

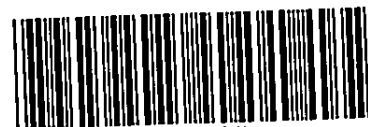
Company Registration No 5505192

**PRICELINE.COM BOOKINGS ACQUISITION
COMPANY LIMITED**

Report and Financial Statements

31 December 2011

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**PRICELINE.COM BOOKINGS ACQUISITION
COMPANY LIMITED**

REPORT AND FINANCIAL STATEMENTS 2011

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PRICELINE.COM BOOKINGS ACQUISITION COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Glenn Fogel
Daniel Finnegan
Eduardo Andrade

SECRETARY

Abogado Nominees Limited

REGISTERED OFFICE

100 New Bridge Street
London
EC4V 6JA

SOLICITORS

Baker & McKenzie LLP
100 New Bridge Street
London
EC4V 6JA

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge

PRICELINE.COM BOOKINGS ACQUISITION COMPANY LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2011

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

PRINCIPAL ACTIVITY

The Company's principal activity is that of an investment company. The Company has a trading subsidiary, Booking.com B.V. incorporated in the Netherlands.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors are satisfied with the result achieved by the Company and do not expect the Company's activities to change in the foreseeable future, for further considerations around going concern see note 1 set out on page 9.

FINANCIAL RISK MANAGEMENT

The foreign exchange risk is controlled by the ultimate parent company, priceline.com Incorporated. The trading currency risks are controlled by the trading subsidiary. At this time, the directors do not consider that the Company has a material exposure to these financial risks and therefore does not utilise credit insurance or enter into any hedging instruments.

DIVIDENDS

During the year, the Company did not recommend the payment of a dividend (2010 - dividend of £76,094,445).

DIRECTORS

The directors who served throughout the year and to the date of this report, were as follows:

Glenn Fogel
Daniel Finnegan
Eduardo Andrade

PRICELINE.COM BOOKINGS ACQUISITION COMPANY LIMITED

DIRECTORS' REPORT (continued)

AUDITOR

Each of the persons who is a director at the date of approval of this annual report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them as auditor will be proposed at the forthcoming Annual General Meeting

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



Glenn Fogel

Director

PRICELINE.COM BOOKINGS ACQUISITION COMPANY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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, 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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 MEMBERS OF PRICELINE.COM BOOKINGS ACQUISITION COMPANY LIMITED

We have audited the financial statements of Priceline com Bookings Acquisition Company Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

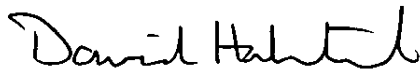
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRICELINE.COM
BOOKINGS ACQUISITION COMPANY LIMITED (continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



David Halstead FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, United Kingdom

25 September 2012

PRICELINE.COM BOOKINGS ACQUISITION COMPANY LIMITED

PROFIT AND LOSS ACCOUNT **Year ended 31 December 2011**

	Note	2011 £	2010 £
Administrative expenses		(26,051)	(11,589)
OPERATING LOSS		(26,051)	(11,589)
Income from fixed asset investments		-	76,094,445
(LOSS) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(26,051)	76,082,856
Tax on (loss) profit on ordinary activities	4	-	-
(LOSS) PROFIT FOR THE FINANCIAL YEAR	9	(26,051)	76,082,856

All activities derive from continuing operations

There are no recognised gains and losses other than the loss for the current financial year and the profit for the preceding financial year. Accordingly, no statement of total recognised gains and losses is given.

PRICELINE.COM BOOKINGS ACQUISITION COMPANY LIMITED

BALANCE SHEET 31 December 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Investments	6	85,261,496	85,261,496
CREDITORS: amounts falling due within one year	7	(90,080)	(64,029)
NET CURRENT LIABILITIES		(90,080)	(64,029)
TOTAL ASSETS LESS CURRENT LIABILITIES BEING NET ASSETS		85,171,416	85,197,467
CAPITAL AND RESERVES			
Called up share capital	8	2,000	2,000
Share premium account	9	74,921,311	74,921,311
Profit and loss account	9	10,248,105	10,274,156
SHAREHOLDERS' FUNDS	10	85,171,416	85,197,467

The financial statements of Priceline com Bookings Acquisition Company Limited, registered number 5505192, were approved by the Board of Directors and authorised for issue on *18 September 2012*.

They were signed on its behalf by



Glenn Fogel
Director

PRICELINE.COM BOOKINGS ACQUISITION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2011

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the year and preceding year, are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

The directors have prepared the financial statements on the going concern basis. In making this assessment the directors have considered the liabilities of the Company for the foreseeable future and the date at which they fall due. The directors have also considered its ability to receive dividend income from its subsidiary undertaking and consider that the going concern basis of preparation remains appropriate.

Cash flow statement

As permitted by Financial Reporting Standard No. 1 (Revised) "Cash flow statements" the Company has not included a cash flow statement as part of its financial statements because the consolidated financial statements of its ultimate parent company, Priceline.com Incorporated (of which Priceline.com Bookings Acquisition Company Limited is a subsidiary) are publicly available.

