

APOLLO INVESTMENT MANAGEMENT LIMITED

Report and Accounts

For the year ended 30 September 2006



Registered Number: 4883774

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

APOLLO INVESTMENT MANAGEMENT LIMITED

DIRECTORS' REPORT

The directors present their annual accounts for Apollo Investment Management Limited (the "Company") for the year ended 30 September 2006

Business review & principal activities

The company is non trading. It earns interest on its bank balances and pays interest on an intercompany creditor.

The loss of the Company after taxation for the period to 30 September 2006 was £10, (2005 loss £31)

Future outlook and principal risks

The company will continue to be non-trading and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of the TUI Northern Europe Limited, which include those of the Company, are disclosed on page 4 of the group's annual report which does not form part of this report.

Key performance indicators

Given the straightforward nature of the business, the Company's directors are of the opinion that using KPIs is not necessary for an understanding of the development, performance or position of the company.

Directors

The following have been directors during the period:

D H Mattison	
R Churchill-Coleman	(resigned 15 May 2007)
A Russell	
D Taylor	
P Tymms	(appointed 15 May 2007)

Subsequent to the year end, on 15 May 2007, R Churchill-Coleman resigned as director. On that date P Tymms was appointed as director.

None of the directors received any emoluments in respect of their services to the Company.

Responsibilities of the directors

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

APOLLO INVESTMENT MANAGEMENT LIMITED

DIRECTORS' REPORT continued

Responsibilities of the directors continued

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.

Provision of information to auditors

The directors confirm that so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and the directors have taken all the steps that ought to have been taken as directors, in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Auditors

The company has passed an elective resolution to dispense with the holding of annual general meetings. The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

By order of the Board



A Russell
Company Secretary

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26 July 2007

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APOLLO INVESTMENT MANAGEMENT LIMITED

We have audited the company financial statements (the 'financial statements') of Apollo Investment Management Limited for the year ended 30 September 2006 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are 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). 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 whether in our opinion the information given in the Directors' Report is 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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 30 September 2006 and of the company's result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
St Albans
26 July 2007

APOLLO INVESTMENT MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 30 September 2006

	Notes	2006 £	2005 £
Interest income	3	85	84
Interest payable	3	(99)	(129)
Loss on ordinary activities before tax		(14)	(45)
Tax on loss on ordinary activities	5	4	14
Loss on ordinary activities after tax	10	(10)	(31)
Profit and loss reserve brought forward		44	75
Profit and loss reserve carried forward	9	34	44

All amounts relate to continuing operations

There were no recognised gains or losses other than those included in the profit and loss account

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents

APOLLO INVESTMENT MANAGEMENT LIMITED

BALANCE SHEET

As at 30 September 2006

	Notes	2006 £	2005 £
Current assets			
Cash at bank and in hand		2,474	2,390
Debtors	6	9	9
		2,483	2,399
Creditors: amounts falling due within one year	7	(2,275)	(2,181)
Net assets		208	218
Capital and reserves			
Called up share capital	8	174	174
Reserves	9	34	44
Total shareholder's funds	10	208	218

The financial statements were approved by the Board of Directors and signed on their behalf



P. Tymms
Director

26 July 2007

The notes on pages 7 to 9 form part of these financial statements

APOLLO INVESTMENT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The Company's accounts are prepared under the historical cost convention and in accordance with applicable UK accounting standards. The principal accounting policies of the Company, all of which have been applied consistently throughout the period, are set out below.

(1) 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. CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES

The Company is a wholly-owned subsidiary of TUI Northern Europe Limited and is included in the consolidated financial statements of TUI Northern Europe Limited, which are publicly available. Consequently, the company has taken the 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 TUI Northern Europe Limited.

3. INTEREST RECEIVABLE & PAYABLE	2006 £	2005 £
Interest receivable on current asset investments	85	84
Interest payable to group companies	(99)	(129)

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

There were no employees in the Company for the period ended 30 September 2006 (2005: none).

The auditors' remuneration was borne by another group company.

5. TAXATION	2006 £	2005 £
The taxation credit for the period end comprises		
Current tax:		
Group relief at 30% (2005: 30%)	(4)	(14)
Tax on profit on ordinary activities	(4)	(14)
Tax reconciliation:		
Loss on ordinary activities before taxation	(14)	(45)
Expected tax refund at 30%	(4)	(14)

APOLLO INVESTMENT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

6. DEBTORS - amounts falling due within one year	2006 £	2005 £
Called up share capital not paid	2	2
Accrued interest receivable	7	7
	9	9

7. CREDITORS: amounts falling due within one year	2006 £	2005 £
Group relief payable	45	50
Amounts payable to group companies	2,230	2,131
	2,275	2,181

Amounts owed to group undertakings are unsecured and have no fixed date of repayment. Balances with dormant companies are interest free and all others bear interest at the Bank of England base rate.

8. SHARE CAPITAL	2006 £	2005 £
Authorised		
10,000,000 'A' shares of £0.01 each	100,000	100,000
1,000 ordinary shares of £0.01 each	10	10
Allotted, issued and fully paid		
17,199 'A' shares of £0.01 each	172	172
Allotted, issued and not fully paid		
200 Ordinary shares of £0.01 each (nil paid)	2	2
	174	174

The 'A' shares rank pari passu in all respects with ordinary shares, save in respect of dividends and the application of the company's assets on a winding up or liquidation of the company. 'A' shares have the right to receive dividends in preference to ordinary shares. On winding up of the company the surplus assets of the company will be applied first to ordinary shares and secondly to 'A' share members.

9. RESERVES	Profit & Loss account £
As at 1 October 2005	44
Loss for the year	(10)
At 30 September 2006	34

APOLLO INVESTMENT MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2006 £	2005 £
As at 1 October	218	249
Loss after tax	(10)	(31)
Total shareholder's funds at 30 September	208	218

11. NON ADJUSTING POST BALANCE SHEET EVENTS

Merger announcement

On 19 March 2007, TUI AG & First Choice Holidays PLC announced their intention to form TUI Travel PLC, by combining the majority of the TUI AG tourism businesses (which includes Apollo Investment Management Limited) with that of First Choice. The new company will be owned 51% by TUI AG and 49% by the existing shareholders of First Choice Holidays PLC. It is the intention that the newly created company will be quoted on the London Stock Exchange.

Clearance was granted by the EU Competition authorities on 4 June 2007, under the condition that the existing group operations in Ireland, operating under the Budget Travel brand, are disposed of. The agreement of the shareholders of First Choice Holidays PLC was granted on 25 July 2007.

Change in corporation tax rate

On 21 March 2007 it was announced that the corporation tax rate will reduce from 30% to 28% with effect from 1 April 2008. The legislation to enact this change was not in place at the balance sheet date and so this change is not recognised for deferred tax purposes. The impact of the change in the calculation of the deferred tax assets is not considered to be material.

12. ULTIMATE PARENT UNDERTAKING

Within the meaning of the Companies Act 1985, TUI Northern Europe Ltd is the immediate parent undertaking. TUI AG is regarded by the Directors of the company as being the company's ultimate parent company and controlling party. Within the meaning of the said Act TUI AG is the parent undertaking of the largest group of undertakings for which the 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 of which the company is a member. TUI AG is incorporated under the laws of Germany. TUI Northern Europe Limited is incorporated 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 website address www.TUI-group.com