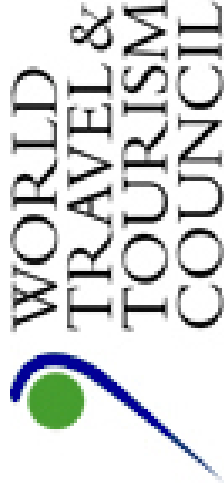


## **Moving around the world: The new Dynamics of Travel**



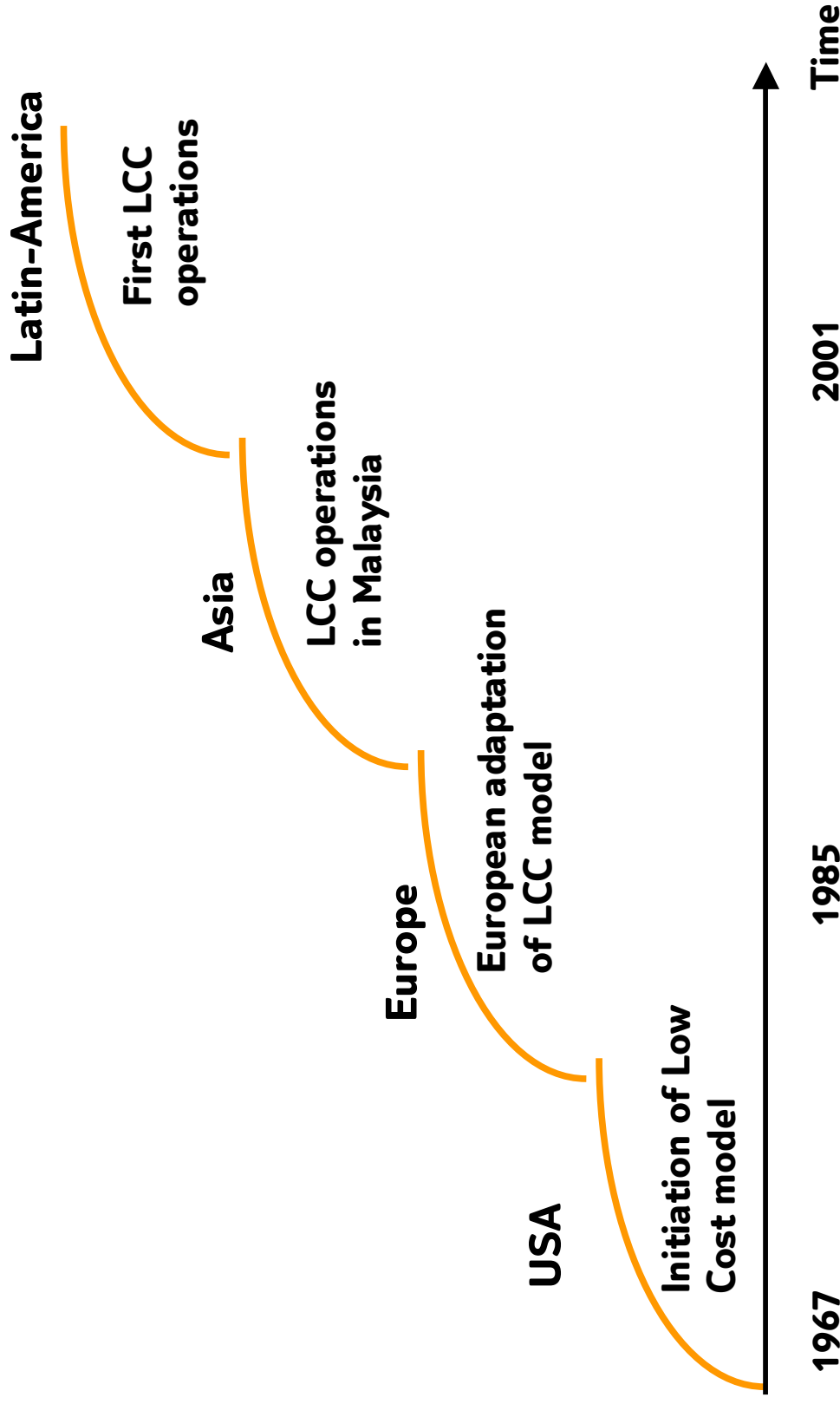
**Dr. Michael Frenzel**  
**CEO TUI AG**

