



This Prospectus comprises a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC (the “**Prospectus Directive**”).

The Issuer and the Guarantors accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer and the Guarantors (each having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer and the Guarantors, having made all reasonable enquiries, confirm that this Prospectus contains all material information with respect to the Issuer, the Guarantors and the Notes (including all information which, according to the particular nature of the Issuer, the Guarantors and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Guarantors and of the rights attaching to the Notes), that the information contained or incorporated in this Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts the omission of which would make this Prospectus or any of such information or the expression of any such opinions or intentions misleading. The Issuer and the Guarantors accept responsibility accordingly.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*”). This Prospectus should be read and construed on the basis that such documents are incorporated and form part of the Prospectus.

Neither the Managers (as described under “*Subscription and Sale*”, below) nor the Trustee have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer or the Guarantors in connection with the offering of the Notes. Neither the Managers nor the Trustee accept any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer or the Guarantors in connection with the offering of the Notes or their distribution.

No person is or has been authorised by the Issuer, the Guarantors, the Managers or the Trustee to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the offering of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantors, any of the Managers or the Trustee.

Neither this Prospectus nor any other information supplied in connection with the offering of the Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Guarantors, any of the Managers or the Trustee that any recipient of this Prospectus or any other information supplied in connection with the offering of the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Guarantors. Neither this Prospectus nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer or the Guarantors, any of the Managers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of the Notes shall in any circumstances imply that the information contained herein concerning the Issuer and/or the Guarantors is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Managers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer or any of the Guarantors during the life of the Notes or to advise any investor in the Notes of any information coming to their attention. The Notes and the Notes Guarantee have not been and will not be registered under the United States Securities Act of 1933, as amended, (the “**Securities Act**”) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or

delivered within the United States or to U.S. persons or offered, sold or delivered to or for the benefit of any resident of Canada. For a further description of certain restrictions on the offering and sale of the Notes and on distribution of this document, see “*Subscription and Sale*” below.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantors, the Managers and the Trustee do not represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Guarantors, the Managers or the Trustee which is intended to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States and the United Kingdom, see “*Subscription and Sale*”.

**IN CONNECTION WITH THE ISSUE OF THE NOTES, BARCLAYS BANK PLC AS STABILISING MANAGER (THE “STABILISING MANAGER”) (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) MAY OVER ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.**

All references in this document to “euro” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended. All references in this document to “sterling” and “£” refer to the currency of the United Kingdom.

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## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents which have previously been published or are published simultaneously with this Prospectus and have been filed with the Financial Services Authority shall be incorporated in, and form part of, this Prospectus:

- (a) The auditors' report and audited consolidated annual financial statements of the Issuer for the financial year ended 30 September 2009 appearing on pages 61 to 106 of the Thomas Cook Group plc Annual Report and Accounts 2009.

Any other information not listed above but contained in such document is incorporated by reference for information purposes only.

- (b) The auditors' report and audited consolidated annual financial statements of the Issuer for the eleven months ended 30 September 2008 appearing on pages 67 to 110 of the Thomas Cook Group plc Annual Report and Accounts 2008.

Any other information not listed above but contained in such document is incorporated by reference for information purposes only.

- (c) The auditors' report and audited consolidated annual financial statements of the Issuer for the financial year ended 31 October 2007 appearing on pages 65 to 114 of the Thomas Cook Group plc Annual Report and Accounts 2007.

Any other information not listed above but contained in such document is incorporated by reference for information purposes only.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

## OVERVIEW

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus.*

Issuer:	Thomas Cook Group plc
Guarantors:	<p>Condor Flugdienst GmbH, TC Touristik GmbH, Thomas Cook AG, Thomas Cook Airlines Belgium NV, Thomas Cook Belgium NV, Thomas Cook Group Treasury Limited, Thomas Cook Retail Limited, Thomas Cook SAS, Thomas Cook Tour Operations Limited, Thomas Cook UK Limited, Thomas Cook Airlines Limited, Thomas Cook Scheduled Tour Operations Limited, Thomas Cook Airlines Scandinavia A/S, Thomas Cook Canada Inc. and Bucher Reisen GmbH.</p> <p>Other subsidiaries of the Issuer may become guarantors of the Notes after the Issue Date (as defined below), as described in “<i>Conditions of the Notes – Notes Guarantee</i>”. Any of the above Guarantors or any other subsidiary of the Issuer which becomes a guarantor of the Notes after the Issue Date may also cease to be a guarantor, as described in “<i>Conditions of the Notes – Notes Guarantee</i>”.</p> <p>References in this Overview to a “<b>Guarantor</b>” shall, so far as the context permits, also include any subsidiary of the Issuer which becomes a guarantor of the Notes after the Issue Date, but shall not include any subsidiary of the Issuer which ceases to be a guarantor of the Notes.</p>
Risk Factors:	Investing in the Notes involves risks. See “ <i>Risk Factors</i> ” for a discussion of certain risks you should carefully consider before investing in the Notes.
Description of Notes:	£300,000,000 7.75 per cent. Notes due 2017 (the “ <b>Notes</b> ”), to be issued by the Issuer on 22 April 2010 (the “ <b>Issue Date</b> ”).
Trustee:	HSBC Corporate Trustee Company (UK) Limited
Joint Lead Managers:	Barclays Bank PLC HSBC Bank plc Lloyds TSB Bank plc ING Bank N.V. The Royal Bank of Scotland plc
Co-Lead Managers:	BNP PARIBAS DnB NOR Bank ASA
Interest:	7.75 per cent. per annum payable annually in arrear (long last coupon).
Interest Step Up:	If the Notes have not been rated by at least two Rating Agencies (as defined in Condition 20) before the First Interest Payment Date (as defined in Condition 5.1), the Rate of Interest will be increased by an additional 1.25 per cent. per annum from, and including, the First Interest Payment Date, which will fall on 22 April 2011, to, but excluding, the Maturity Date.

Optional redemption by Issuer for tax reasons:	The Issuer may, at its option, redeem all, but not some only, of the Notes at any time at their principal amount plus accrued interest in the event of certain tax changes, as described under “ <i>Conditions of the Notes – Redemption and Purchase</i> ”.
Noteholders’ put option upon Change of Control:	Upon the occurrence of a Put Event (as defined in Condition 7.3), each Noteholder shall have the option to require the Issuer to redeem or (at the option of the Issuer) purchase the Notes of such holder at a cash purchase price equal to 100 per cent. of the principal amount thereof plus accrued interest, as described under “ <i>Conditions of the Notes - Redemption and Purchase</i> ”.
Optional Redemption by Issuer at any time:	The Issuer may, at its option, redeem all, but not some only, of the Notes at any time after the Issue Date at the Optional Redemption Amount as described under “ <i>Conditions of the Notes – Redemption and Purchase</i> ”.
Events of Default:	Events of Default under the Notes include: non-payment of principal or purchase moneys due under Condition 7.3 or premium due under Condition 7.4 for 7 days or more; non-payment of interest for 14 days or more; breach of other obligations under the Notes or the Trust Deed (which breach is not remedied within 30 days); cross-default relating to indebtedness for borrowed money of the Issuer, a Guarantor or any Material Subsidiary (as defined in Condition 20) subject to an aggregate threshold of £50,000,000; and certain events related to insolvency or winding up of the Issuer, a Material Guarantor or any Material Subsidiary as described in “ <i>Conditions of the Notes – Events of Default</i> ”.
Negative Pledge:	The terms of the Notes contain a negative pledge provision pursuant to which none of the Issuer, any Guarantor and any Material Subsidiary may create, assume or permit to subsist, as security for any Financial Indebtedness (as defined in Condition 20), any Security (as defined in Condition 20) other than any Permitted Security (as defined in Condition 20) upon their present or future revenues or assets without securing the Notes equally and rateably therewith, as described in “ <i>Conditions of the Notes – Negative Pledge</i> ”.
Status of the Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and will rank <i>pari passu</i> among themselves and with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but in the event of insolvency, only to the extent permitted by applicable laws relating to creditors’ rights.
Status of the Notes Guarantee:	The Notes Guarantee will constitute (subject to the limitations contained herein) direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of each Guarantor and will rank <i>pari passu</i> with all other outstanding unsecured and unsubordinated obligations of such Guarantor, present and future, but in the event of insolvency, only to the extent permitted by applicable laws relating to creditors’ rights.
Meetings of Noteholders:	The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all

	<p>Noteholders including Noteholders who did not vote on the relevant resolution and Noteholders who voted in a manner contrary to the majority.</p>
Modification, Waiver and Substitution:	<p>The Trustee may, without the consent of Noteholders, agree to (i) any modification of (subject to certain exceptions), or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) the substitution of the Holding Company (as defined in Condition 20) or of a Subsidiary of the Issuer or of a successor in business as principal debtor under any Notes in place of the Issuer or previous substitute, in each case, in the circumstances and subject to the conditions described in Conditions 15.2 and 14, respectively, of the Conditions of the Notes.</p>
Withholding Tax and Additional Amounts:	<p>The Issuer or, as the case may be, the relevant Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by each Noteholder in respect of the Notes, after withholding or deduction for, or on account of, any taxes imposed by or levied by or on behalf of any Relevant Jurisdiction (as defined in Condition 20), will equal the respective amounts which would have been received in respect of the Notes in the absence of any such withholding or deduction, subject to customary exceptions, as described in Condition 8 of the Conditions of the Notes.</p>
Listing and admission to trading:	<p>Application has been made to the UK Listing Authority for the Notes to be admitted to the Official List and to the London Stock Exchange for the Notes to be admitted to trading on the London Stock Exchange's regulated market.</p>
Governing Law:	<p>The Notes, and any non-contractual obligations arising out of or in connection with the Notes, will be governed by, and construed in accordance with, English law.</p>
Form:	<p>The Notes will be issued in bearer form in denominations of £50,000 and integral multiples of £1,000 in excess thereof up to and including £99,000.</p> <p>The Notes will be issued in New Global Note form and will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg, the International Central Securities Depositories.</p>
Selling Restrictions:	<p>The Notes and the Notes Guarantee have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Notes and the Notes Guarantee have not been and will not be qualified for sale under the securities laws of any province or territory of Canada and, subject to certain exceptions, may not be offered or sold to or for the benefit of any resident of Canada. The Notes may be sold in other jurisdictions (including the United Kingdom) only in compliance with applicable laws and regulations. See "<i>Subscription and Sale</i>" below.</p>
Use of Proceeds:	<p>The net proceeds of the issue of the Notes will be applied by the Issuer for its general corporate purposes.</p>



## RISK FACTORS

*Each of the Issuer and the Guarantors believes that the following factors may affect its ability to fulfil its or their respective obligations under the Notes. All of these factors are contingencies which may or may not occur and neither the Issuer nor any Guarantor is in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are described below.*

*Each of the Issuer and the Guarantors believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer or any Guarantor to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons which may not be considered significant risks by the Issuer or any Guarantor based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

### **Factors that may affect the Issuer's ability to fulfil its obligations under the Notes or the Guarantors' obligations under the Notes Guarantee**

#### ***Risks specific to the Group's business***

##### *Downturn of the economies in the Group's source markets*

Changing economic cycles may affect demand for tourism products. Such cycles may be influenced by global political events, such as terrorist acts, war and other hostilities as well as by market specific events, such as shifts in consumer confidence and consumer spending, labour or social unrest and political uncertainty.

Spending on travel and tourism is discretionary and price sensitive. An increase in interest rates, direct or indirect taxes, or the costs of living could lead to lower disposable income. Customers may reduce or stop their spending on travel or opt for lower-cost offers, in particular during periods of economic slowdown. Future economic downturns in any of the Group's source markets could have an adverse impact on the financial performance of the Issuer in the case of that specific source market and may adversely affect the ability of the Issuer and Guarantors, in particular with respect to TC Touristik GmbH, Thomas Cook Retail Limited, Condor Flugdienst GmbH, Thomas Cook AG, Thomas Cook Airlines Belgium NV, Thomas Cook Airlines Limited, Thomas Cook Airlines Scandinavia A/S, Thomas Cook Belgium NV, Thomas Cook SAS, Thomas Cook Tour Operations Limited, Thomas Cook Scheduled Tour Operations Limited, Thomas Cook Canada Inc. and Bucher Reisen GmbH, to meet their obligations under the Notes. Further and/or sustained deterioration in the global economy could result in a significant decrease in demand for holidays and/or air travel as customers may be inclined to adopt cost-saving measures including taking advantage of offers from competitors of the Group or booking lower-priced flights.

##### *Impact of the financial crisis on customer demand*

The current financial crisis has already had an impact on customer demand for travel and tourism and were it to continue for a prolonged period, it could have a material adverse effect on the Group's financial condition and it may adversely affect the ability of the Issuer and Guarantors, in particular with respect to TC Touristik GmbH, Thomas Cook Retail Limited, Condor Flugdienst GmbH, Thomas Cook AG, Thomas Cook Airlines Belgium NV, Thomas Cook Airlines Limited, Thomas Cook Airlines Scandinavia A/S, Thomas Cook Belgium NV, Thomas Cook SAS, Thomas Cook Tour Operations Limited, Thomas Cook Scheduled Tour Operations Limited, Thomas Cook Canada Inc. and Bucher Reisen GmbH, to meet their obligations under the Notes.

### *Fall in demand for traditional package tours and competition from internet distributors and low-cost airlines*

Historically, the Group has generated most of its business from integrated package tours, enabling it to maximise efficiently the use of its aircraft and hotel capacity. In recent years, customers of the Group have been increasingly purchasing individual components of holidays, such as flights and hotel accommodation, particularly over the Internet. In addition, the Internet allows travel customers to compare easily the costs of each component of their holiday, which could lead to increasing price pressure across the travel industry and could adversely affect the Group's financial performance.

The Group's businesses compete in the areas of pricing and service and face competition from a number of sources. The Group has numerous competitors in its core European market. Some of these competitors have already consolidated or are in the process of consolidating into pan-European tourism groups. Internet-based travel and tourism businesses, such as online travel agencies, will, despite the Group's presence in this sector, continue to compete with the Group and it could lose customers or be forced to reduce its prices due to the significant competition in the European tourism industry.

Low-cost airlines compete successfully on many routes against charter airlines, including airlines operated by the Group. If the Group is unable to maintain a competitive cost structure for its airlines as compared to these low-cost carriers, it may be unable to offer competitive prices to its customers for package holidays that involve flights on its own aircraft. This may adversely affect the ability of the Issuer and Guarantors, in particular Condor Flugdienst GmbH, to meet their obligations under the Notes.

Successful execution of the Issuer's strategy will depend, among other things, upon its ability to anticipate changes in consumer preferences for leisure travel products across a number of source markets and destinations.

### *The Group will be subject to changes in consumer behaviour and preferences*

In recent years, customers have been increasingly booking holidays nearer the time of travel than has traditionally been the case. This type of booking behaviour makes it considerably more difficult for tourism companies to engage in seasonal planning and has the potential of making the Group more vulnerable to short-term changes in customer demand. For example, bad weather at any of its destinations, or unseasonably warm weather in the any of the Group's source markets, could reduce demand for travel to the Group's "sun and beach" destinations. Successful execution of the Issuer's strategy will depend, among other things, upon its ability to anticipate changes in consumer preferences for leisure travel products across a number of source markets and destinations.

### *The Group's business is subject to seasonal fluctuations*

Historically, the level of demand for the Group's services has fluctuated over the course of a calendar year, which caused its results to fluctuate. Demand has historically been highest in the summer season from May through to October and lowest in the winter season from November through to April (except for the days around Christmas, New Year and Easter). At the same time, a significant proportion of the Group's expenses are incurred more evenly throughout the year. Therefore, the Group's profitability fluctuates during the year, with the majority of its profits being generated in the summer season.

When disruptions to the Group's business operations occur during the summer season, they may have an adverse effect on the ability of the Issuer and Guarantors, in particular with respect to TC Touristik GmbH, Thomas Cook Retail Limited, Condor Flugdienst GmbH, Thomas Cook Airlines Belgium NV, Thomas Cook Airlines Limited, Thomas Cook Airlines Scandinavia A/S, Thomas Cook Belgium NV, Thomas Cook SAS, Thomas Cook Tour Operations Limited, Thomas Cook Scheduled Tour Operations Limited, Thomas Cook Canada Inc. and Bucher Reisen GmbH, to meet their obligations under the Notes.

### *Exposure to a fall in the value of sterling*

The United Kingdom is a key source market for the Group. To the extent that a fall in the value of sterling against the euro leads to a reduction in bookings from the United Kingdom to traditional resorts in the

Eurozone because prices appear relatively expensive, this may adversely affect the ability of the Issuer and Guarantors, in particular Condor Flugdienst GmbH, TC Touristik GmbH, Thomas Cook AG, Thomas Cook Airlines Belgium NV, Thomas Cook Belgium NV, Thomas Cook SAS, Thomas Cook Airlines Scandinavia A/S and Bucher Reisen GmbH, to meet their obligations under the Notes.

#### *Environmental risks and regulation*

Although the aviation industry is not currently impacted by European Union limitations on greenhouse gas emissions, future regulations on greenhouse gas emissions might be enacted in one or more of the Group's source markets. Failure to respond to all of the challenges that environmental risks bring could, if this had a significant impact on the Group's reputation as a trusted brand and led to a reduction in bookings, adversely affect the ability of the Issuer and Guarantors, in particular with respect to TC Touristik GmbH, Condor Flugdienst GmbH, Thomas Cook AG, Thomas Cook Airlines Belgium NV, Thomas Cook Airlines Limited, Thomas Cook Airlines Scandinavia A/S, Thomas Cook Belgium NV, Thomas Cook SAS, Thomas Cook Tour Operations Limited, Thomas Cook Scheduled Tour Operations Limited, Thomas Cook Canada Inc. and Bucher Reisen GmbH, to meet their obligations under the Notes.

