidays PLC since 1999 and CEO of the future TUI Travel PLC, an ordinary member of TUI AG's Executive Board. The appointment will take effect upon completion of the merger between TUI's tourism division and First Choice Holidays into TUI Travel PLC, probably as of 3 September. Alongside Peter Rothwell, Peter Long will be in charge of tourism.

Christoph R. Mueller, the director in charge of the airlines, will switch to the Executive Board of TUI Travel PLC and will resign from his office as a member of TUI AG's Executive Board due to this appointment, scheduled as of 3 September 2007.

The current, complete composition of the Executive Board and Supervisory Board is presented on the Company's website (www.tui-group.com), where it is permanently accessible to the general public.

Interim Financial Statements

Condensed profit and loss statement of the TUI Group for the period from 1 January to 30 June

€ million	Q2 2007	Q2 2006	H1 2007	H1 2006
Turnover	5,196.8	5,301.7	9,290.9	9,502.1
Other income	139.7	154.4	465.8	462.4
Changes in inventories and other own work capitalised	+ 2.1	+ 3.1	+ 4.5	+ 7.3
Cost of material and purchased services	4,108.0	4,027.3	7,390.0	7,226.5
Personnel costs	513.7	631.4	1,052.4	1,244.8
Depreciation and amortisation	160.2	167.0*	316.9	336.3*
Impairment	0.1	15.8	0.1	16.9
Other expenses	564.6	543.9	1,124.3	1,172.6
Financial income	46.2	42.3	109.3	112.3
Financial expenses	106.3	94.1	202.1	198.6
Result from companies measured at equity	+ 13.4	+ 10.9	+ 20.5	+ 15.9
Earnings before taxes on income	- 54.7	+ 32.9	- 194.8	- 95.7
Income taxes	- 122.5	- 10.8*	- 156.8	- 31.0*
Result from continuing operations	+ 67.8	+ 43.7	- 38.0	- 64.7
Result from discontinuing operations	+ 0.0	- 4.5	+ 0.0	+ 13.0
Group profit/loss	+ 67.8	+ 39.2	- 38.0	- 51.7
Group profit/loss attributable to shareholders of TUI AG	+ 56.4	+ 28.6	- 60.8	- 65.1
Group profit/loss attributable to minority interests	+ 11.4	+ 10.6	+ 22.8	+ 13.4
Group profit/loss	+ 67.8	+ 39.2	- 38.0	- 51.7

€	Q2 2007	Q2 2006	H1 2007	H1 2006
Basic earnings per share	+ 0.19	+ 0.06	- 0.29	- 0.31
from continuing operations	+ 0.19	+ 0.08	- 0.29	- 0.36
from discontinuing operations	-	- 0.02	-	+ 0.05
Diluted earnings per share	+ 0.19	+ 0.06	- 0.29	- 0.31
from continuing operations	+ 0.19	+ 0.08	- 0.29	- 0.36
from discontinuing operations	-	- 0.02	-	+ 0.05

* As a result of the finally completed purchase price allocation in the financial year 2006 concerning the acquisition of the CP Ships Group, the depreciation within Q2 2006 (within H1 2006) decreased by € 0.3 million to € 167.0 million (by € 0.6 million to € 336.3 million). Taking into account the tax effect, the result from continuing operations increased by € 0.4 million (by € 0.8 million). The previous year values were adjusted accordingly.

Condensed consolidated balance sheet of the TUI Group

€ million	30 June 2007	31 Dec 2006
Assets		
Goodwill	3,097.7	3,134.8
Other intangible assets	564.2	604.9
Investment property	84.1	95.7
Property, plant and equipment	5,257.5	5,145.7
Companies measured at equity	469.1	407.7
Financial assets available for sale	118.8	117.3
Trade accounts receivable and other receivables	462.0	351.7
Derivative financial instruments	11.6	7.8
Deferred income tax claims	252.9	275.6
Non-current assets	10,317.9	10,141.2
Inventories	230.7	129.3
Financial assets available for sale	6.5	5.8
Trade accounts receivable and other receivables	2,328.3	1,778.0
Derivative financial instruments	194.5	76.2
Current income tax claims	71.8	23.4
Cash and cash equivalents	1,904.2	688.7
Assets held for sale	156.4	171.4
Current assets	4,892.4	2,872.8
	15,210.3	13,014.0