Washington, 11. April 2006

The picture has changed



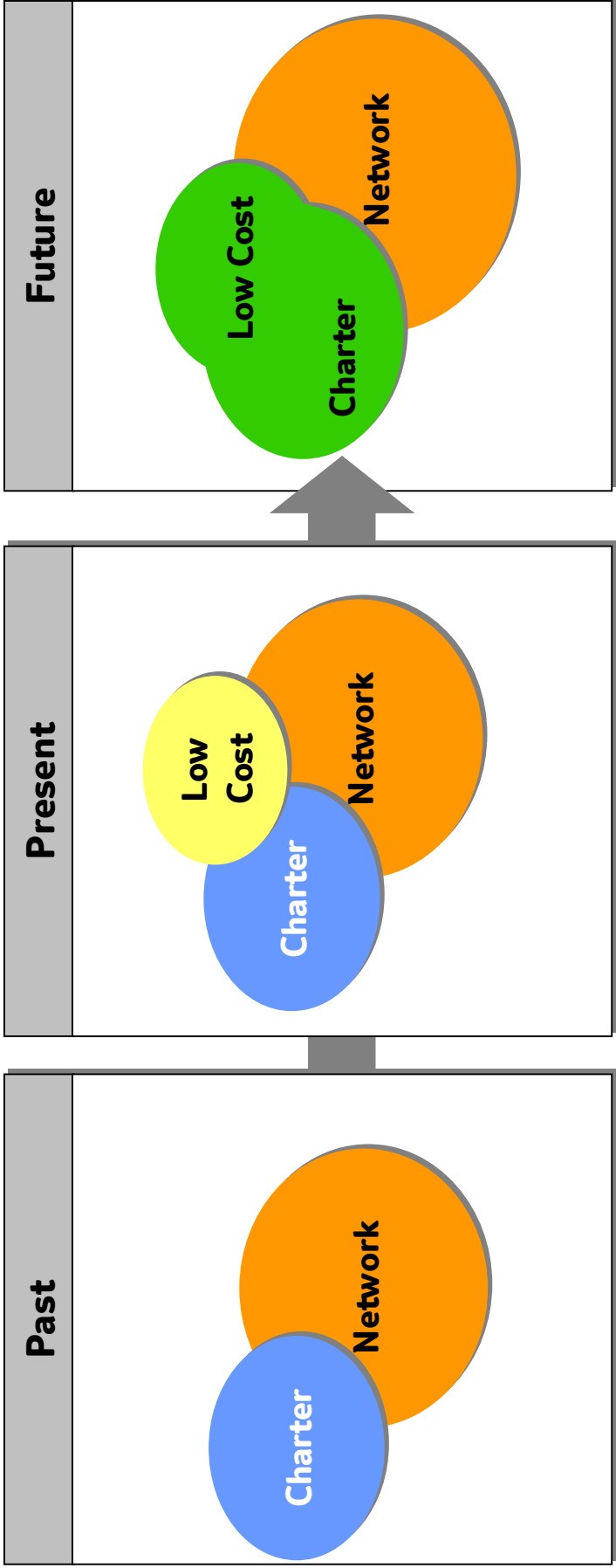
## Low Cost Carriers have become a global force



