

**Specialist Holidays Group Limited
(formerly Crystal International Travel Group
Limited)**

**Annual Report and Financial Statements
For The Year Ended 31 December 2000**

Registered number: 3343095



Specialist Holidays Group Limited
(formerly Crystal International Travel Group Limited)

Annual Report And Financial Statements
For The Year Ended 31 December 2000

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Specialist Holidays Group Limited (formerly Crystal International Travel Group Limited)

Officers And Professional Advisers

Directors

A Appleton
D Rowe
A Perrin (resigned 28 November 2000)
I Smith (resigned 20 March 2000)
D O Maloney (appointed 4 January 2001)

Secretary

A Russell

Registered Office

Ground Floor
Greater London House
Hampstead Road
London
NW1 7SD

Bankers

Barclays Bank PLC
PO Box 112
Horsham
West Sussex RH12 1YQ

Solicitors

Allen & Overy
One New Change
London EC4M 9QQ

Auditors

PricewaterhouseCoopers
1 Embankment Place
London
WC2N 6RH

Specialist Holidays Group Limited (formerly Crystal International Travel Group Limited)

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 December 2000. The comparative period was the fourteen months ended 31 December 1999.

Principal Activities and Review Of The Business

The principal activity of the company is that of a holding company. Details of subsidiary undertakings are set out in Note 5 to the attached financial statements.

The Directors do not anticipate any significant changes in the activities as a holding company in the foreseeable future.

Results And Dividends

No profit and loss account is presented as there were no transactions during the year. The profit after taxation for the period amounted to £nil (1999: £ Nil). No dividends were paid during the year (1999: £Nil).

Directors And Their Interests

No director, who served during the period and who held office at the end of the financial period, had any interest in the shares or share options of the Company, Thomson Travel Group plc or Pressuag AG at 31 December 2000.

Statement Of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2000 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 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.

Auditors

PricewaterhouseCoopers have expressed their willingness to be reappointed as auditors, and a resolution to do so will be proposed at the Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



D J Rowe
Director

2nd July 2001

Auditors' Report To The Members of Specialist Holidays Group Limited

We have audited the financial statements on pages 5 to 10.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

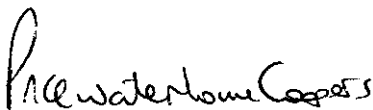
Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 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 of the state of the Company's affairs at 31 December 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

1 Embankment Place

London WC2N 6RH

2nd July 2001


Specialist Holidays Group Limited
(formerly Crystal International Travel Group Limited)

Balance Sheet As At 31 December 2000

	Note	31 December 2000 £'000	31 December 1999 £'000
Fixed Assets			
Investments	5	18,111	14,111
Current Assets			
Debtors	6	4	4
Creditors: Amounts Falling Due Within One Year	7	(4,588)	(588)
Net Current Liabilities		(4,584)	(584)
Total Assets Less Current Liabilities		13,527	13,527
Capital And Reserves			
Called up share capital	8	13,569	13,569
Share premium account	9	16	16
Capital redemption reserve	9	14	14
Profit and loss account	9	(72)	(72)
Total Equity Shareholder's Funds	10	13,527	13,527

The notes on pages 6 to 10 form an integral part of the financial statements.

The financial statements were approved by the Board of Directors on 2nd July 2001 and were signed on its behalf by:



D J Rowe
Director

Specialist Holidays Group Limited (formerly Crystal International Travel Group Limited)

Notes To The Financial Statements For The Year Ended 31 December 2000 (Continued)

1 Accounting Policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the significant accounting policies, which have been applied consistently throughout the financial year is set out below.

a) Basis Of Accounting

The financial statements have been prepared in accordance with historical cost convention.

b) Basis Of Consolidated Financial Statements

Consolidated financial statements have not been prepared as the Company is wholly owned by Thomson Travel Group plc, a company incorporated in England and Wales, which prepares consolidated financial statements. Therefore, the Company is exempt under Section 228 of the Companies Act 1985 from the obligation to prepare consolidated financial statements.

The accounts have been prepared on a going concern basis as Thomson Travel Group plc, the ultimate parent company, has indicated its willingness to support the ongoing operations of the company, should it be required, to ensure the company is able to meet its liabilities as and when they fall due.

c) Deferred Taxation

Deferred taxation is provided at the applicable tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

d) Investments

Investments held as fixed assets are stated at cost less any provision for permanent diminution in value.

(e) Cash Flow Statement And Related Party Disclosures

The company is a wholly-owned subsidiary of Thomson Travel Group plc and is included in the consolidated financial statements of Thomson Travel Group plc which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the group or investees of the Thomson Travel Group plc.

2 Profit And Loss Account

There were no trading transactions during the year ended 31 December 2000 or the preceeding fourteen months period ended 31 December 1999. Accordingly no profit and loss account has been presented.

There are no recognised gains or losses in the current or prior period other than as stated above. Accordingly, no statement of recognised gains or losses has been presented.

Specialist Holidays Group Limited **(formerly Crystal International Travel Group Limited)**

Notes To The Financial Statements **For The Year Ended 31 December 2000** (Continued)

2 Profit and Loss Account (continued)

There is no difference between the profit on ordinary activities before taxation and the retained profit of the year stated above and their historical cost equivalents.

The auditors' remuneration was borne by a fellow subsidiary within the Thomson Travel Group plc.

3 Employees Costs And Directors Emoluments

The company had no employees during the year (1999: nil). The Directors' remuneration for their services to the Company were borne by Specialist Holidays Limited (formerly Crystal Holidays Limited), a subsidiary company.

