



**KPMG Audit Plc**  
15 Canada Square  
London E14 5GL  
United Kingdom

Tel +44 (0) 20 7311 1000  
Fax +44 (0) 20 7311 2411  
DX149124 Canary Wharf 3

**Private & confidential**

FAO Joyce Walter  
TUI Travel PLC  
TUI Travel House  
Fleming Way, Crawley  
West Sussex, RH10 9QL

Our ref ck/643

Contact Mike Harper  
020 7311 2411

26 September 2011

Dear Sirs,



\*R11VU8AX\*  
RM 03/02/2012 #194  
COMPANIES HOUSE  
COMPANIES HOUSE

**Statement in respect of the subsidiary companies of TUI Travel PLC set out in Appendix 1 (together “the Companies”) on ceasing to hold office as auditors, pursuant to section 519 of the Companies Act 2006**

In accordance with section 519 of the Companies Act 2006 we set out below the circumstances connected with our ceasing to hold office that we consider should be brought to the attention of the Companies’ members or creditors

The audited consolidated financial statements of the TUI Travel Plc and its subsidiaries (“the Group”) for the year ended 30 September 2010 contain, inter alia, a restatement of its results for the year ended 30 September 2009 and its financial position as that date. The directors have restated the 2009 financial statements because they contained material errors arising from the overstatement of revenues and the inappropriate release of unmatched credits to the income statement. Details of the circumstances giving rise to the restatements are set out in note 1(B)(ii) to the financial statements.

As set out in note 1(B)(ii), the major part of the restatement is attributable to failures in the systems and controls of the Group’s UK tour operator business over an extended period of time. Most of this period pre-dated our appointment as auditors of the entity concerned. In relation to the release of unmatched credits, note 1(B)(ii) refers to inappropriate analysis, judgements and accounting processes undertaken by the directors of that entity to book the unmatched credits in the accounting records of the entity concerned.

We had extensive discussions with the directors of the TUI Travel Plc over the background to these restatements, the implications arising from them and their disclosure and accounting treatment in the financial statements. Over the course of these discussions our relationship with certain directors became increasingly strained. As a result we were not confident that in the future we could carry out an audit of the TUI Travel Plc to the appropriate standard, but others may be able to do so. Accordingly we decided not to seek reappointment as auditors of TUI Travel Plc on 29 December 2010 and, further, we have also decided to resign as auditors of the Companies.



*KPMG Audit Plc*

*26 September 2011*

We request that any correspondence in relation to this statement be sent to our registered office,  
15 Canada Square, London, E14 5GL, marked for the attention of the Audit Regulation  
Department

Yours faithfully,

A handwritten signature in black ink that reads 'KPMG Audit Plc'.

KPMG Audit Plc



26 September 2011

First Choice (Euro) Limited	4595824
First Choice Airways Limited	1966273
First Choice Aviation Limited	3115443
First Choice Expedition Cruising Limited	5882466
First Choice Holiday Hypermarkets Limited	3647615
First Choice Holidays & Flights Limited	1450256
First Choice Holidays Ltd	48967
First Choice Leisure Ltd	4530356
First Choice Marine Limited	2746852
First Choice Office Services Limited	2469040
First Choice Holidays Finance Limited	4094619
First Choice USA	05675241
First Choice Retail (Management Services) Limited	3657755
First Choice Tour Operations Limited	1961830
First Choice Travel Shops (SW) Limited	3276161
First Choice Travel Shops Limited	1019392
First Choice Turkey Limited	2224615
Fly Thomson Limited	4484398
Globesavers Limited	1858135
Gullivers Group Limited	05108247
Gullivers Sports Travel Limited	02746479