

EANS-Adhoc: TUI AG / TUI AG announces launch of convertible bond offering with subscription rights and invites holders of outstanding bonds to tender their bonds due in 2012

ad-hoc disclosure pursuant to section 15 of the WpHG transmitted by euro adhoc with the aim of a Europe-wide distribution. The issuer is solely responsible for the content of this announcement.

07.03.2011

NOT FOR DISTRIBUTION OR RELEASE IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, CANADA OR JAPAN, OR IN ANY OTHER JURISDICTION IN WHICH OFFERS OR SALES WOULD BE PROHIBITED BY APPLICABLE LAW

Subscription period from 8 March 2011 to 21 March 2011

Hanover, 7 March 2011. Based on the authorisation by the AGM held on 7 May 2008, the Management Board of TUI AG ("TUI") resolved today, with the consent of TUI's Supervisory Board, to issue convertible bonds (the "Bonds") in the total principal amount of approximately 350,000,000 euro and maturity due 2016, which are convertible into TUI ordinary shares. In connection with the issue of the new Bonds, as of today TUI invites holders of its outstanding 5.125% bonds due December 2012 (ISINs XS0237431837 / XS0237433700) and its outstanding 2.750% bonds due September 2012 (ISIN DE000TUAG091) to tender their bonds for cash. The completion of the tender offer and the aggregate amount of bonds to be purchased under such offer will be determined by TUI based on the successful offering of the Bonds and the net issue proceeds.

The combined transaction will extend TUI's debt maturity profile.

TUI will offer the Bonds for subscription to its shareholders in an aggregate principal amount of approximately 350,000,000 euro, with up to 28,597,575 TUI ordinary shares underlying the Bonds. The Bonds will be issued by TUI, and their maturity will be 5 years.

The Bonds will be offered for subscription to the shareholders of TUI during a subscription period from 8 March 2011 to 21 March 2011 (inclusive). The subscription ratio is expected to be 44 : 1 so that shareholders of TUI are entitled to subscribe 1 Bond for each 44 existing shares with an initial

conversion ratio of 5. Based on the authorisation by the AGM held on 7 May 2008, the Management Board of TUI also resolved, with today's consent of the Supervisory Board, to exclude subscription rights for fractional amounts resulting from the subscription ratio.

No subscription rights trading on any stock exchange is organised or envisaged by TUI or by the Subscription Agent or any of the Joint Bookrunners. The subscription offer will be published today in the electronic version of the Federal Gazette (elektronischer Bundesanzeiger).

TUI intends to include the new Bonds (ISIN DE000TUAG158) in the Open Market (Freiverkehr) of the Frankfurt Stock Exchange no later than 31 March 2011. However, the completion of the offering of the Bonds is not conditional upon the Bonds being admitted to trading. The offering of the Bonds is scheduled to be completed on 21 March 2011, and the tender offer is expected to end on 24 March 2011.

BofA Merrill Lynch, Citigroup Global Markets Limited and UniCredit Bank AG act as Joint Bookrunners, and UniCredit Bank AG acts as Subscription Agent in this transaction. The Joint Bookrunners have agreed to offer the Bonds for purchase to selected institutional investors outside of the United States of America, Canada, Australia, Japan and any other jurisdiction in which offers or sales would be prohibited by applicable law by way of bookbuilding, subject to the exercise by shareholders of their subscription rights.

The Management Board is expected to determine the final terms and conditions of the Bonds with the consent of the Supervisory Board during the first week of the subscription period, but in any case no later than 11 March 2011 on the basis of the results of the bookbuilding.

This press release does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for securities.

This release is not an offer of securities for sale in the United States of America. Securities may not be offered or sold in the United States of America absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended.

Any public offering of securities to be made in the United States of America will be made by means of a prospectus that may be obtained from TUI AG and that will contain detailed information about the company and management, as well as financial statements. There will be no public offer of the securities in the United States of America.

Subject to certain exceptions, the securities referred to herein may not be offered or sold in Australia, Canada or Japan, or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada or Japan.

