TUI AG Financial Year 2009/10
Corrected Half-Year Financial Report
1 October 2009 – 31 March 2010

Table of Contents

Reservation concerning future-related statements

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

Q2 2009/10

Corrected TUI Group in Figures

€ million		Q2 2009/10	Q2 2008/09	Var. %	H1 2009/10	H1 2008/09	Var. %
Continuing Operations							
Turnover		2,878.8	3,075.6	- 6.4	5,826.9	6,543.8	- 11.0
EBITDAR		58.1	- 54.0	n/a	129.3	128.2	- 0.9
EBITDA		- 161.8	- 257.5	+ 37.2	- 241.5	- 224.6	- 7.5
TUI Travel		- 199.9	- 294.0	+ 32.0	- 292.0	- 264.4	- 10.4
TUI Hotels & Resorts		42.3	42.0	+ 0.7	64.7	79.6	- 18.7
Cruises		4.1	2.2	+ 86.4	- 0.1	0.3	n/a
Underlying EBITDA		- 157.3	- 198.7	+ 20.8	- 216.9	- 172.5	- 25.7
TUI Travel		- 195.4	- 235.2	+ 16.9	- 267.4	- 214.3	- 24.8
TUI Hotels & Resorts		42.3	42.0	+ 0.7	64.7	83.4	- 22.4
Cruises		4.1	2.2	+ 86.4	- 0.1	0.3	n/a
EBITA		- 252.3	- 352.2	+ 28.4	- 426.1	- 457.7	+ 6.9
TUI Travel		- 268.8	- 367.6	+ 26.9	- 432.4	- 439.0	+ 1.5
TUI Hotels & Resorts		25.7	25.6	+ 0.4	30.7	48.9	- 37.2
Cruises		2.2	- 0.1	n/a	- 4.1	- 4.5	+ 8.9
Underlying EBITA		- 228.6	- 277.1	+ 17.5	- 366.3	- 377.9	+ 3.1
TUI Travel		- 245.1	- 292.5	+ 16.2	- 372.6	- 361.2	- 3.2
TUI Hotels & Resorts		25.7	25.6	+ 0.4	30.7	52.7	- 41.7
Cruises		2.2	- 0.1	n/a	- 4.1	- 4.5	+ 8.9
Discontinued Operations							
Earnings Discontinued Operations		- 23.8	928.9	n/a	- 34.4	921.1	n/a
EBITA		- 22.7	889.4	n/a	- 33.6	851.7	n/a
Underlying EBITA		- 12.9	- 234.6	+ 94.5	- 23.8	- 256.0	+ 90.7
Group							
EBITA		- 275.0	537.2	n/a	- 459.7	394.0	n/a
Underlying EBITA		- 241.5	- 511.7	+ 52.8	- 390.1	- 633.9	+ 38.5
Group profit/loss		- 264.8	602.2	n/a	- 429.9	413.0	n/a
Basic earnings per share	in €	- 0.72	+ 2.93	n/a	- 1.16	+ 2.29	n/a
Capital expenditure		61.7	139.0	- 55.6	155.8	281.3	- 44.6
Equity ratio (31 March)	in %	–	–	–	15.5	16.4	- 0.9*)
Employees (31 March)		–	–	–	60,949	70,989	- 14.1

*) percentage points

→ Recovery trend in tourism continues.

→ Improved operating earnings in TUI Travel and Cruises.

→ Turnaround: positive quarterly result from Container Shipping's operations.

Economic Situation in Q2 2009/10

General Economic Situation

The world economy, which started to pick up again in mid-2009, continued to recover in the period under review. While the pace of expansion continued to accelerate in the emerging markets and developing countries, the upward trend was less pronounced in the industrialised countries. In the first few calendar months of 2010, economic activity in some member states of the Eurozone was curbed by the discontinuation of state-backed economic stimulus measures as well as substantial increases in public debt. The United States recorded stronger growth than the Eurozone. However, as in other industrialised countries, private and public demand in the Eurozone was impacted by restrained lending and the difficult situation in the labour market. World trade continued to normalise at a high pace. This recovery was driven by the emerging markets, characterised by far stronger economic momentum.

Correction of Interim Financial Statements

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

Against this backdrop, the present Management Report has also been corrected. Further details and the effects, in particular on the consolidated profit and loss statement, are presented in a note on this item on page 28 in the consolidated Notes.

Special Events After the Closing Date

Closure of Europe's airspace by ash cloud from volcanic eruption in Iceland

As a result of a volcanic eruption in Iceland, large parts of Europe's airspace were closed from 15 to 21 April 2010 due to the volcanic ash cloud. The associated flight disruptions had an adverse impact on the scheduled implementation of the TUI Group's tourism business. In total, more than 180,000 TUI customers in resorts were affected. Holiday extensions or alternative return options from their holiday regions were organised for customers in resorts. Furthermore, more than 175,000 TUI trips were cancelled; these customers were offered to cancel their holidays free of charge. The cumulative cost resulting from the airspace closure for the TUI Group's earnings currently amounts to around €100m. The largest portion relates to the activities of the TUI Travel Group. As the earnings effects associated with the closure of airspace are one-off in nature, they will be disclosed separately in the interim statement for the third quarter of 2009/10.

TUI Travel PLC issues convertible bond

On 19 April 2010, TUI Travel PLC successfully placed £400m of convertible bonds. The bonds have a maturity of seven years and will be used to refinance maturing bank facilities in advance of the due date and create leeway for acquisitions.

TUI AG has subscribed for 50% of the convertible bonds. The purchase of the convertible bonds has been fully refinanced via a three-year financing arrangement with Deutsche Bank. A mechanism has been put in place to always secure TUI's voting rights majority in TUI Travel in the event of any third party conversions.

Consolidated Turnover and Earnings

Following the introduction of a nine-month short financial year in 2009, the TUI Group now reports about the period from 1 October of any one year until 30 September of the subsequent year. The quarter Q2 2009/10 and the six-month period H1 2009/10 are thus presented alongside the reporting periods from January to March 2009 and from October 2008 to March 2009, respectively.

Following the completion of the sale of Container Shipping, the 43.33% stake in 'Albert Ballin' Joint Venture GmbH & Co. KG has been measured at equity in TUI's consolidated financial statements since April 2009. In line with their participating nature, the proportionate at equity earnings of the stake in Container Shipping to be included in consolidated earnings as of third quarter 2008/09 are not included in the TUI Group's operating performance indicator EBITA. Accordingly, the comments provided below will focus on the development of business operations in Tourism and Central Operations (Continuing Operations).

Information about the development of business operations in Container Shipping in the second quarter of 2009/10 is presented from page 15 of this Half-Year Financial Report.

Development of turnover

Divisional turnover

€ million	Q2 2009/10	Q2 2008/09	Var. %	H1 2009/10	H1 2008/09	Var. %
Tourism	2,864.3	3,060.9	- 6.4	5,796.8	6,508.1	- 10.9
TUI Travel	2,707.5	2,911.1	- 7.0	5,519.2	6,233.2	- 11.5
TUI Hotels & Resorts	97.1	91.8	+ 5.8	176.9	172.4	+ 2.6
Cruises	59.7	58.0	+ 2.9	100.7	102.5	- 1.8
Central Operations	14.5	14.7	- 1.4	30.1	35.7	- 15.7
Continuing Operations	**2,878.8**	**3,075.6**	**- 6.4**	**5,826.9**	**6,543.8**	**- 11.0**
Discontinued Operations	**4.2**	**1,122.9**	**- 99.6**	**11.8**	**2,721.2**	**- 99.6**
Consolidation	–	–	n/a	–	- 42.9	+ 100.0
Divisional turnover	**2,883.0**	**4,198.5**	**- 31.3**	**5,838.7**	**9,222.1**	**- 36.7**

Continuing Operations

In the second quarter of 2009/10, turnover by the Continuing Operations was €2.9bn, down 6% year-on-year. The decline in turnover was above all attributable to the year-on-year decrease in customer volumes in TUI Travel. On the other hand, turnover benefited from the 2% rise in the exchange rate of Sterling against the Euro, as a result of which the British tour operators in Tourism recorded slightly higher turnover on a Euro basis. Cumulative turnover for the first half of 2009/10 totalled €5.8b, down 11% year-on-year. However, the decline in turnover driven by the economic environment improved considerably versus the first quarter of 2009/10. Bookings, which already started to recover towards the end of the first quarter of 2009/10, thus continued to consolidate in the quarter under review.

Discontinued Operations

Following the fundamental decision taken in 2009 to divest the Magic Life Group, its turnover was carried under Discontinued Operations. In the first half of the previous year, this item still included turnover by Container Shipping. A year-on-year comparison of cumulative turnover and earnings is therefore of limited value.

Development of earnings

Underlying divisional EBITA

€ million	Q2 2009/10	Q2 2008/09	Var. %	H1 2009/10	H1 2008/09	Var. %
Tourism	- 217.2	- 267.0	+ 18.7	- 346.0	- 313.0	- 10.5
TUI Travel	- 245.1	- 292.5	+ 16.2	- 372.6	- 361.2	- 3.2
TUI Hotels & Resorts	25.7	25.6	+ 0.4	30.7	52.7	- 41.7
Cruises	2.2	- 0.1	n/a	- 4.1	- 4.5	+ 8.9
Central operations	- 11.4	- 10.1	- 12.9	- 20.3	- 64.9	+ 68.7
All other segments	- 11.4	- 10.1	- 12.9	- 20.3	- 64.9	+ 68.7
Consolidation	–	–	n/a	–	–	n/a
Continuing Operations	**- 228.6**	**- 277.1**	**+ 17.5**	**- 366.3**	**- 377.9**	**+ 3.1**
Discontinued Operations	**- 12.9**	**- 234.6**	**+ 94.5**	**- 23.8**	**- 256.0**	**+ 90.7**
Underlying divisional earnings (EBITA)	**- 241.5**	**- 511.7**	**+ 52.8**	**- 390.1**	**- 633.9**	**+ 38.5**

Divisional EBITA

€ million	Q2 2009/10	Q2 2008/09	Var. %	H1 2009/10	H1 2008/09	Var. %
Tourism	- 240.9	- 342.1	+ 29.6	- 405.8	- 394.6	- 2.8
TUI Travel	- 268.8	- 367.6	+ 26.9	- 432.4	- 439.0	+ 1.5
TUI Hotels & Resorts	25.7	25.6	+ 0.4	30.7	48.9	- 37.2
Cruises	2.2	- 0.1	n/a	- 4.1	- 4.5	+ 8.9
Central operations	- 11.4	- 10.1	- 12.9	- 20.3	- 63.1	+ 67.8
All other segments	- 11.4	- 10.1	- 12.9	- 20.3	- 63.1	+ 67.8
Consolidation	–	–	n/a	–	–	n/a
Continuing Operations	**- 252.3**	**- 352.2**	**+ 28.4**	**- 426.1**	**- 457.7**	**+ 6.9**
Discontinued Operations	**- 22.7**	**889.4**	**n/a**	**- 33.6**	**851.7**	**n/a**
Divisional earnings (EBITA)	**- 275.0**	**537.2**	**n/a**	**- 459.7**	**394.0**	**n/a**

Continuing Operations

In the second quarter of 2009/10, underlying earnings by the Continuing Operations Tourism and Central Operations (underlying divisional EBITA) rose by €49m year-on-year to €-229m. The positive development of earnings was largely driven by the development of business in Tourism.

In the second quarter of 2009/10, Tourism posted negative underlying earnings for seasonal reasons; however, earnings rose by €50m year-on-year. This positive development was mainly attributable to the earnings growth of €47m in TUI Travel. At €26m, earnings by TUI Hotels & Resorts were flat versus the previous year.

The Cruises sector also reported a gratifying development of business, with earnings up €2m year-on-year.

In the second quarter of 2009/10, underlying earnings by Central Operations totalled €-11m, almost matching the previous year's level. The earnings enhancement of €45m in the first half of the year was driven by the charges for the measurement of financial instruments included in the previous year's figures.

Cumulative underlying earnings by the Continuing Operations totalled €-366m for the first half of 2009/10, slightly above the previous year's level.

