

Thomas Cook Investments (2) Limited

Financial statements for the 9 months ended 30 September 2008

Registered number: 6062179



Thomas Cook Investments (2) Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditors' report for the 9 month period ending 30 September 2008.

Business review and principal activities

The Company is a wholly owned subsidiary of Thomas Cook Group plc. During the period, the Company has not traded. Its principal activity is that of an investment holding company.

On 30 January 2008 the Company issued 1,499,999,998 shares as consideration for the purchase of the entire share capital of MyTravel Group plc.

On 13 February 2008, the Company resolved to reduce its share capital from £1,500m (€2,010m) divided into 1,500,000,000 shares of £1 (€1.34) each to £450m (€600m) divided into 1,500,000,000 shares of 30p (€0.40) each by the cancellation of 70p (€0.94) of nominal amount on each of the issued paid up shares of £1 (€1.34). The reduction was confirmed by sanction of an Order of the High Court of Justice dated 5 March 2008.

Principal risks and uncertainties

The principal area of risk or uncertainty for the company relates to the carrying amount of the Company's investments in subsidiary undertakings which are dependant on the financial performance of those undertakings. The directors carry out an annual assessment of the carrying value of the investments by reference to the underlying net assets and the forecast future financial performance, including cash flows, of the subsidiary undertakings.

Key performance indicators

As the company is not actively trading, the directors are of the opinion that an analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Environment and employees

As the Company is not actively trading and has no direct employees, the directors do not consider it necessary to report on environmental or employment policies.

Supplier payment policy

It is the Company's policy to comply with the terms of payment agreed with suppliers. Where payment terms are not negotiated, the Company endeavours to adhere to suppliers' standard terms.

Registered office

The address of the registered office is The Thomas Cook Business Park, Coningsby Road, Peterborough, Cambridgeshire, PE3 8SB.

Results and dividends

The results for the period are set out on page 5.

During the period an ordinary dividend of €435m was declared and paid. The directors recommend the payment of a further €190m ordinary dividend for period ending 30 September 2008.

Directors

The directors, who served throughout the period, except as noted, were as follows:

C J Gadsby	appointed 28 April 2008
D M W Hallisey	appointed 28 April 2008
Thomas Cook Group Management Services Limited	appointed 9 January 2008
G J McMahon	appointed 9 January 2008, resigned 29 January 2008
Third Party Formations Limited	resigned 9 January 2008
Third Party Company Secretaries Limited	resigned 9 January 2008
M J Vaux	appointed 30 January 2008, resigned 27 April 2008

Company Secretary

S Bradley	appointed 28 April 2008
M J Vaux	appointed 9 January 2008, resigned 27 April 2008

Thomas Cook Investments (2) Limited

Directors' report (continued)

Auditors

The auditors PricewaterhouseCoopers LLP were appointed during the period and have indicated their willingness to continue in office. The Company has elected not to re-appoint auditors annually. Therefore the auditors, PricewaterhouseCoopers LLP, are deemed to be re-appointed for the next financial year.

In the case of each of the persons who are directors' of the Company at the date when this report was approved:

- * so far as each of the directors' is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- * each of the directors' has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

Statement of directors' responsibilities

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 period. Under that law the directors' have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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.

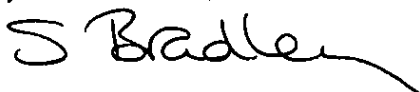
In preparing those financial statements, the directors' are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * state that the financial statements comply with IFRSs as adopted by the European Union;
- * 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.

The directors' are responsible for keeping adequate 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.

By order of the Board,



S Bradley
Secretary

28 July 2009

Independent Auditors' report to the members of Thomas Cook Investments (2) Limited

We have audited the financial statements of Thomas Cook Investments (2) Limited for the 9 months period ended 30 September 2008 which comprise the Income Statement, 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 financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 whether the financial statements have been 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 company's circumstances, consistently applied and adequately disclosed.

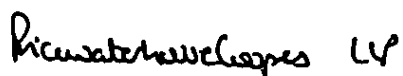
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent Auditors' report to the members of Thomas Cook Investments (2) Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 30 September 2008 and of its loss for the period then ended;
- the financial statements have been prepared in accordance with the Companies Act 1985;
- the information given in the Directors' Report is consistent with the financial statements.



*PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
28 July 2009*

Thomas Cook Investments (2) Limited

Income statement

9 months ended 30 September 2008

	Notes	9 months ended 30 September 2008 €m	342 days ended 31 December 2007 €m
Finance cost	3	(4.1)	-
Loss before tax		(4.1)	-
Tax	6	1.2	-
Loss for the period attributable to equity shareholders		(2.9)	-

All results arose from continuing operations.