This press release may include projections and other "forward-looking" statements within the meaning of applicable securities laws. Any such projections or statements reflect the current views of TUI AG or its subsidiaries about further events and financial performance. No assurance can be given that such events or performance will occur as projected and actual results may differ materially from these projections.

This press release shall not be considered an "offer of securities to the public" for purposes of German securities law, or give rise to or require a prospectus in an EU member state which has implemented the prospectus directive.

This communication is directed only at (i) persons who are outside the United Kingdom or (ii) persons who have professional experience in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") and (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2) of the Order (all such persons together being referred to as "relevant persons"). Any investment activity to which this communication relates will only be available to and will only be engaged with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

No action has been taken in any jurisdiction (including the United States) by TUI AG that would result in a public offering of the Bonds or the possession, circulation or distribution of any Offering Memo-randum or any other material relating to TUI AG or the Bonds in any jurisdiction where action for such purpose is required.

In connection with the offering of the Bonds, each of the Joint Bookrunners and any of their respective affiliates acting as an investor for their own account may take up Bonds and in that capacity may retain, purchase or sell for its own account such securities and any securities of TUI or any related investments and may offer or sell such securities or other investments otherwise than in connection with the offering of the Bonds. The Joint Bookrunners do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Any offer if made may only be addressed to and directed, in member states of the European Economic Area which have implemented the Prospectus Directive (each, a

"relevant member state"), at persons who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) and pursuant to the relevant implementing rules and regulations adopted by each relevant member state ("Qualified Investors").

Each person who initially acquires any securities or to whom any offer of securities may be made will be deemed to have represented, acknowledged and agreed that it is a Qualified Investor as defined above.

In the case of any securities being offered to any investor as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such investor will also be deemed to have represented and agreed that the securities acquired by it in the offering have not been acquired on behalf of persons in the EEA other than Qualified Investors or persons in the UK and other member states (where equivalent legislation exists) for whom the investor has authority to make decisions on a wholly discretionary basis, nor have the securities been acquired with a view to their offer or resale in the EEA where this would result in a requirement for publication by the Issuer, the Joint Bookrunners or any other manager of a prospectus pursuant to Article 3 of the Prospectus Directive, unless the prior consent of the Joint Bookrunners has been obtained to such offer or resale.

The Joint Bookrunners are acting on behalf of the Issuer and no one else in connection with the offering of the Bonds and will not be responsible to any other person for providing the protections afforded to clients of the Joint Bookrunners, or for providing advice in relation to the securities.

Further inquiry note:

Investor Relations Kontakt:

Björn Beroleit, Telefon: +49 (0) 511 566 1310

Nicola Gehrt, Telefon: +49 (0) 511 566 1435

Media Kontakt:

Uwe Kattwinkel, Telefon: +49 (0) 511 566 1417

Robin Zimmermann, Telefon: +49 (0) 511 566 1488

end of announcement

euro adhoc

~

issuer: TUI AG
Karl-Wiechert-Allee 4
D-30625 Hannover
phone: +49(0)511 566 - 1425
FAX: +49(0)511 566 - 1096

mail: investor.relations@tui.com
WWW: http://www.tui-group.com
sector: Transport
ISIN: DE000TUAG000
indexes: MDAX, CDAX, HDAX, Prime All Share

~

stockmarkets: regulated dealing/prime standard: Frankfurt, regulated dealing:
Berlin, Hamburg, Stuttgart, Düsseldorf, Hannover, München
language: English

Digitale Pressemappe: http://www.ots.at/pressemappe/EASY_44027/aom

*** OTS-ORIGINALTEXT PRESSEAUSSENDUNG UNTER AUSSCHLISSLICHER
INHALTLICHER VERANTWORTUNG DES AUSENDERS - WWW.OTS.AT ***

OTS0226 2011-03-07/14:31

071431 Mär 11

Link zur Aussendung:

https://www.ots.at/presseaussendung/OTS_20110307_OTS0226