In December 2006, the European Commission proposed to include air transportation in the Emissions Trading Scheme (EU ETS). The draft directive was adopted by the European Parliament in July 2008 and its application is planned as of January 2012. However, all the rules have yet to be defined for the 2013-20 period known as post-Kyoto.

#### *Political, military, terrorist, security risks in key tourist destinations*

Terrorist acts and other political, military and security risks, and the public's concerns about potential attacks, could adversely affect demand for the Group's services. More particularly if the Group were to be perceived as not taking all reasonable precautions to guard against potential terrorist acts this could adversely affect the Group's reputation with the public which could have a negative impact on the Group's businesses, results of operations and financial position. This may adversely affect the ability of the Issuer and Guarantors, in particular with respect to Condor Flugdienst GmbH, Thomas Cook AG, Thomas Cook Airlines Belgium NV, Thomas Cook Airlines Limited, Thomas Cook Airlines Scandinavia A/S, Thomas Cook Belgium NV, Thomas Cook SAS, Thomas Cook Tour Operations Limited, Thomas Cook Scheduled Tour Operations Limited, Thomas Cook Canada Inc. and Bucher Reisen GmbH, to meet their obligations under the Notes.

#### *A major health and safety incident, natural disasters and health risks*

Airlines and package holiday providers are exposed to the risk of losses from accidents, natural catastrophes, outbreaks of diseases and epidemics, including business disruption as a result of flight restrictions imposed as a result of volcanic ash or other natural phenomena.

The Group may be exposed to civil law claims and be held liable for third-party losses if its insurers are unable to pay the resulting damages or refuse coverage. In addition, such losses could result in higher insurance premiums and could impose significant costs on the Group.

More particularly if the Group were to be perceived as not taking all reasonable precautions to guard against potential accidents or health incidents this could adversely affect the Group's reputation with the public (for example the perception of the safety and reliability of regions or countries in which it operates). This may adversely affect the ability of the Issuer and Guarantors, in particular with respect to TC Touristik GmbH, Thomas Cook Retail Limited, Condor Flugdienst GmbH, Thomas Cook AG, Thomas Cook Airlines Belgium NV, Thomas Cook Airlines Limited, Thomas Cook Airlines Scandinavia A/S, Thomas Cook Belgium NV, Thomas Cook SAS, Thomas Cook Tour Operations Limited, Thomas Cook Scheduled Tour Operations Limited, Thomas Cook Canada Inc. and Bucher Reisen GmbH, to meet their obligations under the Notes.

In respect of any extended business disruptions caused by volcanic ash or other natural phenomena, such disruptions may have an adverse effect on the ability of the Issuer and Guarantors to meet their obligations under the Notes – see “*Description of the Issuer – Recent Developments*”.

### *Loss of, or difficulty in replacing, senior talent*

Attracting and keeping key members of senior management is vital in ensuring that the Group continues to have the necessary expertise and continuity to execute its strategy. There can be no assurances that the Group will continue to be able to attract and retain the appropriate members of senior management. A failure to attract, or the loss of, such key members of senior management may adversely affect the Issuer's and Guarantors' ability to meet their obligations under the Notes.

### *Legal and regulatory risks*

The sectors in which the Group operates are heavily regulated at various levels by European and other national regulators. Regulated areas include, among others, the provision of holiday services and associated consumer protection, the availability of take-off and landing slots at airports and ownership requirements. Applicable regulations, which include noise and emissions restrictions, could be extended to include further environmental protection or consumer protection. Compliance with such regulations imposes significant costs on the Group's business and could potentially limit its flexibility with respect to its business practices. In the event of non-compliance with certain regulations, such as those related to flight safety, a significant part of the Group's business could be affected, which may adversely affect the ability of the Issuer and Guarantors, in particular with respect to TC Touristik GmbH, Thomas Cook Retail Limited, Condor Flugdienst GmbH, Thomas Cook AG, Thomas Cook Airlines Belgium NV, Thomas Cook Airlines Limited, Thomas Cook Airlines Scandinavia A/S, Thomas Cook Belgium NV, Thomas Cook SAS, Thomas Cook Tour Operations Limited, Thomas Cook Scheduled Tour Operations Limited, Thomas Cook Canada Inc. and Bucher Reisen GmbH, to meet their obligations under the Notes.

The Group is subject to significant regulation, which may limit its operational flexibility and/or involve material cost, and non-compliance with the applicable regulations could lead to legal or regulatory sanctions, as well as reputational damage. The need to comply with new or revised regulations, or new or changed interpretations or enforcement of existing regulations, may adversely affect the ability of the Issuer and Guarantors, in particular with respect to TC Touristik GmbH, Thomas Cook Retail Limited, Condor Flugdienst GmbH, Thomas Cook AG, Thomas Cook Airlines Belgium NV, Thomas Cook Airlines Limited, Thomas Cook Airlines Scandinavia A/S, Thomas Cook Belgium NV, Thomas Cook SAS, Thomas Cook Tour Operations Limited, Thomas Cook Scheduled Tour Operations Limited, Thomas Cook Canada Inc. and Bucher Reisen GmbH, to meet their obligations under the Notes.

### *Volatility of Fuel prices*

Aircraft fuel costs, which have fluctuated considerably since 2004, constitute a significant proportion of the Group's operating expenses. Fuel prices and availability are subject to economic and political factors which are beyond the control of the Issuer and Condor Flugdienst GmbH, Thomas Cook Airlines Belgium NV, Thomas Cook Airlines Limited and Thomas Cook Airlines Scandinavia A/S. Increases in fuel costs usually lead to increases in prices for holidays and to reduced demand for travel.

In response to the rising fuel prices, the Issuer and Condor Flugdienst GmbH, Thomas Cook Airlines Belgium NV, Thomas Cook Airlines Limited and Thomas Cook Airlines Scandinavia A/S may need to impose fuel surcharges on its short, medium and long-haul flights, which could reduce demand for its travel products. In addition, upon the expiry of existing fuel hedges, the Issuer and Condor Flugdienst GmbH, Thomas Cook AG, Thomas Cook Airlines Belgium NV, Thomas Cook Airlines Limited and Thomas Cook Airlines Scandinavia A/S may not be able to enter into new hedging contracts at acceptable rates to help mitigate the risk of rising fuel prices.

### *Foreign currency risks*

The Issuer and the Guarantors face significant financial risk due to the substantial cross-border element of their trading, which exposes their business and results of operations to fluctuations in exchange rates. Certain of the Group's direct operating costs, including hotels and aviation jet fuel, are denominated in currencies other than the currencies in which its customers pay for their holidays. This exchange rate risk is primarily in relation to the Euro/U.S. dollar, the Euro/pound sterling and the U.S. dollar/ pound sterling exchange rates.

To the extent that the Issuer and the Guarantors do not adequately hedge their currency exposures, a significant negative change in exchange rates could result in an increase in their costs which could significantly reduce their results of operations and may adversely affect the ability of the Issuer and Guarantors to meet their obligations under the Notes.

#### *Pension scheme*

The Group operates or participates in a number of pension schemes which cover the majority of its employees. The Group is at risk from potential shortfalls in the funding of these various retirement schemes. These schemes are generally funded from cash flow contributions by the Group, its employees, and externally under trust through investments in equities, bonds and other external assets, the values of which are dependent on, among other things, the performance of equity and debt markets, which can be volatile. Changes in the value of the assets or liabilities of these schemes and therefore their funding status may require additional funding from the employing entities and may adversely affect the ability of the Issuer and Guarantors, in particular with respect to Thomas Cook UK Limited and Condor Flugdienst GmbH, to meet their obligations under the Notes.

#### *IT Risks*

The Group's business depends on information technology systems. The reservation systems and administrative operations of the Group rely on the continuous functioning of their information technology systems as the Group engages in selling through travel agents and direct selling of holidays and travel services to its customers over the Internet. The Internet is growing in importance, not only as a distribution channel but also as basic technology for the automation of business processes between business partners. Any disruption to the Group's information technology systems could significantly hamper or prevent operations, reduce revenues, increase costs or otherwise adversely affect the Issuer's and Guarantors' ability to meet their obligations under the Notes.

#### *Performance failure by outsourced partners*

The Group is dependent on the provision of services by third parties, such as hotel operators, other airlines, suppliers of aircraft services (ground handling, fuel, engineering and maintenance, in-flight and catering), aircraft manufacturers and third party tour operators. If any third party services or facilities on which the Group relies in conducting its business are restricted, temporarily halted (for example, as a result of technical problems or strikes), cease permanently or are not available on commercially acceptable terms, this could have an adverse effect on the Group's business, financial condition and results of operations.

However, service agreements with third parties are widely spread and the number of suppliers is very large, especially in connection with hotel operators, which leads to a diversification of the risk mentioned in this provision. The aforementioned adverse effects could also occur as a result of the loss or expiration of any of the Group's material contracts with important third party service or facility providers. In addition, the efficiency, timeliness and quality of contract performance by third party providers will be largely beyond the Issuer's and Guarantors' direct control.

### **Factors which are material for the purpose of assessing the market risks associated with the Notes**

#### *The Notes may not be a suitable investment for all investors*

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

#### *Risks related to the Notes generally*

Set out below are certain risks relating to the Notes generally:

#### *Limitations on the Notes Guarantee*

The Guarantors have, unconditionally and irrevocably, jointly and severally guaranteed payments in respect of the Notes. However, certain of the Guarantors, and consequently their guarantee obligations, are subject to the limitations applicable under the laws of their respective jurisdictions of incorporation as further reflected in the Trust Deed (the "**Guarantee Limitations**") and as described in the section "Description of the Notes Guarantee" in this Prospectus. In the event that a claim is made under the Notes Guarantee against any Guarantor, such Guarantee Limitations may limit (in whole or in part) the amount that may be claimed from such Guarantor. In the event that the other Guarantors have insufficient assets to meet their obligations under the Notes Guarantee or claims against the other Guarantors are similarly limited, such Guarantee Limitations may adversely affect the amount that an investor may recover under the Notes Guarantee.

#### *Modification, waivers and substitution*

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Conditions 14 and 15.

#### *EU Savings Directive*

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other

countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above. Such future changes, or indeed any others, may well apply to Notes already in issue.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, none of the Issuer, the Guarantors nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

#### *Change of law*

The conditions of the Notes are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus.

#### *Denominations involve integral multiples: definitive Notes*

The Notes have denominations consisting of a minimum of £50,000 plus one or more higher integral multiples of £1,000. It is possible that the Notes may be traded in amounts that are not integral multiples of £50,000. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than £50,000 in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to £50,000.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of £50,000 may be illiquid and difficult to trade.

#### *The Notes are not eligible collateral for Eurosystem Monetary Policy*

The Notes are issued in New Global Note form and are intended upon issue to be held in a manner which would allow Eurosystem eligibility. However, this does not mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem ("**Eurosystem Eligible Collateral**") either upon issue, or at any or all times during their life. Such recognition will depend on satisfaction of the Eurosystem eligibility criteria and other obligations (including the provision of further information) as specified by the European Central Bank from time to time. The Notes will not satisfy the Eurosystem eligibility criteria on issue. The Issuer does not give any representation, warranty, confirmation or guarantee to any investor in the Notes that the Notes will at any time during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem Eligible Collateral. Any potential investor in the Notes should make their own conclusions and seek their own advice with respect to whether or not the Notes constitute Eurosystem Eligible Collateral.

#### *Risks related to the market generally*

Set out below are the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

#### *The secondary market generally*

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices

that will provide them with a yield comparable to similar investments that have a developed secondary market.

#### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes and the Guarantor(s) will make any payments under the Notes Guarantee in sterling. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of sterling or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to sterling would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### *Interest rate risks*

Investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of them.

#### ***Risks Related to the Notes***

##### *The Notes are not rated*

As at the date of this Prospectus, none of the Issuer, the Guarantors or any of their securities have a credit rating and, accordingly, the Notes have not been assigned a credit rating from any independent credit rating agency. Investors will need to make their own assessment of the credit of the Issuer and the Guarantors and the other factors which may affect the value of the Notes without the benefit of an independent credit rating.

The Issuer intends to obtain a credit rating for the Notes but there can be no guarantee that the Issuer will be able to obtain such a credit rating. Even if such credit rating is obtained, investors in the Notes should be aware that a credit rating is not a recommendation to buy, sell or hold any of the Notes and any credit rating that may be assigned to the Notes may be subject to suspension, change or withdrawal at any time by the assigning rating agency. Any credit rating that may be assigned to the Notes may go down as well as up.

##### ***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.



## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the Conditions of the Notes which (subject to modification) will be endorsed on each Note in definitive form (if issued):*

The £300,000,000 7.75 per cent. Guaranteed Notes due 2017 (the “**Notes**”, which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 17 and forming a single series with the Notes) of Thomas Cook Group plc (the “**Issuer**”) are constituted by a Trust Deed dated on or about 22 April 2010 (the “**Trust Deed**”) made between the Issuer, the Guarantors (as defined below) and HSBC Corporate Trustee Company (UK) Limited (the “**Trustee**”, which expression shall include its successor(s)) as trustee for the holders of the Notes (the “**Noteholders**”) and the holders of the interest coupons appertaining to the Notes (the “**Couponholders**” and the “**Coupons**” respectively). References in these Conditions to the Guarantors (the “**Guarantors**”) shall be references to Condor Flugdienst GmbH, TC Touristik GmbH, Thomas Cook AG, Thomas Cook Airlines Belgium NV, Thomas Cook Belgium NV, Thomas Cook Group Treasury Limited, Thomas Cook Retail Limited, Thomas Cook SAS, Thomas Cook Tour Operations Limited, Thomas Cook UK Limited, Thomas Cook Airlines Limited, Thomas Cook Scheduled Tour Operations Limited, Thomas Cook Airlines Scandinavia A/S, Thomas Cook Canada Inc. and Bucher Reisen GmbH and shall include any Subsidiary of the Issuer which becomes a Guarantor pursuant to Condition 3.4, but shall not include any Subsidiary of the Issuer which has ceased to be a Guarantor pursuant to Condition 3.3.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. Copies of the Trust Deed and the Agency Agreement dated on or about 22 April 2010 (the “**Agency Agreement**”) made between the Issuer, the Guarantors and HSBC Bank plc as principal paying agent (the “**Principal Paying Agent**”, which expression shall include any successor principal paying agent and, together with any additional or successor paying agents appointed thereunder, the “**Paying Agents**”), and the Trustee are available for inspection during normal business hours by the Noteholders and the Couponholders at the registered office for the time being of the Trustee, being at the date of issue of the Notes at 8 Canada Square, London E14 5HQ and at the specified office of each of the Paying Agents. The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all of the provisions of the Trust Deed and the Agency Agreement applicable to them.

### 1. **FORM, DENOMINATION AND TITLE**

#### 1.1 **Form and Denomination**

The Notes are in bearer form, serially numbered, in the denominations of £50,000 and integral multiples of £1,000 in excess thereof up to and including £99,000, each with Coupons attached on issue. No Notes will be issued with a denomination above £99,000. Notes of one denomination may not be exchanged for Notes of any other denomination.

#### 1.2 **Title**

Title to the Notes and to the Coupons will pass by delivery.

#### 1.3 **Holder Absolute Owner**

The Issuer, each Guarantor, any Paying Agent and the Trustee may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon or of any trust or interest therein) and shall not be required to obtain any proof thereof or as to the identity of such bearer.

## 2. STATUS OF THE NOTES

The Notes and the Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Issuer and (subject as provided above) rank and will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

## 3. NOTES GUARANTEE

### 3.1 Notes Guarantee

The payment of the principal (including any purchase moneys due under Condition 7.3 and premium due under Condition 7.4) and interest in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been jointly and severally unconditionally and irrevocably (subject to the provisions of Condition 3.3 and subject to the limitations set forth in the Trust Deed) guaranteed by each of the Guarantors (the "Notes Guarantee") in the Trust Deed.

### 3.2 Status of the Notes Guarantee

The obligations of each Guarantor under the Notes Guarantee constitute direct, (subject to the limitations set forth in the Trust Deed) unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of such Guarantor and (subject as provided above) rank and will rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of such Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

### 3.3 Release of a Guarantor

The Issuer may by written notice to the Trustee signed by two Directors or a Director and an Authorised Signatory (as defined in the Trust Deed) of the Issuer request that a Guarantor ceases to be a Guarantor if such Guarantor is no longer providing a Guarantee in respect of any other Financial Indebtedness of the Issuer. Upon the Trustee's receipt of such notice, such Guarantor shall automatically and irrevocably be released and relieved of any obligation under the Notes Guarantee. Such notice must also contain the following certifications:

- (i) no Event of Default or Potential Event of Default (as defined in the Trust Deed) is continuing or will result from the release of that Guarantor;
- (ii) no part of the Financial Indebtedness in respect of which that Guarantor is or was providing a Guarantee is at that time due and payable but unpaid; and
- (iii) such Guarantor is not (or will cease to be simultaneously with such release) providing a Guarantee in respect of any other Financial Indebtedness of the Issuer.