Underlying divisional EBITA: Continuing Operations

€ million	Q2 2009/10	Q2 2008/09	Var. %	H1 2009/10	H1 2008/09	Var. %
Divisional EBITA	**- 252.3**	**- 352.2**	**+ 28.4**	**- 426.1**	**- 457.7**	**+ 6.9**
Gains on disposal	*- 2.0*	*–*		*- 2.0*	*+ 2.0*	
Restructuring	*+ 9.6*	*+ 25.7*		*+ 13.2*	*- 0.6*	
Purchase price allocation	*+ 16.3*	*+ 10.5*		*+ 31.9*	*+ 21.9*	
Other one-off items	*- 0.2*	*+ 38.9*		*+ 16.7*	*+ 56.5*	
Underlying divisional EBITA	**- 228.6**	**- 277.1**	**+ 17.5**	**- 366.3**	**- 377.9**	**+ 3.1**

In the second quarter of 2009/10, the Group's Continuing Operations had items worth a total of €24m to be adjusted. Reported divisional EBITA by the Continuing Operations accounted for €-252m in the second quarter, up €100m versus the comparative prior year period. In the first half of the year, reported divisional EBITA totalled €-426m, with cumulative adjustments of €60m.

Discontinued Operations

Discontinued Operations comprised the hotel companies of the Magic Life Group. The cumulative figure for the first half of 2008/09 had additionally included the Container Shipping activities, which have meanwhile been sold. The 43.33% stake in Container Shipping taken in the framework of the divestment has been measured at equity and included in the consolidated financial statements since April 2009.

TUI Travel

TUI Travel – Key figures

€ million	Q2 2009/10	Q2 2008/09	Var. %	H1 2009/10	H1 2008/09	Var. %
Turnover	2,707.5	2,911.1	- 7.0	5,519.2	6,233.2	- 11.5
Divisional EBITA	**- 268.8**	**- 367.6**	**+ 26.9**	**- 432.4**	**- 439.0**	**+ 1.5**
Gains on disposal	*- 2.0*	*–*		*- 2.0*	*–*	
Restructuring	*+ 9.6*	*+ 25.7*		*+ 13.2*	*- 0.6*	
Purchase price allocation	*+ 16.3*	*+ 10.5*		*+ 31.9*	*+ 21.9*	
Other one-off items	*- 0.2*	*+ 38.9*		*+ 16.7*	*+ 56.5*	
Underlying divisional EBITA	**- 245.1**	**- 292.5**	**+ 16.2**	**- 372.6**	**- 361.2**	**- 3.2**
Underlying divisional EBITDA	- 195.4	- 235.2	+ 16.9	- 267.4	- 214.3	- 24.8
Capital expenditure	50.9	54.7	- 6.9	125.5	109.9	+ 14.2
Headcount (31 March)	–	–	–	45,966	48,667	- 5.5

Turnover and earnings

In the second quarter of 2009/10, turnover by TUI Travel decreased by 7% year-on-year. The decline was primarily attributable to lower volumes in the Mainstream business. However, booking volumes already picked up again versus the prior quarter. Turnover benefited slightly from a 2% rise in the exchange rate of Sterling against the Euro.

Underlying earnings by TUI Travel improved in the second quarter of 2009/10, up €47m year-on-year. Although customer volumes were still down year-on-year, earnings improved overall due to better margins resulting from flexible capacity management. Earnings also benefited from TUIfly's concentration on the tourism route portfolio following the takeover of the citypairs business by Air Berlin. Additional positive earnings effects arose from the restructuring of business in Canada in the wake of the completion of a strategic venture between operations in Canada and tour operator Sunwing in January 2010 as well as the scheduled delivery of integration synergies. On the other hand, earnings were impacted by the continued weak performance in the French airline market.

In the second quarter of 2009/10, TUI Travel had to carry adjustments worth a total of €24m for the following one-off effects:

- gains on disposal of €2m resulting from the sale of the Canadian business operations in connection with the subsequent formation of the joint venture,
- restructuring costs of €10m, in particular for restructuring the airline segment in the UK and realigning tour operator activities in France,
- effects of purchase price allocations worth €16m, and
- one-off effects of €0m in net terms. These one off-effects included one-off income from delayed deliveries of aircraft. On the other hand, one-off expenses has been incurred, primarily for the impairment of receivables from a Turkish hotel management company and the default of a Canadian non-Group airline and the associated expenses for the reintegration of the leased aircraft.

In the second quarter of 2009/10, reported earnings by TUI Travel rose by €99m year-on-year to €-269m. Cumulative reported earnings for the first half of the year rose to €-432m, slightly up year-on-year. Underlying earnings for the first half of the year totalled €-373m, down €11m year-on-year.

Mainstream

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

TUI Travel – Mainstream volumes

'000	Q2 2009/10	Q2 2008/09	Var. %	H1 2009/10	H1 2008/09	Var. %
Central Europe	1,153	1,530	- 24.6	2,693	3,550	- 24.1
Northern Region[1)]	899	1,032	- 12.9	2,026	2,403	- 15.7
Western Europe	769	764	+ 0.7	1,685	1,745	- 3.4
Total	**2,821**	**3,326**	**- 15.2**	**6,404**	**7,698**	**- 16.8**

1) Retroactive adjustment of Q1-figures, as Canadian guests are not accounted for anymore due to Sunwing-JV.

Central Europe

In Central Europe (Germany, Austria, Switzerland, Poland and airline TUIfly), customer volumes declined by 25% year-on-year in the second quarter of 2009/10. This was mainly attributable to TUIfly's exit from the city-pairs business, which was taken over by Air Berlin in accordance with the agreement made.

Thanks to strict capacity management and exiting the city-pairs business, the German airline and tour operator activities achieved a substantial improvement in earnings in spite of lower customer volumes. The Swiss market remained characterised by strong competition; nevertheless TUI Suisse managed to achieve higher margins which more than offset lower demand volumes. TUI Austria and TUI Poland benefited from higher customer volumes and successful cost control programmes.

Northern Region

In Northern Region (UK, Ireland, Canada, Nordics and airlines Thomson Airways and TUIfly Nordic), customer volumes fell by 13% year-on-year in the second quarter of 2009/10. In anticipation of weaker demand driven by the economic environment, capacity had been reduced for the winter season.

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

Western Europe

Western Europe (France, the Netherlands, Belgium and airlines Corsairfly, Arkefly and Jetairfly) recorded a slight year-on-year increase in volumes of 1% in the second quarter of 2009/10. Tour operator activities in Belgium benefited from an increase in landbased product, offsetting the continued decline in volumes in France and the Netherlands. Business in France was adversely affected by continued weaker demand for the key longhaul destinations La Réunion and the West Indies, affecting the tour operators and in particular the Corsairfly airline. However, it recovered slightly versus the first quarter of the current financial year. TUI tour operators in the Netherlands reported weaker volumes and lower pricing levels. Their business was additionally impacted by higher maintenance costs in aviation.

Specialist & Emerging Markets

The Specialist & Emerging Markets sector consists of specialist tour operators in Europe, North America and emerging markets such as Russia. In the second quarter of 2009/10, customer volumes fell by 4% year-on-year to 167 thousand. While specialist tour operators in Continental Europe benefited from slight growth, specialist tour operators in the UK recorded a decline in volumes. Business in North America decreased year-on-year in the period under review, primarily due to continued weak demand for premium expedition tours. The development of business in the emerging markets reflected increasing price pressure for tours to Egypt in the Russian market and the cost of acquisition for newly acquired interests.

Activity

The Activity sector, which comprises Marine, Adventure, Ski, Student and Sport, recorded a positive development in the second quarter of 2009/10. Marine benefited from cost savings. While Adventure was impacted by lower capacity and tougher competition, in particular in the polar expedition segment, Sport benefited from major sport events in particular the Winter Olympics. The Ski and Student divisions achieved a gratifying performance versus the prior year.

Accommodation and Destinations (A&D)

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

TUI Hotels & Resorts

The Group's hotel companies are pooled in TUI Hotels & Resorts. In the second quarter of 2009/10, the sector reported a total of 3.8m bednights (previous year: 3.7m). Bed occupancy was 72% in the second quarter, up one percentage point year-on-year, on slightly increased capacity. The development of business varied for the individual hotel groups and regions.

TUI Hotels & Resorts – Key figures

€ million	Q2 2009/10	Q2 2008/09	Var. %	H1 2009/10	H1 2008/09	Var. %
Total turnover	188.2	193.6	- 2.8	345.0	368.8	- 6.5
Turnover	97.1	91.8	+ 5.8	176.9	172.4	+ 2.6
Divisional EBITA	**25.7**	**25.6**	**+ 0.4**	**30.7**	**48.9**	**- 37.2**
Gains on disposal	–	–		–	*+ 3.8*	
Restructuring	–	–		–	–	
Purchase price allocation	–	–		–	–	
Other one-off items	–	–		–	–	
Underlying divisional EBITA	**25.7**	**25.6**	**+ 0.4**	**30.7**	**52.7**	**- 41.7**
Underlying divisional EBITDA	42.3	42.0	+ 0.7	64.7	83.4	- 22.4
Capital expenditure	8.2	16.1	- 49.1	20.2	36.0	- 43.9
Headcount (31 March)	–	–	–	11,405	14,326	- 20.4

Turnover and earnings

TUI Hotels & Resorts posted total turnover of €188m, down 3% year-on-year. This was attritutable to a 7% decline in average revenues per bednight, only partly offset by a slight rise in occupany rates on higher capacity. Consolidated turnover, by contrast, totalled €97m in the second quarter of 2009/10, up 6%. Total cumulative turnover for the first half of the year declined by 7% to €345m, while consolidated turnover grew by 3% to €177m.

At €26m, underlying earnings matched the previous year's level in the second quarter of 2009/10. The sector benefited from the implementation of cost control measures and a slight rise in occupancy rates across the entire hotel portfolio for the capacity on offer in the period under review. Earnings in the second quarter were impacted by a year-on-year decline in average revenues per bednight of 7%. At €31m, cumulative underlying earnings for the first half of the financial year were €22m down year-on-year.

TUI Hotels & Resorts

Hotel brand	Capacity ('000)[1] Q2 2009/10	Q2 2008/09	Var. %	Occupancy rate (%)[2] Q2 2009/10	Q2 2008/09	Var. % points	Average revenue per bed (€)[3] Q2 2009/10	Q2 2008/09	Var. %
Riu	3,913	3,885	+ 0.7	77.3	77.5	- 0.2	49.72	54.00	- 7.9
Robinson	580	565	+ 2.7	55.2	55.6	- 0.4	98.31	98.36	- 0.1
Iberotel	587	581	+ 1.0	62.3	49.0	+ 13.3	37.67	38.35	- 1.8
Grupotel	109	105	+ 3.8	41.7	48.7	- 7.0	34.45	34.44	+ 0.0
Grecotel	–	–	n/a	–	–	n/a	–	–	n/a
Dorfhotel[4]	58	58	+ 0.0	48.5	66.5	- 18.0	22.02	19.42	+ 13.4
aQi	21	21	+ 0.0	68.2	63.5	+ 4.7	66.78	60.06	+ 11.2
Total	**5,268**	**5,215**	**+ 1.0**	**72.1**	**71.2**	**+ 0.9**	**52.34**	**55.95**	**- 6.5**

Hotel brand	Capacity ('000)[1] H1 2009/10	H1 2008/09	Var. %	Occupancy rate (%)[2] H1 2009/10	H1 2008/09	Var. % points	Average revenue per bed (€)[3] H1 2009/10	H1 2008/09	Var. %
Riu	7,857	7,728	+ 1.7	73.2	76.6	- 3.4	47.08	51.03	- 7.7
Robinson	1,192	1,143	+ 4.3	56.0	61.5	- 5.5	88.67	87.03	+ 1.9
Iberotel	1,240	1,236	+ 0.3	63.4	58.8	+ 4.6	38.21	38.94	- 1.9
Grupotel	219	221	- 0.9	48.3	58.1	- 9.8	34.30	37.03	- 7.4
Grecotel	59	79	- 25.3	48.8	52.8	- 4.0	41.25	37.93	+ 8.8
Dorfhotel[4]	85	83	+ 2.4	42.6	59.7	- 17.1	25.99	23.08	+ 12.6
aQi	35	28	+ 25.0	54.8	59.0	- 4.2	63.23	60.00	+ 5.4
Total	**10,687**	**10,518**	**+ 1.6**	**69.2**	**72.1**	**- 2.9**	**49.63**	**52.74**	**- 5.9**

[1] Number of owned/leased beds multiplied by open days per quarter
[2] Occupied beds divided by capacity
[3] Arrangement turnover divided by occupied beds
[4] Key figures refer to two owned hotels

Riu

Riu, one of Spain's leading hotel chains, operated 100 hotels in the period under review. In the second quarter of 2009/10, capacity grew by 1% year-on-year to 3.9m hotel beds available. Despite strict cost management, earnings were impacted by lower average rates, in particular in the Caribbean. Average revenues per bed-night fell by 8%. Occupancy of Riu hotels remained flat versus the previous year in the second quarter.

