

TUI Travel Overseas Holdings Limited

Report and Financial Statements

for the year ended

30 September 2009

Company number 4998708



TUI TRAVEL OVERSEAS HOLDINGS LIMITED
Report of the Directors for the year ended 30 September 2009

The Directors submit their report and the audited financial statements of TUI Travel Overseas Holdings Limited ("the Company") for the year ended 30 September 2009

Principal activity

The Company's principal activity is that of a holding company

Results and dividends

The loss on ordinary activities before taxation for the year ended 30 September 2009 amounted to £716,458 (2008 £nil). There were no dividends paid during the year (2008 £nil). The Directors do not recommend the payment of a final dividend.

Business review

The Directors manage risks and uncertainties of the Company in co-ordination with its fellow subsidiaries in the TUI Travel PLC group of companies ("the Group"). The Directors review the Company's risks and uncertainties in the context of the Group.

As an intermediary holding company, the results of the Company are principally influenced by the performance of its investments. The Company's investments are listed in Note 6.

During the year, the trading businesses of a number of the Company's investments have been reorganised within the Group. Further details are set out in Note 6.

Directors

The Directors of the Company at the date of this report are

J Walter
R S Wheatley

Statement as to disclosure of information to auditors

The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Funding and liquidity

The Directors have considered the funding and liquidity position of the Company and of its intermediate parent company, TUI Travel PLC. Following this review, the Directors consider it appropriate to continue to prepare the financial statements on the going concern basis.

Directors' insurance

The intermediate parent company, TUI Travel PLC, maintains Directors' & Officers' Liability insurance policies on behalf of the Directors of the Company.

Policy and practice on payment of creditors

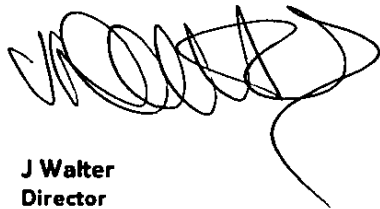
It is the Company's policy that payments to suppliers, whether in advance or after the provision of goods and services, are made on the basis of the terms that have been agreed with them. Due to the nature of the Company's operations, and common to the industry as a whole, payments are often made in advance of the provision of goods and services.

TUI TRAVEL OVERSEAS HOLDINGS LIMITED
Report of the Directors for the year ended 30 September 2009

Auditors

KPMG Audit Plc was appointed auditors by the Directors Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG Audit Plc will therefore continue in office

By order of the Board

A handwritten signature in black ink, appearing to be 'J Walter', written over a horizontal line.

J Walter
Director

Dated 29 June 2010
Company Number 4998708

TUI TRAVEL OVERSEAS HOLDINGS LIMITED

Statement of Directors' Responsibilities in respect of the Directors' report and the financial statements for the year ended 30 September 2009

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

Report of the independent auditors to the members of TUI Travel Overseas Holdings Limited

We have audited the financial statements of TUI Travel Overseas Holdings Limited for the year ended 30 September 2009 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 September 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Mike Harper

(Senior Statutory Auditor) for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
8 Salisbury Square
London
EC4Y 8BB

14 July 2010

TUI TRAVEL OVERSEAS HOLDINGS LIMITED
Profit and loss account for the year ended 30 September 2009

		Year ended 30 September 2009	Year ended 30 September 2008
	Note	£	£
Administration costs		(498)	-
Operating loss		(498)	-
Loss on disposal of investments	6	(637,103)	-
Interest payable and similar charges	4	(78,857)	-
Loss on ordinary activities before taxation	3	(716,458)	-
Tax on loss on ordinary activities	5	22,219	-
Loss for the financial year	11	(694,239)	-

The results stated above are all derived from continuing operations

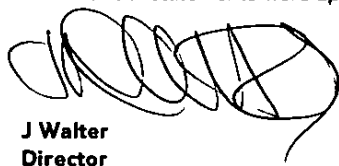
A note on historical cost profit and loss has not been included as part of these financial statements as the results as disclosed in the profit and loss account are prepared on an unmodified historical cost basis