# Convergence of business models in Europe

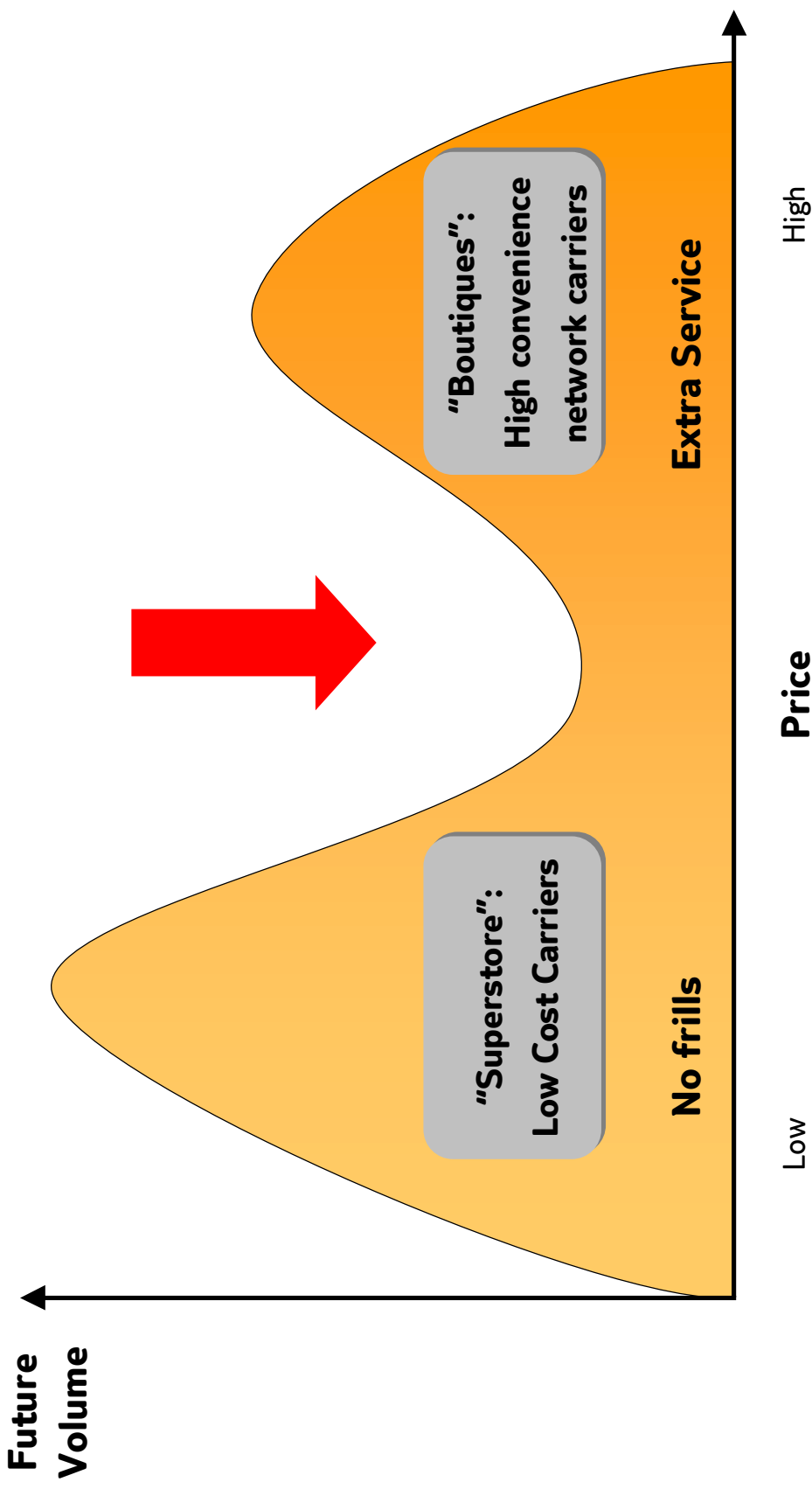


## Customer segments and business models



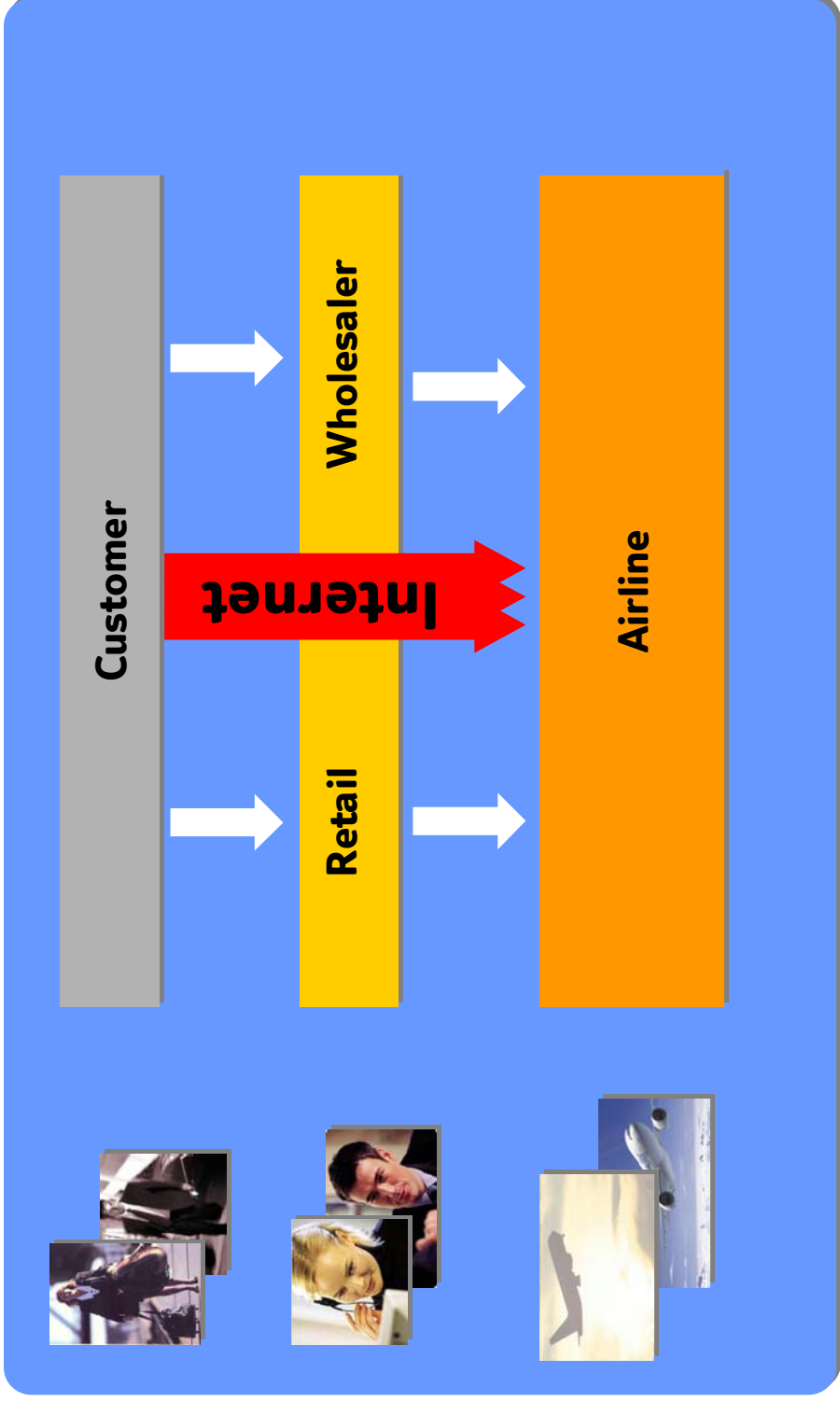
# Future market landscape

## Emergence of Travel "Superstore" vs. "Boutique"



# Internet