Business developed as follows in the individual regions:

Average occupancy of Riu hotels in the Canaries rose by 2 percentage points to 76% year-on-year. In the second quarter, tour operator capacity showed a stable development and contributed substantially to the positive development in this destination.

At 70%, Riu hotels in the Balearics declined by one percentage point year-on-year. Occupancy decreased by 2 percentage points in mainland Spain, totalling 54%. This development in the two destinations was in particular driven by shifts in demand, benefiting the Canaries.

In the longhaul segment, Riu hotels recorded an average occupancy rate of 86%, up one percentage point year-on-year. Mexico and the Dominican Republic saw lower customer bookings. Jamaica and the Cape Verde Islands, by contrast, reported a very positive development of occupancy versus the previous year. However, average revenues per bednight declined by 12%, in particular due to the weakening of the national currencies in the Caribbean.

Robinson

In the second quarter of 2009/10, 18 Robinson club facilities were open. With three new facilities in Morocco, the Maldives and Turkey, capacity rose by 3% year-on-year. While the clubs in Spain and Austria recorded lower occupancies, facilities in Switzerland, Morocco, Portugal and Turkey matched the occupancies achieved in the previous year. Overall, occupancy and average revenues per bednight remained flat versus the previous year.

Iberotel

In the second quarter of 2009/10, 24 of the 26 facilities in Egypt, Turkey, Italy, the United Arab Emirates and Germany were open. At 62%, occupancy of Iberotels was 13 percentage points up year-on-year. This was mainly due to the significant rise in the load factor in the facilities in Egypt and the United Arab Emirates. Average revenues per bednight decreased by 2%.

Grupotel

At the end of the second quarter of 2009/10, 13 hotels of the Grupotel chain represented in Majorca, Menorca and Ibiza were open. Grupotel recorded an occupancy rate of 42%, down 7 percentage points year-on-year, on 4% higher capacity. Average revenues per bednight remained stable and were flat versus the previous year.

Grecotel

For seasonal reasons, none of the 20 facilities of the leading Greek hotel company were open in the second quarter.

Dorfhotel

The indicators relate to the two Group-owned Dorfhotel complexes in Austria. Dorfhotel additionally operates the Dorfhotels in Land Fleesensee, Sylt, and Boltenhagen on the Baltic Sea as a management company. Occupancy of Dorfhotel facilities declined by 18 percentage points, while average revenues rose by 13%.

aQi

In its second winter season since the launch of operations, the aQi lifestyle hotel achieved an increase in occupancy of 5 percentage points and an 11% rise in average revenues.

Cruises

The Cruises sector comprises Hapag-Lloyd Kreuzfahrten and the joint venture TUI Cruises. The development of business of the two companies, operating in the German-speaking market for cruises and serving the luxury and expedition cruises segment and the volume market for premium cruises, reflected the slowly recovering economic environment. Due to the positive market development, both companies reported higher bookings.

Cruises – Key figures

€ million	Q2 2009/10	Q2 2008/09	Var. %	H1 2009/10	H1 2008/09	Var. %
Turnover	59.7	58.0	+ 2.9	100.7	102.5	- 1.8
Divisional EBITA	**2.2**	**- 0.1**	**n/a**	**- 4.1**	**- 4.5**	**+ 8.9**
Gains on disposal	–	–		–	–	
Restructuring	–	–		–	–	
Purchase price allocation	–	–		–	–	
Other one-off items	–	–		–	–	
Underlying divisional EBITA	**2.2**	**- 0.1**	**n/a**	**- 4.1**	**- 4.5**	**+ 8.9**
Underlying divisional EBITDA	4.1	2.2	+ 86.4	- 0.1	0.3	n/a
Capital expenditure	- 0.5	1.1	n/a	4.8	2.3	+ 108.7
Headcount (31 March)	–	–	–	226	211	+ 7.1

Turnover and earnings

In the second quarter of 2009/10, turnover of Hapag-Lloyd Kreuzfahrten totalled €60m, in line with previous year's level. The joint venture TUI Cruises was measured at equity in the consolidated financial statement. Its turnover is therefore not shown here.

In the second quarter of 2009/10, underlying earnings by the Cruises sector stood at €2m, up €2m year-on-year. The profit contribution by Hapag-Lloyd Kreuzfahrten improved due to a year-on-year increase in rates and lower bunker costs. Earnings by TUI Cruises reflected in particular marketing measures implemented in order to increase demand for Caribbean cruises of Mein Schiff. Cumulative underlying earnings for the first half of the year improved slightly year-on-year to €-4m.

Hapag-Lloyd Kreuzfahrten

	Q2 2009/10	Q2 2008/09	Var. %	H1 2009/10	H1 2008/09	Var. %
Occupancy (in %)	69.3	74.1	- 4.8[1]	72.9	76.2	- 3.3[1]
Passenger cruise days	76,720	79,595	- 3.6	153,753	151,202	+ 1.7
Average daily rates (in €[2])	455	440	+ 3.4	408	425	- 4.0

[1] percentage points
[2] per day and passenger

Hapag-Lloyd Kreuzfahrten

In the second quarter of 2009/10, Hapag-Lloyd Kreuzfahrten recorded a load factor of 69%, down 5 percentage points year-on-year. The average rate per passenger per day was €455, up 3% year-on-year. In the second quarter of 2009/10, 76,720 passenger days were achieved. The decline of almost 4% was mainly attributable to a lower load factor for Columbus.

TUI Cruises

	Q2 2009/10	Q2 2008/09	Var. %	H1 2009/10	H1 2008/09	Var. %
Occupancy (in %)	84.9	–	n/a	76.6	–	n/a
Passenger cruise days	147,006	–	n/a	268,300	–	n/a
Average daily rates (in €[1])	122	–	n/a	117	–	n/a

[1] per day and passenger

TUI Cruises

In the second quarter of 2009/10, Mein Schiff cruised the Caribbean, as in the first quarter. At 85%, the load factor was significantly up on the first quarter of 2009/10. This growth was primarily driven by the marketing measures already launched in the previous quarter (e.g. fly and cruise package deals) and further increases in customer satisfaction. Comparative figures for the prior year are not available since business operations were only launched in May 2009 with the commissioning of Mein Schiff. TUI Cruises launched measures to strengthen its brand profile in response to the increasingly competitive market environment. In the second quarter, 147,006 passenger days were achieved, up 21% versus the first quarter of the financial year 2009/10. Bookings also rose considerably in the period under review.

Central Operations

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

Central Operations – Key figures

€ million	Q2 2009/10	Q2 2008/09	Var. %	H1 2009/10	H1 2008/09	Var. %
Turnover	14.5	14.7	- 1.4	30.1	35.7	- 15.7
Divisional EBITA	**- 11.4**	**- 10.1**	**- 12.9**	**- 20.3**	**- 63.1**	**+ 67.8**
Gains on disposal	–	–		–	–	
Restructuring	–	–		–	–	
Purchase price allocation	–	–		–	–	
Other one-off items	–	–		–	–	
Underlying divisional EBITA	**- 11.4**	**- 10.1**	**- 12.9**	**- 20.3**	**- 64.9**	**+ 68.7**
Underlying divisional EBITDA	- 8.3	- 7.7	- 7.8	- 14.1	- 41.9	+ 66.3
Capital expenditure	0.7	2.4	- 70.8	2.1	4.2	- 50.0
Headcount (31 March)	–	–	–	659	403	+ 63.5

In the second quarter of 2009/10, underlying earnings by Central Operations totalled €-11m, roughly matching the previous year's level. Cumulative earnings for the first six months grew by €43m year-on-year. This was primarily attributable to the charges for the measurement of financial instruments included in the prior-year figures.

Information on Container Shipping

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

Key figures – Container Shipping

€ million	Q2 2009/10	Q2 2008/09	Var. %	H1 2009/10	H1 2008/09	Var. %
Turnover	1,268.8	1,118.9	+ 13.4	2,415.7	2,705.2	- 10.7
EBITA	**2.7**	**902.3**	**- 99.7**	**- 55.3**	**879.1**	**n/a**
Gains on disposal	*–*	*- 1,143.0*		*+ 1.4*	*- 1,143.0*	
Restructuring	*–*	*–*		*+ 0.4*	*+ 0.1*	
Purchase price allocation	*+ 11.7*	*+ 19.0*		*+ 22.9*	*+ 33.4*	
Other one-off items	*- 1.0*	*–*		*+ 22.7*	*+ 0.3*	
Underlying EBITA	**13.4**	**- 221.7**	**n/a**	**- 7.9**	**- 230.1**	**+ 96.6**

Development of business operations

Turnover and earnings

In the second quarter of 2009/10, Container Shipping reported a considerable recovery. Turnover grew by 13% year-on-year to around €1.3bn. This development was mainly driven by a 5% rise in transport volumes and an 8% increase in freight rate levels. The development of turnover was curbed by a 6% weakening of the US dollar exchange rate against the Euro versus the previous year.

Underlying earnings grew by €235m to €13m in the second quarter of 2009/10. This increase in earnings was above all attributable to a significant year-on-year rise in freight rates and higher transport volumes. Apart from rate and margin effects, earnings also benefited considerably from the successful implementation of cost control programmes. In the period under review, special one-off effects worth €11m had to be adjusted for. Earnings before adjustment for these effects were €3m. The comparative period in the prior year had included the book profit from the sale of the majority stake in Hapag-Lloyd of around €1.1bn. Adjusted for this book profit, the comparative prior-year period posted reported earnings of €-241m.

Transport volumes and freight rates Hapag-Lloyd

	Q2 2009/10	Q2 2008/09	Var. %	H1 2009/10	H1 2008/09	Var. %
Transport volumes (in '000 TEU)	1,173	1,120	+ 4.7	2,316	2,437	- 4.9
Freight rates (in US$/TEU)	1,422	1,317	+ 8.0	1,396	1,480	- 5.7

Despite the continued margin-oriented selective cargo management, Hapag-Lloyd achieved a 5% increase in transport volumes year-on-year in the second quarter. In the period under review, Hapag-Lloyd's transport volumes thus totalled 1.2m TEU. Transport volumes were above all increased in the Latin America and Far East trade lanes. For the first half of 2009/10, transport volumes totalled 2.3m TEU, still falling 5% short of the previous year's level. The average freight rate in the second quarter stood at 1,422US$/TEU, up 8% year-on-year. This was mainly driven by the considerable increases in freight rates in the Far East trade lane.

For the first half of 2009/10, the freight rate level was 1,396 US$/TEU, down 6% year-on-year.

Should the recovery of Container Shipping continue to stabilise, Hapag-Lloyd expects to be able to report positive operating earnings for the reporting period from October 2009 to September 2010.

Financial exposure of TUI AG in Container Shipping

Financial exposure of TUI AG in Container Shipping

€ million	30 Sep 2009	31 Dec 2009	31 March 2010
Equity stake in March 2009	910	910	910
Cash capital increase	–	62	124
Debt equity swap	–	–	153
43.33 % stake	910	972	1,187
TUI long-term loan	400	–	–
TUI short-term loan	380	380	227
TUI subordinated loan	300	–	–
TUI revolving credit facility	200	200	–
TUI vendor loan	180	180	180
TUI CTA loan	215	–	–
Loans	1,675	760	407
Hybrid capital I	–	350	350
Hybrid capital II	–	350	350
Hybrid capital III	–	215	215
Hybrid capital	–	915	915
Financial exposure	**2,585**	**2,647**	**2,509**

As at 31 December 2009, the financial exposure in Container Shipping totalled around €2.65bn. Based on the refinancing measures for Container Shipping agreed between the shareholders on 17/18 December 2009, the following measures were implemented in the quarter under review:

- Contribution of the second tranche of the agreed cash capital increase of €62m to a total of €124m as per 31 March 2010.
- Implementation of the non-cash capital increase ex TUI's short-term loan of €153m. Given the non-cash capital increase, TUI's short-term loan stood at €227m as per 29 January 2010.
- In accordance with the agreement, TUI's revolving credit facility worth €200m was acquired by 'Albert Ballin' at the end of March 2010 and subsequently contributed to equity in Container Shipping as a non-cash capital increase.

Following the completion of the measures agreed between the Container Shipping shareholders on 17/18 December, TUI's financial exposure totalled around €2.51bn as per 31 March 2010.