€ million	30 June 2007	31 Dec 2006
Equity and liabilities		
Subscribed capital	641.7	641.7
Capital reserves	2,468.0	2,396.2
Revenue reserves	- 424.8	- 613.1*
Hybrid capital	294.8	294.8
Equity before minority interests	2,979.7	2,719.6
Minority interests	283.6	275.5
Equity	3,263.3	2,995.1
Pension provisions and similar obligations	762.2	1,056.1
Current income tax provisions	221.3	177.0
Deferred income tax provisions	47.5	53.5*
Other provisions	424.2	445.1*
Non-current provisions	1,455.2	1,731.7
Financial liabilities	4,155.3	3,477.6
Derivative financial instruments	46.7	27.0
Other liabilities	31.7	28.3
Non-current liabilities	4,233.7	3,532.9
Non-current provisions and liabilities	5,688.9	5,264.6
Pension provisions and similar obligations	31.3	29.0
Current income tax provisions	51.1	87.8
Other provisions	600.1	588.1*
Current provisions	682.5	704.9
Financial liabilities	447.9	422.0
Trade accounts payable	2,331.2	1,958.4
Derivative financial instruments	101.0	116.2
Other liabilities	2,632.3	1,550.7
Current liabilities	5,512.4	4,047.3
Liabilities related to assets held for sale	63.2	2.1
Current provisions and liabilities	6,258.1	4,754.3
	15,210.3	13,014.0

* Within the actual reporting period the valuation method concerning provisions in conjunction with aircraft maintenance was adjusted. The previous year values were adjusted accordingly. As at 31 Dec 2006, the appropriate provisions increased by € 21.8 million altogether. At the same time the deferred income tax provisions decreased by € 6.6 million.

Statement of recognised income and expenses

€ million	H1 2007	H1 2006
Currency translation	- 7.2	- 210.4
Change in value with no effect on net income from companies measured at equity	21.9	- 15.0
Reserves for change in value of financial instruments	84.5	- 111.4
Actuarial gains and losses from pension obligations and associated fund assets	284.7	197.0
Tax item directly offset against equity	- 149.4	- 14.2
Income and expenses directly recognised in equity	234.5	- 154.0
Group profit	- 38.0	- 51.7
Total income and expenses recognised in the financial year	196.5	- 205.7
- attributable to shareholders of TUI AG	175.7	- 208.5
- attributable to minority interests	20.8	2.8

Condensed cash flow statement

€ million	H1 2007	H1 2006
Cash flow from operating activities	817.4	909.1
Cash flow from investing activities	- 220.1	259.1
Cash flow from financing activities	658.7	- 364.0
Change in funds with cash effect	1,256.0	804.2
Change in cash and cash equivalents due to changes in consolidation and exchange rate fluctuations	3.4	- 10.1
Cash and cash equivalents at the beginning of the period	688.7	607.5
Cash and cash equivalents at the end of the period	1,948.1	1,401.6
of which included in the balance sheet item assets classified held for sale	43.9	0.0
Cash and cash equivalents at the end of the period for continuing operations	1,904.2	1,401.6

Notes

Accounting principles

The Group's interim financial statements as at 30 June 2007 were prepared in a condensed form compared with the consolidated annual financial statements in accordance with IAS 34 'Interim Financial Reporting'. The only deviation from the historical cost principle was the accounting method applied in measuring financial instruments.

As of the beginning of the 2007 financial year, the following statutory standards revised or newly issued by the IASB were applicable: IAS 1 'Presentation of Financial Statements' (amendment concerning capital disclosures) and IFRS 7 'Financial Investments: Disclosures'. These newly applicable standards comprise provisions on disclosures to be provided in the notes on consolidated financial statements. The application of these standards therefore did not have any effects on financial reporting in the framework of the interim financial statements for the 2007 financial year. In addition, the following Interpretations newly issued by the IFRIC are compulsory for this interim report for the first time: IFRIC 10 'Interim Financial Reporting and Impairment' and IFRIC 11 'Group and Treasury Share Transactions' according to IFRS 2. The application of these Interpretations did not have any effects on these interim financial statements.

