

THOMSON TRAVEL INTERNATIONAL LIMITED

REPORT AND ACCOUNTS

Year ended 31 December 2005

Registered Number: 595595



THOMSON TRAVEL INTERNATIONAL LIMITED

CONTENTS

	<u>Page</u>
Directors' report	2
Independent auditors' report	4
Profit and loss account	5
Balance Sheet	6
Notes to the financial statements	7

DIRECTORS' REPORT

The directors have pleasure in presenting their Annual Report together with the accounts for the year ended 31 December 2005.

Results and Dividends

The Company results for the year to 31 December 2005 was £nil (2004: loss of £341,000).

Principal Activities and Review of the Business

The Company is a parent undertaking for investments in travel businesses.

Directors

The directors during the year were as follows:

H.P. Farmer
D.H. Mattison
A. Russell

Directors' interest in shares and share options

None of the directors held shares in the Company.

None of the Directors received any emoluments in respect of their services to the Company. The directors had no interests in the shares of any other company within the group.

Statement of Directors' responsibilities in relation to the financial statements

The following statement, which should be read in conjunction with the auditors' statement of responsibilities set out on page 3, is made with a view to distinguishing the respective responsibilities of the directors and of the auditors in relation to the financial statements.

The directors are responsible for the preparation of financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit and loss for that period.

The directors are responsible for ensuring that the applicable accounting standards have been followed and that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates have been used in the preparation of the financial statements.

The directors are also responsible for the preparation of the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, and for maintaining adequate accounting records, for safeguarding the assets of the Company, and for preventing and detecting fraud and other irregularities.

THOMSON TRAVEL INTERNATIONAL LIMITED

DIRECTORS' REPORT (continued)

Auditors

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

By Order of the Board



A. Russell
Company Secretary

Registered Office:
Wigmore House
Wigmore Place
Wigmore Lane
Luton
LU2 9TN

4 August 2006

THOMSON TRAVEL INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THOMSON TRAVEL INTERNATIONAL LIMITED

We have audited the financial statements of Thomson Travel International Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

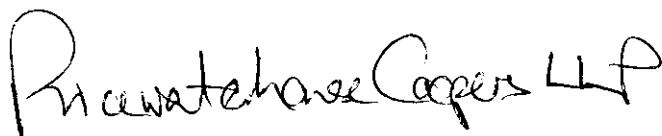
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its result for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
St Albans

4 August 2006

THOMSON TRAVEL INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2005

	Notes	2005 £'000	2004 £'000
Interest payable		-	(487)
Loss on ordinary activities before tax		-	(487)
Tax on loss on ordinary activities	3	-	146
Loss on ordinary activities after tax	10	-	(341)

The Company made no other recognised gains or losses in the year ended 31 December 2005.

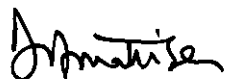
THOMSON TRAVEL INTERNATIONAL LIMITED

BALANCE SHEET

As at 31 December 2005

	Notes	2005 £'000	2004 £'000
Fixed assets			
Investments	5	16,039	16,039
Current assets			
Cash at bank and in hand		8	8
Debtors	6	-	146
Creditors: amounts falling due within one year	7	(15,213)	(15,359)
Net current liabilities		(15,205)	(15,205)
Net assets		834	834
Capital and reserves			
Called up share capital - equity shares	8	3	3
Other reserves	9	368	368
Profit and loss account	10	463	463
Equity shareholder's funds	11	834	834

Approved by the Board and signed on its behalf.



D.H. Mattison
Director

4 August 2006

The notes on pages 7 to 10 form part of these accounts.

THOMSON TRAVEL INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December 2005

1. ACCOUNTING POLICIES

- 1) These accounts are prepared in accordance with applicable UK accounting standards and under the historical cost convention.

2) Investments

Investments are stated at cost. Provision is made to write down the cost of investments where the directors consider that there is a permanent impairment in the value of those investments.

3) Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

2. DIRECTORS

None of the directors received any remuneration in respect of their services to the Company (2004: none).

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2005 £'000	2004 £'000
The taxation charge for the period comprises:		
Current tax:		
Group relief at 30% (2004: 30%)	-	146
Tax on loss on ordinary activities	-	146
Tax reconciliation:		
Loss on ordinary activities before taxation	-	(487)
Expected tax credit at 30%	-	146

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

There were no employees in the Company for the year ended 31 December 2005 (2004: none).

The audit fees are borne by another group company.

THOMSON TRAVEL INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS (continued)

For the year ended 31 December 2005

5. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	2005 £'000	2004 £'000
Cost:		
At 1 January and 31 December	16,039	16,039

In accordance with Section 231 of the Companies Act 1985, the principal active subsidiary undertaking of the Company is:-

	Country of registration	Class of Share	Percentage
Port Philip Group Limited	England and Wales	Ordinary	100.0

As the Company is the wholly owned subsidiary undertaking of a company incorporated in Great Britain, and in accordance with Section 228(1) of the Companies Act 1985, no group accounts have been prepared and, as a consequence, the financial statements relate only to the individual undertaking.

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £'000	2004 £'000
Group Relief	-	146

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £'000	2004 £'000
Amounts owed to parent undertakings	15,213	15,359

8. CALLED UP SHARE CAPITAL

	2005 £'000	2004 £'000
Authorised, allotted and fully paid 3,000 ordinary shares of £1 each	3	3

THOMSON TRAVEL INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS (continued) For the year ended 31 December 2005

9. OTHER RESERVES

	2005 £'000	2004 £'000
At 31 December	368	368

10. PROFIT AND LOSS ACCOUNT

	2005 £'000	2004 £'000
At 1 January	463	804
Loss for the year	-	(341)
At 31 December	463	463

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2005 £'000	2004 £'000
At 1 January	834	1,175
Loss for the year	-	(341)
At 31 December	834	834

12. CASH FLOW STATEMENT

A cash flow statement has not been prepared as the Company is a subsidiary of TUI AG for which consolidated accounts, including a cashflow statement, are publicly available.

13. COMPANY STATUS

Within the meaning of the Companies Act 1985, the Company's immediate parent undertaking is Thomson Travel Group (Holdings) Limited. Within the meaning of the Companies Act 1985 TUI AG is regarded by the directors of the Company as being the Company's ultimate parent company. Within the meaning of the said Act TUI AG is the parent undertaking of the largest group for which group accounts are drawn up and of which the Company is a member and TUI Northern Europe Limited (TUI NE) is the parent undertaking of the smallest group of undertakings for which group accounts are drawn up and of which the Company is a member. TUI AG is incorporated under the laws of Germany. TUI NE is registered in England and Wales.

Copies of TUI AG's accounts are available from: Investor Relations, TUI AG Karl-Wiechert-Allee 4, D-30625 Hanover or on the TUI AG website address: www.TUI-group.com.

THOMSON TRAVEL INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS (continued)

For the year ended 31 December 2005

14. RELATED PARTIES

Transactions with other companies within the TUI AG group are not disclosed as the Company has taken advantage of the exemption available under Financial Reporting Standard No. 8 'Related Party Disclosures' as the consolidated accounts of TUI NE, in which the Company is included, are publicly available.