

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

Report and Financial Statements

For The Year Ended 30 September 2005

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Holiday Autos U.K. and Ireland Limited

Company Information

DIRECTORS

I McCaig
B Murphy
M Jones
E Kamm
D Tassone

SECRETARY

I Lindsay

AUDITORS

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

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 2005

The directors present their report and the financial statements for the year ended 30 September 2005.

Principal activities

The principal activity of the Company is the provision of car rentals to the leisure traveller. The Directors intend that the Company will continue with its current activities in the future.

Events during the year

With effect from 20 July 2005 Sabre Holdings Corporation ("Sabre Holdings") is the ultimate holding company, following its acquisition of lastminute.com Limited, the Company's parent.

Post Balance Sheet Event

On 30 March 2007 Sabre Holdings announced the completion of the acquisition of the company by affiliates of Texas Pacific Group and Silver Lake Partners. The company deregistered and delisted Sabre Holdings common stock and the stock ceased to trade on the New York Stock Exchange.

With effect from 30 March 2007 the ultimate holding company is Sovereign Holdings Inc., a company incorporated in Delaware, United States of America.

Review of the business and future developments

The Company's profit before taxation for the year was £10,295,000 (2004: £4,377,000). No interim dividends were proposed and paid during the year (2004: £nil). The retained profit of £10,295,000 (2004: £4,377,000) has been transferred to reserves.

Directors and their interests

The directors of the Company who have served on the board during the year ended 30 September 2005 and after, are shown below. All served on the board throughout the year unless otherwise shown.

D Sawers	(Resigned 25 February 2005)
M Hart	(Resigned 25 February 2005)
B Hoberman	(Resigned 26 October 2006)
I McCaig	(Appointed 25 February 2005)
B Murphy	(Appointed 25 February 2005)

M Jones, E Kamm and D Tassone were appointed as directors on 28 October 2005.

The Directors had no interests in the share capital of the Company as at 30 September 2005. During the year, the shares of lastminute.com plc were acquired by Travelocity Europe Limited (a wholly owned subsidiary of Sabre Holdings) on 20 July 2005. Further to the acquisition, none of the directors hold shares in the UK parent company and all the related share schemes have been cancelled.

Holiday Autos U.K. and Ireland Limited

Directors' report for the year ended 30 September 2005 (continued)

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

By order of the Board



E Kamm
Director

Date: 29 June 2007

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Holiday Autos U.K. and Ireland Limited

Statement of directors' responsibilities in respect of financial statements For the year ended 30 September 2005

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;
- state whether applicable 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 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 Auditor's report to the shareholders of Holiday Autos U.K. and Ireland Limited

We have audited the company's financial statements for the year ended 30 September 2005 which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses, Reconciliation of Movements in Equity Shareholders' Funds and related notes 1 to 15. These accounts have been prepared under 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

The directors' are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether, in our opinion, the information given in the Directors' Report is not consistent with the financial statements.

In addition we report to you if, in our opinion, 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 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 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.

The evidence provided to us on certain balances was limited and resulted in the issuing of a qualified opinion. Following the change in an accounting system during May 2004, the Company experienced difficulties when migrating cash and accounts payable information to the new system. This resulted in transactions being incorrectly posted between the cash book and certain debtors and creditors. The Company has undertaken a detailed exercise during 2006 to reconcile the cash

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

to the debtors and creditors. However Management has not attempted to identify and match payments to the appropriate accounts and consequently those balance sheet accounts were not fully reconciled as at 30 September 2005. There were no satisfactory audit procedures that we could adopt to confirm that the classification between cash, debtors and creditors are correctly stated.

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

Qualified opinion arising from limitation in audit scope

In our opinion, 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:

- 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 30 September 2005 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and

In respect alone of the limitation on our work relating to cash, debtors and creditors 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

1 More London Place
London
SE1 2AF

Date *29 June 2007*

Holiday Autos U.K. and Ireland Limited

Profit and loss account for the year ended 30 September 2005

		2005	2004
			Restated (note 14)
	Notes	£'000	£'000
Turnover		67,363	77,678
Cost of sales		(54,815)	(64,371)
Gross profit		12,548	13,307
Selling costs net of marketing support		(4,338)	(7,916)
Administrative expenses		2,086	(1,024)
Other operating income		1	10
Operating profit	3	10,297	4,377
Interest payable	4	(2)	-
Profit on ordinary activities before taxation		10,295	4,377
Tax on ordinary activities	6	-	-
Profit on ordinary activities after taxation		10,295	4,377
Retained profit for the year	10	10,295	4,377

All results were derived from continuing operations.