There are no further items of income or expense attributable to equity shareholders other than those disclosed above, and therefore no separate statement of recognised income and expense has been presented.

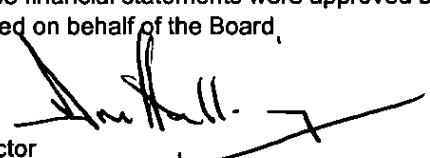
Thomas Cook Investments (2) Limited

Balance sheet as at 30 September 2008

	Notes	30 September 2008 €m	31 December 2007 €m
Non-current assets			
Investments in subsidiaries	7	2,241.0	-
Current assets			
Tax asset		1.2	-
Total assets		<u>2,242.2</u>	<u>-</u>
Current liabilities			
Trade and other payables	8	(439.1)	-
Total liabilities		<u>(439.1)</u>	<u>-</u>
Net assets		<u>1,803.1</u>	<u>-</u>
Equity			
Called-up share capital	10/11	600.0	-
Share premium account	11	231.0	-
Retained earnings	11	972.1	-
Total equity		<u>1,803.1</u>	<u>-</u>

These financial statements were approved by the Board of Directors on 28 July 2009.

Signed on behalf of the Board,


 Director
 D.M.W. Hallisey

Notes 1 to 14 form part of these financial statements.

Thomas Cook Investments (2) Limited

Notes to the financial statements

1 General information

Thomas Cook Investments (2) Limited is a company incorporated in England and Wales under the Companies Act 1985. The address of the registered office is The Thomas Cook Business Park, Coningsby Road Peterborough, PE3 8SB. The nature of the company's operations and its principal activities are set out in the Directors' report. These financial statements are presented in Euro because that is the currency of the primary economic environment in which the company operates. The company is a wholly-owned subsidiary company and is included within the audited consolidated financial statements of Thomas Cook Group plc, a company incorporated in Great Britain, which have been prepared in accordance with International Financial Reporting Standards and filed with the Registrar of Companies. The company is therefore exempt from the obligation to prepare consolidated financial statements in accordance with section 228 of the Companies Act 1985.

At the date of authorisation of these financial statements, the following Standards and Interpretations that are expected to impact the Company but which have not been applied in these financial statements were in issue but not yet effective:

- IAS 1 (Revised): 'Presentation of financial statements', revised version issued in January 2008, effective for annual periods beginning on or after 1 January 2009. This changes the presentation requirements for other comprehensive income and transactions with shareholders, and requires increased disclosures when there is a restatement of comparatives. Adopting this standard will not affect the recognition, measurement or disclosure of any transactions or events.
- IAS 23 (Amendment): 'Borrowing costs', revised version issued in March 2007, effective for annual periods beginning on or after 1 January 2009. This eliminates the option of expensing all borrowing costs when they are incurred and is not expected to have a material impact on the Company.

2 Significant Accounting policies

Basis of preparation

The financial statements are prepared in accordance with IFRS and IFRIC interpretations and with those parts of the Companies Act 1985 Applicable to companies reporting under IFRS. The financial statements have also been prepared in accordance with IFRS adopted for use in the European Union.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Investments

Investments in subsidiaries undertakings are shown at cost less provision for impairment.

Taxation

Current tax, including UK corporation 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. Provision is made for deferred tax so as to recognise all temporary differences which have originated but not reversed at the balance sheet date that result in an obligation to pay more tax, or a right to pay less tax in the future. This is calculated on a non-discounted basis by reference to the average tax rates that are expected to apply in the relevant jurisdiction and for the periods in which the temporary differences are expected to reverse. Deferred tax assets are assessed at each balance sheet date and are only recognised to the extent that their recovery against future taxable profits is probable.

Foreign currency

Transactions in currencies other than the functional currency of the Company are translated at the exchange rate on the date of the transaction. Foreign currency monetary assets and liabilities held at the period end are translated at period end exchange rates. The resulting exchange gain or loss is taken through the income statement.

Thomas Cook Investments (2) Limited

Notes to the financial statements

continued

2 Significant Accounting policies (continued)

Trade and other receivables

Trade receivables are recognised at their fair value and subsequently recorded at amortised cost using the effective interest method as reduced by allowances for estimated irrecoverable amounts. An allowance for irrecoverable amounts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows.

Trade payables

Trade payables are recognised at their fair value and subsequently recorded at amortised cost using the effective interest method.

Cash flow statement

The company had no cash flows in the current period; its cash flow obligations were settled by a fellow group undertaking. Accordingly, no separate cash flow statement has been presented with these financial statements.