If a Guarantor provides a Guarantee in respect of any other Financial Indebtedness of the Issuer at any time subsequent to the date on which it is released from the Notes Guarantee as described above, such Guarantor will be required to provide a guarantee as described in Condition 3.4.

### 3.4 Additional Guarantors

If at any time after the Issue Date, any Subsidiary of the Issuer provides or at the time it becomes a Subsidiary is providing a Guarantee in respect of any Financial Indebtedness of the Issuer, the Issuer covenants that it shall procure that such Subsidiary shall at or prior to the date of the giving of such Guarantee, or at the time it so becomes a Subsidiary and is providing such a Guarantee, execute and deliver a supplemental trust deed to the Trustee, such supplemental trust deed to be in a form and with substance reasonably satisfactory to the Trustee, and accompanied by such opinion(s) as the Trustee shall require pursuant to which such Subsidiary shall guarantee the obligations of the Issuer in respect

of the Notes, the Coupons and the Trust Deed on the same terms *mutatis mutandis* as the Notes Guarantee including, but not limited to, such guarantee being joint and several. Each other Guarantor has in the Trust Deed confirmed that it has consented to any such entity becoming a Guarantor as aforesaid without any need for it to execute any supplemental trust deed.

Notwithstanding anything to the contrary in this Condition 3.4, prior to the date falling three months after the Issue Date no Subsidiary of the Issuer shall be required to become a Guarantor, and the Issuer shall not be required to procure that such Subsidiary become a Guarantor, pursuant to this Condition 3.4 solely as a result of such Subsidiary being a guarantor under the €1,800,000,000 multicurrency term, bonding and revolving facilities agreement dated 23 May 2008 (as amended and restated) entered into by the Issuer, the term of which expires on 23 May 2011.

### 3.5 **Notice of change of Guarantors**

Notice of any release of a Guarantor or addition of a Guarantor pursuant to this Condition will be given to the Noteholders in accordance with Condition 13.

## 4. **NEGATIVE PLEDGE**

So long as any of the Notes remains outstanding (as defined in the Trust Deed), the Issuer and the Guarantors shall not, and the Issuer shall procure, so far as it can by the proper exercise of voting and other rights or powers of control exercisable by it in relation to Subsidiaries, that no Material Subsidiary shall, create, assume or permit to subsist, as security for any Financial Indebtedness or as security in respect of a guarantee or indemnity of any Financial Indebtedness, any Security other than any Permitted Security upon the whole or any part of its present or future revenues or assets unless, in any such case, the Issuer and/or the relevant Guarantor and/or the relevant Material Subsidiary, as the case may be, shall simultaneously with, or prior to, the creation or assumption of such Security and, in any other case, promptly, take any and all action necessary to procure that all amounts payable in respect of the Notes by the Issuer are secured equally and rateably with the Financial Indebtedness encumbered by such Security to the satisfaction of the Trustee or that such other Security is provided or such other arrangement (whether or not including the giving of Security) is made as the Trustee shall, in its absolute discretion, deem not materially less beneficial to the interests of the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

## 5. **INTEREST**

### 5.1 **Interest Rate and Interest Payment Dates**

Subject to Condition 5.4, the Notes bear interest on their principal amount from and including the Issue Date at the rate of 7.75 per cent. per annum (the “**Rate of Interest**”), payable annually in arrear on 22 April in each year from and including 22 April 2011 (the “**First Interest Payment Date**”) to and including 22 April 2016, and thereafter on the Maturity Date (each an “**Interest Payment Date**”).

There will be a long final coupon in respect of the period from and including 22 April 2016 to but excluding the Maturity Date, which shall be made on the Maturity Date.

### 5.2 **Interest Accrual**

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal, purchase moneys due under Condition 7.3 or premium due under Condition 7.4 in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest shall continue to accrue as provided in the Trust Deed.

### 5.3 Calculation of Interest

The interest payable per £1,000 principal amount of Notes shall be determined by applying the Rate of Interest to such £1,000 principal amount of Notes and multiplying the sum by the Day Count Fraction.

**Day Count Fraction** means:

- (i) where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date (the “**Accrual Period**”) is equal to or shorter than the Determination Period (as defined below) during which the Accrual Period ends, the number of days in such Accrual Period divided by the number of days in such Determination Period; or
- (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
  - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the number of days in such Determination Period; and
  - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the number of days in such Determination Period.

**Determination Period** means each period from (and including) 22 April to (but excluding) the next 22 April.

### 5.4 Interest Step Up

If the Notes have not been rated by at least two Rating Agencies before the First Interest Payment Date, the Rate of Interest will be increased by an additional 1.25 per cent. per annum from, and including, the First Interest Payment Date to, but excluding, the Maturity Date. If the requirements for such increase are met, the Issuer shall give notice to the Noteholders in accordance with Condition 13.

## 6. PAYMENTS

### 6.1 Payments in respect of Notes

Payments of principal, purchase money due under Condition 7.3 or premium due under Condition 7.4 and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

### 6.2 Method of Payment

Payments will be made by credit or transfer to a sterling account maintained by the payee with or, at the option of the payee, by a cheque in sterling drawn on, a bank in London.

### 6.3 Missing Unmatured Coupons

Each Note should be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before

the expiry of 10 years after the Relevant Date in respect of the relevant Note (whether or not the Coupon would otherwise have become void pursuant to Condition 9) or, if later, five years after the date on which the Coupon would have become due, but not thereafter.

#### 6.4 **Payments subject to Applicable Laws**

Payments in respect of principal, purchase money due under Condition 7.3 or premium due under Condition 7.4 and interest on the Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 8.

#### 6.5 **Payment only on a Presentation Date**

A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 5, be entitled to any further interest or other payment if a Presentation Date is after the due date.

#### 6.6 **Initial Paying Agents**

The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer and the Guarantors reserve the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that:

- (a) there will at all times be a Principal Paying Agent;
- (b) there will at all times be at least one Paying Agent (which may be the Principal Paying Agent) having its specified office in a European city which so long as the Notes are admitted to official listing on the London Stock Exchange shall be London or such other place as the UK Listing Authority may approve; and
- (c) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 13.

### 7. **REDEMPTION AND PURCHASE**

#### 7.1 **Redemption at Maturity**

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on 22 June 2017 (the "**Maturity Date**").

#### 7.2 **Redemption for Taxation Reasons**

If the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that:

- (a) on the next Interest Payment Date either (i) the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 or (ii) the Issuer is unable to make payment itself and each of the Guarantors in making payment would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Relevant Jurisdiction, or any change in the application or official interpretation of the laws or regulations of a Relevant Jurisdiction, which change or amendment becomes effective after (i) in the case of the Issuer or a Guarantor as at the Issue Date, 22 April 2010 or (ii) in the case of any Subsidiary of the Issuer which becomes a Guarantor after the Issue Date, the first day after such Subsidiary becomes a Guarantor pursuant to Condition 3.4; and

- (b) the requirement cannot be avoided by the Issuer or, as the case may be, the Guarantors taking reasonable measures available to it or them, as the case may be,

the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable), redeem all of the Notes, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantors would be required to pay such additional amounts, were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by two Directors or a Director and an Authorised Signatory (as defined in the Trust Deed) of the Issuer stating that the requirement referred to in (a) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer or, as the case may be, the Guarantors taking reasonable measures available to it or them, as the case may be, and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

### 7.3 **Redemption at the Option of the Holders upon a Put Event**

If a Put Event occurs, unless notice of redemption of all of the Notes has previously been given pursuant to Condition 7.2, each Noteholder shall have the option to require the Issuer to redeem or (at the option of the Issuer) purchase the Notes of such holder at a cash purchase price equal to 100 per cent. of the principal amount thereof together with interest accrued to but excluding the date of redemption or purchase, as the case may be. Such option shall operate as set out below.

As soon as practicable after the occurrence of a Put Event and in any case not later than 21 days thereafter, the Issuer shall, and at any time upon the Trustee becoming aware that a Put Event has occurred the Trustee may, and if so requested by the holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give a notice (the "**Change of Control Notice**") to the Trustee (in the case of a notice from the Issuer), the Paying Agents and the Noteholders in accordance with Condition 13 stating:

- (a) that a Put Event has occurred, that each Noteholder is entitled to require the Issuer to redeem or purchase the Notes of such holder pursuant to this Condition 7.3;
- (b) the circumstances and relevant facts regarding such Put Event;
- (c) the redemption or purchase price and the redemption or purchase date (which shall be the date falling seven days after the expiry of the Put Period (the "**Put Date**")); and
- (d) the procedures for exercising the option in this Condition 7.3.

To exercise the option to require the redemption or purchase of a Note under this Condition 7.3, the holder of the Note must deliver such Note at the specified office of a Paying Agent at any time during normal business hours of such Paying Agent falling within the period (the "**Put Period**") of 30 days after the Change of Control Notice is given, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of each Paying Agent (a "**Change of Control Put Notice**"). The Note should be delivered together with all Coupons appertaining thereto maturing after the Put Date, failing which the relevant Paying Agent will require payment of an amount equal to the face value of any missing such Coupon. Any amount so paid will be reimbursed in the manner provided in Condition 6.3. The relevant Paying Agent will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made on the Put Date, by transfer to that bank account and, in every other case, on or after the Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of a Paying Agent. For the purposes

of these Conditions and the Trust Deed, receipts issued pursuant to this Condition shall be treated as if they were Notes. The Issuer shall redeem or purchase the relevant Notes on the Put Date unless previously redeemed and cancelled or purchased.

A Change of Control Put Notice, once given, shall be irrevocable except where prior to the Put Date an Event of Default shall have occurred and the Trustee shall have accelerated the Notes, in which event the relevant Noteholder, at its option, may elect by notice to the Issuer to withdraw the relevant Change of Control Put Notice and instead treat its Notes as being forthwith due and payable pursuant to Condition 10.

The Trustee is under no obligation to ascertain whether a Put Event or any event which could lead to the occurrence of or could constitute a Put Event has occurred and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Put Event or other such event has occurred.

A “**Put Event**” will occur if while any of the Notes remains outstanding:

- (a) a Change of Control occurs; and
- (b) either:
  - (i) the Notes do not have an Investment Grade rating from at least one Rating Agency at the time the Change of Control occurs and the Issuer is unable to acquire and maintain an Investment Grade rating for the Notes during the Change of Control Period from at least one Rating Agency, or:
  - (ii) the Notes do have an Investment Grade rating from at least one Rating Agency (and if there is more than one such rating, the Issuer shall be entitled to determine which one Rating Agency shall be relevant for the purposes of this provision) at the time the Change of Control occurs but at any time during the Change of Control Period:
    - (A) such Rating Agency rates the Notes as non Investment Grade and such rating is not within the Change of Control Period restored to an Investment Grade rating by such Rating Agency or replaced by an Investment Grade rating of another Rating Agency; or
    - (B) such Rating Agency withdraws its rating of the Notes and the rating of such Rating Agency is not within the Change of Control Period replaced by an Investment Grade rating of another Rating Agency,

and in the case of both (A) and (B) of this paragraph (ii) such Rating Agency announces or publicly confirms or informs the Issuer or Trustee in writing that such non-Investment Grade rating or withdrawal of rating was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control (whether or not the Change of Control shall have occurred at the time such rating is given or rating is withdrawn).

#### **7.4 Redemption at the Option of the Issuer**

The Issuer may, having given:

- (a) not less than 15 nor more than 30 days’ notice to the Noteholders in accordance with Condition 13; and
- (b) notice to the Trustee and the Principal Paying Agent not less than 15 days before the giving of the notice referred to in (a) (which notices shall be irrevocable and shall specify the date fixed for redemption),

redeem all of the Notes at any time at such amount (the “**Optional Redemption Amount**”) as is equal to the greater of the following together with interest accrued to but excluding the date of redemption (the “**Optional Redemption Date**”):

- (i) the principal amount outstanding of the Notes; and
- (ii) the principal amount of the Notes multiplied by the price, expressed as a percentage (as reported in writing to the Issuer and the Trustee by a financial adviser approved by the Trustee) (rounded to four decimal places, 0.00005 being rounded upwards), at which the Gross Redemption Yield on a Note on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at 3.00 p.m. (London time) on the Reference Date of the Reference Bond plus the Margin, all as determined by the Calculation Agent. For the purposes of the definition of Optional Redemption Amount:

“**Calculation Agent**” means an investment bank or financial institution of international standing selected by the Issuer and approved by the Trustee;

“**Gross Redemption**” means, with respect to a security, the gross redemption yield on such security, as calculated by the Calculation Agent on the basis set out by the United Kingdom Debt Management Office in the paper “Formulae for Calculating Gilt Prices from Yields”, page 4, Section One: Price/Yield Formulae “Conventional Gilts; Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi Coupon Date” (published 8 June 1998, as amended or updated from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places).

“**Margin**” means 0.50 per cent.;

“**Reference Bond**” means the 4.00 per cent. Treasury Stock due September 2016 (or, where the Calculation Agent advises the Issuer and the Trustee that, for reasons of illiquidity or otherwise, such stock is not appropriate for such purpose, such other United Kingdom government stock as the Calculation Agent may, with the advice of the Reference Market Makers, recommend);

“**Reference Date**” means the date which is the third Business Day in London prior to the Optional Redemption Date pursuant to Condition 7.4; and

“**Reference Market Makers**” means three brokers of gilts and/or gilt edged market makers selected by the Calculation Agent in consultation with the Issuer.

Any notice given pursuant to this Condition 7.4 shall be irrevocable and shall specify the Optional Redemption Date. Upon the expiry of any such notice, the Issuer shall be bound to redeem the Notes so called for redemption at the Optional Redemption Amount on the Optional Redemption Date together with accrued interest as aforesaid unless previously purchased or redeemed. The Trustee shall rely absolutely on the advice of any financial adviser appointed as provided in this Condition 7.4 and shall not be liable for so doing.

## 7.5 Purchases

The Issuer, any Guarantor or any of the Issuer’s other Subsidiaries may at any time purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to the Principal Paying Agent for cancellation.

## 7.6 Cancellations

All Notes which are purchased pursuant to Condition 7.3 or redeemed will forthwith be surrendered for cancellation, together with all relative unmatured Coupons attached to the Notes or surrendered



with the Notes. Notes so surrendered for cancellation and any Notes purchased and surrendered for cancellation pursuant to Condition 7.5 above (together with all unmatured Coupons cancelled therewith) shall be forwarded to the Principal Paying Agent for cancellation. Notes which have been cancelled cannot be reissued or resold.

#### 7.7 **Notices Final**

Upon the expiry of any notice as is referred to in Condition 7.2, 7.3 or 7.4 above the Issuer shall be bound to redeem (or, as the case may be, purchase) the Notes to which the notice refers in accordance with the terms of such paragraph (in the case of Condition 7.3 or 7.4 above, save as otherwise provided therein).

### 8. **TAXATION**

#### 8.1 **Payment without Withholding**

All payments in respect of the Notes by or on behalf of the Issuer or a Guarantor shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed or levied by or on behalf of any Relevant Jurisdiction, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer or, as the case may be, the relevant Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in relation to any payment in respect of any Note or Coupon:

- (a) presented for payment by or on behalf of, a holder who is liable to the Taxes in respect of the Note or Coupon by reason of his having some connection with any Relevant Jurisdiction other than the mere holding of the Note or Coupon; or
- (b) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (c) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or
- (d) presented for payment more than 30 days after the Relevant Date except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Presentation Date.

#### 8.2 **Additional Amounts**

Any reference in these Conditions to any amounts payable in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition or under any undertakings given in addition to, or in substitution for, this Condition pursuant to the Trust Deed.

### 9. **PRESCRIPTION**

Notes and Coupons will become void unless presented for payment within periods of 10 years (in the case of principal, purchase money due under Condition 7.3 or premium due under Condition 7.4) and five years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Conditions 6.3 and 7.3.