Consolidated Earnings

Consolidated Profit and Loss Statement

€ million	Q2 2009/10	Q2 2008/09	Var. %	H1 2009/10	H1 2008/09	Var. %
Turnover	2,878.8	3,075.6	- 6.4	5,826.9	6,543.8	- 11.0
Cost of sales	2,819.7	3,153.8	- 10.6	5,621.9	6,377.3	- 11.8
Gross profit/loss	**59.1**	**- 78.2**	**n/a**	**205.0**	**166.5**	**+ 23.1**
Administrative expenses	328.9	284.6	+ 15.6	641.4	647.0	- 0.9
Other income/other expenses	+ 8.6	+ 7.1	+ 21.1	+ 10.0	+ 24.8	- 59.7
Impairment of goodwill	–	–	–	–	31.1	n/a
Financial result	- 57.8	- 60.4	+ 4.3	- 99.0	- 133.9	+ 26.1
Financial income	46.5	40.0	+ 16.3	111.9	129.8	- 13.8
Financial expenses	104.3	100.4	+ 3.9	210.9	263.7	- 20.0
Share of results of joint ventures and associates	+ 3.8	+ 3.8	+ 0.0	- 16.5	- 3.0	- 450.0
Earnings before income taxes	**- 315.2**	**- 412.3**	**+ 23.6**	**- 541.9**	**- 623.7**	**+ 13.1**
Reconcilation to uncerlying earnings:						
Earnings before income taxes	- 315.2	- 412.3	+ 23.6	- 541.9	- 623.7	+ 13.1
Result from Container Shipping measured at equity	- 5.7	–	n/a	9.0	–	n/a
Effective interest from loans and hybrid capital to Container Shipping	- 4.8	–	n/a	- 22.9	–	n/a
Interest result and earnings from the valuation of interest hedges	73.4	60.1	+ 22.1	129.7	134.9	- 3.9
Impairment of goodwill	–	–	–	–	31.1	n/a
EBITA from Continuing Operations	- 252.3	- 352.2	+ 28.4	- 426.1	- 457.7	+ 6.9
Adjustments:						
Gains on disposal	*- 2.0*	–		*- 2.0*	*+ 2.0*	
Restructuring	*+ 9.6*	*+ 25.7*		*+ 13.2*	*- 0.6*	
Purchase price allocation	*+ 16.3*	*+ 10.5*		*+ 31.9*	*+ 21.9*	
Other one-off items	*- 0.2*	*+ 38.9*		*+ 16.7*	*+ 56.5*	
Underlying EBITA from Continuing Operations	**- 228.6**	**- 277.1**	**+ 17.5**	**- 366.3**	**- 377.9**	**+ 3.1**
Earnings before income taxes	**- 315.2**	**- 412.3**	**+ 23.6**	**- 541.9**	**- 623.7**	**+ 13.1**
Income taxes	- 74.2	- 85.6	+ 13.3	- 146.4	- 115.6	- 26.6
Result from Continuing Operations	**- 241.0**	**- 326.7**	**+ 26.2**	**- 395.5**	**- 508.1**	**+ 22.2**
Result from Discontinued Operations	- 23.8	928.9	n/a	- 34.4	921.1	n/a
Group profit/loss	**- 264.8**	**602.2**	**n/a**	**- 429.9**	**413.0**	**n/a**
Group profit/loss attributable to shareholders of TUI AG	- 176.8	742.5	n/a	- 279.9	586.2	n/a
Group profit/loss attributable to minority interests	- 88.0	- 140.3	+ 37.3	- 150.0	- 173.2	+ 13.4
Group profit/loss	**- 264.8**	**602.2**	**n/a**	**- 429.9**	**413.0**	**n/a**
Basic and diluted earnings per share in €	**- 0.72**	**+ 2.93**	**n/a**	**- 1.16**	**+ 2.29**	**n/a**
from Continuing Operations in €	- 0.63	- 0.76	+ 17.1	- 1.02	- 1.37	+ 25.5
from Discontinued Operations in €	- 0.09	+ 3.69	n/a	- 0.14	+ 3.66	n/a

The consolidated profit and loss statement of the Continuing Operations reflects the seasonality in tourism. with positive earnings primarily generated in the second and third calendar quarter for seasonal reasons. Earnings by Continuing Operations showed a gratifying year-on-year development. For the first half of the year, by contrast, the performance was mainly characterised by the recession-driven weakness of the tourism business in the first quarter of 2009/10.

Turnover and cost of sales

Turnover comprised the turnover of the Continuing Operations, i.e. Tourism and Central Operations. In the second quarter of 2009/10, turnover declined by 6% year-on-year to €2.9bn. In the first half of 2009/10, the year-on-year decline was 11%. It was primarily attributable to lower business volumes in TUI Travel. Turnover was presented alongside the cost of sales, which decreased in line with the declining business volume and as a result of further cost reductions in the framework of the integration of business activities. A detailed breakdown of turnover and the development of turnover is presented in the section 'Consolidated turnover and earnings'.

Gross profit

At €59m, gross profit as the balance of turnover and the cost of sales rose considerably in the second quarter of 2009/10, with a year-on-year increase of €137m. For the first half of the year, gross profit amounted to €205m, up €39m year-on-year.

Administrative expenses

Administrative expenses comprised expenses no directly allocable to the turnover transactions, such as expenses for general management functions. At €329m, they were up €44m year-on-year in the second quarter. This increase was mainly driven by the year-on-year strengthening of Sterling against the Euro. For the first half of the year, the corresponding expenses totalled €641m, almost matching the previous year's level.

Other income/ Other expenses

Other income and Other expenses primarily comprised profits and losses from the sale of fixed assets. The balance of income and expenses totalled €9m in the second quarter of 2009/10, a year-on-year increase of €2m, whereas a year-on-year decline of €15m was recorded for the first half of 2009/10. This decrease was caused by the results from the settlement of derivative financial instruments, carried in the prior year periods in connection with the strategic realignment of airline activities in TUI Travel effected in 2008.

Impairment of goodwill

No goodwill impairment charges were carried for the second quarter or first half of 2009/10. In the previous year, impairments of goodwill were effected in the hotel sector for the first half of the year.

Financial result

The financial result comprised the interest result and the net result from marketable securities. At €-58m, it improved by €3m year-on-year in the second quarter of 2009/10 and comprised financial income of €47m, up €7m, and financial expenses of €104m, up €4m. In the first half of 2009/10, the financial result improved by €35m year-on-year. It included in particular interest effects of €23m from measurement of loans and hybrid capital conceded to Container Shipping in accordance with the method of effective yield.

Share of results of joint ventures and associates

The share of results of joint ventures and associates comprised the share in net profit for the year of the associated companies and joint ventures as well as impairments of the goodwill of these companies. In the second quarter of 2009/10, the share of results of joint ventures and associates was in line with the previous year's level. For the six-month period under review, the decline in the share of results of joint ventures and associates of €14m was primarily attributable to the measurement of the 43.33% stake in Container Shipping retained by the TUI Group as an associated company in the consolidated financial statements. In the first half of 2009/10, the proportionate result by Container Shipping amounted to €-9m. For the second quarter considered in isolation, Container Shipping posted a positive share of result of €6m.

Underlying EBITA from Continuing Operations

In the second quarter of 2009/10, underlying earnings by the Continuing Operations totalled €-229m, up €49m year-on-year. Cumulative underlying earnings for the first six months totalled €-366m, up €12m year-on-year. EBITA was adjusted for gains on disposal, restructuring expenses, purchase price allocations and one-off items. The adjustments are outlined in detail in the section 'Consolidated turnover and earnings' and the comments concerning the individual divisions.

Income taxes

Income taxes comprised taxes on profits from the business activities of the Continuing Operations. The tax income of €74m for the second quarter of 2009/10, following €86m in the prior year reference quarter, was attributable to the pronounced seasonality of earnings in tourism. The cumulative tax income for the first half of the year was €146m, up €31m year-on-year.

Result from Discontinued Operations

The result from Discontinued Operations comprised the income and expenses of the Magic Life Group. In the previous year, the result from Discontinued Operations had also included the book profit from the sale of Container Shipping. A year-on-year comparison is therefore of limited value. A detailed breakdown of this item is provided in the section 'Result from Discontinued Operations' in the notes.

Group loss

In the second quarter of 2009/10, the Group result was negative at €-265m (previous year: €602m). The year-on-year decline in the Group result was mainly attributable to the book profit from the sale of Container Shipping, included in the result for the previous year's comparative quarter. The year-on-year decline in the Group result for the first half of 2009/10 was also caused by the book profit included in the prior year comparative period.

Minority interests

Minority interests amounted to €-88m for the second quarter and €-150m for the first half of the year. They related to the minority shareholders of TUI Travel PLC and companies in the TUI Hotels & Resorts sector.

Earnings per share

After deduction of minority interests, TUI AG shareholders accounted for €-177m (previous year: €743m) of the Group result in the second quarter of 2009/10. As a result, basic earnings per share amounted to €-0.72 (previous year: €2.93) in the second quarter and €-1.16 (previous year: €2.29) for the first half of 2009/10.

Performance indicators

Key figures of Profit and Loss Statement of the Continuing Operations

€ million	Q2 2009/10	Q2 2008/09	Var. %	H1 2009/10	H1 2008/09	Var. %
Earnings before interest, income taxes, depreciation, impairment and rent (EBITDAR)	**58.1**	**- 54.0**	**n/a**	**129.3**	**128.2**	**- 0.9**
Operating rental expenses	219.9	203.5	+ 8.1	370.8	352.8	+ 5.1
Earnings before interest, income taxes, depreciation and impairment (EBITDA)	**- 161.8**	**- 257.5**	**+ 37.2**	**- 241.5**	**- 224.6**	**- 7.5**
Depreciation/amortisation less reversals of depreciation[1]	90.5	94.7	- 4.4	184.6	233.1	- 20.8
Earnings before interest, income taxes and impairment of goodwill (EBITA)	**- 252.3**	**- 352.2**	**+ 28.4**	**- 426.1**	**- 457.7**	**+ 6.9**
Impairment of goodwill	–	–	n/a	–	31.1	n/a
Earnings before interest and income taxes (EBIT)	**- 252.3**	**- 352.2**	**+ 28.4**	**- 426.1**	**- 488.8**	**+ 12.8**
Interest result	- 68.6	- 60.1	- 14.1	- 106.8	- 134.9	+ 20.8
Equity result Container Shipping	5.7	–	n/a	- 9.0	–	n/a
Earnings before income taxes (EBT)	**- 315.2**	**- 412.3**	**+ 23.6**	**- 541.9**	**- 623.7**	**+ 13.1**

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

Net Assets and Financial Position

The Group's balance sheet total rose by 2% to €13.7bn versus the end of the short financial year 2009. The changes in the consolidated statement of financial position against 30 September 2009 primarily reflected the seasonality in tourism.

Assets and liabilities

€ million	31.3.2010	30.9.2009 revised	Var. %
Non-current assets	9,718.1	9,099.3	+ 6.8
Current assets	4,002.7	4,367.1	- 8.3
Assets	**13,720.8**	**13,466.4**	**+ 1.9**
Equity	2,127.7	2,240.8	- 5.0
Provisions	2,152.4	2,220.3	- 3.1
Financial liabilities	4,550.6	3,714.8	+ 22.5
Other liabilites	4,890.1	5,290.5	- 7.6
Liabilities	**13,720.8**	**13,466.4**	**+ 1.9**

Non-current assets
As at 31 March 2010, non-current assets accounted for 71% of total assets, compared with 68% as at 30 September 2009. Non-current assets rose from €9.1bn to €9.7bn in the period under review.

Current assets
As at 31 March 2010, current assets accounted for 29% of total assets, following 32% as at 30 September 2009. Current assets decreased from €4.4bn as at 30 September 2009 to €4.0bn as at 31 March 2010. The decline was mainly driven by the seasonality of the tourism business.

Equity
Equity totalled €2.1bn as at 31 March 2010. At 16%, the equity rate matched its level on 30 September 2009. Detailed information on the changes in equity is provided in the notes to this Half-Year Financial Report.

Provisions

Provisions mainly comprised provisions for pension obligations, effective and deferred tax provisions and provisions for typical operating risks. As at 31 March 2010, they totalled €2.2bn, in line with their level as at the balance sheet date 30 September 2009.

Financial liabilities

As at 31 March 2010, financial liabilities consisted of non-current financial liabilities of €3.3bn and current financial liabilities of €1.2bn. As at 30 September 2009, non-current financial liabilities stood at €3.2bn, with current financial liabilities of €0.5bn. The changes resulted, inter alia, from the reclassification of the bonds maturing in December 2010 from non-current to current financial liabilities recognition of the convertible bonds issued by TUI Travel respectively TUI AG in October/November 2009 and recognition of funds newly procured by TUI Travel in the second quarter of 2009/10 as non-current financial liabilities.