Thomas Cook Investments (2) Limited

Notes to the financial statements

continued

	9 months ended 30 September 2008 €m	342 days ended 31 December 2007 €m
3 Finance cost		
Interest receivable from other group undertakings	(4.1)	-
	<u>(4.1)</u>	<u>-</u>

4 Administrative expenses

The Company has no employees. Administrative expenses of the Company, including audit fees of £500 and directors' remuneration, were borne by Thomas Cook Group plc, the Company's parent undertaking, during both accounting periods with no recharge made as the amounts were minimal.

5 Dividends paid

During the period a dividend of €435.0m was declared and paid. The directors recommend the payment of a further €190.0m ordinary dividend for period ending 30 September 2008.

	9 months ended 30 September 2008 €m	342 days ended 31 December 2007 €m
6 Tax		
The tax credit for the period comprises:		
Current tax		
UK corporation tax at 28.66%	1.2	-
	<u>1.2</u>	<u>-</u>

The credit for the period can be reconciled to the profit per the income statement as follows:

Loss before tax	(4.1)	-
Expected tax credit at the UK corporation tax rate of 28.66% (2007: 30%)	1.2	-
Tax credit for the period	<u>1.2</u>	<u>-</u>

At the balance sheet date, the company had no unused tax losses or other short-term timing differences (2007: £nil).

7 Investments in subsidiaries

Cost and net book value	€m
At 1 January 2008	-
Additions	2,241.0
At 30 September 2008	<u>2,241.0</u>

A list of the Company's principal subsidiary undertakings is shown in note 14 to the financial statements.

On 30 January 2008 the Company issued 1,499,999,998 shares as consideration for the purchase of the entire share capital of MyTravel Group plc from Thomas Cook Group plc. During the period the Company also acquired Thomas Cook Continental Holdings for €1.00.

	30 September 2008 €m	31 December 2007 €m
8 Trade payables		
Amounts owed to subsidiary undertakings	(439.1)	-
	<u>(439.1)</u>	<u>-</u>

Amounts owing to subsidiary undertakings are repayable on demand. The average interest on overdue amounts owed to subsidiary undertakings is 5.25%. The directors consider the fair value to be equal to the book value.

Thomas Cook Investments (2) Limited

Notes to the financial statements

continued

9 Financial Risk

The Company is not subject to any material interest rate risk or exchange rate risk on the loans between subsidiaries.

	30 September 2008	31 December 2007
	€m	€m
10 Called-up share capital		
Authorised		
1,500,000,000 (2007:1,000) ordinary shares of 30 pence (40 cents) (2007:£1.00 or €1.34) each	600.0	-
Called-up, allotted and fully paid		
1,500,000,000 (2007:1) ordinary shares of 30 pence (40 cents) (2007:£1.00 or €1.34) each	600.0	-

On 30 January 2008, the authorised share capital was increased to 1,500,000,000 ordinary shares of £1 each.

On 13 February 2008, the Company resolved to reduce its share capital from £1,500m (£2,010m) divided into 1,500,000,000 shares of £1 (£1.34) each to £450m (£600m) divided into 1,500,000,000 shares of 30p (£0.40) each by the cancellation of 70p (£0.94) of nominal amount on each of the issued paid up shares of £1 (£1.34). The reduction was confirmed by sanction of an Order of the High Court of Justice dated 5 March 2008.

11 Statement of changes in equity

	Share capital €m	Share premium €m	Profit and loss account €m	Total €m
At 1 January 2008	-	-	-	-
Issue of equity shares to acquire MyTravel Group plc (note 7)	2,010.0	231.0	-	2,241.0
Capital reduction	(1,410.0)	-	1,410.0	-
Loss for the period	-	-	(2.9)	(2.9)
Dividend paid	-	-	(435.0)	(435.0)
At 30 September 2008	600.0	231.0	972.1	1,803.1

12 Related party transactions

9 months ended
30 September
2008

342 days ended
31 December
2007

€m

Transactions between the Company and other members of the Thomas Cook Group were as follows:

Interest payable to fellow subsidiaries	(4.1)	-
Dividend paid to immediate parent company	(435.0)	-
Amounts owed to fellow subsidiaries	(314.5)	-
Amount due to immediate parent company	(124.6)	-

13 Ultimate controlling party

The Company is a wholly-owned subsidiary of Thomas Cook Group plc.

The smallest group of which Thomas Cook Investments (2) Limited is a member and in which the results of the Company are consolidated is that headed by Thomas Cook Group plc, which is registered in England and Wales. Copies of the Thomas Cook Group plc financial statements can be obtained from its registered office at Thomas Cook Business Park, Coningsby Road, Peterborough, Cambridgeshire PE3 8SB.