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 2005

		2005	2004
			Restated (note 14)
	Notes	£'000	£'000
Current assets			
Debtors	7	48,358	30,278
Cash at bank and in hand		4,596	498
		52,954	30,776
Creditors - amounts falling due within one year	8	(37,426)	(25,543)
Net current assets		15,528	5,233
Total assets less current liabilities		15,528	5,233
Capital and reserves			
Called up equity share capital	9	-	-
Profit and loss account	10	15,528	5,233
Equity shareholders' funds		15,528	5,233

These financial statements were approved by the Board of Directors on 29 June 2007 and were signed on its behalf by:



E Kamm
Director

29 Jun 07

Holiday Autos U.K. and Ireland Limited

Statement of Total Recognised Gains and Losses for the year ended 30 September 2005

	2005	2004 Restated (note 14)
	£'000	£'000
Profit for the financial year	<u>10,295</u>	<u>4,377</u>
Total recognised profit for the year	10,295	<u>4,377</u>
Prior year adjustment (as explained in note 14)	<u>2,491</u>	
Total Profit recognised since last financial statements	<u>12,786</u>	

Reconciliation of Movements in Equity Shareholders' Funds for the year ended 30 September 2005

	2005	2004 Restated (note 14)
	£'000	£'000
Profit for the financial year	10,295	4,377
Opening equity before prior year adjustment	<u>5,233</u>	<u>856</u>
Closing equity shareholders' funds	<u>15,528</u>	<u>5,233</u>

Holiday Autos U.K. and Ireland Limited

Notes to financial statements for the year ended 30 September 2005

1 Basis of preparation

The financial statements have been prepared under the going concern concept and in accordance with applicable United Kingdom accounting standards

Change in Accounting System

Following a change in an accounting system during May 2004 the Company experienced difficulties when migrating cash, debtors and creditors 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 2005 leading to potential misclassification of cash and creditors. During 2006, Management investigated unreconciled accounts, and either obtained evidence to support balances or wrote them off to the profit and loss account. This has resulted in a £3.1 million credit being recognised in the 30 September 2005 profit and loss account within administrative expenses. As this exercise was performed on balances post year end, Management cannot be certain that misclassification do not exist as at 30 September 2005 due to the timing of corrections.

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, is recognised in full at the date of departure and is stated exclusive of Value Added Tax and associated taxes. Turnover is generated within the UK and Ireland.

(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 2005, 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.

Holiday Autos U.K. and Ireland Limited

Notes to financial statements for the year ended 30 September 2005

2 Accounting policies (continued)

(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.

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) Statement of cash flows

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 intermediate parent undertaking, lastminute.com Limited, has prepared consolidated financial statements which include the financial statements of the Company and which contain a statement of cash flows.

3 Operating profit

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

	2005	2004
	£'000	£'000
Net foreign exchange loss/(gain)	37	(529)
Auditors' remuneration for:		
- audit services	20	22

4 Interest payable

	2005	2004
	£'000	£'000
Bank interest payable	2	-

Holiday Autos U.K. and Ireland Limited

Notes to financial statements for the year ended 30 September 2005

5 Directors and employees

	2005	2004
	£'000	£'000
Wages and salaries	1,835	2,839
Social security costs	211	285
Other pension costs	51	30
	2,097	3,154

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

	2005	2004
Administration	16	25
Sales	11	13
Reservations	61	110
	88	148

	2005	2004
	£'000	£'000
Directors Emoluments		
Emoluments for qualifying services	67	121
Company contributions paid to defined contribution schemes	-	5

These emoluments related to B Murphy (2004: M Hart) 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.

