

Holiday Autos U.K. and Ireland Limited
(Registered Number 3292373)

Report and Financial Statements

For The Year Ended 30 September 2004



Holiday Autos U.K. and Ireland Limited

Company Information

DIRECTORS

B Hoberman
J McCaig
B Murphy

SECRETARY

S Watkins

AUDITORS

Ernst & Young LLP
1 More London Place
London
SE1 2AF

BANKERS

HBOS Group Plc
38 Threadneedle Street
London
EC2P 2EH

SOLICITORS

DLA
3 Noble Street
London
EC2V 7EE

REGISTERED OFFICE

39 Victoria Street
London
SW1H 0EE

Holiday Autos U.K. and Ireland Limited

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Holiday Autos U.K. and Ireland Limited

Directors' report for the year ended 30 September 2004

The directors present their report and the financial statements of the Company for the year ended 30 September 2004.

Principal activities

The principal activity of the Company is the provision of car rentals to the leisure traveller.

Review of the business and future developments

The Company's profit before taxation for the year was £1,886,000 (2003: £829,000). Aggregate interim dividends of £nil (2003: £2,200,000) were proposed and paid. The retained profit of £1,886,000 (2003: loss £1,371,000) has been transferred to reserves.

Events since the balance sheet date

With effect from 19 July 2005 Sabre Holdings Corporation Inc. is the ultimate holding company, following its acquisition of lastminute.com Limited, the Company's parent. There have been no other significant events affecting the Company since the year end.

Directors and their interests

The directors of the Company who have served on the board during the year ended 30 September 2004 and after, are shown below. All served on the board throughout the year unless otherwise shown.

C Jacobs	(Resigned 27 April 2004)
D Wiseman	(Resigned 30 June 2004)
D Sawers	(Resigned 25 February 2005)
M Hart	(Appointed 27 April 2004; Resigned 25 February 2005)

B Hoberman, I McCaig and B Murphy were appointed as directors on 25 February 2005.

The shareholdings of B Hoberman and I McCaig in the ultimate parent undertaking, lastminute.com Limited (formally lastminute.com plc) as at 30 September 2004 are disclosed in the annual report of lastminute.com Limited.

As at 30 September 2004 no other directors had any interest in the ordinary shares of the Company or in the interests of the ordinary shares of 1p each in lastminute.com Limited.

Holiday Autos U.K. and Ireland Limited

Directors' report for the year ended 30 September 2004 (continued)

Auditors

Ernst & Young LLP will be re-appointed as the Company's auditors in accordance with the elective resolution passed by the Company under section 386 of the Companies Act 1985.

By order of the Board

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

S Watkins
Secretary

Date: 27th October 2005

Holiday Autos U.K. and Ireland Limited

Statement of directors' responsibilities in respect of financial statements For the year ended 30 September 2004

Company law requires the directors to prepare financial statements for each financial year which 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 those 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;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Holiday Autos U.K and Ireland Limited

We have audited the Company's financial statements for the year ended 30 September 2004 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 16. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor's 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 described in the Statement of Directors' responsibilities the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 transactions with the Company 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 United Kingdom Auditing Standards issued by the Auditing Practices Board, except that the scope of our work was limited as explained below. 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 judgements 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.

Independent auditors' report to the members of Holiday Autos U.K and Ireland Limited (continued)

However, the evidence available to us was limited as explained below. During the year the Company introduced a new accounting software system. When the new system was introduced a *breakdown in the accounting records for cash and creditors occurred mainly caused by migrated balances being transferred incorrectly, transactions being posted twice into the cash book, or different amounts being posted into the cash book and accounts payable ledger.* Any correcting entries would require a reduction in the cash balance and a corresponding reduction in the creditor balance. The Company has undertaken a detailed reconciliation exercise of the cash book as at 31 May 2005. However, it has not attempted a detailed reconciliation of cash, and creditors at 30 September 2004. There were no satisfactory audit procedures that we could adopt to confirm that the classification between cash, and creditors are correctly stated.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the cash and creditors balances in the balance sheet, in our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 30 September 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to cash, and creditor in the balance sheet:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- proper accounting records have not been maintained.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

Date: *27 OCTOBER 2005*

Holiday Autos U.K. and Ireland Limited

Profit and loss account for the year ended 30 September 2004

		2004	2003
	<i>Notes</i>	£'000	£'000
Turnover	3	77,678	71,340
Cost of sales		(66,862)	(59,675)
Gross profit		10,816	11,665
Selling costs net of market support		(7,916)	(7,156)
Administrative expenses		(1,024)	(3,692)
Other operating income		10	3
Operating profit	4	1,886	820
Interest receivable	5	-	9
Profit on ordinary activities before taxation		1,886	829
Tax on ordinary activities	7	-	-
Profit on ordinary activities after taxation		1,886	829
Dividends and other appropriations	8	-	(2,200)
Retained profit/(loss) for the year	12	1,886	(1,371)

All results were derived from continuing operations.

