

**AD HOC ANNOUNCEMENT PURSUANT TO SECTION 15
OF THE GERMAN SECURITIES TRADING ACT****TUI AG (“TUI” or the “Group”)
Disposal of Hotelbeds Group for €1,191 million**

- Strategic disposal of Hotelbeds Group (“Hotelbeds”) represents a significant step in TUI’s progress as a content centric, vertically integrated tourism business
- In line with the post merger strategy outlined at the Group’s capital markets update in May 2015 to maximise growth and value of non-tourism businesses and deliver superior returns on investment for shareholders
- Proceeds will be used to invest in future growth opportunities and strengthen TUI’s balance sheet

Hanover, 28 April 2016. TUI AG is pleased to announce that it has reached an agreement today to sell Hotelbeds to GNVA Acquisitions Limited, a company which is ultimately owned by funds managed or advised by Cinven and Canada Pension Plan Investment Board for a total cash consideration of €1,191 million (the “Transaction”). The Transaction is still subject to customary closing conditions and certain regulatory approvals and is expected to complete by the end of September 2016.

Hotelbeds was previously part of the Group’s Specialist Travel division and comprises B2B hotel portals selling globally sourced accommodation online to wholesale customers such as travel agencies and tour operators. Hotelbeds is the global number 1 in the B2B accommodation wholesale space with operations in more than 120 source markets. Due to their different business models and strategies, Hotelbeds had been operated independently from the Group’s Tourism business in order to maximise the division’s growth and value.

In the year ended 30 September 2015 Hotelbeds generated a total transaction value of €3,657 million, a turnover of €1,059 million, underlying EBITA of

€69 million and gross assets at signing amount to €1,338 million.

Proceeds will be used to invest in future growth opportunities and strengthen TUI's balance sheet. It is anticipated that an update will be given at TUI's forthcoming H1 2015/16 results presentation.

ANALYST & INVESTOR ENQUIRIES

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ADVISORS TO THE TRANSACTION

BofA Merrill Lynch and Deutsche Bank are acting as financial advisors and Allen & Overy as legal advisor to the company.