As a matter of principal the interim financial statements as at 30 June 2007 were prepared in accordance with the same accounting and measurement principles as those applied in the preceding consolidated financial statements as at 31 December 2006. A deviation was made concerning the measurement method applied to provisions for aircraft maintenance operations, which was changed in the current period under review. As at 31 December 2006, the corresponding provisions herefrom rose by a total of € 21.8 million. At the same time, the provisions for deferred income taxes decreased by € 6.6 million. The corresponding figures for 2006 were restated. In addition, in accordance with IAS 33.12, the after-tax amount of the dividend on the hybrid capital was deducted from Group profit attributable to TUI AG shareholders in calculating earnings per share since the hybrid capital represents equity but does not represent equity attributable to TUI AG shareholders. The corresponding figure for 2006 was restated accordingly.

Since the purchase price allocation for the acquisition of the CP Ships Group was finalised in the 2006 financial year, depreciation and amortisation for the first half of 2006 declined by € 0.6 million. Taking account of the tax effect, earnings from continuing operations rose by € 0.8 million. The previous year's figures were restated accordingly. The restatements of the original purchase price allocations are outlined in detail in the notes on the consolidated financial statements as at 31 December 2006.

Since the integration of the business operations of the CP Ships Group into the Hapag-Lloyd Group has largely been completed, the primary currency characterising the joint transport routes and the customer base in container shipping is no longer the euro but the US dollar. The primary economic environment for container shipping operations, i.e. the key environment within which cash and cash equivalents are received and spent, therefore changed to the US dollar region. Since 1 January 2007, the US dollar has therefore had to be used as the functional currency of the operative container shipping companies in accordance with IAS 21.35.

Group of consolidated companies

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

The interim financial statements as at 30 June 2007 included a total of 41 domestic and 335 foreign subsidiaries, besides TUI AG.

Since 31 December 2006, four companies were newly included in the group of consolidated companies due to an expansion of their business activities. An additional two newly formed companies were consolidated for the first time. Four of the companies newly added related to the tourism division, while one company each related to the shipping division and central operations.

Since 31 December 2006, a total of 17 companies were removed from consolidation. Fifteen companies related to the shipping division. They were deconsolidated due to the liquidation of these companies. An additional two companies relating to the tourism division were removed from consolidation; one of them was deconsolidated due to the divestment of 50% of the corresponding shares, and the other one was removed from consolidation due to a merger.

Acquisitions – divestments

With purchase contract dated 31 January 2007, the TUI Deutschland GmbH tour operator acquired the remaining 25%, in addition to the 75% already held, of the capital stock of E.V.S. Beteiligungsgesellschaft mbH, Rengsdorf, a company already included in the TUI's group of consolidated companies, at a purchase price of € 19.1 million.

With effect from 5 January 2007, the minority share in Germanischer Lloyd AG held by Hapag-Lloyd was sold at a purchase price of € 15.1 million. As at the end of the 2006 financial year, this minority share was classified as a non-current asset held for sale in accordance with IFRS 5. The corresponding asset was therefore shown in a separate balance sheet item as at 31 December 2006.

On 21 February 2007, CP Ships Limited concluded an agreement on the sale of the material assets and liabilities of Montreal Gateway Terminals to Montreal Gateway Terminals Limited Partnership, a company set up by Morgan Stanley Infrastructure Partners for this purpose. The agreements took effect as of 9 March 2007. Montreal Gateway Terminals were part of the business of CP Ships, the container shipping line acquired in 2005.

Until 9 March of the current financial year, Montreal Gateway Terminals generated turnover of € 17.1 million and earnings after taxes of € 1.4 million. In the first quarter of 2006, turnover had totalled € 25.8 million with earnings of € 9.9 million.

The container terminal business was acquired by Montreal Gateway Terminals Limited Partnership at a price of € 324.6 million in the form of an asset deal. The purchase price was largely paid in cash, with the remainder paid in the form of a transfer of an interest of around 20% in the new company. This interest was included in the framework of an equity measurement by the TUI Group. After deduction of the selling expenses of € 4.3 million, the divestment generated overall positive earnings before taxes of € 177.7 million in the shipping division in the first six months of the 2007 financial year.