## 10. EVENTS OF DEFAULT

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), (but, in the case of the happening of any of the events described in subparagraphs (b) to (d) (other than the winding up or dissolution of the Issuer or a Guarantor), (e) to (i) inclusive below, only if the Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Noteholders) give notice to the Issuer that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their principal amount, together with accrued interest as provided in the Trust Deed, in any of the following events (“**Events of Default**”):

- (a) if default is made in the payment of any (i) principal or (ii) purchase moneys due under Condition 7.3 or premium due under Condition 7.4 in respect of any of the Notes for a period of 7 days or more or if default is made in the payment of any interest due in respect of any of the Notes for a period of 14 days or more; or
- (b) if the Issuer or a Guarantor fails to perform or observe any of its obligations under these Conditions or the Trust Deed (other than any obligation for the payment of any (i) principal, (ii) purchase moneys due under Condition 7.3 or premium due under Condition 7.4 or (iii) interest in respect of any of the Notes or as provided in subparagraph (k) below) and the failure continues for the period of 30 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (c) if (i) any Debt of the Issuer, a Guarantor or any Material Subsidiary becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer, a Guarantor or any Material Subsidiary fails to make any payment in respect of any Debt on the due date for payment as extended by any originally applicable grace period; (iii) any security given by the Issuer, a Guarantor or any Material Subsidiary for any Debt becomes enforceable and steps are taken to enforce the same; or (iv) default is made by the Issuer, a Guarantor or any Material Subsidiary in making any payment due under any guarantee and/or indemnity given by it in relation to any Debt of any other Person; provided that no event described in this subparagraph (c) shall constitute an Event of Default unless the relevant amount of Debt or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Debt and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above which have occurred and are continuing, amounts to at least £50,000,000 (or its equivalent in any other currency); or
- (d) if any order is made by any competent court or resolution is passed for the winding up or dissolution of the Issuer, a Material Guarantor or any Material Subsidiary, save for (i) the purposes of a reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders or (ii) in the case of a Material Subsidiary, a voluntary solvent winding up in connection with the transfer of all or substantially all of its business, undertaking and assets to the Issuer, a Guarantor or any other Subsidiary of the Issuer which thereby becomes a Material Subsidiary; or
- (e) if any of the Issuer, a Material Guarantor or any Material Subsidiary ceases or if any of the Issuer, a Material Guarantor or any Material Subsidiary publicly announces that it will cease to carry on the whole or a substantial part of its business, save (i) for the purposes of a reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders, (ii) in the case of a Material Subsidiary, in connection with the transfer of all or substantially all of its business, undertaking and assets to the Issuer, a Guarantor or any other Subsidiary of the Issuer which thereby becomes a Material Subsidiary) or (iii) for the purposes of a Permitted Disposal; or

- (f) if the Issuer, a Material Guarantor or any Material Subsidiary stops or threatens to stop payment of all or a material part of its debts, or is unable to, or admits inability to, pay its debts (or any class of its debts) as they fall due or is deemed unable to pay its debts (within the meaning of section 123(1)(e) or (2) of the Insolvency Act 1986) pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (g) if (i) proceedings are initiated against the Issuer, a Material Guarantor or any Material Subsidiary under any applicable liquidation, bankruptcy, insolvency, composition, reorganisation or other similar laws or an application is made (or documents filed with a court) for the appointment of a liquidator, administrative or other receiver, manager, administrator, monitor or other similar official, or a liquidator, administrative or other receiver, manager, administrator, monitor or other similar official is appointed, in relation to the Issuer, a Material Guarantor or any Material Subsidiary or, as the case may be, in relation to the whole or any substantial part of the undertaking or assets of any of them or an encumbrancer takes possession of the whole or any substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or any substantial part of the undertaking or assets of any of them, and (ii) in any such case (other than the appointment of an administrator or an administrative receiver appointed following presentation of a petition for an administration order) unless initiated by the relevant company, is not discharged within 21 days, save in any such case for the purpose of a reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders or, in the case of a Material Guarantor or a Material Subsidiary, in connection with the transfer of all or substantially all of its business, undertaking and assets to the Issuer, a Guarantor or any other Subsidiary of the Issuer which thereby becomes a Material Subsidiary; or
- (h) if the Issuer, a Material Guarantor or any Material Subsidiary (or their respective directors or shareholders) initiates or consents to judicial proceedings relating to itself under any applicable liquidation, bankruptcy, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium), save in any such case for the purpose of a reorganisation on terms approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders or, in the case of a Material Guarantor or a Material Subsidiary, in connection with the transfer of all or substantially all of its business, undertaking and assets to the Issuer, a Guarantor or any other Subsidiary of the Issuer which thereby becomes a Material Subsidiary; or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (i) if the Notes Guarantee ceases to be, or is claimed by the Issuer or a Guarantor not to be, in full force and effect in relation to any Guarantor (except in accordance with Condition 3.3); or
- (j) if the Issuer or a Guarantor fails to perform or observe any of its obligations under Condition 4 and the failure continues for the period of 30 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
- (k) if any Guarantor ceases to be a Subsidiary of the Issuer.

## 11. ENFORCEMENT

### 11.1 Enforcement by the Trustee

The Trustee may at any time, at its discretion and without notice, take such proceedings and/or other steps or action (including lodging an appeal in any proceedings) against or in relation to the Issuer and/or any one or more of the Guarantors as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons or otherwise, but it shall not be bound to take any such proceedings

or other steps or action unless (a) it has been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding and (b) it has been indemnified and/or secured and/or prefunded to its satisfaction.

The Trustee may refrain from taking any action in any jurisdiction if the taking of such action in that jurisdiction would, in its opinion based upon legal advice in the relevant jurisdiction, be contrary to any law of that jurisdiction. Furthermore, the Trustee may also refrain from taking such action if it would otherwise render it liable to any person in that jurisdiction or if, in its opinion based upon such legal advice, it would not have the power to do the relevant thing in that jurisdiction by virtue of any applicable law in that jurisdiction or if it is determined by any court or other competent authority in that jurisdiction that it does not have such power.

## 11.2 **Enforcement by the Noteholders**

No Noteholder or Couponholder shall be entitled to (i) take any steps or action directly against the Issuer or any Guarantor to enforce the performance of any of the provisions of the Trust Deed, the Notes or the Coupons or (ii) take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer or any Guarantor, in each case, unless the Trustee, having become bound so to take any such action, steps or proceedings, fails so to do within a reasonable period and the failure shall be continuing.

## 12. **REPLACEMENT OF NOTES AND COUPONS**

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Principal Paying Agent upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

## 13. **NOTICES**

### 13.1 **Notices to the Noteholders**

All notices to the Noteholders will be valid if published in a leading English language daily newspaper published in London or such other English language daily newspaper with general circulation in Europe as the Trustee may approve. It is expected that publication will normally be made in the *Financial Times*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or the relevant authority on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this paragraph.

### 13.2 **Notices from the Noteholders**

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent or, if the Notes are held in a clearing system, may be given through the clearing system in accordance with its standard rules and procedures.

## 14. **SUBSTITUTION**

The Trustee may agree, subject to the conditions set out in the immediately following sentence, but without the consent of the Noteholders or the Couponholders, to the substitution of the Holding

Company or of a Subsidiary of the Issuer or of a Successor in Business (as defined in the Trust Deed) of the Issuer in place of the Issuer or any previous substitute under this Condition as principal debtor under the Notes and the Coupons and under the Trust Deed. Such agreement may only be granted if, *inter alia*, the Trustee is satisfied that (i) such substitution is not materially prejudicial to the interests of the Noteholders and the Couponholders; (ii) the Notes are being unconditionally and irrevocably guaranteed by the Issuer; and (iii) certain other conditions set out in the Trust Deed are complied with.

## 15. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION

### 15.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution of any of these Conditions or any of the provisions of the Trust Deed. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that, at any meeting the business of which includes the modification or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed (as more fully described in the Trust Deed), the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned such meeting not less than one third, of the principal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held by a majority consisting of not less than three-fourths of the persons voting at such meeting, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-fourths in principal amount of the Notes for the time being outstanding or (iii) consents given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holder(s) of not less than three-fourths in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Couponholders.

### 15.2 Modification, Waiver, Authorisation and Determination

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such (provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders) or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Trustee, proven.

### 15.3 Trustee to have Regard to Interests of Noteholders as a Class

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the

Issuer, any Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

#### 15.4 **Notification to the Noteholders**

Any modification, abrogation, waiver, authorisation, determination or substitution shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, any modification or substitution shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 13.

### 16. **INDEMNIFICATION OF THE TRUSTEE AND ITS CONTRACTING WITH THE ISSUER AND/OR THE GUARANTORS**

#### 16.1 **Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

#### 16.2 **Trustee Contracting with the Issuer and/or a Guarantor**

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any Guarantor and/or any of the Issuer's other Subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or any Guarantor and/or any of the Issuer's other Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders, and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

### 17. **FURTHER ISSUES**

The Issuer is at liberty from time to time without the consent of the Noteholders or Couponholders to create and issue further notes or bonds (whether in bearer or registered form) either (a) ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the outstanding notes or bonds of any series (including the Notes) constituted by the Trust Deed or any supplemental deed or (b) upon such terms as to ranking, interest, conversion, redemption and otherwise as the Issuer may determine at the time of the issue. Any further notes or bonds which are to form a single series with the outstanding notes or bonds of any series (including the Notes) constituted by the Trust Deed or any supplemental deed shall, and any other further notes or bonds may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes or bonds of other series in certain circumstances where the Trustee so decides.

### 18. **GOVERNING LAW**

The Trust Deed (including the Notes Guarantee), the Notes and the Coupons and any non-contractual obligations arising out of or in connection with any of them are governed by, and will be construed in accordance with, English law.

## 19. **RIGHTS OF THIRD PARTIES**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## 20. **DEFINITIONS**

For the purposes of these Conditions:

**“Annual Aircraft Lease Rentals”** means, for any Measurement Period, all operating lease rental payments in respect of Items of Aircraft which are incurred in such Measurement Period.

**“Business Day”** means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place.

**“Capital Stock”** of any Person means any and all shares, interests, participations or other equivalents of or interests (including partnership interests) in (however designated) equity of such Person, including any Preferred Stock, and all rights to purchase, warrants, options or other equivalents with respect to any of the foregoing, but excluding any debt securities convertible into or exchangeable for such equity.

**“Change of Control”** means:

- (a) any Person or any Persons acting in concert (as defined in the City Code on Takeovers and Mergers), other than a holding company (as defined in section 1159 of the Companies Act 2006 as amended) whose shareholders are or are to be substantially similar to the pre existing shareholders of the Issuer or any holding company of the Issuer, shall become interested (within the meaning of Part 22 of the Companies Act 2006 as amended) in (i) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (ii) shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer; or
- (b) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Issuer and its Subsidiaries taken as a whole to any Person.

**“Change of Control Period”** means the period:

- (a) commencing on the Relevant Announcement Date; and
- (b) ending 90 days after the date of the Change of Control, or such longer period for which the Notes are under consideration by a Rating Agency for rating or rating review (such consideration having been announced publicly within the period ending 90 days after the date of the Change of Control and such period not to exceed 60 days after the public announcement of such consideration).

**“Consolidated Interest Expense”** means, in respect of any Measurement Period, all interest and other financing charges (whether paid, payable or added to principal) incurred by the Group during such Measurement Period calculated on a consolidated basis.

**“Consolidated Interest Receivable”** means, in respect of any Measurement Period, all interest and other financing charges received or receivable by the Group during such Measurement Period calculated on a consolidated basis.

**“Consolidated Net Interest Expense”** means, in respect of any Measurement Period, Consolidated Interest Expense for such Measurement Period less Consolidated Interest Receivable for such

Measurement Period calculated on a consolidated basis and taking no account of any applicable Exceptional Items.

“**Debt**” means, with respect to any Person on any date of determination (without duplication):

- (a) the principal of and premium (if any such premium is then due and owing) in respect of:
  - (i) any indebtedness of such Person for money borrowed; and
  - (ii) any indebtedness evidenced by bonds, notes, debentures, loan stock or other similar instruments for the payment of which such Person is responsible or liable;
- (b) all finance or capital leases of such Person;
- (c) all the principal of all moneys owing in connection with the sale or discounting of receivables (otherwise than on a non-recourse basis);
- (d) the principal of any indebtedness arising from any deferred payment agreements arranged primarily as a method of raising finance or financing the acquisition of an asset;
- (e) the principal of any indebtedness arising in connection with any other transaction (including any forward sale or purchase agreement) which has the commercial effect of a borrowing;
- (f) all obligations of such Person in respect of bid, performance, advanced payment, completion, surety or appeal bonds or Guarantees or counter-indemnities of any of the foregoing, VAT guarantees or similar instruments and all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker’s acceptance or similar credit transaction (including Guarantees or indemnities related thereto);
- (g) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock of such Person (but excluding, in each case, any accrued dividends); and
- (h) all obligations of the type referred to in subparagraphs (a) through (g) of other Persons and all dividends of other Persons for, the payment of which, in either case, such Person is responsible or liable, directly or indirectly, as obligor, guarantor or otherwise, including by means of any Guarantee,

provided that **Debt** shall not include any netting, set-off or other cash pooling arrangement entered into by any member of the Group in the ordinary course of its banking arrangements.

“**Disqualified Stock**”, with respect to any Person, means any Capital Stock which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder) or upon the happening of any event:

- (a) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise prior to the stated maturity of the Notes;
- (b) is convertible or exchangeable at the option of the holder for Debt or Disqualified Stock; or
- (c) is mandatorily redeemable or must be purchased, upon the occurrence of certain events or otherwise, in whole or in part, in each case on or prior to the first anniversary of the stated maturity of the Notes,

and any Preferred Stock of a Subsidiary of the Issuer, *provided, however*, that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require the Issuer or a Subsidiary of it to purchase or redeem such Capital Stock upon the occurrence of an “asset sale” or “change of control” occurring prior to the first anniversary of the stated maturity of the Notes shall not constitute Disqualified Stock if:



- (i) the “change of control” provisions applicable to such Capital Stock are not more favourable to the holders of such Capital Stock than the terms applicable to the Notes and described under Condition 7.3; and
- (ii) and any such requirement only becomes operative after compliance with such terms applicable to the Notes, including the redemption or purchase of any Notes tendered pursuant thereto.

If Capital Stock is issued to any plan for the benefit of directors, officers or employees of the Issuer or any of its Subsidiaries or by any such plan to such directors, officers or employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer or any Subsidiary of it in order to satisfy applicable statutory or regulatory obligations.

“**EBIT**” means, in relation to any Measurement Period, the consolidated operating profits of the Group (including the results from discontinued operations) before Consolidated Net Interest Expense and Taxation for such Measurement Period, adjusted by:

- (a) taking no account of any interest payable in respect of a post-employment benefit scheme other than the current service costs and any past service costs and curtailments and settlements attributable to the scheme; and
- (b) taking no account of Exceptional Items.

“**EBITDA**” means, in relation to any Measurement Period, EBIT for such Measurement Period after adding back any depreciation and amortisation (other than any depreciation and/or amortisation that constitutes an Exceptional Item).

“**EBITDAR**” means, in relation to any Measurement Period, EBITDA for such Measurement Period, as adjusted to add back Annual Aircraft Lease Rentals paid during such Measurement Period.

“**Exceptional Items**” means any material items of an unusual or non-recurring nature which represent gains or losses including those arising on:

- (a) the restructuring, reorganisation or integration of the activities of an entity and the reversal of any provisions made for this purpose;
- (b) transaction costs directly attributable to acquisition activity;
- (c) disposals of businesses, intangible assets or property, plant and equipment;
- (d) impairments or reversals of impairments of intangible assets or property, plant and equipment; and
- (e) fair value measurements under IAS39 “Financial Instruments: Recognition and Measurement”, which relate to:
  - (1) the forward points component of foreign exchange contracts;
  - (2) the time value component of option contracts; and/or
  - (3) any other hedge ineffectiveness,
 in each case as applied in accordance with IAS39.

“**Financial Indebtedness**” means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; and
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account).

**“Group”** means the Issuer and its Subsidiaries.

**“Guarantee”** means any obligation of any Person directly or indirectly guaranteeing any Debt of any other Person and any obligation, direct or indirect, of such Person:

- (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Debt of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or
- (ii) entered into for purposes of assuring in any other manner the obligee of such Debt of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part).

**“Holding Company”** means the ultimate holding company for the time being of the Issuer or, if at any relevant time there shall be no such Holding Company, then Holding Company shall mean the Issuer itself.

**“Investment Grade”** means, with respect to a rating given by a Rating Agency, an investment grade credit rating (Baa3 or BBB-, as the case may be, or equivalent, or better) from such Rating Agency.

**“Issue Date”** means 22 April 2010.

**“Items of Aircraft”** means, from time to time, any aircraft, any airframe, any aircraft engine and all parts, components, appliances, accessories, instruments and other items of equipment installed in or attached to such airframe, the aircraft engine, any items of aircraft or any aircraft engine equipment (together with any manuals and technical records).

**“Material Guarantor”** means a Guarantor which has total debts which amount to at least £50,000,000 (or its equivalent in any other currency).

A report by two directors or a director and an Authorised Signatory (as defined in the Trust Deed) of the Issuer addressed to the Trustee that in their opinion a Guarantor is or is not or was or was not at any particular time or throughout any specified period a Material Guarantor may be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

**“Material Subsidiary”** means:

- (a) a Subsidiary of the Issuer whose EBITDAR, gross assets or turnover for the period of the most recent audited consolidated financial statements for the Group represents 10 per cent. or more of the EBITDAR, gross assets or, as the case may be, turnover of the Group for that period; provided, in any case, that the earliest audited consolidated accounts of the Issuer and its Subsidiaries which may be used for the purposes of determining a Material Subsidiary pursuant to this subparagraph (a) shall be the audited consolidated accounts of the Issuer and its Subsidiaries in respect of the financial year ended 30 September 2009;

- (b) a Subsidiary of the Issuer to which has been transferred (whether in a single transaction or a series of transactions (whether related or not)) the whole or substantially the whole of the assets of a member of the Group (the “**Transferring Subsidiary**”) which immediately prior to such transactions was a Material Subsidiary and such Transferring Subsidiary shall immediately cease to be a Material Subsidiary and the transferee Subsidiary shall cease to be a Material Subsidiary pursuant to this subparagraph (b) on the date on which the consolidated accounts of the Issuer and its Subsidiaries for the financial period current at the date of such transfer have been prepared and audited but so that such Transferring Subsidiary or such transferee Subsidiary may be a Material Subsidiary on or at any time after the date on which such audited consolidated accounts have been prepared and audited as aforesaid by virtue of the provisions of subparagraph (a) above.

A report by two Directors of the Issuer addressed to the Trustee that in their opinion a Subsidiary of the Issuer is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary may be relied upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties.