Thomas Cook Group plc is owned 52.8% by Arcandor AG. As enshrined in the relationship agreement Thomas Cook Group plc operates independently from Arcandor AG and in accordance with the highest standards of corporate governance best practice. The relationship agreement also sets out the arrangement with respect to the composition of the Board of Thomas Cook Group plc. On the basis of the detailed provisions of the relationship agreement, the directors consider Arcandor AG to be the Company's ultimate controlling party, albeit that this agreement places restrictions on the ability of Arcandor AG to exercise the voting rights associated with its holding in Thomas Cook Group plc. Arcandor AG is incorporated in Germany.

Thomas Cook Investments (2) Limited

Notes to the financial statements

continued

14 Principal subsidiaries

		Country of incorporation and operation	Proportion held by Company (%)	Proportion held by Group (%)
UK and Ireland	Airtours Holidays Transport Limited	England		100
	BCT Transport Brokers Ltd	England		100
	Capitol Holdings Limited	Ireland		100
	Elegant Resorts Limited	England		100
	Falcon Istiopoliki Hellas S.A.	Greece		100
	Jeropatur-Viagens e Turismo Ltda	Portugal		100
	Thomas Cook Aircraft Engineering Limited	England		100
	Hotels4U.com Limited	England		100
	MyTravel UK Limited	England		100
	MyTravel 330 Leasing Limited	Cayman Islands		100
	Neilson Active Holidays Limited	England		100
	Neilson Hellas A.E.	Greece		100
	Neilsen Turizm Danismanlik VE Ticaret Ltd STI	Turkey		100
	O.A. Yacht Charter S.A.	Greece		95
	Praznik D.O.O. ZA Turizam	Croatia		100
	Resorts Mallorca Hotels International S.L.	Spain		100
	Thomas Cook Airlines Limited	England		100
	Thomas Cook Broking Ltd	England		100
	thomascok.com Limited	England		100
	Thomas Cook (India) Limited	India		74.9
	Thomas Cook Overseas Limited	England		100
	Thomas Cook Retail Limited	England		100
	Thomas Cook Services Ltd	England		100
	Thomas Cook Scheduled Tour Operations Ltd	England		100
	Thomas Cook Tour Operations Limited	England		100
	Thomas Cook USA Travel Services Limited	England		100
	Thomas Cook TV Limited	England		100
	Thomas Cook Wholesale Ltd	England		100
	White Horse Insurance Ireland Limited	Ireland		100
Continental Europe	Jet Tours SA	France		100
	Reisburo Neckermann Nederland BV	Netherlands		100
	Thomas Cook Belgium NV	Belgium		100
	Thomas Cook Air Services SA	France		100
	Thomas Cook Airlines Belgium NV	Belgium		100
	Thomas Cook France SAS	France		100
	Thomas Cook France Hoteliers Holding SARL	France		100
	Thomas Cook Interservices NV	Belgium		100
	Thomas Cook Nederland BV	Netherlands		100
	Thomas Cook Service Centre Belgium NV	Belgium		100
	Thomas Cook Retail Belgium NV	Belgium		100
	Thomas Cook Voyages S.A.	France		100
Northern Europe	Hoteles Sunwing S.A.	Spain		100
	Thomas Cook Airlines Scandinavia A/S	Denmark		100
	MyTravel Denmark A/S	Denmark		100
	Thomas Cook Northern Europe AB	Sweden		100
	Ving Norge A/S	Norway		100
	Ving Sverige AB	Sweden		100
	Oy Tjareborg AB	Finland		100
North America	Sunwing Ekerum AB	Sweden		100
	Thomas Cook Canada Inc.	Canada		100
	Thomas Cook Destination Services Inc	USA		100
	Thomas Cook USA Holdings Inc.	USA		100
	TriWest Travel Holdings Limited	Canada		100
Corporate	NALG Ireland	Ireland		100
	Airtours Channel Islands Limited	Channel Islands		100
	Airtours Finance Limited	Channel Islands		99.8
	MyTravel Group plc	England	100	
	Thomas Cook Continental Holdings Limited	England	100	
	Thomas Cook Group UK Limited	England		100
	Blue Sea Overseas Investments Limited	England		100
	Sandbrook UK Investments Limited	England		100
	Parkway Limited Partnership (No. 1) L.P.	Channel Islands		100
	Parkway SA	Luxembourg		100
	Thomas Cook Group Treasury Limited	England		100
	Thomas Cook Investments (1) Limited	England		100
	Thomas Cook Treasury Limited	England		100
	White Horse Holdings UK BV	Holland		100
	MyTravel Luxembourg S.a.r.l.	Luxembourg		100