Consolidation

As permitted by s400 of the Companies Act 2006, the Company has not prepared consolidated financial statements as it is a subsidiary of Priceline.com Incorporated, a company incorporated in the United States of America which prepares publicly available consolidated accounts.

These financial statements therefore present information about the Company as an individual undertaking and not about its group.

Investments

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

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

During both the current and preceding year, there were no employees and the directors did not receive any remuneration for their services to Priceline.com Bookings Acquisition Company Limited.

PRICELINE.COM BOOKINGS ACQUISITION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2011

3. (LOSS) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2011 £	2010 £
(Loss) profit on ordinary activities before taxation is after charging:		
The analysis of auditor's remuneration is as follows		
Fees payable to the Company's auditor for the audit of its annual accounts	7,200	8,000

The auditor did not receive any remuneration in relation to non-audit services during either the current or preceding financial year

4. TAX ON (LOSS) PROFIT ON ORDINARY ACTIVITIES

	2011 £	2010 £
Current taxation		
UK corporation tax charge for the year	-	-

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 26.5% (2010 - 28.0%)
The actual tax charge for the current and the previous year differs from the standard tax rate for the reasons set out in the following reconciliation

	2011 £	2010 £
(Loss) profit on ordinary activities before tax	(26,051)	76,082,856
Tax on (loss) profit on ordinary activities at standard rate	(6,904)	21,303,200
Factors affecting charge for the year		
Non-taxable dividend income	-	(21,306,445)
Group relief surrendered and not paid for	6,904	3,245
Current tax charge for the year	-	-

At 31 December 2011 and 31 December 2010, the Company had no unrecognised deferred tax assets or liabilities

Factors affecting future tax charges

In March 2011, the UK Government announced a reduction in the standard rate of UK corporation tax to 26% effective 1 April 2011. This rate reduction was substantively enacted in March 2011.

In March 2012, the UK Government announced a reduction in the standard rate of UK corporation tax to 24% effective 1 April 2012 and to 23% effective 1 April 2013. These rate reductions became substantively enacted in March 2012 and July 2012 respectively. The UK Government also proposed to further reduce the standard rate of UK corporation tax to 22% effective 1 April 2014, but this change has not been substantively enacted.

PRICELINE.COM BOOKINGS ACQUISITION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2011

4. TAX ON (LOSS) PROFIT ON ORDINARY ACTIVITIES (continued)

The effect of these tax rate reductions on the deferred tax balance will be accounted for in the period in which the tax rate reductions are substantively enacted

5. DIVIDENDS

	2011 £	2010 £
Amounts recognised as distributions to equity holders in the year:		
Interim dividend	-	76,094,444

6. FIXED ASSET INVESTMENTS

	Shares in subsidiary undertaking £
Cost and net book value	
At 1 January 2011 and 31 December 2011	85,261,496

During the year, the Company did not receive a dividend from Booking com B V (2010 - £76,094,445)

Principal group investment

The Company has an investment in the following subsidiary undertaking

Subsidiary undertaking	Country of incorporation	Principal activity	Class of shares	Percentage of shares held
Booking com B V	Netherlands	Provision of services to facilitate hotel bookings over the internet	Ordinary Shares	100%

**PRICELINE.COM BOOKINGS ACQUISITION
COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2011**

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Amounts due to fellow group undertakings	65,423	51,591
Accruals	24,657	12,438
	<u>90,080</u>	<u>64,029</u>

8. CALLED UP SHARE CAPITAL

	2011	2010
	£	£
Called up, allotted and fully paid.		
2,000,000 ordinary shares of £0.001 each	<u>2,000</u>	<u>2,000</u>

9. STATEMENT OF MOVEMENT IN RESERVES

	Share premium account £	Profit and loss account £
At 1 January 2011	74,921,311	10,274,156
Loss for the financial year	<u>-</u>	<u>(26,051)</u>
At 31 December 2011	<u>74,921,311</u>	<u>10,248,105</u>

PRICELINE.COM BOOKINGS ACQUISITION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2011

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
(Loss) profit for the financial year	(26,051)	76,082,856
Dividend paid (see note 6)	-	(76,094,445)
	<u>(26,051)</u>	<u>(11,589)</u>
Net reduction in shareholders' funds	(26,051)	(11,589)
Opening shareholders' funds	85,197,467	85,209,056
Closing shareholders' funds	<u>85,171,416</u>	<u>85,197,467</u>

11. RELATED PARTY TRANSACTIONS

As the Company is a 100% owned subsidiary of a group whose consolidated financial statements are publicly available, it is not required to disclose transactions with other group undertakings that would otherwise be required under Financial Reporting Standard No 8 'Related Party Disclosures'

12. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

100% of the share capital of the Company is owned by priceline.com International Limited, a company incorporated in England and Wales, whose principal place of business is at 100 New Bridge Street, London, EC4V 6JA. The directors consider this to be the immediate parent company.

The Company's ultimate parent company and controlling party is priceline.com Incorporated, a company incorporated in the United States of America. The consolidated financial statements of priceline.com Incorporated are publicly available and can be obtained from its principal place of business at 800 Connecticut Avenue, Norwalk, Connecticut 06854, USA. Priceline.com Incorporated is the smallest and largest group in which the results of the company are consolidated.