2 directors exercised their options and made a gain including the highest paid director.

4 Taxation

There is no corporation tax charge for the year.

5 Fixed Assets Investments

Subsidiary Undertakings

	Shares in Subsidiary Undertakings £'000	Loans to Subsidiary companies £'000	Total £'000
At 1 January 2000	13,836	275	14,111
Movement During Year	4,000	-	4,000
At 31 December 2000	17,836	275	18,111

Fixed asset investments comprise wholly owned (either directly or indirectly) ordinary share capital of subsidiary undertakings. There have been no provisions for permanent diminutions in value of the investments. In the opinion of the Directors the value of the investments in subsidiary undertakings is not less than the amount at which they are stated in the balance sheet.

The increase in fixed asset investments of £4,000,000 represents the purchase of a 100% investment in the ordinary share capital of Something Special Holidays Limited, a specialist UK Tour Operator.

Specialist Holidays Group Limited (formerly Crystal International Travel Group Limited)

Notes To The Financial Statements For The Year Ended 31 December 2000 (Continued)

5 Fixed Assets Investments (continued)

Trading Subsidiary Undertakings

	Country of incorporation	Principal Activity	Class and percentage of shares and voting rights held:
Specialist Holidays Limited (formerly Crystal Holidays Limited)	Great Britain	Tour operator	Ordinary – 100%
Specialist Holidays Contracting Limited (formerly Crystal Dial Limited)	Great Britain	Wholesale tour Operator	Ordinary – 100%
Charles Grimsey Associates Limited	Great Britain	Media and design	Ordinary - 100% (*)
Irish Group Travel Limited	Ireland	Tour operator	Ordinary - 100% (*)
Crystal Holidays (formerly Jetsave Transatlantic Limited)	Great Britain	Holding company	Ordinary - 100% (*)
Crystal International Travel Group Limited (formerly Airborne Travel (Holdings) Limited)	Great Britain	Holding company	Ordinary - 100%
Crystal Holidays Inc.	USA	Tour Operator	Ordinary - 100% (*)
Jetsave International Limited	Great Britain	Tour Operator	Ordinary - 100% (*)
Petit Palais Srl	Italy	Hotel Services	Ordinary - 100%
Something Special Holidays Limited	Great Britain	Tour Operator	Ordinary – 100%
Crystal Italia Srl	Italy	Tour Operator	Ordinary – 100%

Non-trading subsidiary undertakings:

	Country of incorporation	Principal Activity	Class and percentage of shares and voting rights held:
American Holidays (NI) Limited	Great Britain	Non-trading	Ordinary - 100% (*)
Jersey Travel Service Limited	Great Britain	Non-trading	Ordinary - 100%
Guernsey Travel Service Limited	Great Britain	Non-trading	Ordinary - 100%
Tropical Places Limited	Great Britain	Non-trading	Ordinary - 100% (*)

The company's interests in subsidiaries marked (*) are held directly. Interests in all other subsidiaries are held indirectly.

In the opinion of the directors the investments in subsidiary undertakings are worth at least the amounts which they are stated in the balance sheet.

Specialist Holidays Group Limited
(formerly Crystal International Travel Group Limited)

Notes To The Financial Statements
For The Year Ended 31 December 2000 (Continued)

6 Debtors

	2000 £'000	1999 £'000
Amounts due from group undertakings	4	4

7 Creditors: Amounts Falling Due Within One Year

	2000 £'000	1999 £'000
Bank overdraft	29	12
Amounts due to group undertakings	4,559	576
	4,588	588

The increase in amounts due to group undertakings is principally due to the purchase of a 100% investment in the ordinary share capital of Something Special Holidays Limited, a specialist UK tour operator. The purchase consideration was funded by an interest free intra-group loan of £4,000,000 from Thomson Travel Group plc repayable on demand.

8 Share Capital

	31 December 2000 £'000	31 December 1999 £'000
Authorised:		
1,356,972,200 Ordinary shares of 1p each	13,569	13,569
Allotted, called up and fully paid:		
1,356,902,701 Ordinary shares of 1p each	13,569	13,569

9 Reserves

	Share premium £'000	Capital redemption reserve £'000	Profit and loss account £'000
At 31 December 1999 and 31 December 2000	16	14	(72)

Specialist Holidays Group Limited **(formerly Crystal International Travel Group Limited)**

Notes To The Financial Statements **For The Year Ended 31 December 2000** (Continued)

10 Reconciliation of Movements in Equity Shareholder's Funds

	Year ended 31 December 2000 £'000	Period ended 31 December 1999 £'000
Opening equity shareholder's funds	13,527	13,527
Closing equity shareholder's funds	13,527	13,527

11 Contingent Liabilities

A cross guarantee dated October 1997 exists between the company, Specialist Holidays Limited (previously Crystal Holidays Limited), Specialist Holidays Contracting Limited (previously Crystal Dial Limited), and Charles Grimsey Associates. The bank accounts to which the cross guarantee relates were in surplus as at 31 December 2000.

12 Ultimate Parent Company

Within the meaning of the Companies Act 1985 Preussag AG is regarded by the directors of the company as being the company's ultimate parent company. Within the meaning of the said Act Preussag AG is the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the company is a member. Thomson Travel Group plc 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. Preussag AG is incorporated under the laws of Germany, Thomson Travel Group plc ("TTG") is incorporated in England and Wales.

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

Copies of TTG's accounts are available from the Company Secretary, Thomson Travel Group, Greater London House, Hampstead Road, London NW1 7SD.