Since the sales negotiations became increasingly specific, the material assets and liabilities of Montreal Gateway Terminals were classified as a disposal group in accordance with IFRS 5 as at the end of the 2006 financial year and were therefore shown in separate balance sheet items as at 31 December 2006.

Discontinuing operations

With the divestment of the US steel service companies of Preussag North America Inc. to financial investor Platinum Equity in May 2006 and the divestment of the majority interest in Wolf GmbH, a company in the heating and air conditioning sector, to Centrotec Sustainable AG in October 2006, the TUI Group sold its last remaining industrial interests.

As a result, the TUI Group now comprises the two core businesses tourism and shipping.

Currently, there are no discontinuing operations. The tables shown below provide an overview of the development of discontinuing operations in the 2006 reference period.

Result from discontinuing operations

Besides the operating income and expenses of these operations, the 2006 result from discontinuing operations also included effects of the deconsolidation of companies already divested in these sectors.

Result from discontinuing operations (after income tax)

€ million	Q2 2007	Q2 2006	H1 2007	H1 2006
Trading	–	7.6	–	19.8
Energy	–	–	–	–
Sub-total – Earnings after taxes	–	7.6	–	19.8
Trading	–	- 12.1	–	- 12.1
Energy	–	–	–	5.3
Sub-total – Result from divestment/deconsolidation	–	- 12.1	–	- 6.8
Trading	–	- 4.5	–	7.7
Energy	–	–	–	5.3
Total – Result from discontinuing operations	–	- 4.5	–	13.0

Material items of the profit and loss statement of the discontinuing operations

€ million	Trading			
	Q2 2007	Q2 2006	H1 2007	H1 2006
Turnover	–	123.0	–	401.0
Operating income	–	0.2	–	0.3
Depreciation/amortisation	–	–	–	–
Other operating expenses	–	113.1	–	372.1
Financial income	–	0.3	–	0.4
Financial expenses	–	0.8	–	1.4
Result from companies measured at equity	–	+ 0.1	–	+ 0.6
Earnings before taxes	–	9.7	–	28.8
Income taxes	–	2.1	–	9.0
Earnings after taxes	–	7.6	–	19.8

Cash flows from operating, investing and financing activities of the discontinuing operations

€ million	Trading			
	Q2 2007	Q2 2006	H1 2007	H1 2006
Cash flow from operating activities	–	- 5.6	–	- 17.4
Cash flow from investing activities	–	- 0.2	–	- 2.0
Cash flow from financing activities	–	2.5	–	18.4
Change in cash and cash equivalents due to exchange rate fluctuations	–	–	–	0.1
Development of cash and cash equivalents	–	- 3.3	–	- 0.9

Notes on the consolidated profit and loss statement

The year-on-year development of the consolidated profit and loss statement was essentially characterised by changes in the group of consolidated companies. In the first half of 2006, the interests in Wolf GmbH (heating and air conditioning technology) and the TUI InfoTec Group (IT services) were fully included in consolidation. In addition, the business travel operations of the TQ3 Group and the specialist travel activities of TUI Nederland were included in consolidation for most of the 2006 reporting period. Moreover, the US steel service companies of the PNA Group were carried as a discontinuing operation until 9 May 2006. These companies were divested in the course of the 2006 financial year and were therefore not fully consolidated in the current period under review. Moreover, the Explorers Travel Club Group was only included in the TUI Group's group of consolidated companies as of the third quarter of the 2006 financial year. As a result, a year-on-year comparison of the first six months of the current financial year with the respective comparative period in 2006 is of limited use only for the continuing operations.

In the course of the 2006 financial year, the operative business of the CP Ships Group, acquired in 2005, was almost fully integrated into the Hapag-Lloyd Group. In the 2006 reference period, restructuring expenses had totalled around € 70 million. While the shipping division did not incur any such expenses in the first half of the current financial year, it posted book profits totalling € 192.8 million from the divestment of its minority interest in Germanischer Lloyd AG and the material assets and liabilities of Montreal Gateway Terminals.

