

Company Registration No. 5505192

**PRICELINE.COM BOOKINGS ACQUISITION
COMPANY LIMITED**

Report and Financial Statements

31 December 2008

**21/10/09
AC09PRB5**

FRIDAY



LD4 *LZ93DECZ* 129
23/10/2009
COMPANIES HOUSE

**PRICELINE.COM BOOKINGS ACQUISITION
COMPANY LIMITED**

REPORT AND FINANCIAL STATEMENTS 2009

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report	5
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9

PRICELINE.COM BOOKINGS ACQUISITION COMPANY LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G Fogel
R Mylod

SECRETARY

Abogado Nominees Limited

REGISTERED OFFICE

100 New Bridge Street
London
EC4V 6JA

SOLICITORS

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

AUDITORS

Deloitte LLP
Chartered Accountants and Registered Auditors
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 2008.

The directors' report has been prepared in accordance with the special provisions relating to small companies under Section 246(4) of the Companies Act 1985.

PRINCIPAL ACTIVITIES

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.

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 paid an interim dividend of £64,456,519 (2007 - £nil). The directors do not recommend the payment of a final dividend (2007 - £nil).

DIRECTORS

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

G Fogel
R Mylod

PRICELINE.COM BOOKINGS ACQUISITION COMPANY LIMITED

DIRECTORS' REPORT (continued)

AUDITORS

In the case of each of the persons who are directors of the company at the date when this report is approved:

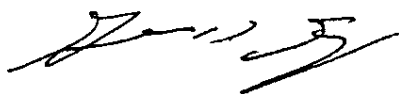
- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) 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.

On 1 December 2008, Deloitte & Touche LLP changed its name to Deloitte LLP. Accordingly, Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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

21 October 2009



G Fogel
Director

PRICELINE.COM BOOKINGS ACQUISITION COMPANY LIMITED

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 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 accounting standards have been followed; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to 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.

INDEPENDENT AUDITORS' 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 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 auditors

The directors' responsibilities for preparing 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).

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 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.

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

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 31 December 2008 and of its profit 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.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
Cambridge, United Kingdom

22 October 2009

PRICELINE.COM BOOKINGS ACQUISITION COMPANY LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2008

	Note	2008 £	2007 £
Administrative expenses		(12,100)	(12,315)
OPERATING LOSS		(12,100)	(12,315)
Income from fixed asset investments	8	64,456,519	9,200,000
Interest receivable and similar income	3	637,058	136,763
Interest payable and similar charges	4	(69,309)	(86,112)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	65,012,168	9,238,336
Tax on profit on ordinary activities	6	-	-
PROFIT FOR THE FINANCIAL YEAR	13	65,012,168	9,238,336

All activities derive from continuing operations.

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

**PRICELINE.COM BOOKINGS ACQUISITION
COMPANY LIMITED**

**BALANCE SHEET
31 December 2008**

	Note	2008 £	2007 £
FIXED ASSETS			
Investments	8	<u>75,687,975</u>	<u>75,687,975</u>
CURRENT ASSETS			
Debtors:			
Due within one year	9	154,552	137,725
Due after more than one year	9	<u>8,803,238</u>	<u>9,200,000</u>
		8,957,790	9,337,725
CREDITORS: amounts falling due within one year	10	<u>(39,460)</u>	<u>(50,932)</u>
NET CURRENT ASSETS		<u>8,918,330</u>	<u>9,286,793</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		84,606,305	84,974,768
CREDITORS: amounts falling due after more than one year	11	<u>-</u>	<u>(924,112)</u>
NET ASSETS		<u>84,606,305</u>	<u>84,050,656</u>
CAPITAL AND RESERVES			
Called up share capital	12	2,000	2,000
Share premium account	13	74,921,311	74,921,311
Profit and loss account	13	<u>9,682,994</u>	<u>9,127,345</u>
SHAREHOLDERS' FUNDS	14	<u>84,606,305</u>	<u>84,050,656</u>

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 *21 October 2009*

They were signed on its behalf by:



G Fogel

Director

DATED: 21 October 2009

PRICELINE.COM BOOKINGS ACQUISITION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2008

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 s228 of the Companies Act 1985, 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 2008**

