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Private & confidential

TUI Travel PLC
TUI Travel House
Fleming Way, Crawley
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Our ref sp/644

Contact Oliver Tant
020 7311 1611

29 December 2010

Dear Sirs,

Statement to the directors of TUI Travel PLC (No. 06072876) ("the Company") on ceasing to hold office as auditors pursuant to section 519 of the Companies Act 2006

In accordance with section 519 of the Companies Act 2006 we set out below the circumstances connected with our ceasing to hold office that we consider should be brought to the attention of the Company's members or creditors.

The audited consolidated financial statements of the Company and its subsidiaries ("the Group") for the year ended 30 September 2010 contain, inter alia, a restatement of its results for the year ended 30 September 2009 and its financial position as that date. The directors have restated the 2009 financial statements because they contained material errors arising from the overstatement of revenues and the inappropriate release of unmatched credits to the income statement. Details of the circumstances giving rise to the restatements are set out in note 1(B)(ii) to the financial statements.

As set out in note 1(B)(ii), the major part of the restatement is attributable to failures in the systems and controls of the Group's UK tour operator business over an extended period of time. Most of this period pre-dated our appointment as auditors of the entity concerned. In relation to the release of unmatched credits, note 1(B)(ii) refers to inappropriate analysis, judgements and accounting processes undertaken by the directors of that entity to book the unmatched credits in the accounting records of the entity concerned.

We have had extensive discussions with the directors of the Company over the background to these restatements, the implications arising from them and their disclosure and accounting treatment in the financial statements. Over the course of these discussions our relationship with certain directors became increasingly strained. As a result we are not confident that in the future we could carry out an audit of the Company to the appropriate standard, but others may be able to do so. Accordingly we have decided not to seek reappointment as auditors of the Company.



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29 December 2010

We request that any correspondence in relation to this statement be sent to our registered office, 15 Canada Square, London, E14 5GL, marked for the attention of the Audit Regulation Department.

Yours faithfully,

A handwritten signature in dark ink that reads 'KPMG Audit Plc'.

KPMG Audit Plc