Overall, turnover by the shipping division dropped, primarily due to the decline in freight rates in almost all trade lanes and the persistent weakness of the US dollar. Adjusted for one-off income from divestments and one-off expenses for the inte-

gration of CP Ships, earnings in the first half of the year therefore fell below 2006 levels, primarily due to the weak performance in the first quarter of 2007.

The development of earnings by the tourism division in the 2006 reference period was mainly determined by income of € 162.5 million from the divestment of the TQ3 Group (Other tourism sector) and the Dutch specialist tour operators.

Even adjusted for the special one-off effects of the 2006 reference period, earnings by the tourism division declined year-on-year, with an overall increase in turnover.

This was in particular attributable to the persistently difficult market environment in the Northern Europe sector. The Scandinavian source markets continued to increase their business volume year-on-year. In the UK, income of € 5.8 million (previous year: € 0 million) was generated from two aircraft sale-and-lease-back agreements. Here, however, the difficult market environment caused a decline both in turnover and earnings. In addition, earnings in the first half of the 2007 financial year were also impacted by one-off effects. So expenses incurred for the conversion of the air passenger duty in the UK which could not be rolled over to passengers and the revaluation of maintenance provisions for aircraft in the framework of the adoption of uniform accounting and measurement methods in connection with the merger of material parts of TUI's tourism division and First Choice of around € 20 million had to be considered. In the 2006 reference period, earnings were not impacted by such expenses.

On the other hand, turnover rose to some extent substantially in the Central and Western Europe sectors. In the 2006 reference period, the Central Europe sector was impacted by restructuring expenses of € 6.2 million. Such expenses were not incurred in the current period under review. In addition, the Central Europe sector posted income of € 10.8 million (previous year: around € 17 million) from four aircraft sale-and-lease-back agreements in the first half of the financial year under review. On the other hand, expenses were incurred in connection with the two airlines Hapag-Lloyd Flug and Hapag-Lloyd Express for the establishment of the new master brand TUIfly.com. Besides these one-off expenses, however, earnings were further impacted by the decline in the seat load factor in the flight sector. In net terms, earnings in the Central Europe sector thus fell short of 2006 levels.

Earnings in the Western Europe sector also fell slightly short of 2006 levels, with regional variations. The decline in earnings in the first half of the year was partly attributable to one-off expenses due to restructuring costs of € 2.6 million in source market Netherlands and of € 1.6 million in source market France. In the 2006 reference period, no such expenses were incurred. In addition, income from aircraft sale-and-lease-back agreements worth around € 5 million was generated in 2006.

The destinations sector achieved a substantial increase in its turnover year-on-year, due to the positive operative development of hotel companies and incoming agencies. Adjusted for one-off expenses and one-off income incurred in the 2006 reference period, earnings dropped slightly below 2006 levels.

In 2006, earnings by other operative companies were affected by one-off income of € 40.8 million by the real estate companies from the divestment of 'Schacht Konrad'. Another factor to be taken into account was the fact that Wolf GmbH was no longer included in consolidation in the period under review.

Earnings by the holding companies in the 2006 reference period benefited from earnings of € 15.0 million from the fair value measurement of the conversion options of the convertible bond issued in October 2003. Since, with effect from 3 April 2006, TUI AG irrevocably waived its option, to be exercised unilaterally, of being able to deliver cash if a conversion option should be exercised, fair value measurement in profit or loss has no longer applied since 3 April 2006. In addition, earnings by the holding companies were impacted by one-off restructuring expenses, primarily for severance payments, of € 6.1 million (previous year: € 0 million) in the current period under review. The strong year-on-year increase in tax income resulted from the implications of known tax effects of the planned reorganisation of the corporate structure of the German tourism entities in connection with the establishment of TUI Travel PLC and the effects of the first-time recognition of the newly issued 2007/2012 convertible bond on deferred taxes in the balance sheet.

Overall, the earnings situation was characterised by the seasonal nature of the tourism business. Due to the business cycles, profit contributions in the tourism division predominantly arise in the second and third quarter of any one year.

In the first half of the 2007 financial year, no unusual expenses or income from the divestment of discontinuing operations had to be reported. In the 2006 reference period, unusual expenses after tax of around € 7 million were incurred. These expenses resulted from the deconsolidation of the PNA Group totalling € 12.1 million and income of € 5.3 million resulting from the payment of previously disputed dividend claims on a company of the Preussag Energie Group.