Other liabilities

As at 31 March 2010, other liabilities amounted to €4.9bn, down 8% against 30 September 2009. The decline was primarily attributable to the seasonality in tourism.

Other Segment Indicators

Underlying divisional EBITDA

€ million	Q2 2009/10	Q2 2008/09	Var. %	H1 2009/10	H1 2008/09	Var. %
Tourism	- 149.0	- 191.0	+ 22.0	- 202.8	- 130.6	- 55.3
TUI Travel	- 195.4	- 235.2	+ 16.9	- 267.4	- 214.3	- 24.8
TUI Hotels & Resorts	42.3	42.0	+ 0.7	64.7	83.4	- 22.4
Cruises	4.1	2.2	+ 86.4	- 0.1	0.3	n/a
Central Operations	- 8.3	- 7.7	- 7.8	- 14.1	- 41.9	+ 66.3
Continuing Operations	**- 157.3**	**- 198.7**	**+ 20.8**	**- 216.9**	**- 172.5**	**- 25.7**
Discontinued Operations	**- 7.3**	**- 190.3**	**+ 96.2**	**- 12.7**	**- 137.8**	**+ 90.8**
Underlying divisional EBITDA	**- 164.6**	**- 389.0**	**+ 57.7**	**- 229.6**	**- 310.3**	**+ 26.0**

Divisional EBITDA

€ million	Q2 2009/10	Q2 2008/09	Var. %	H1 2009/10	H1 2008/09	Var. %
Tourism	- 153.5	- 246.5	+ 37.7	- 227.4	- 178.8	- 27.2
TUI Travel	- 199.9	- 290.7	+ 31.2	- 292.0	- 258.7	- 12.9
TUI Hotels & Resorts	42.3	42.0	+ 0.7	64.7	79.6	- 18.7
Cruises	4.1	2.2	+ 86.4	- 0.1	0.3	n/a
Central Operations	- 8.3	- 7.7	- 7.8	- 14.1	- 40.1	+ 64.8
Continuing Operations	**- 161.8**	**- 254.2**	**+ 36.3**	**- 241.5**	**- 218.9**	**- 10.3**
Discontinued Operations	**- 17.1**	**952.7**	**n/a**	**- 22.5**	**1,005.2**	**n/a**
Divisional earnings (EBITDA)	**- 178.9**	**698.5**	**n/a**	**- 264.0**	**786.3**	**n/a**

Capital expenditure

€ million	Q2 2009/10	Q2 2008/09	Var. %	H1 2009/10	H1 2008/09	Var. %
Tourism	58.6	71.9	- 18.5	150.5	148.2	+ 1.6
TUI Travel	50.9	54.7	- 6.9	125.5	109.9	+ 14.2
TUI Hotels & Resorts	8.2	16.1	- 49.1	20.2	36.0	- 43.9
Cruises	- 0.5	1.1	n/a	4.8	2.3	+ 108.7
Central Operations	0.7	2.4	- 70.8	2.1	4.2	- 50.0
Continuing Operations	**59.3**	**74.3**	**- 20.2**	**152.6**	**152.4**	**+ 0.1**
Discontinued Operations	**2.4**	**64.7**	**- 96.3**	**3.2**	**128.9**	**- 97.5**
Total	**61.7**	**139.0**	**- 55.6**	**155.8**	**281.3**	**- 44.6**

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

€ million	Q2 2009/10	Q2 2008/09	Var. %	H1 2009/10	H1 2008/09	Var. %
Tourism	90.0	91.7	- 1.9	178.4	208.1	- 14.3
TUI Travel	71.5	73.1	- 2.2	140.4	171.4	- 18.1
TUI Hotels & Resorts	16.6	16.3	+ 1.8	34.0	32.0	+ 6.3
Cruises	1.9	2.3	- 17.4	4.0	4.7	- 14.9
Central Operations	3.1	1.9	+ 63.2	4.8	3.7	+ 29.7
Continuing Operations	**93.1**	**93.6**	**- 0.5**	**183.2**	**211.8**	**- 13.5**
Discontinued Operations	**3.2**	**3.8**	**- 15.8**	**3.2**	**5.1**	**- 37.3**
Total	**96.3**	**97.4**	**- 1.1**	**186.4**	**216.9**	**- 14.1**

Employees

	31 March 10	30 Sep 09	Var. %
Tourism	57,597	64,336	- 10.5
TUI Travel	45,966	50,285	- 8.6
TUI Hotels & Resorts	11,405	13,832	- 17.5
Cruises	226	219	+ 3.2
Central Operations*)	659	675	- 2.4
Continuing Operations	**58,256**	**65,011**	**- 10.4**
Discontinued Operations	**2,693**	**4,525**	**- 40.5**
Total	**60,949**	**69,536**	**- 12.3**

*) of which Corporate Centre: 181 employees as of 31 March 2010; 200 employees as of 30 Sep 2009.

Prospects

The global economy has recovered substantially since mid-2009, driven by the dynamic development in Asia. Economic activity has also continued to expand in the industrialised countries. However, the recovery has lost some steam since the turn of the year since economic activities have been impacted by adjustment processes resulting from the financial crisis, in particular in the industrialised countries.

For calendar year 2010, the economic indicators of the global economy are expected to increase, albeit with considerable regional variations. Expansion will continue to be driven by the developing countries and emerging markets, although they may lose some momentum as the year progresses due to tighter economic policies, with much of the crisis-induced catch-up growth coming to a halt. Risks are associated with development of international financial markets, which still have to prove whether their recovery will be sustained. It also remains to be seen whether private consumption will be able to compensate for the state-backed economic stimulus programmes when they expire and to what extent the labour market will be impacted by a reduction in production capacity.

In spite of these risks, the International Monetary Fund has again lifted its forecast for calendar year 2010 (IMF, World Economic Outlook, April 2010) and now expects global growth of 4.2%, with growth of 3.1% in the United States, 1.9% in Japan and 1.0% in the Eurozone, as before. By contrast, the emerging Asian economies are expected to achieve growth rates almost matching the precrisis levels. For 2010, the IMF expects growth of 10.0% for China and 8.8% for India.

Tourism markets usually follow the general economic development with a time lag. After international tourist arrivals declined in the first three calendar quarters of 2009, this trend reversed at the end of the year. Total growth in calendar year 2009 was around 2%. Tourism continued to pick up again in the first quarter of 2010. Asia, the Pacific region and the Middle East, in particular, recorded considerable growth, while international tourist arrivals grew less strongly in Europe and America. The UNWTO (World Tourism Barometer, Interim Update April 2010) essentially confirmed its forecast for 2010 and expects international tourist arrivals to grow by 3 to 4%. A negative effect will result from the closure of Europe's airspace due to the volcanic eruption in Iceland in April 2010, not yet taken into account in the forecast. According to preliminary estimates, the UNWTO expects this effect to account for minus 0.3% worldwide. Earnings by the TUI Group commented on under 'Prospects' have been adjusted for the cost presently known to have been incurred on account of airspace closure.

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

TUI Travel

For financial year 2009/10, TUI Travel continues to expect underlying earnings to be stable versus the prior year. For the completed Winter 2009/10 season, booked turnover declined by a total of 7% year-on-year, with customer volumes down 8%. In anticipation of this decline in demand, capacity had been cut at the beginning of the Winter 2009/10 season in order to limit the impact on tour operators. For the current Summer 2010 season, by contrast, booked turnover in the Mainstream business is 6% ahead of prior year, with booking volumes 2% up year-on-year. In the light of this positive trading performance, TUI Travel is implementing a moderate and selective expansion of its capacity in the framework of flexible capacity management in order to continue to be able to benefit from a prospective increase in demand as the season progresses.

Cooperation between TUIfly and Air Berlin in Central Europe will also continue to generate positive effects. Earnings by TUI Travel are also expected to benefit from the delivery of additional synergies due to the integration of the tourism business in the UK and positive effects of a strategic venture in the Canadian travel market. Risks are associated with the exchange rate of Sterling against the Euro and the future development of airline activities in France.

TUI Hotels & Resorts

TUI Hotels & Resorts expects a slight year-on-year decline in earnings for the current financial year. The anticipated positive effects of active cost management are expected to be more than offset by declines in average rates per bednight. Should the positive booking trend for Summer 2010 continue to consolidate, however, this might help to catch up on the year-on-year decline in earnings.

Cruises

For the current year 2010, the cruise market is expected to continue to grow. This may benefit the companies of the Cruises sector in their respective market segments: While Hapag-Lloyd Kreuzfahrten is well positioned in the niche markets for luxury, premium and expedition cruises, TUI Cruises has successfully established its position in the premium volume segment. Based on a continued positive booking trend for the Summer 2010 season, earnings are currently expected to rise slightly year-on-year.

Tourism

Based on the current earnings estimate for TUI Travel, TUI Hotels & Resorts and Cruises, the TUI Group expects underlying earnings to be stable overall versus the prior year in its core business Tourism in financial year 2009/10. The development of business in Tourism will hinge on whether economic recovery and hence consumer demand in the large volume markets will continue to consolidate and the current positive booking trend for the Summer 2010 season will thus be sustainable.

Continuing Operations

For financial year 2009/10, the TUI Group expects operating earnings by Tourism to be stable versus the comparative prior-year period, with Central Operations achieving cost reductions. Underlying earnings by the TUI Group's Continuing Operations will thus rise slightly year-on-year.

Corporate Governance

In the period under review, the composition of the boards of TUI AG changed as follows:

When Dr Jürgen Krumnow resigned from his Supervisory Board mandate on 14 December 2009, the court had to appoint a new member in replacement. By resolution of 7 January 2010, the district court of Hanover granted the application by the Executive Board of 14 December 2009 and appointed Prof. Dr Klaus Mangold as a member of the Supervisory Board of TUI AG. At the same time, the court rejected the motion by Monteray Enterprises Ltd., attributable to John Fredriksen, of 4 December 2009 to appoint Tor Olav Trøim. The Annual General Meeting of TUI AG on 17 February 2010 confirmed the appointment of Prof. Dr Mangold.

Rainer Feuerhake, CFO of TUI AG, resigned from his mandate as of the close of the Annual General Meeting on 17 February 2010, having reached retirement age. Since the retirement of Rainer Feuerhake, Horst Baier, previously Board member Controlling, has also been in charge of Finance.

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

Interim Financial Statements

Corrected Profit and Loss Statement of the TUI Group for the period from 1 October 2009 to 31 March 2010

€ million	Notes	Q2 2009/10	Q2 2008/09 revised	H1 2009/10	H1 2008/09 revised
Turnover		2,878.8	3,075.6	5,826.9	6,543.8
Cost of sales	(1)	2,819.7	3,153.8	5,621.9	6,377.3
Gross profit/loss		**59.1**	**- 78.2**	**205.0**	**166.5**
Administrative expenses	(1)	328.9	284.6	641.4	647.0
Other income/other expenses	(2)	+ 8.6	+ 7.1	+ 10.0	+ 24.8
Impairment of goodwill		–	–	–	31.1
Financial income	(3)	46.5	40.0	111.9	129.8
Financial expenses		104.3	100.4	210.9	263.7
Result from companies measured at equity	(3)	+ 3.8	+ 3.8	- 16.5	- 3.0
Earnings before income taxes		**- 315.2**	**- 412.3**	**- 541.9**	**- 623.7**
Reconciliation to underlying earnings:					
Earnings before income taxes		- 315.2	- 412.3	- 541.9	- 623.7
Result from Container Shipping measured at equity		- 5.7	–	9.0	–
Effective interest from loans and hybrid capital to Container Shipping		- 4.8	–	- 22.9	–
Interest result and earnings from the valuation of interest hedges		73.4	60.1	129.7	134.9
Impairment of goodwill		–	–	–	31.1
EBITA from Continuing Operations		- 252.3	- 352.2	- 426.1	- 457.7
Adjustments:	(4)				
Gains on disposals		*- 2.0*	–	*- 2.0*	*2.0*
Restructuring		*9.6*	*25.7*	*13.2*	*- 0.6*
Purchase price allocation		*16.3*	*10.5*	*31.9*	*21.9*
Other one-off items	*(5)*	*- 0.2*	*38.9*	*16.7*	*56.5*
Underlying EBITA from Continuing Operations		**- 228.6**	**- 277.1**	**- 366.3**	**- 377.9**
Earnings before income taxes		**- 315.2**	**- 412.3**	**- 541.9**	**- 623.7**
Income taxes	(5)	- 74.2	- 85.6	- 146.4	- 115.6
Result from Continuing Operations		**- 241.0**	**- 326.7**	**- 395.5**	**- 508.1**
Result from Discontinued Operations		- 23.8	928.9	- 34.4	921.1
Gross profit/loss		**- 264.8**	**602.2**	**- 429.9**	**413.0**
Gross profit/loss attributable to shareholders of TUI AG		- 176.8	742.5	- 279.9	586.2
Gross profit/loss attributable to minority interests	(6)	- 88.0	- 140.3	- 150.0	- 173.2
Gross profit/loss		**- 264.8**	**602.2**	**- 429.9**	**413.0**