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2008 £	2007 £
Interest receivable from group undertakings	<u>637,058</u>	<u>136,763</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2008 £	2007 £
Interest payable from group undertakings	<u>69,309</u>	<u>86,112</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2008 £	2007 £
Profit on ordinary activities before taxation is after charging:		
Fees payable to the Company's auditors for the audit of its annual accounts	<u>7,500</u>	<u>7,000</u>

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

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2008 £	2007 £
Current taxation		
UK corporation tax charge for the year	25,022,444	3,949,000
Double tax relief	<u>(25,022,444)</u>	<u>(3,949,000)</u>
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

PRICELINE.COM BOOKINGS ACQUISITION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2008

6. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 28.5% (2007 - 30%). 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:

	2008 £	2007 £
Profit on ordinary activities before tax	65,012,168	9,238,336
Tax on profit on ordinary activities at standard rate	18,528,468	2,771,501
Factors affecting charge for the year:		
Additional corporation tax on underlying tax	7,125,766	1,189,000
Double tax relief	(25,022,444)	(3,949,000)
Group relief (received for nil consideration) not paid	(631,790)	(11,501)
Current tax charge for the year	-	-

At 31 December 2008 and 31 December 2007, the Company had no unrecognised deferred tax assets or liabilities.

Factors affecting future tax charges

In March 2007, the UK Government announced that they would introduce legislation that would reduce the corporation tax rate to 28% with effect from 1 April 2008. This legislation was substantively enacted on the 26 June 2007. As a consequence the deferred tax balances are now stated at 28% of the temporary differences, in addition the blended current tax rate for the year ended 31 December 2008 has reduced to 28.5%.

7. DIVIDENDS

	2008 £	2007 £
Amounts recognised as distributions to equity holders in the period:		
Interim dividend	64,456,519	-

PRICELINE.COM BOOKINGS ACQUISITION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2008

8. FIXED ASSET INVESTMENTS

	Shares in subsidiary undertaking £
Cost and net book value	
At 1 January 2008 and 31 December 2008	<u>75,687,975</u>

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%

The Company received dividends from the subsidiary undertaking of £64,456,519 and £9,200,000 for 2008 and 2007, respectively.

9. DEBTORS

	2008 £	2007 £
Amounts falling due within one year:		
Due from immediate parent undertaking	154,057	136,763
Other debtors	495	962
	<u>154,552</u>	<u>137,725</u>
Amounts falling due after more than one year:		
Loan due from immediate parent undertaking	<u>8,803,238</u>	<u>9,200,000</u>

In the prior year, the Company granted a loan of £9,200,000 to its immediate parent undertaking. The loan principal was due for repayment on 15 October 2017 and bears interest at a rate of 7% per annum. During 2008, the immediate parent undertaking repaid £396,762 of this loan and associated accrual interest of £619,763.

PRICELINE.COM BOOKINGS ACQUISITION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2008

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Amounts due to immediate parent undertaking	-	23,105
Amounts due to fellow group undertaking	28,460	18,627
Accruals	11,000	9,200
	<u>39,460</u>	<u>50,932</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008 £	2007 £
Amounts due to immediate parent undertaking	-	924,112
	<u>-</u>	<u>924,112</u>

In September 2008, the Company repaid the loan and associated interest.

12. CALLED UP SHARE CAPITAL

	2008 £	2007 £
Authorised:		
2,000,000 ordinary shares of £0.001 each	2,000	2,000
	<u>2,000</u>	<u>2,000</u>
Called up, allotted and fully paid:		
2,000,000 ordinary shares of £0.001 each	2,000	2,000
	<u>2,000</u>	<u>2,000</u>

PRICELINE.COM BOOKINGS ACQUISITION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2008

13. STATEMENT OF MOVEMENT IN RESERVES

	Share premium account £	Profit and loss account £
At 1 January 2008	74,921,311	9,127,345
Profit for the financial year	-	65,012,168
Dividend paid (see note 7)	-	(64,456,519)
At 31 December 2008	<u>74,921,311</u>	<u>9,682,994</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit for the financial year	65,012,168	9,238,336
Dividend paid (see note 7)	(64,456,519)	-
Net addition to shareholders' funds	<u>555,649</u>	<u>9,238,336</u>
Opening shareholders' funds	<u>84,050,656</u>	<u>74,812,320</u>
Closing shareholders' funds	<u>84,606,305</u>	<u>84,050,656</u>

15. 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'.

16. 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.