Notes on the consolidated balance sheet

The changes in the consolidated balance sheet as against 31 December 2006 mainly resulted from the cycle of the tourism business. Both inventories, trade accounts receivable and the corresponding trade accounts payable in the tourism division rose due to the seasonal development in tourism. Due to the increase in advance payments in tourism, other liabilities as well as liquid funds also rose within that period.

Goodwill declined as against 31 December 2006. This was mainly due to the reclassification of assets held for sale in accordance with IFRS 5, outlined in the section below.

The increase in financial liabilities compared with the level as at 31 December 2006 mainly resulted from the uncollateralised non-subordinated convertible bond issued by TUI AG in May 2007. This was one of the reasons for the increase in liquid funds.

Assets held for sale and related liabilities

€ million	30 June 2007	31 Dec 2006
Non-current assets	156.4	171.4
Assets held for sale	156.4	171.4
Liabilities related to non-current assets	63.2	2.1
Liabilities from assets held for sale	63.2	2.1

Most of the items carried as assets held for sale as at 31 December 2006 and the related liabilities were settled by means of the divestment of the minority interest in Germanischer Lloyd AG as at 5 January 2007 and the divestment of the material assets and liabilities of Montreal Gateway Terminals as at 9 March 2007. These transactions are outlined in detail in the section 'Acquisitions - divestments'.

On the other hand, the assets (€ 95.9 million) and liabilities (€ 63.2 million) of the Irish Budget Travel Group were carried as non-current assets and related liabilities held for sale as of 4 June 2007 in accordance with IFRS 5. As of that date, the EU Commission approved the planned merger of the material parts of TUI's tourism division with the British travel group First Choice Holidays PLC into TUI Travel PLC. The approval was granted subject to the condition that TUI sells its Irish subsidiary Budget Travel. In addition, an aircraft operated in the sectors Northern Europe and Central Europe (€ 59.3 million) and to a minor extent some real estate property and land were carried as non-current assets held for sale in accordance with IFRS 5 as at 30 June 2007.

At the beginning of July 2007, TUI AG's Executive Board decided to sell the shares in the hotel holding company Tarajal Properties S.L. Since the criteria of IFRS 5 were therefore not yet fully met by 30 June 2007, the assets held for sale (€ 36.6 million) and the related liabilities (€ 9.7 million) were not yet carried under these items.

Changes in equity

The TUI Group exercised the option offered by IAS 19 of offsetting actuarial gains and losses against equity outside profit or loss when they occur. In this context, provisions for pensions were reduced by € 284.6 million in the period under review, primarily due to the increase in the long-term interest rate level observed in the UK (from 5.0% at 31 December 2006 to 5.82% at 30 June 2007) since the beginning of the year. Taking account of deferred taxes of € 94.0 million to be carried, equity rose accordingly by € 190.6 million outside profit or loss.

A further increase in equity resulted from the issuance of a convertible bond and changes in the value of financial instruments used to hedge against exposure to cash flow risks, carried outside profit or loss.

On the other hand, Group equity dropped due to the negative consolidated earnings of € 38.0 million.

Equity was further reduced due to changes in the currency translation of financial statements prepared by foreign subsidiaries.

Contingent liabilities

As at 30 June 2007, the TUI Group's contingent liabilities totalled around € 145 million (31 December 2006: around € 214 million). Contingent liabilities were carried at the level of potential availment as at the balance sheet date. They mainly related to remaining guarantees and warranties from the former plant engineering and ship-building activities, which serve to settle follow-up projects and were substantially reduced in the first half of the financial year.

Other financial liabilities

Financial liabilities from operating rental, lease and charter agreements rose slightly at the end of the first half to € 4.6 billion, up from € 4.5 billion as at 31 December 2006. Due to the increase in the long-term interest rate level, the fair value, however, decreased from € 3.8 billion to € 3.7 billion.

The remaining other financial liabilities dropped to € 5.7 billion as at the end of the first half of 2007, down from € 6.1 billion as at the end of the 2006 financial year. At € 4.9 billion, the fair value declined year-on-year from € 5.3 billion.