The Company has no recognised gains and losses other than those included in the profit and loss account. Accordingly no statement of total recognised gains and losses is presented

TUI TRAVEL OVERSEAS HOLDINGS LIMITED
Balance sheet at 30 September 2009

		30-September 2009	30-September 2008
	Note	£	£
Fixed assets			
Investments	6	<u>342,900</u>	<u>-</u>
Current assets			
Bank		221,598	
Debtors	7	<u>23,116</u>	<u>1</u>
		244,714	1
Creditors: amounts falling due within one year	8	<u>(1,281,852)</u>	<u>-</u>
Net current (liabilities)/assets		<u>(1,037,138)</u>	<u>1</u>
Net (liabilities)/ assets		<u>(694,238)</u>	<u>1</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	<u>(694,239)</u>	<u>-</u>
Equity shareholders' (deficit) / funds	11	<u>(694,238)</u>	<u>1</u>

The financial statements were approved by the Board on 29 June 2010 and signed on their behalf by



J Walter
Director

TUI TRAVEL OVERSEAS HOLDINGS LIMITED

Notes forming part of the financial statements for the year ended 30 September 2009

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention

Under Financial Reporting Standard 1 (revised 1996) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

The Company has net current liabilities and net liabilities. The accounts are prepared on the going concern basis as TUI Travel PLC has agreed to provide financial support to the Company in order that it can continue to trade and meet its liabilities as they fall due, for as long as they remain a member of the TUI Travel PLC group of companies

Investments

Investments are stated at cost, less provision for permanent diminution in value

Group financial statements

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group

Taxation

UK Corporation Tax is provided on amounts expected to be paid (or recovered) using the tax rates and laws enacted or substantively enacted at the balance sheet date

Except as otherwise required by accounting standards, full provision without discounting is made for all deferred taxation timing differences which have arisen but not reversed at the balance sheet date. Timing differences arise when items of income and expenditure are included in tax computations in periods different from their inclusion in the financial statements

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the exchange rate ruling on the balance sheet date. Transactions in foreign currencies are recorded at the average rate for the month in which they take place. Differences arising due to exchange fluctuations have been reflected in the profit and loss account.

Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved for payment

Related party transactions

The Company has taken advantage of the exemption contained in Financial Reporting Standard No. 8 "Related Party Disclosure" as it is a wholly-owned subsidiary of TUI Travel PLC. Therefore the Company has not disclosed transactions or balances with wholly-owned entities that form part of the group headed by TUI Travel PLC

2. Segmental analysis

The Company is a holding Company and did not trade during the year

TUI-TRAVEL OVERSEAS HOLDINGS LIMITED**Notes forming part of the financial statements for the year ended 30 September 2009 (continued)****3. Loss on ordinary activities before taxation**

In 2009 auditors' remuneration was paid by another group company. The audit fee relating to the Company was as follows

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
Fees for the audit of the Company	<u>3,000</u>	<u>-</u>

Fees paid to the Company's auditors, KPMG Audit Plc, and its associates for services other than the statutory audit of the Company are not disclosed in these financial statements. This is on the basis that such non-audit fees are disclosed in the consolidated accounts of the Company's intermediate parent, TUI Travel PLC.

The Company had no employees during the current or prior year.

For the year ended 30 September 2009 and 2008, the Directors' received no remuneration in respect of their services to the Company.

4. Interest payable and similar charges

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
Foreign exchange loss	8,386	-
Bank interest payable	24,189	-
Interest payable on intercompany loans	<u>46,282</u>	<u>-</u>
	<u>78,857</u>	<u>-</u>

5. Taxation

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
(i) Analysis of tax credit for the year		
Current tax		
Amount receivable from fellow subsidiaries for group relief	(22,219)	-
Total current tax	<u>(22,219)</u>	<u>-</u>
 Tax credit on loss on ordinary activities	 <u>(22,219)</u>	 <u>-</u>

TUI TRAVEL OVERSEAS HOLDINGS LIMITED

Notes forming part of the financial statements for the year ended 30 September 2009 (continued)