broke a gate for direct contact with carriers

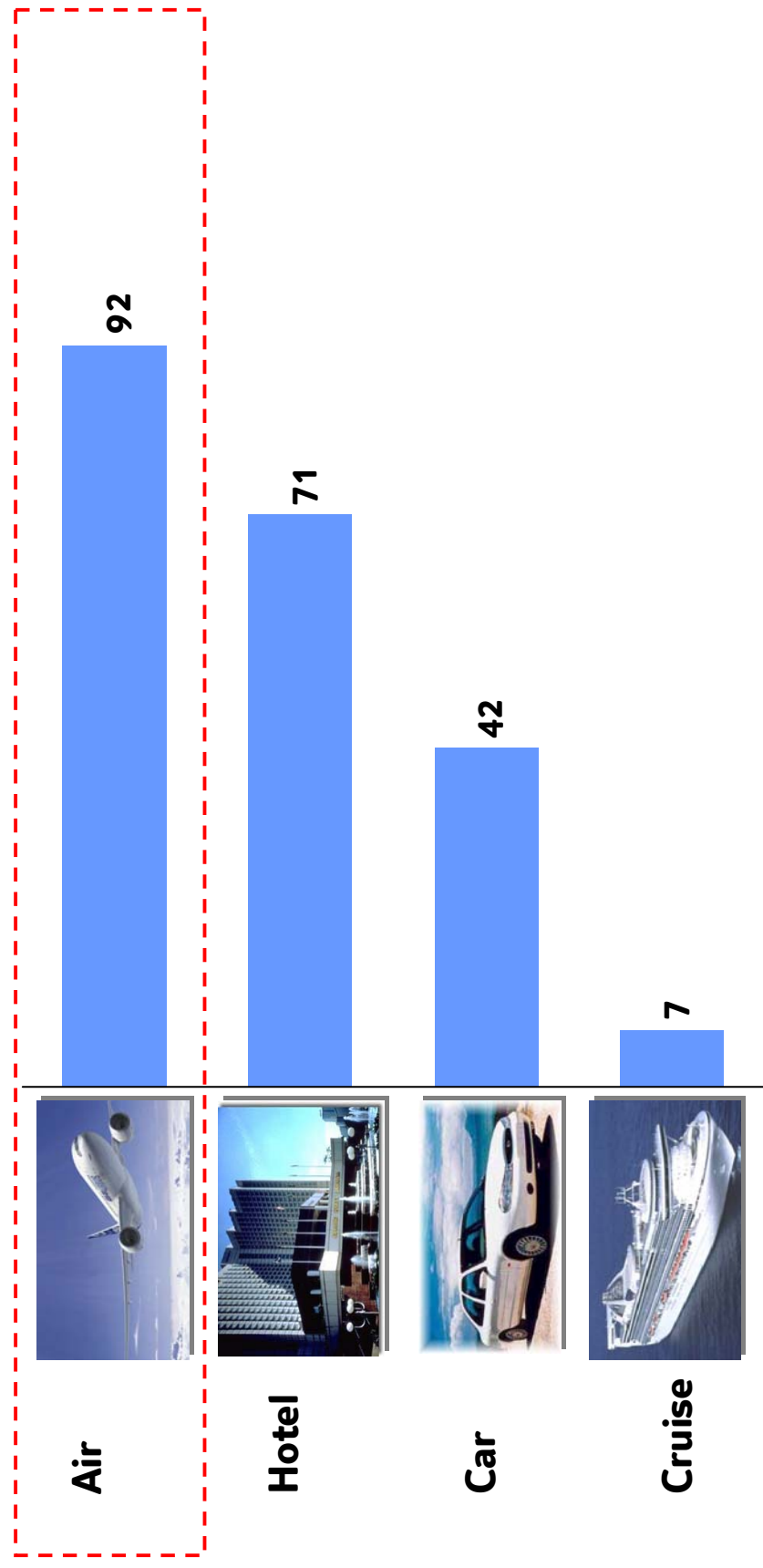
## Web as change enabler



# Air tickets are entry point into online travel for consumers

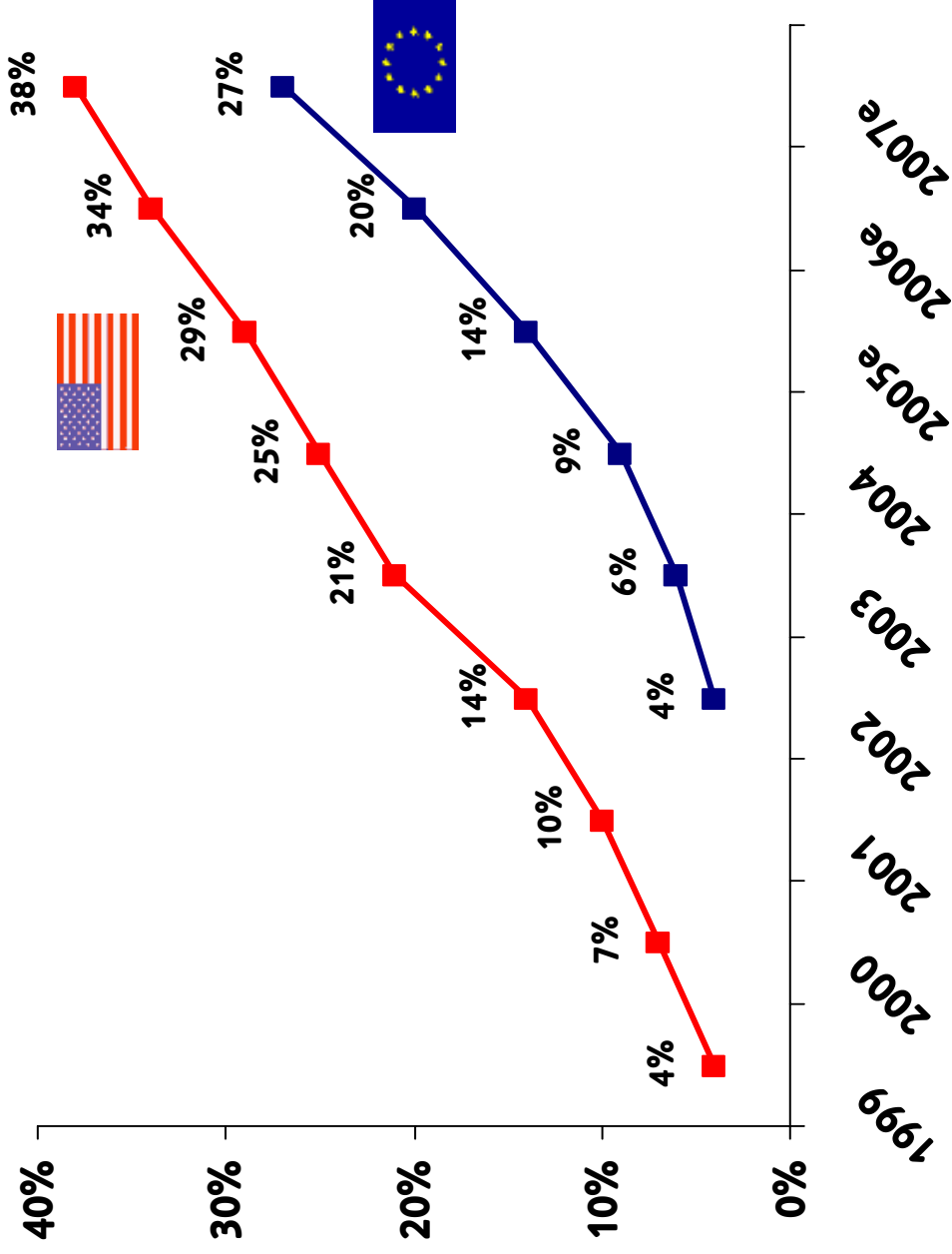


**Online Travel Purchase Incidence**  
(in 2004)



# Internet with growing importance in US and European travel

## Online Penetration of Total Travel Market 1999-2007



# Internet will play major role in rising economies

## Example China



### Internet 2005

- 103 Mio. user
- 14 h Online/week
- 21 Mio. Online-shopper

### Short term outlook

- One-in-five users is Chinese
- Steep rise in shopping rates
- Most important language in the web

## Reason why:

### Internet enables new array of choices for customers

1.



**Convenience of shopping**

2.