Holiday Autos U.K. and Ireland Limited

Notes to financial statements for the year ended 30 September 2005

6 Taxation

	2005	2004
	£'000	£'000
(a) Tax on profit on ordinary activities		
UK Corporation tax		
UK Corporation tax on profit	-	-
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 on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 30.00% (2004: 30.00%). The differences are reconciled below

	2005 £'000	2004 £'000
Profit on ordinary activities before tax	10,295	4,377
Profit on ordinary activities multiplied by the UK standard rate of corporation tax of 30% (2004:30%)	3,089	1,313
Effect of:		
Disallowed expenses and non-taxable income	2	1
Other timing differences	4	-
Group relief received	(3,095)	(1,314)
Current tax charge for the year	-	-

Holiday Autos U.K. and Ireland Limited

Notes to financial statements for the year ended 30 September 2005

7 Debtors

	2005	2004
	£'000	£'000
Trade debtors	3,248	4,607
Amounts owed by group undertakings	41,112	22,476
Other debtors	519	228
Prepayments and accrued income	3,479	2,967
	<u>48,358</u>	<u>30,278</u>

All debtors are due within one year.

8 Creditors: amounts falling due within one year

	2005	2004
	£'000	£'000
Accruals and deferred income	15,908	13,415
Amounts owed to group companies	12,648	3,812
Other creditors including social security	1,433	87
Advanced receipts	7,437	8,229
	<u>37,426</u>	<u>25,543</u>

9 Share capital

	2005	2004
	£	£
Authorised, issued, called up and fully paid		
100 ordinary shares of £1	<u>100</u>	<u>100</u>

Holiday Autos U.K. and Ireland Limited

Notes to financial statements for the year ended 30 September 2005

10 Reserves

	2005 £'000	2004 £'000
Opening balance in reserves – as previously reported	2,742	856
Profit for the financial year	10,295	1,886
Prior year adjustment (as explained in note 14)	2,491	-
Closing balance in reserves	15,528	2,742

11 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 2005 the company had £44,000 (2004: £Nil) held within accruals in respect to pension contributions paid after the year end.

12 Parent undertaking and controlling party

The intermediate parent company is lastminute.com Limited (formerly lastminute.com plc), a company incorporated in England and Wales. With effect from 30 March 2007 the ultimate holding company is Sovereign Holdings Inc. a company incorporated in Delaware, United States of America.

The smallest group in which the results of Holiday Autos U.K. and Ireland Limited are consolidated is lastminute.com limited (formerly lastminute.com plc) a company incorporated in England and Wales. The largest group for which consolidated financial statements are prepared is Sabre Holdings, a company incorporated in the United States of America. Copies of the group financial statements of Sabre Holdings are available from 3150 Sabre Drive, Southlake, Texas, United States of America.

13 Related party transactions

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.

Holiday Autos U.K. and Ireland Limited

Notes to financial statements for the year ended 30 September 2005

14 Prior year adjustment

The prior year adjustment was as a result of accounting entries made by the parent company, which were not appropriately treated in the Company accounts.

The entry related to recognition of anticipated benefit for 8th and 13th directive value added tax refunds resulting in an increase in profit for the year ended 30 September 2004 of £2,491,000 in the Company.

The prior year adjustment has the following impact on the 2004 profit and loss account:

	As previously reported £'000	Prior year adjustment £'000	As restated £'000
Turnover	77,678	-	77,678
Cost of sales	(66,862)	2,491	(64,371)
Gross profit	10,816	2,491	13,307
Market support net of selling costs	(7,916)	-	(7,916)
Administrative expenses	(1,024)	-	(1,024)
Other operating income	10	-	10
Profit before taxation	1,886	2,491	4,377

The prior year adjustment impacts the following 2004 balance sheet classifications:

	As previously reported £'000	Prior year adjustment £'000	As restated £'000
Debtors	27,787	2,491	30,278
Net assets	2,742	2,491	5,233

Holiday Autos U.K. and Ireland Limited

Notes to financial statements for the year ended 30 September 2005

15 Post balance sheet event

On 30 March 2007 Sabre Holdings announced the completion of the acquisition of the company by affiliates of Texas Pacific Group and Silver Lake Partners. The company deregistered and delisted Sabre Holdings common stock and the stock ceased to trade on the New York Stock Exchange.

With effect from 30 March 2007 the ultimate holding company is Sovereign Holdings Inc., a company incorporated in Delaware, United States of America.