There are no recognised gains or losses other than the profit for the year.

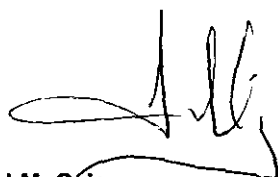
There is no material difference between the historical cost profit and the profit for the year shown above.

Holiday Autos U.K. and Ireland Limited

Balance sheet as at 30 September 2004

		2004	2003
	Notes	£000	£000
Current assets			
Debtors	9	27,787	22,498
Cash at bank and in hand		498	351
		28,285	22,849
Creditors - amounts falling due within one year	10	(25,543)	(21,993)
Net current assets		2,742	856
Total assets less current liabilities		2,742	856
Capital and reserves			
Called up equity share capital	11	-	-
Profit and loss account	12	2,742	856
Equity shareholders' funds		2,742	856

These financial statements were approved by the Board of Directors on 27th October 2005 and were signed on its behalf by:



I McCaig
Director

Holiday Autos U.K. and Ireland Limited

Notes to financial statements for the year ended 30 September 2004

1 Basis of preparation

The financial statements have been prepared under the going concern concept, the historical cost convention and in accordance with applicable accounting standards.

Change in Accounting System

Following a change in an accounting system during May 2004 the Company experienced difficulties when migrating cash and accounts payable information to the new system. This affected Management's ability to identify and match payments to the appropriate accounts and consequently those balance sheet accounts were not fully reconciled as at 30 September 2004, leading to potential misclassification of cash and creditors. The balance sheet and profit and loss account were fully reconciled as at April 2004. Management believe that the subsequent resolution of the unreconciled balances as at 30 September 2004 will have no material impact on the profit and loss account and to date no material adjustments have been made to the profit and loss account.

The directors have prepared the accounts on the going concern basis.

2 Accounting policies

(1) Turnover

Turnover represents amounts invoiced for vehicle hire and ancillary services and is recognised in full at the date of departure.

(2) Foreign currency

Income and expense items denominated in foreign currencies are translated into sterling at the rate ruling on their transaction date, or where a related forward exchange contract has been entered into, at the rate specified in the forward contract.

Monetary assets and liabilities recorded in foreign currencies have been expressed in sterling at the rates of exchange ruling on 30 September 2004, or if appropriate at the related forward contract rate. The resulting exchange differences are dealt with in the profit and loss account.

(3) Pension costs

The Company operates defined contribution pension arrangements for certain of its employees. Contributions are charged to the profit and loss account as they are incurred and fall due.

(4) Deferred taxation

Deferred tax is recognised in respect of all timing differences that originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Holiday Autos U.K. and Ireland Limited

Notes to financial statements for the year ended 30 September 2004

2 Accounting policies (continued)

(4) Deferred taxation (continued)

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and the laws enacted or substantively enacted at the balance sheet date.

(5) Cash flow statement

Under the provision of Financial Reporting Standard No. 1 "Cash Flow Statements" (Revised 1996), the Company has not prepared a statement of cash flows because its parent undertaking, lastminute.com Limited, has prepared consolidated financial statements which include the financial statements of the Company.

3 Turnover

Turnover is derived from the principal activity of the Company being the provision of car rentals to the leisure traveller. Turnover is generated within the UK and Ireland.