€	Q2 2009/10	Q2 2008/09 revised	H1 2009/10	H1 2008/09 revised
Basic and diluted earnings per share	**- 0.72**	**+ 2.93**	**- 1.16**	**+ 2.29**
from Continuing Operations	- 0.63	- 0.76	- 1.02	- 1.37
from Discontinued Operations	- 0.09	+ 3.69	- 0.14	+ 3.66

Corrected Condensed Statement of Comprehensive Income of the TUI Group for the Period from 1 October 2009 to 31 March 2010

€ million	Q2 2009/10	Q2 2008/09 revised	H1 2009/10	H1 2008/09 revised
Gross profit/loss	**- 264.8**	**602.2**	**- 429.9**	**413.0**
Currency translation	+ 192.1	+ 130.4	+ 247.3	+ 38.1
Financial instruments available-for-sale	+ 3.9	- 0.8	+ 3.8	- 1.7
Cash flow hedges	+ 103.1	- 189.6	+ 214.2	- 389.2
Actuarial gains and losses from pension provisions and related fund assets	- 52.3	- 15.5	- 35.3	- 152.9
Changes in the measurement of companies measured at equity outside profit and loss	+ 2.9	- 16.5	+ 2.6	- 35.3
Income tax on other comprehensive income	- 12.7	+ 87.2	- 46.9	+ 93.1
Other comprehensive income	**237.0**	**- 4.8**	**385.7**	**- 447.9**
Total comprehensive income	**- 27.8**	**597.4**	**- 44.2**	**- 34.9**
attributable to shareholders of TUI AG	- 67.4	586.5	- 82.7	- 29.6
attributable to minority interest	+ 39.6	10.9	+ 38.5	- 5.3
Total comprehensive income	**- 27.8**	**597.4**	**- 44.2**	**- 34.9**

Corrected Financial Position of the TUI Group

€ million	31 Mar 2010	30 Sep 2009 revised	1 Oct 2008 revised
Assets			
Goodwill	2,801.6	2,715.8	2,856.0
Other intangible assets	912.3	887.9	883.7
Investment property	70.0	76.7	87.1
Property, plant and equipment	2,425.7	2,373.6	2,648.9
Companies measured at equity	1,605.2	1,184.0	446.3
Financial assets available-for-sale	613.4	103.0	117.1
Trade accounts receivables and other receivables	858.7	1,369.0	423.4
Derivative financial instruments	79.7	111.4	78.3
Deferred income tax claims	351.5	277.9	182.1
Non-current assets	**9,718.1**	**9,099.3**	**7,722.9**
Inventories	106.7	81.5	81.1
Financial assets available-for-sale	–	2.0	11.4
Trade accounts receivables and other receivables	2,066.9	2,066.6	2,018.0
Derivative financial instruments	264.5	338.1	219.3
Current income tax receivables	99.2	21.2	42.3
Cash and cash equivalents	1,158.7	1,452.0	2,793.4
Assets held for sale	306.7	405.7	4,805.8
Current assets	**4,002.7**	**4,367.1**	**9,971.3**
	13,720.8	**13,466.4**	**17,694.2**

€ million	31 Mar 2010	30 Sep 2009 revised	1 Oct 2008 revised
Equity and liabilities			
Subscribed capital	643.0	642.8	642.3
Capital reserves	913.5	871.3	2,471.9
Revenue reserves	- 81.9	107.5	- 900.6
Hybrid capital	294.8	294.8	294.8
Equity before minority interests	**1,769.3**	**1,916.4**	**2,508.4**
Minority interests	358.4	324.4	321.5
Equity	**2,127.7**	**2,240.8**	**2,829.9**
Pension provisions and similar obligations	857.3	838.6	573.6
Current income tax provisions	177.6	169.5	157.7
Deferred income tax provisions	172.9	181.3	273.0
Other provisions	521.5	500.0	524.5
Non-current provisions	**1,729.3**	**1,689.4**	**1,528.8**
Financial liabilities	3,330.9	3,175.1	4,258.2
Derivative financial instruments	10.5	78.7	95.5
Other liabilities	87.5	92.1	95.0
Non-current liabilities	**3,428.9**	**3,345.9**	**4,448.7**
Non-current provisions and liabilities	**5,158.2**	**5,035.3**	**5,977.5**
Pension provisions and similar obligations	26.8	29.8	34.5
Current income tax provisions	68.9	85.9	154.1
Other provisions	327.4	415.2	384.6
Current provisions	**423.1**	**530.9**	**573.2**
Financial liabilities	1,219.7	539.7	810.5
Trade accounts payable	1,810.1	2,640.8	2,800.9
Derivative financial instruments	176.2	363.4	284.2
Other liabilities	2,658.8	1,935.3	2,428.7
Current liabilities	**5,864.8**	**5,479.2**	**6,324.3**
Liabilities related to assets held for sale	**147.0**	**180.2**	**1,989.3**
Current provisions and liabilities	**6,434.9**	**6,190.3**	**8,886.8**
	13,720.8	**13,466.4**	**17,694.2**

Corrected Condensed Cash Flow Statement

€ million	H1 2009/10	H1 2008/09
Cash flow from operating activities	- 817.6	- 575.9
Cash flow from investing activities	- 110.6	- 133.1
Cash flow from financing activities	635.4	+ 249.7
Change in funds with cash effect	**- 292.8**	**- 459.3**
Change in cash and cash equivalents due to exchange rate fluctuation	+ 6.1	- 68.6
Cash and cash equivalents at beginning of period	**1,458.3**	**+ 2,944.2**
Cash and cash equivalents at end of period	**1,171.6**	**2,416.3**
of which included in the balance sheet as assets held for sale	*12.9*	*+ 0.0*
Cash and cash equivalents at end of period for Continuing Operations	**1,158.7**	**2,416.3**

Corrected Condensed Statements of Changes in Group Equity for the Period from 1 October 2009 to 31 March 2010

€ million	Subscribed capital	Capital reserves	Revenue reserves	Hybrid capital	Equity before minority interests	Minority interests	Equity
Balance as at 01 Oct 2009	**642.8**	**871.3**	**107.5**	**294.8**	**1,916.4**	**324.4**	**2,240.8**
Dividend payments	–	–	- 65.7	–	- 65.7	- 4.5	- 70.2
Hybrid capital dividend	–	–	- 12.9	–	- 12.9	–	- 12.9
Issue of convertible bonds	–	41.8	40.3	–	82.1	–	82.1
Issue of employee shares	0.2	0.4	–	–	0.6	–	0.6
Effect of the aquisition of minority interests	–	–	- 79.9	–	- 79.9	–	- 79.9
Deconsolidation	–	–	- 2.0	–	- 2.0	–	- 2.0
Share-based payment schemes	–	–	13.5	–	13.5	–	13.5
Group total comprehensive income	–	0.0	- 82.8	–	- 82.8	38.5	- 44.3
Balance as at 31 Mar 2010	**643.0**	**913.5**	**- 82.0**	**294.8**	**1,769.4**	**358.4**	**2,127.7**

Corrected Condensed Statements of Changes in Group Equity for the Period from 1 October 2008 to 31 March 2009

€ million	Subscribed capital	Capital reserves	Revenue reserves	Hybrid capital	Equity before minority interests	Minority interests	Equity
Balance as at 01 Oct 2008	**642.3**	**2,471.9**	**- 900.6**	**294.8**	**2,508.4**	**321.5**	**2,829.9**
Dividend payments	–	–	- 52.1	–	- 52.1	- 0.2	- 52.3
Hybrid capital dividend	–	–	- 12.9	–	- 12.9	–	- 12.9
Issue of employee shares	0.5	1.2	–	–	1.7	–	1.7
First-time consolidation	–	–	1.9	–	1.9	–	1.9
Effect of step acquisitions	–	–	- 6.6	–	- 6.6	0.1	- 6.5
Effect of the aquisition of minority interests	–	–	- 17.3	–	- 17.3	0.3	- 17.0
Deconsolidation	–	–	–	–	–	- 0.4	- 0.4
Effect of option writer position from an option on minority interests	–	–	- 2.7	–	- 2.7	–	- 2.7
Share-based payment schemes	–	–	11.6	–	11.6	–	11.6
Transfer from reserves	–	- 1,503.8	1,503.8	–	–	–	–
Group total comprehensive income	–	–	- 29.6	–	- 29.6	- 5.3	- 34.9
Balance as at 31 Mar 2009 (revised)	**642.8**	**969.3**	**495.5**	**294.8**	**2,402.4**	**316.0**	**2,718.4**

Notes

Correction of Interim Financial Statements

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

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

Corrected items of the TUI Group's profit and loss statement for the period from 1 October 2009 to 31 March 2010

			Q2 2008/09			H1 2008/09
€ million	before revision	revision	revised	before revision	revision	revised
Turnover	3,078.9	- 3.3	3,075.6	6,549.5	- 5.7	6,543.8
Gross profit	- 74.9	- 3.3	- 78.2	172.2	- 5.7	166.5
Earnings before income taxes	- 409.0	- 3.3	- 412.3	- 618.0	- 5.7	- 623.7
EBITA from continuing operations	**- 348.9**	**- 3.3**	**- 352.2**	**- 452.0**	**- 5.7**	**- 457.7**
Underlying EBITA from continuing operations	**- 273.8**	**- 3.3**	**- 277.1**	**- 372.2**	**- 5.7**	**- 377.9**
Result from continuing operations	- 323.4	- 3.3	- 326.7	- 502.4	- 5.7	-508.1
Group profit/loss for the year	605.5	- 3.3	602.2	418.7	- 5.7	413.0
Attributable to TUI AG shareholders	744.3	- 1.8	742.5	589.2	- 3.0	586.2
Attributable to minority interests	- 138.8	- 1.5	- 140.3	- 170.5	- 2.7	- 173.2
Earnings per share €	2.93	0.0	2.93	2.30	- 0.01	2.29

The corrections result in a reduction in trade accounts receivable of €60.7m as at 31 March 2010 (previous year € 59.1m) and an increase in trade accounts payable of €65.2m (previous year €63.4m). Equity (other revenue reserves) is reduced by €129.8m (previous year €122.5m), with an amount of €75.0m relating to prior financial years.

Accounting Principles

In accordance with IAS 34 'Interim Financial Reporting', the Group's interim financial statements as at 31 March 2010 are published in a condensed form compared with the consolidated annual financial statements. As before, they were based on the historical cost principle, the only exception being the accounting method applied in measuring financial instruments.

Following the change in TUI AG's financial year-end to 30 September, the TUI Group now reports about the period from 1 October of any one year until 30 September of the subsequent year. Accordingly, the comparative period for Q2 2009/10 was the period from 1 January to 31 March 2009 (Q2 2008/09), while the comparative period for H1 2009/10 was the period from 1 October 2008 to 31 March 2009 (H1 2008/09).

As a matter of principle, the accounting and measurement methods applied in the preceding consolidated financial statements as per 30 September 2009 were retained in preparing the interim financial statements as per 31 March 2010.

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

- IFRS 3: 'Business Combinations'
- IAS 27: 'Consolidated and Separate Financial Statements according to IFRS'
- IAS 39: 'Financial Instruments: Recognition and Measurement – Eligible Hedged Items'
- IFRIC 12: 'Service Concession Arrangements'
- IFRIC 16: 'Hedges of a Net Investment in a Foreign Operation'
- IFRIC 17: 'Distribution of Non-Cash Assets to Owners'
- IFRIC 18: 'Transfers of Assets from Customers'
- Annual Improvements Project (2009) where IFRS 2 'Share-based Payment', IAS 38 'Intangible Assets' and IFRIC 9 'Reassessment of Embedded Derivatives' are concerned

TUI AG has been an early adopter of the amendments to IFRS 3 'Business Combinations' and IAS 27 'Consolidated and Separate Financial Statements according to IFRS' and has applied the amendments since its half-year financial report as at 30 June 2009 with retroactive effect from 1 January 2009. The profit and loss statement for the period from 1 January to 31 March 2009 and the statement of financial position as at 31 March 2009 have therefore been restated as follows:

Effects of the application of IFRS 3 and IAS 27 on the comparative period as at 31 March 2009

€ million	Q2 2008/09
Other expenses	+ 0.5
Result from Discontinued Operations/Gains on disposal	+ 191.5
Group profit	**+ 191.0**
Goodwill	- 0.5
Equity	**+ 188.9**
Diluted earnings per share (in €)	**+ 0.61**
from Continuing Operations (in €)	- 0.00
from Discontinued Operations (in €)	+ 0.61

The mandatory application of all other amendments listed above did not give rise to any effects on the TUI Group's net assets, financial position and financial performance.