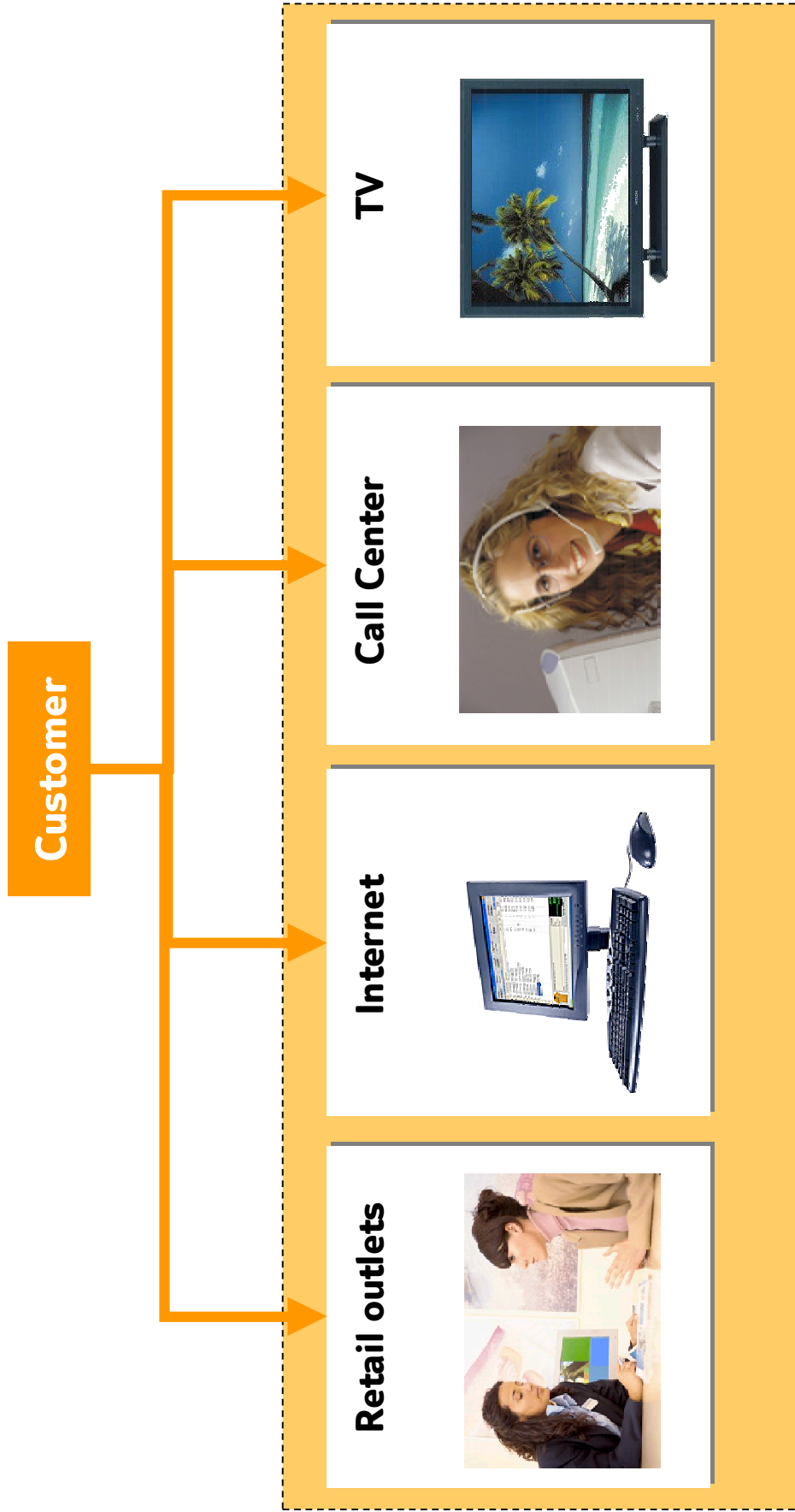
**Transparency of prices**

3.