5. Taxation (continued)**(ii) Factors affecting the current tax credit for year**

The current tax credit (2008 no tax charge) is lower than the standard rate of corporation tax in the UK of 28% (2008 29%). The differences are explained below

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
Loss on ordinary activities before tax	<u>(716,458)</u>	<u>-</u>
Loss on ordinary activities at the standard rate of UK corporation tax of 28% (2008 29%)	<u>(200,608)</u>	<u>-</u>
Effect of		
- Expenses not deductible	<u>178,389</u>	<u>-</u>
Current tax credit for the year	<u>(22,219)</u>	<u>-</u>

(iii) Factors affecting the future tax charge / (credit)

The rate of taxation is expected to follow the standard rate of UK Corporation tax in future periods. There are no unrecognised deferred tax assets or unprovided deferred tax liabilities at either 30 September 2009 or 30 September 2008.

6. Investments

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
<i>Cost and net book value</i>		
1 October	-	-
Additions	<u>1,256,625</u>	<u>-</u>
Disposal	<u>(913,725)</u>	<u>-</u>
30 September	<u>342,900</u>	<u>-</u>

During the year the Company purchased from an external minority shareholder 48% of the share capital of Travel Partner Bulgaria Eood (formerly TUI Bulgaria Ood). The Company also purchased from fellow group companies 1% of the share capital of Tantar Turizm Seyahat Aromin Sirketi and 51% of the share capital of Jetair Travel Distribution NV. It then sold its 48% share holding in Travel Partner Bulgaria Eood to a fellow group company at an independently calculated fair value of €300,432 (£276,622). This resulted in a loss on disposal of €691,941 (£637,103).

Subsequent to the year end, the Company has acquired further investments within the TUI Travel group of companies, including the entire share capital of Intercruises Shoreside & Port Services Canada Inc. and 99.9992% of a newly incorporated subsidiary investment in Turkey, TTOHL Otel Hizmetleri Turizm ve Ticaret A.S.

7. Debtors

	30 September 2009 £	30 September 2008 £
Amounts owed by group undertakings	897	1
Corporation tax - group relief receivable	<u>22,219</u>	<u>-</u>
	<u>23,116</u>	<u>1</u>

TUI TRAVEL OVERSEAS HOLDINGS
Notes forming part of the financial statements for the year ended 30 September 2009 (continued)
8. Creditors: amounts falling due within one year

	30 September 2009 £	30 September 2008 £
Amounts owed to group undertakings	<u>1,281,852</u>	<u>-</u>
	<u>1,281,852</u>	<u>-</u>

9. Share capital

	30 September 2009 £	30 September 2008 £
Authorised		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Issued and fully paid		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

10. Reserves

	Profit and loss account £
1 October 2008	-
Loss for the financial year	<u>(694,239)</u>
At 30 September 2009	<u>(694,239)</u>

11. Reconciliation of movements in shareholders' (deficit) / funds

	Year ended 30 September 2009 £	Year ended 30 September 2008 £
Opening shareholders' funds	1	1
Loss for the financial year	<u>(694,239)</u>	<u>-</u>
Closing shareholders' (deficit) / funds	<u>(694,238)</u>	<u>1</u>

All shareholders' (deficit) / funds relate to equity interests

12. Ultimate parent company

The Company is a subsidiary undertaking of TUI AG – a company registered in Berlin and Hanover (Federal Republic of Germany), which is the ultimate parent company. The intermediate and immediate holding company is TUI Travel PLC.

The largest group in which the results of the Company are consolidated is that headed by TUI AG. The smallest group in which the results of the Company are consolidated is that headed by TUI Travel PLC, incorporated in the United Kingdom. No other group financial statements include the results of the Company.

Copies of the TUI Travel PLC financial statements are available from TUI Travel House, Crawley Business Quarter, Fleming Way, Crawley, West Sussex RH10 9QL. Copies of the TUI AG financial statements are available from Investor Relations, TUI AG, Karl-Wiechert-Allee 4, D-30625, Hanover or from the website www.tui-group.com.