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 31 March 2010 included a total of 46 domestic and 693 foreign subsidiaries, besides TUI AG.

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

Acquisitions

Summary presentation of acquisitions

Name and headquarters of the acquired company	Business activity	Acquirer	Date of acquisition	Acquired share	Acquisition costs € million
Select-World Pty Ltd., Australia	Cruise Handling	First Choice Holdings Australia Pty Ltd.	26.11.09	100.0%	5.8
Sport Executive Travel Limited, UK (5 companies)	Tour operator for students	TUI Travel Holdings Ltd.	22.12.09	100.0%	0.5
The Hampstead School of English Ltd., UK	Language courses	TUI Travel Holdings Ltd.	19.02.10	n/a	8.1
TURKUAZ Insaat Turizm A.S., Turkey	Hotel management	TUI AG	30.03.10	50.0%	9.0
TUI Travel Hotel Management Services Ltd, Turkey	Hotel company	TUI Travel Holdings Ltd.	01.03.10	n/a	–
Total					**23.4**

As regards The Hampstead School of English Ltd., the business operations of a language school and the requisite assets were acquired. Following its formation, TUI Travel Hotel Management Services Ltd. economically acquired the business operations and associated contracts of a hotel management company, including services for hotels in Turkey. The remaining acquisitions relate to 100% and 50%, respectively, of the equity instruments containing potential voting rights.

Acquisition costs exclusively consisted of paid purchase prices. Ancillary acquisitions costs and payments for future services by the employees of the acquired companies were carried as administrative expenses through profit and loss in accordance with the amendments to IFRS 3. In the period under review, total acquisition costs amounted to €10.4m.

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

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

€ million, translated	Carrying amounts at date of acquisition	Revaluation of assets and liabilities	Revalued carrying amounts at date of first-time consolidation
Other intangible assets	–	41.2	41.2
Property, plant and equipment	15.0	1.9	16.9
Fixed assets	**15.0**	**43.1**	**58.1**
Inventories	0.4	–	0.4
Receivables and other assets including prepaid expenses	1.9	–	1.9
Cash and cash equivalents	4.7	–	4.7
Deferred income tax provisions	0.1	3.2	3.3
Other provisions	1.4	–	1.4
Financial liabilities	7.2	–	7.2
Liabilities and deferred income	36.5	–	36.5
Equity	**- 23.2**	**39.9**	**16.7**

The difference arising between the acquisition costs and the revalued acquired net assets, constituting synergy potential, was temporarily carried as goodwill. Goodwill therefore rose by a total of €9.7m.

The twelve-month period permitted under IFRS 3 for finalising purchase price allocations was used; accordingly, the purchase price was temporarily allocated to the individual assets and liabilities until the end of that period.

Apart from the acquisitions individually listed, the business operations and assets of fifteen travel agencies in Germany were acquired. The purchase price totalled €6.1m, resulting in goodwill of €5.6m.

Of the goodwill, €5.6m are expected to be deductible for tax purposes.

The turnover of the companies and business operations acquired in the period under review, contained in the profit and loss statement for the period from 1 October 2009 to 31 March 2010, totalled €7.8m. They generated profits of €1.1m. If they had been included in the consolidated financial statements since 1 October 2009, turnover for the reporting period ended 31 March 2010 would have been €2.8m higher and the Group result would have changed by €-0.7m.

Five additional business combinations were acquired after 31 March 2010. Due to the short time interval, these business combinations have not yet been accounted for in accordance with IFRS 3.

In the present half-year financial report, the purchase price allocations of the following companies and groups acquired in the period from 1 October 2008 until 31 March 2009 were finalised within the required twelve-month period in accordance with the provisions of IFRS 3:

- Travel Adventures Inc., US
- Sport Abroad Ltd., UK
- Teamlink Travel Group, UK
- Sunshine Cruises Ltd., UK
- Edwin Doran Travel Ltd., UK
- Master Yachting GmbH, Germany
- On the piste.com Group, UK

Comparative information for reporting periods prior to the completion of the first-time accounting for an acquisition transaction has to be presented retrospectively as if the purchase price allocation had already been finalised as at the acquisition date. The table below provides an overview of the combined final purchase price allocations:

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

€ million, translated	Carrying amounts at date of acquisition	Revaluation of assets and liabilities	Carrying amounts at date of first-time consolidation
Other intangible assets	–	2.9	2.9
Property, plant and equipment	49.7	–	49.7
Fixed assets	**49.7**	**2.9**	**52.6**
Receivables and other assets including prepaid expenses	25.8	–	25.8
Cash and cash equivalents	23.1	–	23.1
Deferred income tax provisions	–	0.5	0.5
Other provisions	6.1	–	6.1
Financial liabilities	0.3	–	0.3
Liabilities and deferred income	31.0	–	31.0
Equity	**61.2**	**2.4**	**63.6**

The goodwill arising in the consolidated statement of financial position on eliminating the acquisition cost against the acquirer's interest in the revalued equity did not change as against 30 September 2009. The capitalised goodwill essentially represents a part of the expected synergy potential.

As at the end of March 2009, the 43.33% stake in 'Albert Ballin' Joint Venture GmbH & Co. KG was measured at equity for the first time. The determination of the fair values of the assets and liabilities, in particular of Hapag-Lloyd AG, implemented in connection with this measurement, was finalised in the second quarter of 2009/10. As a result, the carrying amount of Shipping, measured at equity, decreased by €16.7m as per 30 September 2009. The statement of financial position was restated accordingly.

Divestments

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

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

In order to enhance comparability, the expenses and income of Canada Mainstream contained in the reported periods are presented below.

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

€ million	Q2 2009/10	Q2 2008/09	H1 2009/10	H1 2008/09
Turnover	16.8	122.0	58.8	171.6
Cost of sales and administrative expenses	16.6	131.7	65.2	184.9
Financial result	0.0	0.1	- 0.3	0.5
Earnings before income taxes	**0.2**	**- 9.6**	**- 6.7**	**- 12.8**
Result from Continuing Operations	**0.2**	**- 9.6**	**- 6.7**	**- 12.8**

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

Discontinued Operations

Result from Discontinued Operations

In accordance with IFRS 5, the result from Discontinued Operations comprised the Magic Life hotel company with four owned hotel facilities in Turkey available for sale in the six-month period under review. In the comparative six-month period from 1 October 2008 to 31 March 2009, Discontinued Operations also included the Container Shipping activities and the stakes in the container terminals in Altenwerder and Montreal/Canada, alongside Magic Life.

Result from Discontinued Operations

€ million	Q2 2009/10	Q2 2008/09 revised	H1 2009/10	H1 2008/09 revised
Turnover	10.4	1,122.9	31.0	2,726.2
Cost of sales	19.2	1,278.2	40.3	2,806.8
Administrative expenses	9.1	29.4	14.0	71.1
Other income/other expenses	- 2.5	- 2.9	- 2.4	- 7.5
Financial income	0.4	5.9	0.5	7.0
Financial expenses	3.0	30.9	7.1	42.0
Earnings before income taxes	**- 23.0**	**- 212.6**	**- 32.3**	**- 194.2**
Income taxes	0.8	1.5	2.1	27.7
of which deferred tax expenses/income	*0.8*	*0.4*	*2.1*	*- 39.9*
Earnings after income taxes	**- 23.8**	**- 214.1**	**- 34.4**	**- 221.9**
Result on disposal	–	1,143.0	–	1,143.0
Result from Discontinued Operations	**- 23.8**	**928.9**	**- 34.4**	**921.1**
Reconciliation to underlying earnings:				
Earnings after income taxes	- 23.8	928.9	- 34.4	921.1
Income taxes	0.8	1.5	2.1	27.7
Interest result	2.7	25.0	6.6	34.4
EBITA from Discontinued Operations[1)]	- 20.3	955.4	- 25.7	983.2
Adjustments:				
Gains on disposal	–	*- 1,143.0*	–	*- 1,143.0*
Restructuring	–	–	–	*- 0.2*
Purchase price allocation	–	*19.0*	–	*33.8*
One-off items	*9.8*	–	*9.8*	*1.7*
IFRS 5 effects[1)]	*- 2.4*	*- 66.0*	*- 7.9*	*- 131.5*
Underlying EBITA from Discontinued Operations	**- 12.9**	**- 234.6**	**- 23.8**	**- 256.0**

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

Due to the deconsolidation of Container Shipping as at the end of March 2009, the assets and liabilities of the Discontinued Operations as per 31 March 2010 and 30 September 2009 exclusively related to the Magic Life hotel company.

Assets and liabilities of the Discontinued Operation

€ million	31 Mar 2010	30 Sep 2009
Non-current assets	98.0	100.7
Current assets	42.4	50.8
Assets held for sale	**140.4**	**151.5**
Non-current provisions and liabilities	88.8	92.0
Current provisions and liabilities	29.7	30.5
Liabilities related to assets held for sale	**118.5**	**122.5**

Cash flows from operating, investing and financing activities from Discontinued Operation

€ million	H1 2009/10	H1 2008/09
Cash flow from operating activities	- 2.2	+ 38.8
Cash flow from investing activities	- 4.6	- 117.5
Cash flow from financing activities	+ 13.4	+ 274.8
Change in cash and cash equivalents due to exchange rate fluctuations	–	- 5.5
Change of cash and cash equivalents	**+ 6.6**	**+ 190.6**

Cumulative other comprehensive income of the Discontinued Operation Magic Life, taken directly to equity, totalled €-6.6m as per 31 March 2010.

Notes on the Consolidated Profit and Loss Statement

The consolidated profit and loss statement for the Continuing Operations reflected the seasonality of the tourism business, as a result of which earnings generated in the period from October to December are negative.

The decline in turnover and the cost of sales was above all attributable to the economic down-turn, in particular in the first quarter of the period under review.

(1) Cost of sales and administrative expenses

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

Lease, rental and leasing expenses

€ million	Q2 2009/10	Q2 2008/09	H1 2009/10	H1 2008/09
Lease, rental and leasing expenses	192.1	175.7	370.8	352.8

Personnel costs

€ million	Q2 2009/10	Q2 2008/09	H1 2009/10	H1 2008/09
Personnel costs	546.7	518.3	1,047.6	1,046.6

Depreciation/amortisation/impairments

€ million	Q2 2009/10	Q2 2008/09	H1 2009/10	H1 2008/09
Depreciation and amortisation	91.6	93.6	181.7	192.1
Impairments of property, plant and equipment	1.5	–	1.5	19.7
Total	**93.1**	**93.6**	**183.2**	**211.8**

(2) Other income/ Other expenses

Other income/other expenses

€ million	Q2 2009/10	Q2 2008/09	H1 2009/10	H1 2008/09
Other income	9.1	7.6	12.5	37.2
Other expenses	0.5	0.5	2.5	12.4
Total	**8.6**	**7.1**	**10.0**	**24.8**

(3) Financial income/ Financial expenses

The financial result for the first half of 2009/10 included in particular interest effects of €22.9m from on the measurement of the loans and hybrid capital granted to Albert Ballin Holding GmbH & Co. KG and Hapag-Lloyd AG using the effective interest method.

(4) Adjustments

In addition to the disclosures required under IFRS, the consolidated profit and loss statement comprises a reconciliation to underlying earnings. The adjustments show deconsolidation income as gains on disposal, events according to IAS 37 as restructuring measures and any effects of purchase price allocations on EBITA, ancillary acquisition costs and contingent purchase price payments as purchase price allocation. This reconciliation also includes one-off expenses. The adjustments exclusively related to TUI Travel.

(5) Income taxes

The tax income arising for the first half of the year was largely attributable to the seasonality of the tourism business.