While order commitments for tourism services declined by € 0.4 billion to € 1.9 billion, order commitments for investments totalled € 3.1 billion, matching the level carried at the end of the 2006 financial year.

Notes on the cash flow statement

In the period under review, cash and cash equivalents of the continuing operations rose by € 1,215.5 million to € 1,904.2 million.

The inflow of cash from operating activities dropped by € 91.7 million to € 817.4 million year-on-year. This was mainly attributable to the earnings situation in the shipping and tourism divisions.

The outflow of cash from investing activities totalled € 220.1 million in the current financial year. In 2006, an inflow of cash from investing activities of € 259.1 million was reported. This inflow of cash was mainly attributable to the divestment of the TQ3 Group and the PNA Group in the 2006 financial year. The cash outflow in the current financial year mainly resulted from payments made for capital expenditure in property, plant and equipment as well as investments, mainly for container ships and hotel complexes as well as the acquisition of the remaining shares in E.V.S. Beteiligungsgesellschaft mbH. On the other hand, cash inflow primarily resulted from the divestment of the material assets and liabilities of Montreal Gateway Terminals and the minority shareholding in Germanischer Lloyd AG.

The inflow of cash from financing activities totalled € 658.7 million, primarily resulting from the issuance of an uncollateralised non-subordinated convertible bond by TUI AG in May 2007. In 2006, an outflow of cash of € 364.0 million was recorded in the relevant period.

Cash and cash equivalents increased by € 3.4 million due to exchange rate fluctuations and changes in the group of consolidated companies.

Statements of changes in equity

Summary statement of changes in equity from 1 January to 30 June 2007

€ million	Subscribed capital	Capital reserves	Revenue reserves	Hybrid capital	Equity before minority interests	Minority interests	Equity
Balance as at 1 January 2007	641.7	2,396.2	- 613.1	294.8	2,719.6	275.5	2,995.1
Dividend payments	0.0	0.0	0.0	0.0	0.0	- 14.6	- 14.6
Hybrid capital dividend	0.0	0.0	- 12.8	0.0	- 12.8	0.0	- 12.8
Issuance of convertible bond	0.0	119.7	0.0	0.0	119.7	0.0	119.7
First-time consolidation	0.0	0.0	- 0.1	0.0	- 0.1	2.8	2.7
Effect of the acquisition of minority interests	0.0	0.0	- 22.5	0.0	- 22.5	- 0.9	- 23.4
Income and expenses directly taken to equity	0.0	0.0	325.0	0.0	325.0	20.9	345.9
Tax items directly offset against equity	0.0	- 47.9	- 101.4	0.0	- 149.3	- 0.1	- 149.4
Balance as at 30 June 2007	641.7	2,468.0	- 424.9	294.8	2,979.6	283.6	3,263.2

Summary statement of changes in equity from 1 January to 30 June 2006

€ million	Subscribed capital	Capital reserves	Revenue reserves	Hybrid capital	Equity before minority interests	Minority interests	Equity
Balance as at 1 January 2006	641.0	2,385.0	777.5	294.8	4,098.3	262.2	4,360.5
Dividend payments	0.0	0.0	- 189.0	0.0	- 189.0	- 18.0	- 207.0
Hybrid capital dividend	0.0	0.0	- 14.4	0.0	- 14.4	0.0	- 14.4
Reclassification of conversion options	0.0	7.2	0.0	0.0	7.2	0.0	7.2
Deconsolidation	0.0	0.0	3.4	0.0	3.4	- 2.7	0.7
Income and expenses directly taken to equity	0.0	0.0	- 193.8	0.0	- 193.8	2.3	- 191.5
Tax items directly offset against equity	0.0	0.0	- 14.7	0.0	- 14.7	0.5	- 14.2
Balance as at 30 June 2006	641.0	2,392.2	369.0	294.8	3,697.0	244.3	3,941.3

Segment indicators

External turnover with non-Group third parties according to divisions and sectors