“**Measurement Period**” means the period of the most recent audited consolidated financial statements of the Group.

“**Permitted Disposal**” means a *bona fide* disposal for full value on an arm’s length basis of the whole or substantially the whole of the business, undertaking and assets (including shares in a Subsidiary) of the Issuer or a Material Subsidiary.

“**Permitted Security**” means:

- (a) any Security securing Indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other Indebtedness which has the benefit of Security given by any member of the Group other than any permitted under subparagraphs (b) to (e) below) does not exceed £450,000,000 (or its equivalent in other currencies). For purposes of this sub-paragraph (a), “Indebtedness” means any obligation for the payment or repayment of money, whether as principal or as surety, and whether present or future, actual or contingent;
- (b) any Security arising by operation of law (or by agreement evidencing the same) in the ordinary course of trading of the relevant member of the Group (including but not limited to, repairers, airport, navigation or maritime liens);
- (c) any Security over or affecting any asset acquired by a member of the Group after the Issue Date and subject to which such asset is acquired if:
- (1) the Security was not created in contemplation of the acquisition of that asset by a member of the Group; and
  - (2) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by a member of the Group;
- (d) any Security over or affecting any asset of any company which becomes a member of the Group after the Issue Date, where the Security is created prior to the date on which that company becomes a member of the Group if:
- (1) the Security was not created in contemplation of the acquisition of that company; and
  - (2) the principal amount secured has not increased in contemplation of or since the acquisition of that company; or
- (e) any Security created prior to the Issue Date by any member of the Group in respect of the €1,800,000,000 multicurrency term, bonding and revolving facilities agreement dated 23 May

2008 (as amended and restated) entered into by the Issuer, the term of which expires on 23 May 2011.<sup>1</sup>

“**Person**” means, any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government or any agency or political subdivision thereof or any other entity.

“**Preferred Stock**” as applied to the Capital Stock of any corporation, means Capital Stock of any series (however designated) which is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such corporation, over shares of Capital Stock of any other series of such corporation.

“**Presentation Date**” means a day which (subject to Condition 9):

- (a) is or falls after the relevant due date;
- (b) is a Business Day in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and
- (c) in the case of payment by credit or transfer to a sterling account in London as referred to above, is a Business Day in London;

“**Put Event**” is as defined in Condition 7.3.

“**Rating Agency**” means (a) Moody’s Investor Service Limited., (b) Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. or (c) Fitch Ratings Ltd. or their respective successors or any internationally recognised securities rating agency or agencies substituted for any of them by the Issuer from time to time with the prior written approval of the Trustee (which approval may be given by the Trustee if to do so would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders) (and the Trustee may (and shall if so required by the Issuer, subject to its being indemnified and/or secured and/or prefunded to its satisfaction) consult promptly and may rely absolutely on advice from a reputable financial adviser in this regard and shall not be liable to the Noteholders, Couponholders or any other person for such reliance) and, in each case, their successors but excluding any rating agency providing a rating of the Notes on an unsolicited basis.

“**Relevant Announcement Date**” means the earlier of (i) the date of the relevant Change of Control and (ii) the date of the earliest Relevant Potential Change of Control Announcement (if any).

“**Relevant Date**” means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Principal Paying Agent or the Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 13.

“**Relevant Jurisdiction**” means each of the United Kingdom, Germany, France, Belgium, Denmark, Canada or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer, as the case may be, any Guarantor is or becomes subject in respect of payments on the Notes and Coupons.

“**Relevant Potential Change of Control Announcement**” means any public announcement or statement by or on behalf of the Issuer, any Guarantor, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

“**Security**” means any mortgage, charge, lien, pledge or other security interest.

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<sup>1</sup> The Security granted in favour of the agent on behalf of the lenders for the €1,800,000,000 multicurrency term, bonding and revolving facilities agreement dated 23 May 2008 (as amended and restated) consists of a pledge by Thomas Cook Group plc over 100% of the shares of Thomas Cook AG.

“**Subsidiary**” means a subsidiary within the meaning of section 1159 of the Companies Act 2006, as amended.

“**Taxation**” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“**VAT**” means:

- (a) within the European Union, any Taxation imposed by any Member State in conformity with the Directive of the Council of the European Union on the common system of value added tax (2006/112/EC); and
- (b) outside the European Union, any Taxation corresponding to, or substantially similar to, the common system of value added tax referred to in paragraph (a) of this definition.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE REPRESENTED BY THE GLOBAL NOTES

*The following is a summary of the provisions to be contained in the Trust Deed to constitute the Notes and in the Global Notes which will apply to, and in some cases modify, the Conditions of the Notes while the Notes are represented by the Global Notes. The Notes will be issued in new global note (“NGN”) form. The Notes are intended to be held in a manner which would allow Eurosystem eligibility that is, in a manner which would allow the Notes to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.*

### 1. Exchange

The Temporary Global Note is exchangeable in whole or in part for interests in the Permanent Global Note on or after a date which is expected to be 1 June 2010 upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Note. The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for definitive Notes only:

- (a) upon the happening of any of the events defined in the Trust Deed as “Events of Default”; or
- (b) if either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the Trustee is available.

Thereupon the holder of the Permanent Global Note (acting on the instructions of one or more of the Accountholders (as defined below)) or the Trustee may give notice to the Issuer of its intention to exchange the Permanent Global Note for definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the Permanent Global Note may surrender the Permanent Global Note to or to the order of the Principal Paying Agent. In exchange for the Permanent Global Note the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Trust Deed. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

For these purposes, “**Exchange Date**” means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given and being a day on which banks are open for general business in the place in which the specified office of the Principal Paying Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

### 2. Payments

On and after 1 June 2010, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal, purchase moneys due under Condition 7.3, premium due under Condition 7.4, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg to the bearer of such Permanent Global Note without any requirement for certification. The Issuer shall procure that the amount so paid shall be entered *pro rata* in the records of Euroclear and Clearstream, Luxembourg and the principal amount of the Notes recorded in the records of Euroclear and Clearstream, Luxembourg and represented by such Global Note will be reduced accordingly. Each payment so made will discharge the Issuer’s obligations in respect thereof. Any failure to make the entries in the records of Euroclear and Clearstream, Luxembourg shall not affect

such discharge. Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

### 3. **Notices**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders rather than by publication as required by Condition 13, provided that, so long as the Notes are admitted to the official list maintained by the Financial Services Authority in its capacity as the UK Listing Authority (the “UKLA”) and admitted to trading on the London Stock Exchange plc’s market for listed securities, all requirements of the UKLA have been complied with. Any such notice shall be deemed to have been given to the Noteholders on the second day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

Whilst any of the Notes held by a Noteholder are represented by a Global Note, notices to be given by such Noteholder may be given by such Noteholder (where applicable) through Euroclear and/or Clearstream, Luxembourg and otherwise in such manner as the Principal Paying Agent and Euroclear and Clearstream, Luxembourg may approve for this purpose.

### 4. **Accountholders**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Notes (each an “**Accountholder**”) (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall, in the absence of manifest error, be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Notes for all purposes (including but not limited to, for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders and giving notice to the Issuer pursuant to Condition 10 and Condition 7.3) other than with respect to the payment of principal, purchase moneys due under Condition 7.3 or premium due under Condition 7.4 and interest on such principal amount of such Notes, the right to which shall be vested, as against the Issuer and the Trustee, solely in the bearer of the relevant Global Note in accordance with and subject to its terms and the terms of the Trust Deed. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

### 5. **Prescription**

Claims against the Issuer and the Guarantors in respect of principal, purchase moneys due under Condition 7.3 or premium due under Condition 7.4 and interest on the Notes represented by a Global Note will be prescribed after ten years (in the case of principal) and five years (in the case of interest from the Relevant Date (as defined in Condition 20)).

### 6. **Cancellation**

On cancellation of any Note represented by a Global Note and required by the Conditions of the Notes to be cancelled following its redemption or purchase, the Issuer shall procure that details of such cancellation shall be entered *pro rata* in the records of Euroclear and/or Clearstream, Luxembourg and, upon such entry being made, the principal amount of the applicable Global Note recorded in the records of Euroclear and/or Clearstream, Luxembourg shall be reduced by the aggregate principal amount of the Notes so cancelled.

7. **Put Option**

For so long as all of the Notes are represented by one or both of the Global Notes and such Global Note(s) is/are held on behalf of Euroclear and/or Clearstream, Luxembourg, the option of the Noteholders provided for in Condition 7.3 may be exercised by an Accountholder giving notice to the Principal Paying Agent in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instructions by Euroclear or Clearstream, Luxembourg or any common service provider for them to the Principal Paying Agent by electronic means) of the principal amount of the Notes in respect of which such option is exercised. The Issuer shall procure that any exercise of any option or any right under the Notes, as the case may be, shall be entered in the records of Euroclear and/or Clearstream, Luxembourg and upon any such entry being made, the principal amount of the Notes represented by the Permanent Global Note shall be adjusted accordingly.

8. **Euroclear and Clearstream, Luxembourg**

References in the Global Notes and this summary to Euroclear and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system approved by the Trustee.



## **USE OF PROCEEDS**

The net proceeds of the issue of the Notes, amounting to approximately £294,504,000, will be applied by the Issuer for its general corporate purposes.

## DESCRIPTION OF THE ISSUER

### 1. General Information

The Issuer was incorporated and registered in England and Wales on 8 February 2007 with registered number 6091951 under the Companies Act 1985 as a public limited company with name of Shakespeareco plc. On 12 February 2007, the Issuer changed its name to Thomas Cook Group plc.

Through its predecessor companies back to its founder, Thomas Cook, the Thomas Cook Group business has a 169-year history of meeting the travel needs of its customers.

On 19 June 2007, 971,912,124 ordinary shares of €0.10 were issued by the Issuer in connection with the merger of MyTravel Group plc and Thomas Cook AG and, on that date, the Issuer's ordinary shares were admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities.

Following approval by the Board of Directors the Issuer's registered office was changed from The Thomas Cook Business Park, Coningsby Road, Peterborough PE3 8SD to 6th Floor South, Brettenham House, Lancaster Place, London WC2E 7EN, United Kingdom on 29 October 2009. The Issuer's telephone number is +44 (0) 20 7557 6400.

### 2. Organisational Structure

The Issuer is the parent company of one of the world's leading leisure travel groups with headquarters in the UK. It directly or indirectly controls a number of subsidiaries and exerts influence over a number of other companies through investments (hereinafter "associates").

### 3. Business Overview

The Issuer and its Subsidiaries (the "Group") operate within five segments: UK & Ireland (comprising the UK and Irish tour operations and UK airline, plus operations in India and Egypt); Continental Europe (comprising operations in Germany, Austria, Belgium, France, the Netherlands, Poland, Hungary, Czech Republic and Slovakia); Northern Europe (comprising operations in Sweden, Norway, Denmark, Finland), North America (comprising operations in Canada and USA); and Airlines Germany which comprises Condor Flugdienst GmbH, Condor Technik GmbH and Condor Berlin GmbH operated by Thomas Cook in Germany ("Condor"). The Group operates in 21 countries. The principal brands include Thomas Cook, Airtours, Neckermann, Condor, Ving, Direct Holidays and Sunquest.

#### *Package travel*

The Group's core business is primarily the sale of charter packages where two or more components of travel, such as flights, hotels, transfers and rep services, are bundled together in advance and sold to customers through brochures and agents in stores, online through various websites or over the phone from call centres. In this segment, the Group has continued to grow its proportion of four and five star and all inclusive products and medium haul destinations. The Group has also continued to streamline its mainstream businesses, looking to take ever greater advantage of the size and scale of the Thomas Cook Group as well as continuing to remove duplication of functions and invest in systems in order to increase business efficiency.

#### *Independent travel and wholesale business*

The independent travel business area includes scheduled tours where consumers either tailor make their trips or buy pre-packaged itineraries, as well as the Group's wholesale business where the Group operates as an intermediary between suppliers and other agents providing them with the ability to build holidays for their customers.

The Group invested in dynamic packaging capabilities that enable consumers to build their own packages either online or with an agent and has expanded its product range both through a number of recent

acquisitions such as Gold Medal, Med Hotels and Hotels4U as well as through sales and marketing efforts of existing product ranges. In addition to investments in dynamic packaging capabilities and products, the business focused its efforts on significantly improving its online capabilities.

The wholesale business expanded in North America through the acquisition of 100% of the share capital of TriWest Travel Holdings in Canada at the end of the 2007/08 financial year, making Thomas Cook one of the leading independent wholesalers in the Canadian market. In Europe, Thomas Cook now has leading business to business hotel bed and flight consolidator and wholesale scheduled package positions following integration of the Hotels4U, Med Hotels and Gold Medal acquisitions.

### ***Travel-related financial services***

A third business area for the Group is travel-related financial services which broadly fall into the categories of: travel money, which are products that help customers pay for goods and services whilst travelling such as pre-paid foreign exchange; travel assurance, which are products that cover the various risks associated with travel such as insurance for accidents and thefts; and travel finance, which are products that allow customers to finance their travel, such as credit cards.

### ***Mergers and Acquisitions and partnerships***

To support growth drivers, the Group is constantly looking for opportunities to bolster its business through mergers, acquisitions or partnerships. As developed markets mature, the Group is focused on the one hand on ways to consolidate these markets and maximise the value from them, and on the other on the new growth areas of emerging markets, in particular, large fast growing markets such as India, Russia, China and parts of South America.

### ***Airline business***

The Group's airline business has been subject to a number of strategic developments. These in part are the result of the decision to retain the German airline, Condor, as part of the Group. As part of this decision, synergies were identified between the Group's various airlines, such as fuel and catering arrangements as well as arrangements relating to ground handling services, using the buying power of the Group and significant cost savings have been implemented through greater co-ordination of activities with other Thomas Cook Group airlines.

### ***Business models***

The Group operates different business models within each of its major markets. In the UK, Northern European, Belgian and Canadian markets, the primary business model is that of vertically integrated charter tour operations, based on airline ownership, committed air capacity and controlled retail distribution. In most Continental European markets, different market conditions make the vertically integrated model less effective and, accordingly, ownership of an airline is not considered a prerequisite for successful tour operations. In Germany, Condor operates as a stand-alone low fare airline providing aircraft seats to Thomas Cook's German tour operators on an arm's length basis and selling directly to other tour operators and seat-only customers.

### ***Key financial information***

The Issuer had a market capitalisation at close of trading on 15 April 2010 of approximately £2,296 million. In its financial year ended 30 September 2009, the Group had approximately 22.1 million customers and generated total revenue of £9,268.8 million, profit from operations before exceptional items of £414.9 million and adjusted profit before tax of £308.2 million. The exceptional items are mainly related to the Thomas Cook and MyTravel merger integration, costs incurred in connection with the integration of other acquisitions made during the financial years ended 30 September 2008 and 2009 as well as other restructuring projects that were undertaken across the Group. As at 30 September 2009, the Group employed

approximately 31,000 staff, and operated a fleet of 95 aircraft (including one aircraft on lease to a third party) and a network of over 3,400 owned and franchised travel stores.

Table 1 below sets out segmental information for the financial year ended 30 September 2009, as extracted from the Group's audited results for that year:

Table 1

	<u>Revenue*</u>	<u>Percentage of Group revenue</u>	<u>Profit from operations**</u>
	<i>£million</i>	<i>%</i>	<i>£million</i>
UK & Ireland .....	3,098.0	33.4	162.2
Continental Europe .....	4,000.3	43.2	127.0
Northern Europe .....	1,059.3	11.4	86.4
Northern America .....	370.4	4.0	17.9
Airlines Germany.....	1,061.2	8.0***	47.4

Source: *Thomas Cook Group plc Annual Report and Accounts 2009 pages 4 and 5*

\* Revenue for the Group and segmental analysis represents external revenue only, except in the case of Airlines Germany where revenue of £320.4 million largely to the Continental Europe division has been included.

\*\* Profit from operations/adjusted EBIT is defined as earnings before interest and tax, and has been adjusted to exclude exceptional operating items and amortisation of business combination intangibles. It also excludes the share of the results of associates and joint ventures.

\*\*\* The percentage of Group revenue for Airlines Germany has been calculated using the external revenue figure of £740.8 million.