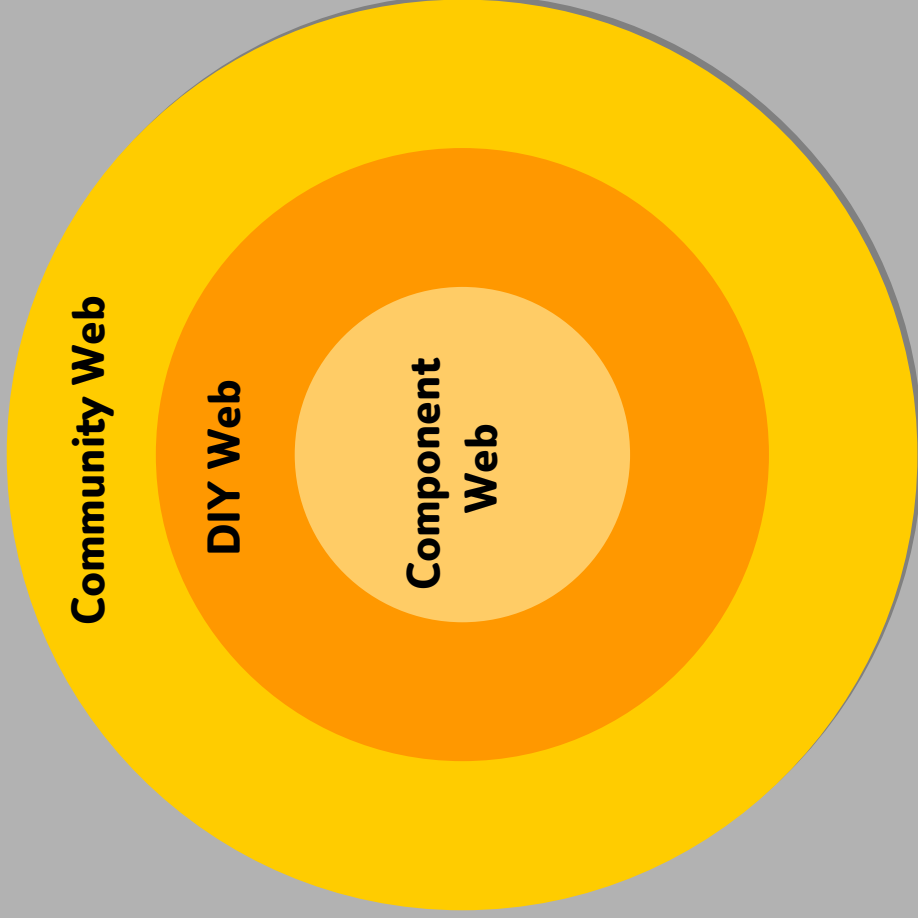
**Modularity of booking**

# Not just Online... - Multichannel is the key for success



# New dynamics of travel will remain driven by the Internet

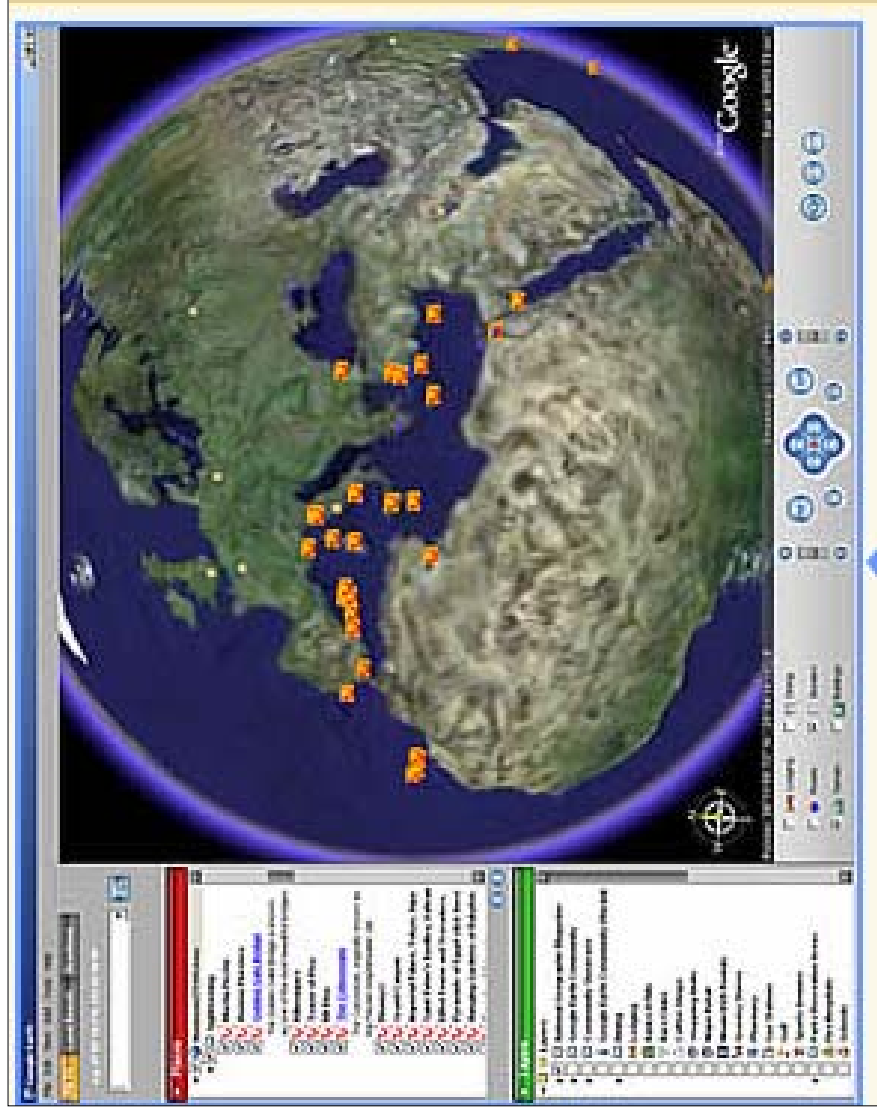
## Outlook on internet development



# TUI adopts next generation of travel dynamics



## Sample of TUI web features



- Google Earth Overlay
- Destination Podcasts
- Thomson Weblog
- Customer Reviews
- Integrated Videos
- Live TV Streaming
- 360° Virtual Tours
- ...

**Thank you very much for your attention!**