(6) Group profit/loss attributable to minority interests

Group profit/loss attributable to minority interests

€ million	Q2 2009/10	Q2 2008/09	H1 2009/10	H1 2008/09
TUI Travel	- 99.1	- 151.5	- 164.7	- 188.6
TUI Hotels & Resorts	11.1	11.2	14.7	15.4
Total	**- 88.0**	**- 140.3**	**- 150.0**	**- 173.2**

Notes on the Consolidated Statement of Financial Position

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

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

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

Assets held for sale

€ million	31 Mar 2010	30 Sep 2009
Discontinued Operation 'Magic Life'	142.7	151.5
Administrative buildings Ballindamm and Rosenstraße in Hamburg	101.9	101.9
'Jet4You'	29.4	18.8
'Canada Mainstream'	–	78.0
Other assets	32.7	55.5
Total	**306.7**	**405.7**

Liabilities related to assets held for sale

€ million	31 Mar 2010	30 Sep 2009
Discontinued Operation 'Magic Life'	118.5	122.5
'Jet4You'	28.5	23.7
'Canada Mainstream'	–	34.0
Total	**147.0**	**180.2**

Non-current financial liabilities increased by a total of €155.8m to €3,330.9m. The floating rate notes repayable in December 2010 had to be reclassified to current liabilities at the amount of the liabilities still outstanding (nominal value €490.0m) upon repurchase in the first half of 2009/10 (nominal value €60.0m). In addition, three bonds worth a total of €150.0m, planned to be redeemed in December 2010, now had to be carried as current financial liabilities. In October and November 2009, TUI Travel PLC and TUI AG each issued convertible bonds. Following deduction of the charge for the conversion right, these bonds had to be recognised as non-current financial liabilities at €491.3m as at 31 March 2010. Facilities newly raised by TUI Travel under the revolving syndicated credit facility were recognised at an amount of €421.4m as at 31 March 2010.

Current liabilities rose by €680.0m to €1,219.7m, primarily due to the reclassification from non-current liabilities.

Changes in Equity

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

Convertible bonds were issued by TUI Travel PLC in October 2009 and by TUI AG in November 2009. In accordance with the IFRS rules, the bond components relating to the conversion options had to be classified as equity instruments and carried as equity after deduction of borrowing costs. The convertible bonds resulted in an increase in equity of €82.1m.

The goodwill between equity and acquisition costs arising from the acquisition of minority interests was eliminated directly against revenue reserves. The acquisition of additional shares in TUI Travel PLC by TUI AG, in particular, resulted in a decrease in equity of €79.9m.

In the framework of long-term incentive programmes, TUI Travel PLC compensates its employees in the form of stock option plans serviced with shares. These stock option plans resulted in an increase in pre-tax equity of €13.5m outside profit or loss in the period under review.

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

As against 30 September 2009, equity benefited from the weakening of the Euro, in particular against Sterling, US Dollar and Canadian Dollar, in the period under review.

The revaluation reserve for cash flow hedges comprised the results of hedges resulting from the effective hedging of future cash flows. In the period under review, these results, which had to be eliminated against equity, totalled €214.2m before taxes, with associated taxes of €-59.7m. Overall, equity thus rose by €154.5m.

Contingent Liabilities

As at 31 March 2010, contingent liabilities totalled around €242.1m (as at 30 September 2009: around €254.7m). Contingent liabilities were carried at the level of estimated settlement as at the date of the statement of financial position. They mainly related to the assumption of liability for the benefit of Hapag-Lloyd AG.

Other Financial Commitments

Financial commitments from operating lease, rental and charter contracts

€ million	31 Mar 2010	30 Sep 2009
Nominal value	2,888.7	2,900.9
Fair value	2,462.4	2,446.0

Remaining other financial commitments

€ million	31 Mar 2010	30 Sep 2009
Order commitments in respect of capital expenditure	1,863.2	2,518.6
Other financial commitments	226.4	555.8
Total (nominal value)	**2,089.6**	**3,074.4**
Fair value	**1,830.8**	**2,619.3**

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

As at 31 March 2010, the remaining other financial commitments decreased by €329.4m to €226.4m as against 30 September 2009, above all due to meeting the cash contribution commitment in order to increase equity in Container Shipping. In the first half of 2009/10, unused loan commitments in Tourism also declined.

Notes on the Consolidated Cash Flow Statement

Based on the after-tax Group result, the cash flow from operating activities was established using the indirect method. In the period under review, cash and cash equivalents of the Continuing Operations declined by €293.3m to €1,158.7m.

The outflow of cash from operating activities was €817.6m (previous year: €575.9m) in the period under review. As every year, the strong outflow of cash was mainly due to the fact that liabilities to suppliers were paid after the end of the tourism season. Due to the decline in business volumes, the inflow of cash declined year-on-year in the first half of 2009/10. Moreover, the figure for the comparative prior year period had included an inflow of cash worth €43.0m from operating activities in Container Shipping, sold at the end of March 2009.

The outflow of cash from investing activities totalled €110.6m in the period under review. An outflow of €97.7m arose in connection with the restructuring of the Canadian TUI Travel operations. Moreover, this item includes the contribution to the capital increase (€123.5m) in Container Shipping. On 31 March 2010, the Albert Ballin consortium took over a loan worth €200.0m granted by TUI AG to Container Shipping, as scheduled.

The cash flow from investing activities also included an outflow of cash for investments in fixed assets in TUI Travel of €125.6m and the hotel companies of €23.2m as well as an inflow of cash of €40.0m from the sale of property.

The inflow of cash from financing activities totalled €635.4m. This inflow was largely attributable to the convertible bonds issued by TUI AG of €211.1m, the convertible bonds issued by TUI Travel of €380.5m (each after deduction of borrowing costs) and the raising of facilities from the revolving syndicated credit facility of TUI Travel worth €418.6m. In the first half of 2009/10, bonds and financial liabilities worth €111.0m were repaid. Interest payments amounted to €131.4m. Moreover, €94.7m have been paid for the acquisition of additional shares in TUI Travel PLC. Other outflows of cash related to the dividend on TUI AG's hybrid loan (€25.9m) and the dividend for minority shareholders (€24.1m), in particular in TUI Travel PLC.

Cash and cash equivalents also rose by €6.1m due to changes in exchange rates.

Segment Indicators

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

€ million	External	Group	Q2 2009/10 Total	External	Group	H1 2009/10 Total
Tourism	2,864.3	6.2	2,870.5	5,796.8	10.1	5,806.9
TUI Travel	2,707.5	4.9	2,712.4	5,519.2	11.3	5,530.5
TUI Hotels & Resorts	97.1	91.1	188.2	176.9	168.1	345.0
Cruises	59.7	–	59.7	100.7	–	100.7
Consolidation	–	- 89.8	- 89.8	–	- 169.3	- 169.3
All other segments	14.5	13.4	27.9	30.1	44.6	74.7
Consolidation	–	- 19.6	- 19.6	–	- 54.7	- 54.7
Continuing Operations	**2,878.8**	**–**	**2,878.8**	**5,826.9**	**–**	**5,826.9**
Discontinued Operations	**4.2**	**6.2**	**10.4**	**11.8**	**19.2**	**31.0**

Turnover by divisions and sectors for the period from 1 October 2008 to 31 March 2009

€ million	External	Group	Q2 2008/09 Total	External	Group	H1 2008/09 Total
Tourism	3,060.9	4.1	3,065.0	6,508.1	20.2	6,528.3
TUI Travel	2,911.1	413.4	3,324.5	6,233.2	431.3	6,664.5
TUI Hotels & Resorts	91.8	101.8	193.6	172.4	196.4	368.8
Cruises	58.0	–	58.0	102.5	1.9	104.4
Consolidation	–	- 511.1	- 511.1	–	- 609.4	- 609.4
All other segments	14.7	42.3	57.0	35.7	90.4	126.1
Consolidation	–	- 46.4	- 46.4	–	- 110.6	- 110.6
Continuing Operations	**3,075.6**	**–**	**3,075.6**	**6,543.8**	**–**	**6,543.8**
Discontinued Operation Container Shipping	**1,122.9**	**–**	**1,122.9**	**2,721.2**	**5.0**	**2,726.2**

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

€ million	Q2 2009/10	Q2 2008/09 revised	H1 2009/10	H1 2008/09 revised
Tourism	- 240.9	- 342.1	- 405.8	- 394.6
TUI Travel	- 268.8	- 367.6	- 432.4	- 439.0
TUI Hotels & Resorts	25.7	25.6	30.7	48.9
Cruises	2.2	- 0.1	- 4.1	- 4.5
All other segments	- 11.4	- 10.1	- 20.3	- 63.1
Continuing Operations	**- 252.3**	**- 352.2**	**- 426.1**	**- 457.7**
Discontinued Operations	**- 20.3**[1]	**955.4**[1]	**- 25.7**[1]	**983.2**[1]
Total	**- 272.6**[1]	**603.2**[1]	**- 451.8**[1]	**525.5**[1]

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

€ million	Q2 2009/10	Q2 2008/09 revised	H1 2009/10	H1 2008/09 revised
Tourism	- 217.2	- 267.0	- 346.0	- 313.0
TUI Travel	- 245.1	- 292.5	- 372.6	- 361.2
TUI Hotels & Resorts	25.7	25.6	30.7	52.7
Cruises	2.2	- 0.1	- 4.1	- 4.5
All other segments	- 11.4	- 10.1	- 20.3	- 64.9
Continuing Operations	**- 228.6**	**- 277.1**	**- 366.3**	**- 377.9**
Discontinued Operations	**- 12.9**[1]	**- 234.6**[1]	**- 23.8**[1]	**- 256.0**[1]
Total	**- 241.5**[1]	**- 511.7**[1]	**- 390.1**[1]	**- 633.9**[1]

[1] Including follow-up effects of IFRS 5: Discontinuation of depreciation and the income from the measurement of shareholdings using the at equity method. In order to enhance comparability of underlying EBITA, this earnings effect was included in the adjustments for the Discontinued Operations.

Reconciliation to earnings before taxes of the TUI Group

€ million	Q2 2009/10	Q2 2008/09 revised	H1 2009/10	H1 2008/09 revised
EBITA – total	**- 272.6**	**603.2**	**- 451.8**	**525.5**
Result from Container Shipping measured at equity	5.7	–	- 9.0	–
Interest result from the measurement of loans to Container Shipping	4.8	–	22.9	–
Interest result and earnings from the valuation of interest hedges from Continuing Operations	- 73.4	- 60.1	- 129.7	- 134.9
Interest result from Discontinued Operations	- 2.7	- 25.0	- 6.6	- 34.4
Impairment of goodwill	–	–	–	- 31.1
Earnings before taxes on income of TUI Group	**- 338.2**	**518.1**	**- 574.2**	**325.1**

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

Related Parties

Apart from the subsidiaries included in the consolidated financial statements, TUI AG, in carrying out its ordinary business activities, maintained indirect or direct relationships with related parties. All transactions with related parties were carried out at arm's length on the basis of international comparable uncontrolled price methods in accordance with IAS 24, as before. The equity stake held by Riu Hotels S.A., listed in the notes on the consolidated financial statements as at 30 September 2009, was retained unamended at the closing date for the interim financial statements. More detailed information on related parties is provided under 'Other notes' in the notes on the consolidated financial statements for 2009.

Major Transactions after the Balance Sheet Date

Explanatory information on the effects of the volcanic eruption in Iceland and the issue of convertible bonds by TUI Travel PLC is provided in the management report in the section on 'Special events after the closing date'.

Responsibility Statement

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

The Executive Board
Hanover, 11 May 2010 / 29 November 2010

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Review Report

To TUI AG, Berlin and Hanover

We have reviewed the condensed interim consolidated financial statements – comprising the statement of financial position, condensed profit and loss statement, condensed statement of cash flows, condensed statement of changes in equity and selected explanatory notes – and the interim Group management report of TUI AG, Berlin and Hanover, for the period from 1 October 2009 to 31 March 2010, which are part of the half-year financial report according to section 37w of the German Securities Trading Act (WpHG). The preparation of the condensed interim consolidated financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and of the interim Group management report which has been prepared in accordance with the regulations of the German Securities Trading Act applicable to interim Group management reports is the responsibility of the Company's management. Our responsibility is to issue a review report of the condensed interim consolidated financial statements and on the interim group management report based on our review.

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

Our audit has not led to any reservations.

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.

We issue this report based on our review completed on 11 May 2010 and our supplementary review, which covered in particular the changes of trade accounts receivable and payable, turnover and equity. We refer to the explanation of the changes by the Company in the section in the amended notes under Correction of Interim Financial Statements.

Our supplementary audit has not led to any reservations.

Hanover, 11 May 2010/29 November 2010

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Prof Dr Norbert Winkeljohann
Auditor

Sven Rosorius
Auditor

Financial Calendar 2009/2010

Third Quarter Report 2009/10	11 August 2010
Annual Press Conference 2009/10	14 December 2010

Imprint

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