### ***Principal subsidiaries, associates and joint ventures undertakings***

The Issuer's principal subsidiaries, associates and joint venture undertakings as at the date of this Prospectus are shown in Table 2 below:

Table 2

	<u>Country of incorporation and operation</u>	<u>Proportion of ownership interest held by Issuer (%)</u>	<u>Proportion of ownership interest held by Group (%)*</u>
<b>Direct subsidiaries</b>			
Thomas Cook Investments (2) Limited .....	England	100	100
Thomas Cook AG** .....	Germany	100	100
<b>Indirect subsidiaries</b>			
<b>Continental Europe</b>			
TC Touristik GmbH** .....	Germany		50.0023
Bucher Reisen GmbH** .....	Germany		100
Gesellschaft für Reise-Vetriebssysteme mbH .....	Germany		100
Golf Novo Sancti Petri S.A. ....	Spain		80.75
Hoteles y Clubs de Vacaciones S.A. ....	Spain		51
Neckermann Polska BP Sp. z.o.o. ....	Poland		100
Neckermann Slovakia s.r.o. ....	Slovakia		60
Neckermann Urlaubswelt GmbH & Co. KG.....	Germany		100
NUR Neckermann Utazas Szolgas Szolgaltato Kft ..	Hungary		100
Thomas Cook Airlines Belgium NV** .....	Belgium		100
Thomas Cook Austria AG .....	Austria		100
Thomas Cook Belgium NV** .....	Belgium		100
Thomas Cook Destinations GmbH .....	Germany		100
Thomas Cook Nederland BV .....	Netherlands		100
Thomas Cook Reisburo Groep B.V. ....	Netherlands		100

	<b>Country of incorporation and operation</b>	<b>Proportion of ownership interest held by Issuer (%)</b>	<b>Proportion of ownership interest held by Group (%)*</b>
Thomas Cook Retail Belgium NV .....	Belgium		100
Thomas Cook SAS** .....	France		100
Thomas Cook Service AG .....	Switzerland		100
Thomas Cook s.r.o. ....	Czech Republic		100
Thomas Cook Vertriebs GmbH .....	Germany		100
Viajes Iberoservice España, S.L. ....	Spain		65
<b>Airlines Germany</b>			
Condor Berlin GmbH .....	Germany		50.0023
Condor Flugdienst GmbH** .....	Germany		50.0023
Condor Technik GmbH .....	Germany		50.0023
<b>UK and Ireland</b>			
Airline Network plc .....	England		85
Airtours Holidays Transport Limited .....	England		100
Airtrack Services Limited .....	England		100
Capitol Holdings Limited .....	Ireland		100
Elegant Resorts Limited.....	England		100
Gold Medal International Limited.....	England		85
Gold Medal Travel Group plc .....	England		85
Hotels4U.com Limited.....	England		100
MyTravel UK Limited .....	England		100
Neilsen Turizm Danismanlik VE Ticaret Ltd STI ....	Turkey		100
Neilson Active Holidays Limited .....	England		100
Resorts Mallorca Hotels International S.L. ....	Spain		100
Thomas Cook (India) Limited .....	India		77.63
Thomas Cook Aircraft Engineering Limited.....	England		100
Thomas Cook Airlines Limited** .....	England		100
Thomas Cook Overseas Limited .....	England		100
Thomas Cook Retail Limited** .....	England		100
Thomas Cook Scheduled Tour Operations Limited** .....	England		100
Thomas Cook Tour Operations Limited** .....	England		100
Thomas Cook TV Limited.....	England		100
Thomas Cook USA Travel Services Limited .....	England		100
thomascook.com Limited.....	England		100
White Horse Administration Services Ltd.....	Ireland		100
White Horse Insurance Ireland Limited .....	Ireland		100
<b>Northern Europe</b>			
Hoteles Sunwing S.A. ....	Spain		100
MyTravel Denmark A/S.....	Denmark		100
Oy Tjareborg AB .....	Finland		100
Sunwing Ekerum AB .....	Sweden		100
Thomas Cook Airlines Scandinavia A/S** .....	Denmark		100
Thomas Cook Northern Europe AB .....	Sweden		100
Ving Norge A/S .....	Norway		100
Ving Sverige AB .....	Sweden		100

	<b>Country of incorporation and operation</b>	<b>Proportion of ownership interest held by Issuer (%)</b>	<b>Proportion of ownership interest held by Group (%)*</b>
<b>North America</b>			
Thomas Cook Canada Inc.**	Canada		100
Thomas Cook USA Holdings Inc.	USA		100
<b>Corporate</b>			
“Eurocenter” Beteiligungs-und Reisevermittlung GmbH			
GmbH	Germany		100
Airtours Channel Islands Limited	Jersey		100
Airtours Finance Limited	Guernsey		100
Blue Sea Overseas Investments Limited	England		100
GUT Reisen GmbH	Germany		100
MyTravel Group plc	England		100
Parkway Limited Partnership (No. 1) L.P.	Guernsey		100
Sandbrook Overseas Investments Limited	England		100
Sandbrook UK Investments Limited	England		100
Thomas Cook Continental Holdings Limited	England		100
Thomas Cook Group Treasury Limited**	England		100
Thomas Cook UK Limited**	England		100
Thomas Cook Group UK Limited	England		100
Thomas Cook Investments (1) Limited	England		100
Thomas Cook Investments (3) Limited	Jersey		85
Thomas Cook Treasury Limited	England		100
<b>Associates</b>			
Activos Turisticos S.A.	Spain		40
Aldiana GmbH	Germany		24.9
COPLAY 95 S.L.	Spain		25
Hispano Alemana de Management Hotelero S.A.	Spain		40
Hotelera Adeje, S.A.	Spain		25
Oasis Company SAE	Egypt		25.1
<b>Joint venture</b>			
Thomas Cook Personal Finance Limited	England		50

\* please note that in respect of TC Touristik GmbH and Airlines Germany, the figures provided represent the proportion of voting interest held by the Group (%)

\*\* Initial Guarantors in respect of the Notes

#### 4. History and Development

The origins of the Thomas Cook Group are linked with the advent of leisure travel, and can be traced back to 1841. Building on a 169-year history of successfully meeting the travel needs of its customers many of the values that the founder Thomas Cook himself instilled in the business when he created it in 1841 still hold true. The Thomas Cook business has shaped the industry ever since and has brought many innovations to the market, making travel easy and affordable, for example, through the introduction of travellers’ cheques and vouchers.

On 19 June 2007, MyTravel Group plc and Thomas Cook AG merged to form Thomas Cook Group plc. On 1 October 2008, Thomas Cook Group plc was 52.8% owned by Arcandor AG and its subsidiaries (“Arcandor”). During the period 13 March 2008 to 9 October 2008 the Issuer bought back 55,426,756

shares for £130.2 million from Arcandor. These transactions were part of a share buy-back programme and were on an arm's length basis. On 10 September 2009, 43.9% of Thomas Cook Group plc, which was held by Arcandor and its subsidiaries, was placed on the stock market. In early October 2009, the remaining shares held as pledge against an Arcandor convertible bond were delivered to bondholders. Following these developments, 100% of the Issuer's share capital is traded freely on the London Stock Exchange. The issued share capital as at the date of this Prospectus is 858,292,947.

**5. Regulation**

The industries in which the Group operates are heavily regulated at various levels by European and other national regulators.

**Package Holidays and Tours**

The European Economic Community Council Directive on Package, Travel Package Holidays and Package Tours 90/314/EEC imposes various obligations upon marketers of travel packages, such as disclosure obligations to consumers and liability to consumers for improper performance of the package, including supplier failure.

**Airline industry**

The airline industry is subject to a high degree of international, European and UK government regulation covering most aspects of airline operations. The basis for international regulation of airline operations derives from the Chicago Convention of 1944, to which nearly all countries are parties. The Convention established the International Civil Aviation Organization under the auspices of which rules establishing minimum operational standards are normally agreed on a multilateral basis. Airlines' rights to fly over, or make stops in, foreign countries for technical reasons in operating their international scheduled services are generally derived from the International Air Services Transit Agreement of 1944 to which most countries are parties. However, rights to carry traffic between countries and the regulation of fares are normally agreed on a bilateral basis between governments. A notable exception is the multilateral single market arrangements which apply within the EU.

The airlines operated by the Issuer or its Subsidiaries in the United Kingdom, Germany, Belgium and Scandinavia are also affected by wider European and UK policies, laws and regulation, particularly in relation to competition, passenger rights, airports and air traffic control.

**6. Administrative, Management and Supervisory Bodies**

As at the date of this Prospectus, the Directors of the Issuer, whose business address is 6th Floor South Brettenham House, Lancaster Place London, WC2E 7EN, United Kingdom are listed in Table 3 below, together with their functions and any external appointments relating to activities performed by them outside the Issuer:

Table 3

Name	Title and principal activities outside the Group (if any)
<b>Board of Directors</b>	
Michael Beckett.....	<p><b>Title:</b> Non-Executive Chairman</p> <p><b>Committee memberships:</b> Chairman of Nominations Committee</p> <p><b>External appointments:</b> Non-Executive Chairman of Endeavour Financial Corporation (Canada). He is also a Non-Executive Director of Northam Platinum Limited and Mvelaphanda Resources Limited (South Africa), Orica Limited (Australia), The Egypt Trust (Luxembourg), Petroamerica Oil Corporation (Canada) and Banro Corporation (Democratic Republic of Congo).</p>

<b>Name</b>	<b>Title and principal activities outside the Group (if any)</b>
Manny Fontenla-Novoa.....	<p><b>Title:</b> Chief Executive Officer</p> <p><b>Committee memberships:</b> Chairman of Group Executive Board, Member of Health, Safety &amp; Environmental Committee</p> <p><b>External appointments:</b> Director of Mediterranean Touristic Management, a joint venture between Thomas Cook Destinations GmbH and Iberostar Hoteles y Apartamentos S.L.</p>
Paul Hollingworth .....	<p><b>Title:</b> Group Chief Financial Officer</p> <p><b>Committee memberships:</b> Member of Group Executive Board.</p> <p><b>External appointments:</b> Non-Executive Director of Electrocomponents plc</p>
Sam Weihagen.....	<p><b>Title:</b> Chief Executive Officer, Northern Europe &amp; Deputy to the Group Chief Executive Officer</p> <p><b>Committee memberships:</b> Member of Group Executive Board</p> <p><b>External appointments:</b> Chairman of the Tour Operating Federation in Sweden.</p>
Dawn Airey.....	<p><b>Title:</b> Independent Non-Executive Director</p> <p><b>Committee memberships:</b> Member of the Nominations Committee.</p> <p><b>External appointments:</b> Chair and Chief Executive Officer of Five TV.</p>
David Allvey .....	<p><b>Title:</b> Independent Non-Executive Director</p> <p><b>Committee memberships:</b> Chairman of Audit Committee, Member of Nominations Committee and Health, Safety &amp; Environmental Committee</p> <p><b>External appointments:</b> Chairman of Costain Group PLC and Arena Coventry Ltd; Senior Independent Director of both Intertek Group plc and William Hill plc; Director of Friends Provident Holdings (UK) Limited and the unlisted company, Friends Provident Group plc</p>
Roger Burnell .....	<p><b>Title:</b> Independent Non-Executive Director</p> <p><b>Committee memberships:</b> Chairman of Health, Safety &amp; Environmental Committee, Member of Audit Committee, Nominations Committee and Management Development &amp; Remuneration Committee</p> <p><b>External appointments:</b> Non-Executive Director of Coventry Building Society</p>
Bo Lerenius .....	<p><b>Title:</b> Independent Non-Executive Director</p> <p><b>Committee memberships:</b> Member of Audit Committee, Nominations Committee and Management Development &amp; Remuneration Committee</p> <p><b>External appointments:</b> Chairman of Mouchel Plc and the Swedish Chamber of Commerce for the UK; Non-Executive Director of G4S plc, Land Securities Group plc, Ittur Group (Sweden) and Rorvik Timber (Sweden). He is an advisor to the infrastructure fund of Swedish venture capital group, EQT.</p>



<b>Name</b>	<b>Title and principal activities outside the Group (if any)</b>
Peter Middleton .....	<b>Title:</b> Independent Non-Executive Director <b>Committee memberships:</b> Member of Nominations Committee, Chairman of Management Development & Remuneration Committee <b>External appointments:</b> None

<b>Name</b>	<b>Title and principal activities outside the Group (if any)</b>
<b>Group Executive Board</b>	
Dr Jürgen Büser	Group Strategy Director
Pete Constanti	Chief Executive Officer, Group Destination Management
Ian Derbyshire	Chief Executive Officer, UK & Ireland
Dr. Thomas Döring	Chief Executive Officer, East and West Europe
Dr. Peter Fankhauser	Chief Executive Officer, Central Europe
Michael Friisdahl	Chief Executive Officer, North America
Ludger Heuberg	Chief Executive Officer, Group Operations
Ralf Teckentrup	Chief Executive Officer, Airlines Germany
Paul Wood	Group Director, Human Resources
Derek Woodward	Group Company Secretary

### ***Conflicts of Interest***

There are no potential conflicts of interest between any duties of any member of the Board of Directors or the members of the Group Executive Board of the Issuer and their private interests or other duties.

### **7. Major Shareholders**

As of 25 March 2010, the following persons are major shareholders of the issued share capital of the Issuer:

<b>Shareholder Name</b>	<b>Amount</b>	<b>% Holding</b>
AXA S.A. ....	94,353,695	10.99
Lloyds Banking Group plc .....	77,191,766	8.99
BlackRock Inc. ....	65,754,701	7.66
Standard Life Investments Ltd .....	36,908,650	4.30
Legal & General Group plc .....	26,098,414	3.04

### **8. Recent Developments**

As a result of the volcanic ash cloud from Iceland affecting the majority of airspace above Northern Europe, as of 19 April 2010 the Group is facing severe disruption to its flight and holiday programme. The Group's first priority is to support customers affected by the airspace restriction and welfare is being provided to those overseas. For those customers due to depart alternative holidays are being offered; a large number of holiday makers are choosing to rebook. The Group is working with the relevant national bodies and international authorities to understand the likely further impact on the Group's flying schedules and mitigate the impact on the travel industry.

As of 19 April 2010, the precise financial impact is difficult to calculate given the number of factors involved. The estimated current daily impact on the Group's operating result, including both lost contribution and additional costs, is around £7 million. The Group has substantial banking facilities and as at 31 March 2010 had headroom of around £400 million under its committed banking facility.

## DESCRIPTION OF THE GUARANTORS

### Organisational Structure

Each of the Guarantors is (directly or indirectly) a wholly-owned or controlled subsidiary of the Issuer. Thomas Cook Belgium NV is a direct wholly-owned subsidiaries of Thomas Cook Continental Holdings Limited, itself a wholly-owned subsidiary of the Issuer. Thomas Cook SAS is a direct wholly-owned subsidiary of Thomas Cook France SAS, itself a wholly-owned subsidiary of Thomas Cook Continental Holdings Limited. Thomas Cook AG itself is a wholly-owned subsidiary of the Issuer, TC Touristik GmbH, Bucher Reisen GmbH and Condor Flugdienst GmbH are direct or indirect subsidiaries of Thomas Cook AG. The Guarantors incorporated in the UK are all wholly-owned (directly or indirectly) subsidiaries of Thomas Cook Group UK Limited, which in turn is, via MyTravel Group plc and Thomas Cook Investments 2 Limited, a wholly-owned subsidiary of the Issuer. Thomas Cook Canada Inc. is a wholly owned subsidiary of Blue Sea Overseas Investments Limited, which in turn is, via MyTravel Group plc and Thomas Cook Investments 2 Limited, a wholly owned subsidiary of the Issuer.

As at 30 September 2009, the Guarantors represented in aggregate over 80 per cent. of the Group by reference to earnings before interest, tax, depreciation, amortisation, restructuring and integration related exceptional items and operating lease rentals (EBITDAR) and gross assets.

### Condor Flugdienst GmbH

Condor Flugdienst GmbH was incorporated and registered in Germany on 23 December 1955 in the commercial register (*Handelsregister*) of Frankfurt am Main with registered number HRB 83385 under the laws of the Federal Republic of Germany as a limited liability company (*Gesellschaft mit beschränkter Haftung*). Together with its subsidiaries, Condor Flugdienst GmbH provides commercial air transportation as well as all activities in connection therewith. The registered office of Condor Flugdienst GmbH is Am Grünen Weg 1 – 3, 65451 Kelsterbach, Germany and its telephone number is +49 6107 939 0.

### Management

As at the date of this Prospectus, the executive officers of Condor Flugdienst GmbH, whose business address is Am Grünen Weg 1 – 3, 65451 Kelsterbach, Germany, are:

<u>Name</u>	<u>Title and principal activities outside the Group (if any)</u>
Ralf Teckentrup .....	<b>Title:</b> Managing Director <b>External appointments:</b> Sixt AG, Deutsche Flugsicherung GmbH, Bundesverband der deutschen Tourismuswirtschaft, Bundesverband der deutschen Fluggesellschaften
Uwe Balsler .....	<b>Title:</b> Managing Director <b>External appointments:</b> None
Dr. Ulrich Johannwille .....	<b>Title:</b> Managing Director <b>External appointments:</b> None

There are no potential conflicts of interest between any of the Directors' duties to Condor Flugdienst GmbH and their private interests or other duties to third parties.

### Thomas Cook Airlines Limited

Thomas Cook Airlines Limited was incorporated and registered in England on 21 April 1986 with registered number 2012379 under the Companies Act 1985 as a limited liability company. Together with its subsidiaries, Thomas Cook Airlines Limited is responsible for the airline operations which form part of the Group's mainstream operations. The registered office of Thomas Cook Airlines Limited is The Thomas Cook

Business Park, Coningsby Road, Peterborough, PE3 8SB, United Kingdom and its telephone number is +44 1733 416507.

**Management**

As at the date of this Prospectus, the executive officers of Thomas Cook Airlines Limited, whose business address is The Thomas Cook Business Park, Coningsby Road, Peterborough, PE3 8SB, United Kingdom, are:

<u>Name</u>	<u>Title and principal activities outside the Group (if any)</u>
David Alexander .....	<b>Title:</b> Director <b>External appointments:</b> None
Pete Constanti .....	<b>Title:</b> Director <b>External appointments:</b> None
Christopher Gadsby.....	<b>Title:</b> Director <b>External appointments:</b> None
Lucas Mollan.....	<b>Title:</b> Director <b>External appointments:</b> None
Theresa Oldham .....	<b>Title:</b> Director <b>External appointments:</b> None
Francis Pullman.....	<b>Title:</b> Director <b>External appointments:</b> None
Ian Smith .....	<b>Title:</b> Director <b>External appointments:</b> None
Stephen Solomon.....	<b>Title:</b> Director <b>External appointments:</b> None
Joanna Wild .....	<b>Title:</b> Director <b>External appointments:</b> None

There are no potential conflicts of interest between any of the Directors’ duties to Thomas Cook Airlines Limited and their private interests or other duties to third parties.