€ million	Q2 2007	Q2 2006	H1 2007	H1 2006
Tourism	3,646.0	3,641.5	6,235.5	6,152.1
Shipping	1,537.6	1,605.8	3,037.9	3,245.4
Other operative sectors	12.6	54.1	16.3	104.0
Holding companies	0.6	0.3	1.2	0.6
Continuing operations	5,196.8	5,301.7	9,290.9	9,502.1
Trading	0.0	123.0	0.0	401.0
Discontinuing operations	0.0	123.0	0.0	401.0
Total	5,196.8	5,424.7	9,290.9	9,903.1

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

€ million	Q2 2007	Q2 2006	H1 2007	H1 2006
Tourism	13	152	- 224	69
Shipping	13	- 41	154	- 66
Other operative sectors	9	4	13	51
Holding companies	- 7	- 18	- 19	- 32
Consolidation	- 23	- 8	- 2	- 3
Continuing operations	5	89	- 78	19
Trading	-	- 2	-	18
Energy	-	-	-	5
Discontinuing operations	-	- 2	-	23
Total	5	87	- 78	42

In the first half of the 2007 financial year, earnings before interest, taxes and amortisation of goodwill (EBITA) comprised the following results from the companies measured at equity: tourism € 15.5 million (previous year: € 12.8 million), shipping € 5.0 million (previous year € 3.1 million) and trading € 0.0 million (previous year: € 0.6 million).

Related parties

Apart from the subsidiaries included in the consolidated financial statements, TUI AG, in carrying out its ordinary business activities, maintained indirect or direct relationships with related parties. All transactions with related parties were carried out at arm's length on the basis of international comparable uncontrolled price methods as they are common with third parties in accordance with IAS 24, as before. The equity interest in RIU Hoteles S.A. mentioned in the notes on the consolidated financial statements as at 31 December 2006 was held unchanged at the closing date of the interim financial statements. More detailed information on related parties is provided in the notes on the consolidated financial statements for 2006 under 'Other notes'.

Responsibility Statement by Management

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, 8 August 2007

Frenzel

Behrendt

Engelen

Feuerhake

Mueller

Rothwell

Review Report

To the TUI AG, Berlin and Hanover

We have reviewed the condensed consolidated interim financial statements – comprising the condensed balance sheet, condensed income statement, condensed cash flow statement, condensed statement of changes in equity and selected explanatory notes – and the interim group management report of the TUI AG, Berlin and Hanover, for the period from 1 January 2007 to 30 June 2007 which are part of the half-year financial report pursuant to § (Article) 37w WpHG ('Wertpapierhandelsgesetz': German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW) and additionally observed 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 perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Hanover, 8 August 2007

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Winkeljohann
Wirtschaftsprüfer
(German Public Auditor)

Dr. Rolfes
Wirtschaftsprüfer
(German Public Auditor)

Financial Calendar 2007/2008

Interim Report January to September 2007	8 November 2007
Annual Press Conference 2008	19 March 2008
Annual General Meeting 2008	7 May 2008

Imprint

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

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1 access + 9 source markets = 20 million offerings → 11.1 million passengers + 2,200 employees + 50 aircraft = 1 airline
distribution agencies = 1 IT system → 138 container ships + 467,000 TEU capacity = 5 million TEU transport volume →
→ 11.1 million passengers + 2,200 employees + 50 aircraft = 1 airline → 279 hotels + 600 swimming pools + 165,000 beds
ships + 467,000 TEU capacity = 5 million TEU transport volume → 2 x quality + 2 x strong brand + 2 x size = Security
aircraft = 1 airline → 279 hotels + 600 swimming pools + 165,000 beds = 36 million accommodations → 5 continents +
transport volume → 2 x quality + 2 x strong brand + 2 x size = Security & prospects → 1 access + 9 source markets = 2
pools + 165,000 beds = 36 million accommodations → 5 continents + 100 countries + 331 distribution agencies = 1 IT sy
+ 2 x size = Security & prospects → 1 access + 9 source markets = 20 million offerings → 11.1 million passengers + 2,20
→ 5 continents + 100 countries + 331 distribution agencies = 1 IT system → 138 container ships + 467,000 TEU capa
+ 9 source markets = 20 million offerings → 11.1 million passengers + 2,200 employees + 50 aircraft = 1 airline → 279 hot
agencies = 1 IT system → 138 container ships + 467,000 TEU capacity = 5 million TEU transport volume → 2 x quality +