4 Operating Profit

Operating profit is stated after charging/(crediting) the following:

	2004	2003
	£000	£000
Note		
Net foreign exchange (gain)/loss	(529)	306
Auditors' remuneration for:		
- audit services	22	18

Holiday Autos U.K. and Ireland Limited

Notes to financial statements for the year ended 30 September 2004

5 Interest receivable

	2004	2003
	£'000	£'000
Bank interest receivable	-	9
	-	9

6 Directors and employees

	2004	2003
	£'000	£'000
Wages and salaries	2,839	3,352
Social security costs	285	312
Other pension costs	30	59
	3,154	3,723

The average number of persons employed by the Company (including directors) during the year can be split as follows:

	2004 Number	2003 Number
Administration	25	20
Sales	13	11
Reservations	110	128
	148	159

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Notes to financial statements for the year ended 30 September 2004

6 Directors and employees (continued)

	2004	2003
	£'000	£'000
Directors Emoluments		
Emoluments for qualifying services	121	335
Company contributions paid to defined contribution schemes	5	7

These emoluments related to M Hart (2003: D Sawers) and are borne by the Company and charged in the profit and loss account. Other directors' emoluments were borne by Holiday Autos International Limited and lastminute.com Limited. No directors have any shares held under long term incentive schemes.

Retirement benefits are accruing for the one Company director under a defined contribution scheme.

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Notes to financial statements for the year ended 30 September 2004

7 Taxation

	2004	2003
	£'000	£'000
(a) Tax on profit on ordinary activities		
UK Corporation tax		
UK Corporation tax on profit of the period	-	-
Total Current tax	-	-
Deferred tax		
There are no timing differences within this Company and, accordingly, there should be no provision for deferred tax.		
(b) Factors affecting the current tax charge for the period		
The tax assessed for the period is higher than the standard rate of corporation tax explained below		
Profit on ordinary activities before tax	1,886	829
Profit on ordinary activities multiplied by the UK tax rate	566	249
Effect of:		
Disallowed expenses and non-taxable income	1	1
Group relief	(567)	(250)
Current tax charge for the year	-	-

8 Dividends and other appropriations

	2004	2003
	£'000	£'000
Interim dividend	-	2,200
	-	2,200

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Notes to financial statements for the year ended 30 September 2004

9 Debtors

	2004	2003
	£'000	£'000
Trade debtors	4,607	1,033
Amounts owed by group undertakings	19,985	21,204
Other debtors	228	-
Prepayments and accrued income	2,967	261
	27,787	22,498

All debtors are due within one year.

10 Creditors: amounts falling due within one year

	2004	2003
	£'000	£'000
Accruals and deferred income (refer to Note 1)	13,415	14,159
Amounts owed to group companies	3,812	2,200
Other creditors including social security	87	1,006
Advanced receipts	8,229	4,628
	25,543	21,993

11 Share capital

	2004	2003
	£	£
Authorised, issued, called up and fully paid		
100 ordinary shares of £1	100	100

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Notes to financial statements for the year ended 30 September 2004

12 Movement on reserves

	2004	2003
	£'000	£'000
Opening shareholders' funds	856	2,227
Profit/(Loss) on ordinary activities after taxation	1,886	(1,371)
Closing shareholders' funds	2,742	856

13 Pensions

The Company operates two defined contribution schemes for its directors and senior staff. The Company also makes available a stakeholder scheme for all other staff. The assets of the pension schemes are maintained separately from those of the Company and are managed by Scottish Equitable. At 30 September 2004 the company had £Nil (2003: £7,500) held within accruals in respect to pension contributions paid after the year end.

14 Parent undertaking and controlling party

As at 30 September 2004, lastminute.com Limited (formerly lastminute.com plc), a company incorporated in Great Britain and registered in England and Wales, was the Company's ultimate parent undertaking. The only group into which the results of the Company are consolidated is that headed by lastminute.com Limited.

Subsequent to the year end the ultimate parent company is Sabre Holdings Corporation Inc., a company incorporated in the United States whose registered office is situated at 3510 Sabre Drive, Southlake, Texas, USA.

Copies of the financial statements of lastminute.com Limited are available from the Company Secretary at the Company's registered office:

39 Victoria Street
London
SW1H 0EE

15 Related party disclosures

The Company has taken advantage of the exemption in Financial Reporting Standard No. 8 from disclosure of details of related party transactions (but not balances) between entities that are part of the lastminute.com Group, on the grounds that the Company is a greater than 90% owned subsidiary which is consolidated into a Group whose financial statements are publicly available.

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Notes to financial statements for the year ended 30 September 2004

16 Subsequent events

With effect from 19 July 2005 Sabre Holdings Corporation Inc. is the ultimate holding company, following its acquisition of lastminute.com Limited. There have been no other significant events affecting the Company since the year end.