**TC Touristik GmbH**

TC Touristik GmbH was incorporated and registered in Germany on 16 February 1973 in the commercial register (*Handelsregister*) Frankfurt am Main with registered number HRB 4617 under the laws of the Federal Republic of Germany as a limited liability company (*Gesellschaft mit beschränkter Haftung*). Together with its subsidiaries, TC Touristik GmbH provides, procures and organises travel and manages travel agencies. The registered office of TC Touristik GmbH is Thomas-Cook-Platz 1, 61440 Oberursel, Germany and its telephone number is +49 6171 65 1603

## **Management**

As at the date of this Prospectus, the executive officers of TC Touristik GmbH, whose business address is Thomas-Cook-Platz 1, 61440 Oberursel, Germany are:

<b>Name</b>	<b>Title and principal activities outside the Group (if any)</b>
Dr. Kristin Neumann .....	<b>Title:</b> Managing Director <b>External appointments:</b> None
Gisela Sökeland.....	<b>Title:</b> Managing Director <b>External appointments:</b> None
Ralf Teckentrup .....	<b>Title:</b> Managing Director <b>External appointments:</b> Sixt AG, Deutsche Flugsicherung GmbH, Bundesverband der deutschen Tourismuswirtschaft, Bundesverband der deutschen Fluggesellschaften e.V.
Michael Tenzer .....	<b>Title:</b> Managing Director <b>External appointments:</b> None
Christian Würst .....	<b>Title:</b> Managing Director <b>External appointments:</b> None

There are no potential conflicts of interest between any of the Directors' duties to TC Touristik GmbH and their private interests or other duties to third parties.

## **Thomas Cook AG**

Thomas Cook AG was incorporated and registered in Germany on 2 February 1998 in the commercial register (*Handelsregister*) of Frankfurt am Main with registered number HRB 7265 under the laws of the Federal Republic of Germany as a stock corporation (*Aktiengesellschaft*). Together with its subsidiaries, Thomas Cook AG provides commercial air transport, organises travel, and manages hotels and clubs and travel agencies and related businesses. The registered office of Thomas Cook AG is Thomas-Cook-Platz 1, 61440 Oberursel, Germany and its telephone number is +49 6171 65 1603.

## **Management**

As at the date of this Prospectus, the executive officers of Thomas Cook AG, whose business address is Thomas-Cook-Platz 1, 61440 Oberursel, Germany are:

<b>Name</b>	<b>Title and principal activities outside the Group (if any)</b>
Dr. Peter Fankhauser .....	<b>Title:</b> Chairman of the Executive Board <b>External appointments:</b> Deutscher ReiseVerband, Deutscher ReiseVerband Hilfe ohne Grenzen e.V.
Ludger Heuberg.....	<b>Title:</b> Member of the Executive Board <b>External appointments:</b> Commerzbank AG (Landesbeirat Süd)
Ralf Teckentrup .....	<b>Title:</b> Member of the Executive Board <b>External appointments:</b> Sixt AG, Deutsche Flugsicherung GmbH, Bundesverband der deutschen Tourismuswirtschaft, Bundesverband der deutschen Fluggesellschaften e.V.

There are no potential conflicts of interest between any of the Directors' duties to Thomas Cook AG and their private interests or other duties to third parties.

## Thomas Cook SAS

Thomas Cook SAS was incorporated and registered in France on 27 September 1957 with registered number RCS Nanterre B 572 158 905 under the laws of the Republic of France as a limited liability company (*Société par actions simplifiée*). Together with its subsidiaries, Thomas Cook SAS provides travel services. The registered office of Thomas Cook SAS is 92/98, Boulevard Victor Hugo 92115 Clichy Cedex, France and its telephone number is + 33 1 76 77 70 00.

### Management

As at the date of this Prospectus, the executive officers of Thomas Cook SAS, whose business address is 92/98, Boulevard Victor Hugo 92115 Clichy Cedex, France are:

<u>Name</u>	<u>Title and principal activities outside the Group (if any)</u>
Denis Wathier .....	<b>Title:</b> Chief Executive Officer <b>External appointments:</b> Board Member of Beijaflore S.A. (France)
Geert Gekiere .....	<b>Title:</b> Managing director <b>External appointments:</b> None
Anne Bouferguene.....	<b>Title:</b> Deputy managing director <b>External appointments:</b> None
Serge Lamberti .....	<b>Title:</b> Deputy managing director <b>External appointments:</b> None
Jérôme Maton .....	<b>Title:</b> Deputy managing director <b>External appointments:</b> None

There are no potential conflicts of interest between any of the Directors' duties to Thomas Cook SAS and their private interests or other duties to third parties.

## Thomas Cook Airlines Scandinavia A/S

Thomas Cook Airlines Scandinavia A/S was incorporated and registered in Denmark on 1 February 1990 with registered number 13896909 under the laws of the Kingdom of Denmark as a limited liability company. Thomas Cook Airlines Scandinavia A/S provides charter flights primarily to Group tour operators. The registered office of Thomas Cook Airlines Scandinavia A/S is Copenhagen Airport South, Hangar 276, 2791 Dragør, Denmark and its telephone number is +45 32 47 72 00.

### Management

As at the date of this Prospectus, the executive officers of Thomas Cook Airlines Scandinavia A/S, whose business address is Copenhagen Airport South, Hangar 276, 2791 Dragør, Denmark are:

<u>Name</u>	<u>Title and principal activities outside the Group (if any)</u>
Tom Clausen .....	<b>Title:</b> Chief Executive Officer <b>External appointments:</b> Member of the board of CORE A/S (IT-business)
Bent Erlandsen .....	<b>Title:</b> Director Operations <b>External appointments:</b> None
Torben Østergaard .....	<b>Title:</b> Finance Director <b>External appointments:</b> None

There are no potential conflicts of interest between any of the Directors’ duties to Thomas Cook Airlines Scandinavia A/S and their private interests or other duties to third parties.

**Thomas Cook Belgium NV**

Thomas Cook Belgium NV was incorporated and registered in Neerpelt, Belgium on 8 November 1977 under the name “*Wim Desmet Reizen*” with registered number 0418.052.479 under the laws of the Kingdom of Belgium as a public limited liability company (*Naamloze Vennootschap*). It became Thomas Cook Belgium NV on 15 November 2001. Thomas Cook Belgium NV organises all kinds of holidays as well as tourist travel arrangements, manages travel agencies and acts as agent with respect to transport of persons and all related transactions. The registered office of Thomas Cook Belgium NV is Tramstraat 63-67, 9052 Gent, Belgium and its telephone number is +32 9 241.16.48.

**Management**

As at the date of this Prospectus, the executive officers of Thomas Cook Belgium NV, whose business address is Tramstraat 63-67, 9052 Gent, Belgium, are:

<b>Name</b>	<b>Title and principal activities outside the Group (if any)</b>
Thomas Döring .....	<b>Title:</b> Director <b>External appointments:</b> None
Ulrik Verduyck .....	<b>Title:</b> Director <b>External appointments:</b> Mare Tours NV
Herman Van Steenstraeten.....	<b>Title:</b> Director <b>External appointments:</b> Garantiefonds Reizen ovv.
Marc Vandewal .....	<b>Title:</b> Director <b>External appointments:</b> None

There are no potential conflicts of interest between any of the Directors’ duties to Thomas Cook Belgium NV and their private interests or other duties to third parties.

**Thomas Cook Scheduled Tour Operations Limited**

Thomas Cook Scheduled Tour Operations Limited was incorporated and registered in England on 14 August 1969 with registered number 960252 under the Companies Act 1985 as a limited liability company. Together with its subsidiaries, Thomas Cook Scheduled Tour Operations Limited is responsible for scheduled tour operations which form part of the independent businesses. The registered office of Thomas Cook Scheduled Tour Operations Limited is The Thomas Cook Business Park, Coningsby Road, Peterborough, PE3 8SB, United Kingdom and its telephone number is +44 1733 416507.

**Management**

As at the date of this Prospectus, the executive officers of Thomas Cook Scheduled Tour Operations Limited, whose business address is the Thomas Cook Business Park, Coningsby Road, Peterborough, PE3 8SB, United Kingdom, are:

<b>Name</b>	<b>Title and principal activities outside the Group (if any)</b>
David Michael Hallisey.....	<b>Title:</b> Director <b>External appointments:</b> None

There are no potential conflicts of interest between the Director’s duties to Thomas Cook Scheduled Tour Operations Limited and their private interests or other duties to third parties.

## Thomas Cook Airlines Belgium NV

Thomas Cook Airlines Belgium NV was incorporated and registered in Brussels, Belgium on 11 January 2002 with registered number 0476.635.729 under the laws of the Kingdom of Belgium as a public limited liability company (*Naamloze Vennootschap*). Thomas Cook Airlines Belgium NV provides activities in the field of air transport and the ancillary organisation of package tours and touristic arrangements. The registered office of Thomas Cook Airlines Belgium NV is Tramstraat 65, 9052 Zwijnaarde, Belgium and its telephone number is +32 9 241.16.48.

### Management

As at the date of this Prospectus, the executive officers of Thomas Cook Airlines Belgium NV, whose business address is Tramstraat 65, 9052 Zwijnaarde, Belgium are:

<u>Name</u>	<u>Title and principal activities outside the Group (if any)</u>
Thomas Döring .....	<b>Title:</b> Director <b>External appointments:</b> None
Ulrik Vercruyse .....	<b>Title:</b> Director <b>External appointments:</b> Mare Tours NV
Lode Ketele .....	<b>Title:</b> Director <b>External appointments:</b> BATA vzw.
Ralf Teckentrup .....	<b>Title:</b> Director <b>External appointments:</b> Sixt AG, Deutsche Flugsicherung GmbH, Bundesverband der deutschen Tourismuswirtschaft, Bundesverband der deutschen Fluggesellschaften e.V.

There are no potential conflicts of interest between any of the Directors' duties to Thomas Cook Airlines Belgium NV and their private interests or other duties to third parties.

## Thomas Cook Tour Operations Limited

Thomas Cook Tour Operations Limited was incorporated and registered in England on 18 May 1999 with registered number 3772199 under the Companies Act 1985 as a limited liability company. Together with its subsidiaries, Thomas Cook Tour Operations Limited is responsible for tour operations which form part of the Group's mainstream operations. The registered office of Thomas Cook Tour Operations Limited is The Thomas Cook Business Park, Coningsby Road, Peterborough, PE3 8SB, United Kingdom and its telephone number is +44 1733 416507

### Management

As at the date of this Prospectus, the executive officers of Thomas Cook Tour Operations Limited, whose business address is The Thomas Cook Business Park, Coningsby Road, Peterborough, PE3 8SB, United Kingdom, are:

<u>Name</u>	<u>Title and principal activities outside the Group (if any)</u>
Christopher Gadsby.....	<b>Title:</b> Director <b>External appointments:</b> None
David Michael Hallisey.....	<b>Title:</b> Director <b>External appointments:</b> None
Philip Poile .....	<b>Title:</b> Director <b>External appointments:</b> None

There are no potential conflicts of interest between any of the Directors' duties to Thomas Cook Tour Operations Limited and their private interests or other duties to third parties.

**Thomas Cook Retail Limited**

Thomas Cook Retail Limited was incorporated and registered in England on 22 April 1909 with registered number 102630 under the Companies Act 1985 as a limited liability company. Thomas Cook Retail Limited delivers all of the sales channels other than web and TV sales. The registered office of Thomas Cook Retail Limited is The Thomas Cook Business Park, Coningsby Road, Peterborough, PE3 8SB, United Kingdom and its telephone number is +44 1733 416507.

**Management**

As at the date of this Prospectus, the executive officers of Thomas Cook Retail Limited, whose business address is The Thomas Cook Business Park, Coningsby Road, Peterborough, PE3 8SB, United Kingdom, are:

<u>Name</u>	<u>Title and principal activities outside the Group (if any)</u>
Christopher Gadsby.....	<b>Title:</b> Director <b>External appointments:</b> None
David Michael Hallisey.....	<b>Title:</b> Director <b>External appointments:</b> None
Simon Robinson .....	<b>Title:</b> Director <b>External appointments:</b> None

There are no potential conflicts of interest between any of the Directors' duties to Thomas Cook Retail Limited and their private interests or other duties to third parties.

**Thomas Cook Group Treasury Limited**

Thomas Cook Group Treasury Limited was incorporated and registered in England on 24 April 2008 with registered number 6575598 under the Companies Act 1985 as a limited liability company. Together with its subsidiaries, the principal activities of Thomas Cook Group Treasury Limited comprise the provision of banking facilities, cash management and management of the interest rate, fuel and currency exposure of the Thomas Cook Group plc group. The registered office of Thomas Cook Group Treasury Limited is The Thomas Cook Business Park, Coningsby Road, Peterborough, PE3 8SB, United Kingdom and its telephone number is +44 1733 416507.



## Management

As at the date of this Prospectus, the executive officers of Thomas Cook Group Treasury Limited, whose business address is The Thomas Cook Business Park, Coningsby Road, Peterborough, PE3 8SB, United Kingdom, are:

<b>Name</b>	<b>Title and principal activities outside the Group (if any)</b>
Roger Coates .....	<b>Title:</b> Director <b>External appointments:</b> None
Christopher Gadsby .....	<b>Title:</b> Director <b>External appointments:</b> None
Paul Gilmartin .....	<b>Title:</b> Director <b>External appointments:</b> None
David Michael Hallisey .....	<b>Title:</b> Director <b>External appointments:</b> None
Heinz Ludger Heuberg .....	<b>Title:</b> Director <b>External appointments:</b> Commerzbank AG (Landesbeirat Süd)

There are no potential conflicts of interest between any of the Directors' duties to Thomas Cook Group Treasury Limited and their private interests or other duties to third parties.

## Thomas Cook UK Limited

Thomas Cook UK Limited was incorporated and registered in England on 22 July 1991 with registered number 2631252 under the Companies Act 1985 as a limited liability company. Thomas Cook UK Limited is an intermediate holding company and forms part of the central function for the Group's mainstream operations. The registered office of Thomas Cook UK Limited is The Thomas Cook Business Park, Coningsby Road, Peterborough, PE3 8SB, United Kingdom and its telephone number is +44 1733 416507.

## Management

As at the date of this Prospectus, the executive officers of Thomas Cook UK Limited, whose business address is The Thomas Cook Business Park, Coningsby Road, Peterborough, PE3 8SB, United Kingdom, are:

<b>Name</b>	<b>Title and principal activities outside the Group (if any)</b>
Juergen Bueser .....	<b>Title:</b> Director <b>External appointments:</b> None
Roger Coates .....	<b>Title:</b> Director <b>External appointments:</b> None
Pete Constanti .....	<b>Title:</b> Director <b>External appointments:</b> None
Ian Derbyshire .....	<b>Title:</b> Director <b>External appointments:</b> None
Christopher Gadsby .....	<b>Title:</b> Director <b>External appointments:</b> None
Paul Gilmartin .....	<b>Title:</b> Director <b>External appointments:</b> None
David Michael Hallisey .....	<b>Title:</b> Director <b>External appointments:</b> None

There are no potential conflicts of interest between any of the Directors’ duties to Thomas Cook UK Limited and their private interests or other duties to third parties.

**Thomas Cook Canada Inc.**

Thomas Cook Canada Inc. was incorporated in the Province of Ontario, Canada on October 1, 2008 with registered number 1780181 under *Business Corporations Act* (Ontario) as a corporation. Thomas Cook Canada Inc. provides travel services. The registered office of Thomas Cook Canada Inc. is 75 Eglinton Avenue East, Toronto, Ontario M4P 3A4, Canada and its telephone number is +416 485 1700.

**Management**

As at the date of this Prospectus, the executive officers of Thomas Cook Canada Inc., whose business address is 75 Eglinton Avenue East, Toronto, Ontario M4P 3A4, Canada, are:

<u>Name</u>	<u>Title and principal activities outside the Group (if any)</u>
Michael Friisdahl.....	<b>Title:</b> Director, President and Chief Executive Officer <b>External appointments:</b> None
Dean Moore.....	<b>Title:</b> Director and Chief Operating Officer <b>External appointments:</b> None
Karim Nensi .....	<b>Title:</b> Director, Chief Financial Officer and Secretary <b>External appointments:</b> None

There are no potential conflicts of interest between any of the directors’ duties to Thomas Cook Canada Inc. and their private interests or other duties to third parties.

**Bucher Reisen GmbH**

Bucher Reisen GmbH was incorporated and registered in Germany on 16 February 1990 in the commercial register (*Handelsregister*) of Neuss with registered number HRB 7534 under the laws of the Federal Republic of Germany as a limited liability company (*Gesellschaft mit beschränkter Haftung*). Bucher Reisen GmbH provides the organisation, realization and sale of travels of all kind, especially package tours and touristic arrangements in connection with these services. The registered office of Bucher Reisen GmbH is Düsseldorf Str. 83, 40667 Meerbusch, Germany and its telephone number is +49 (0) 2132-93080.

**Management**

As at the date of this Prospectus, the executive officers of Bucher Reisen GmbH, whose business address is Düsseldorf Str. 83, 40667 Meerbusch, Germany are:

<u>Name</u>	<u>Title and principal activities outside the Group (if any)</u>
Günter Geske.....	<b>Title:</b> Managing Director <b>External appointments:</b> None
Ioannis Afukatudis.....	<b>Title:</b> Managing Director <b>External appointments:</b> None

There are no potential conflicts of interest between any of the Directors’ duties to Bucher Reisen GmbH and their private interests or other duties to third parties.

## DESCRIPTION OF THE NOTES GUARANTEE

### Introduction

The payment of the principal (including any purchase moneys due under Condition 7.3 and premium due under Condition 7.4) and interest in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been jointly and severally unconditionally and irrevocably (subject to the provisions of Condition 3.3 and subject to the limitations applicable under the laws of the respective jurisdictions of incorporation of the Guarantors set forth in the Trust Deed as further set out below) guaranteed by each of the Guarantors in the Trust Deed.

Pursuant to the Trust Deed, the Notes Guarantees constitute direct, (subject as set out below) unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of each Guarantor and rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of such Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights as further set out below.

Provisions substantially in the following form in relation to the limitations in respect of the Guarantors will be included in the Trust Deed. In the event that an additional guarantor is added pursuant to Condition 3.4, any applicable limitations shall be set out in the supplemental Trust Deed applicable to such additional Guarantor.

### 7.15 Limitations – German Guarantors

- (a) This Notes Guarantee and/or any other indemnity provided for under this Trust Deed shall be valid and enforceable against a Guarantor which is organised under the laws of the Federal Republic of Germany in the form of a stock corporation (Aktiengesellschaft, a “**German AG Guarantor**”) and/or a Guarantor being a Subsidiary of such German AG Guarantor (the “**German AG Subsidiary Guarantor**”) only with respect to any own obligations under the Notes of (i) such German AG Guarantor, (ii) such German AG Subsidiary Guarantor, or (iii) in each case, any of their Subsidiaries. Any restriction under this paragraph (a) shall cease to apply to such German AG Guarantor, such German AG Subsidiary Guarantor or any of their respective Subsidiaries, if such German AG Guarantor is subject to (i) a domination agreement (Beherrschungsvertrag) and/or (ii) a profit and loss sharing agreement (Ergebnisabführungsvertrag) with the Issuer, or any other parent entity, which has been validly registered with the relevant commercial register (Handelsregister).
- (b) With regard to a German Guarantor (as defined below) and without prejudice to its rights to make a demand under these presents, the Trustee on behalf of the Noteholders agrees not to enforce the Notes Guarantee granted and any other indemnity provided for under these presents against any German Guarantor irrespective of whether the relevant German Guarantor is at the time of enforcement incorporated as a limited liability company (a “**German GmbH Guarantor**”) or as a limited partnership of which the general partner is a limited liability company (a “**German GmbH & Co. KG Guarantor**”) (each German GmbH Guarantor and each German GmbH & Co. KG Guarantor collectively a “**German Guarantor**” or the “**German Guarantors**”) if and to the extent the Notes Guarantee granted and/or indemnity provided under these presents guarantees or indemnifies obligations of a shareholder of any German Guarantor and/or any of its Affiliates (as defined below), in each case other than any direct or indirect subsidiary of such German Guarantor, and if and to the extent the enforcement of such Notes Guarantee and/or indemnity would cause:
  - (1) the relevant German GmbH Guarantor's, or in the case of the German GmbH & Co. KG Guarantor its general partner's, assets (the calculation of which shall take into account the captions reflected in § 266(2) A, B, C, D and E of the German Commercial Code (*Handelsgesetzbuch*)) less the German GmbH Guarantor's, or in case of a German GmbH & Co. KG Guarantor its general partner's, liabilities, provisions and liability reserves (the calculation of which shall take into account the captions reflected in § 266(3) B, C, D and E of the German Commercial Code) (the “**Net Assets**”) to be less than the registered share capital

(*Stammkapital*) of the German GmbH Guarantor, or in the case of a German GmbH & Co. KG Guarantor of the registered share capital of its general partner (*Begründung einer Unterbilanz*); or

- (2) an increase of a shortfall, if the Net Assets of the German GmbH Guarantor, or in the case of a German GmbH & Co. KG Guarantor, of its general partner, already fall short of the amount of the registered share capital (*Vertiefung einer Unterbilanz*).

In this paragraph (b) the term “**Affiliate**” refers to an affiliated company (*verbundenes Unternehmen*) of a shareholder of the German Guarantor within the meaning of §§ 15 et. seq. of the German Stock Corporation Act (*Aktiengesetz*).

- (c) For the purposes of the calculation of the Net Assets in this clause 7.15 the following items shall be adjusted as follows:
  - (1) the amount of an increase in the registered share capital of the German GmbH Guarantor, or in the case of a German GmbH & Co. KG Guarantor of its general partner, that has been effected out of retained earnings (*Kapitalerhöhung aus Gesellschaftsmitteln*) without the prior written consent of the Trustee after the date of this Trust Deed shall be disregarded; and
  - (2) any amount of an increase in the registered share capital that has not been fully paid shall be deducted from the registered share capital; and
  - (3) any loans and other contractual liabilities incurred in violation of the Conditions of the Notes after the date of this Trust Deed shall be disregarded as liabilities; and
  - (4) any loans provided to a German GmbH Guarantor or, in the case of a German GmbH & Co. KG Guarantor, its general partner, by any member of the Group shall be disregarded if and to the extent that such loans are subordinated or are considered subordinated.
- (d) In addition to paragraph (b) above, if after enforcement of the Notes Guarantee and/or indemnity the German GmbH Guarantor, or in the case of a German GmbH & Co. KG Guarantor its general partner, would not have Net Assets in excess of its respective registered share capital, any German Guarantor shall dispose of, to the extent permitted by law and commercially justifiable and notwithstanding any other terms of these presents, any and all of its assets that are shown in the balance sheet with a book value (*Buchwert*) that is significantly lower than the market value of the asset and that are not operationally necessary to continue its existing business or can be (subject to commercially reasonable conditions) replaced by way of sale and lease-back, the purchase of services from third parties or otherwise.
- (e) The limitations set out in this clause 7.15 shall not apply to a Notes Guarantee granted and/or indemnity provided by the relevant German Guarantor in relation to any proceeds of the Notes to the extent that such proceeds are on-lent to it or any of its Subsidiaries from time to time and have not been repaid.
- (f) The limitations set out in this clause 7.15 shall cease to apply
  - (1) on the date on which and as long as a profit and loss sharing agreement (*Ergebnisabführungsvertrag*) and/or a domination agreement (*Beherrschungsvertrag*) is registered with the relevant commercial register (*Handelsregister*) of the relevant German Guarantor; it being understood that (without prejudice to its rights to make a demand under these presents) in such case the Trustee on behalf of the Noteholders shall only be entitled to enforce the amount of any Notes Guarantee or indemnity provided for under these presents without the limitations set out in the preceding paragraphs if and to the extent that it may reasonably be expected (applying the due care of an ordinary businessman (*Sorgfalt eines ordentlichen Geschäftsmannes*)) that such German Guarantor or, in case of a German GmbH & Co KG Guarantor, its general partner, is able to recover the annual loss (*Jahresfehlbetrag*) which the dominating entity is obliged to pay pursuant to § 302 of the German Stock Corporation Act (*Aktiengesetz*), unless there is a final and unappealable judgment of the

German Federal High Court (*Bundesgerichtshof*) that this prerequisite is not required to fall within the scope of the exemption set forth in § 30 paragraph 1 S. 2 of the German Act on Limited Liability Companies; or

- (2) but only if and to the extent that the relevant German Guarantor's Notes Guarantee and/or indemnity under the Notes is covered by a valuable consideration or recourse claim (*vollwertiger Gegenleistungs- oder Rückgewähranspruch*).
- (g) The enforcement of the Notes Guarantee and/or indemnity shall initially be excluded pursuant to this clause 7 if, no later than 10 (ten) Business Days following a request by the Trustee to make a payment under this Notes Guarantee and/or indemnity under these presents, the relevant German Guarantor has provided a certificate signed by two Directors or a Director and an Authorised Signatory to the Trustee:
- (1) to what extent the Notes Guarantee granted and/or indemnity provided under these presents is an up-stream or cross-stream guarantee and/or indemnity; and
  - (2) which amount of such cross-stream and/or up-stream guarantee and/or indemnity cannot be enforced as it would cause the Net Assets of the relevant German Guarantor, or, where the guarantor is a German GmbH & Co KG Guarantor, its general partner, being less than its respective registered share capital (taking into account the adjustments set out in paragraph (c) above and the realisation duties set out paragraph (d) above),

(the "**Management Determination**") and such confirmation is supported by a reasonably satisfactory calculation provided that the Trustee shall in any event be entitled to enforce this Notes Guarantee and/or indemnity for any amounts where such enforcement would, in accordance with the Management Determination, not cause the relevant German Guarantor's, or, where the guarantor is a German GmbH & Co KG Guarantor, its general partner's, Net Assets being less than (or to fall further below) the amount of its respective registered share capital (in each case as calculated and adjusted in accordance with paragraphs (c) and (d) above).

- (h) Upon the earlier of (i) the Trustee's receipt of a Management Determination or (ii) expiry of the date falling 10 Business Days after a request by the Trustee to make a payment under this Notes Guarantee and/or indemnity under these presents, the enforcement of this Notes Guarantee and/or indemnity shall be excluded pursuant to paragraph (b) above for a period of 30 calendar days. If the Trustee receives within such 30 calendar days period:
- (1) an up-to date balance sheet together with
  - (2) a determination in each case prepared by auditors of international standard and reputation appointed by the relevant German Guarantor either confirming the Management Determination or setting out deviations from the Management's Determination or, if no Management Determination has been provided, determining those matters which would have been the subject of the Management Determination provided by the relevant German Guarantor under paragraph (g) above (the "**Auditor's Determination**"),

the enforcement of this Notes Guarantee and/or indemnity shall be limited, if and to the extent such enforcement would, in accordance with the Auditor's Determination cause the relevant German Guarantor's, or, where the guarantor is a German GmbH & Co KG Guarantor, its general partner's, Net Assets being less than (or to fall further below) the amount of its respective registered share capital in each case as calculated and adjusted in accordance with paragraphs (c) and (d) above. If the relevant German Guarantor fails to deliver an Auditor's Determination within 30 calendar days after receipt of the Management Determination, the Trustee (on behalf of the Noteholders) shall be entitled to enforce this Notes Guarantee and/or indemnity under these presents without any limitation or restriction.

- (i) For the avoidance of doubt, any balance sheet to be prepared for the determination of the Net Assets shall be prepared in accordance with relevant accounting principles.

- (j) Nothing in this Trust Deed shall be interpreted as a restriction or limitation of the enforcement of this Notes Guarantee and/or indemnity if and to the extent that the Notes Guarantee and/or indemnity guarantees or indemnities the relevant German Guarantor's own obligations or obligations of any of its direct or indirect Subsidiaries.
- (k) Each German Guarantor, each German AG Guarantor and each German AG Subsidiary Guarantor (each individually a “**Relevant German Guarantor**” and collectively the “**Relevant German Guarantors**”) take the view that the granting and enforcement of the Notes Guarantee and/or any indemnity (even if it is upstream or cross-stream) provided under these presents would not result in a personal liability of any member of the board, or managing director, of any Relevant German Guarantor pursuant to § 92(2) S. 3 of the German Stock Corporation Act or § 64 sentence 3 of the German Limited Liability Companies Act.
- (l) In the event that:
- (1) any Relevant German Guarantor has delivered to the Trustee:
- (i) a legal opinion of a reputable German law firm acceptable to the Trustee confirming (without making any qualifications being unreasonable from the Trustee's perspective) by reference to a court decision of the Federal High Court (*Bundesgerichtshof*) handed-down after the date of these presents that (a) according to such new jurisprudence a member of the board and/or managing director of such Relevant German Guarantor will be personally liable upon enforcement of the Notes Guarantee and/or indemnity provided under this Trust Deed pursuant to § 92(2) S. 3 of the German Stock Corporation Act or § 64 sentence 3 of the German Limited Liability Companies Act and (b) such personal liability of such member of the board or managing director would solely be based on the enforcement of the Notes Guarantee and/or indemnity provided under these presents and not on any other action taken or omission made, in particular not just on the granting of the Notes Guarantee or indemnity, by the relevant board member or managing director of such Relevant German Guarantor; and
- (ii) a certificate signed by two Directors, or two Authorised Signatories, of such Relevant German Guarantor that, as of the date of such certificate, as a result of a the jurisprudence set out in the opinion provided under (l)(1)(i) above, the Relevant German Guarantor no longer agrees with the statement set out in (k) above and requesting the Trustee enter into a supplemental trust deed to make such modification to these presents as the Trustee is advised by a reputable German law firm acceptable to and acting for the Trustee at the cost and expense of the Issuer as are necessary to avoid the personal liability for the members of the board and/or managing direct of the Relevant German Guarantor referred to in (l)(1)(i) above (the “**Supplemental Trust Deed**”);
- and
- (2) the Issuer has delivered to the Trustee a certificate signed by two Directors of the Issuer requesting the Trustee to enter into the Supplemental Trust Deed,

the Trustee for itself and on behalf of the Noteholders shall enter into the Supplemental Trust Deed. The Trustee shall not be obliged to agree to any modifications under this clause 7.15 which, in its sole opinion, would have the effect of (i) increasing the obligations or duties of the Trustee or (ii) modifying any of the Trustee's rights or powers or any protective provisions from which the Trustee has the benefit or expose the Trustee to any liability. In the absence of manifest error, the Trustee shall rely on the opinions and/or certifications and/or advice and/or determinations referred to above and such opinions and/or certifications and/or advice and/or determinations shall, in the absence of manifest error, be conclusive and binding on all concerned and no liability to the Issuer, the Guarantors, the Noteholders, the Receiptholders or the Couponholders shall attach to the Trustee in connection with its actions pursuant to this clause 7.15. The Trustee shall not be bound in any case to

call for further investigation and/or evidence or be responsible for any liability that may be occasioned by any other person acting on such certificates and/or legal opinions and/or advice.

- (m) Sub-clauses 7.15(a) to (k) shall be construed in light of the interpretation such provisions would be given were they to be governed by German law.

#### **7.16 Limitations – Belgian Guarantors**

- (i) The guarantees, obligations, liabilities, indemnities and undertakings under this clause 7 of a Guarantor having its registered office (*maatschappelijke zetel/siege social*) in Belgium (a “**Belgian Guarantor**”) shall at any time be limited to a maximum aggregate amount equal to 90 per cent. of the net assets (as defined in article 617 of the Belgian Companies Code) of that Belgian Guarantor as shown by its most recent audited annual financial statements available at the time any of the guarantees, obligations, liabilities, indemnities and undertakings of that Belgian Guarantor under this clause become due.
- (ii) The above limitation will not apply in relation to the outstanding aggregate amount of any intra-group loans, facilities and other cash or credit advances (whether made in current account, as loan or otherwise) which are made to that Belgian Guarantor by any other member of the Group by using the proceeds of the Notes.

#### **7.17 Limitations – French Guarantors**

In respect of the obligations under this clause 7 of any Guarantor incorporated in France (a “**French Guarantor**”), the obligations and liabilities of such French Guarantor in its capacity as a Guarantor shall be limited, at any time, to the obligations of the Issuer under the Notes, up to an amount equal to the principal amount of the Notes on-lent by it either directly or indirectly by way of intra-group loan to that French Guarantor or that French Guarantor’s Subsidiaries and outstanding at the date a payment is to be made by such French Guarantor under this clause 7, it being specified that any payment made by such French Guarantor in respect of the obligations of the Issuer shall reduce *pro tanto* the outstanding amount of the intra-group loans due by such French Guarantor under the intra-group loan referred to above.

#### **7.18 Limitations – Danish Guarantors**

Notwithstanding anything set out to the contrary in these presents, the obligations and liabilities of any Guarantor incorporated in Denmark in its capacity as a Guarantor (each a “**Danish Guarantor**”) under these presents shall be deemed not to be assumed or shall be limited, if and to the extent that such obligations and/or liabilities shall guarantee or secure any indebtedness of another obligor, to an amount equivalent to the higher of (i) the distributable equity (*frie reserver*) of such Danish Guarantor on the date of this Trust Deed, and (ii) the distributable equity (*frie reserver*) of such Danish Guarantor at the time or times that payment is requested from it, in each case calculated in accordance with applicable, generally applied, accounting principles (including, if applied by the Danish Guarantor, IFRS), save that the limitations set out in this clause 7.18 shall not apply to any obligations and liabilities of such Danish Guarantor in respect of proceeds of the Notes relating to these presents borrowed by such Danish Guarantor or any of its Subsidiaries from time to time or placed at the disposal of such Danish Guarantor or any of its Subsidiaries from time to time by the Issuer or another member of the Group by way of a loan or otherwise.

## TAXATION

### United Kingdom

**The following summary of certain United Kingdom tax issues applies only to persons who are the beneficial owners of Notes. It is based on a summary of the Issuer's understanding of current law and practice in the United Kingdom. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the Issuer) to whom special rules may apply. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may therefore differ to that set out below or may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice. This summary only deals with the matters expressly set out below.**

#### **A. Interest on the Notes**

##### *1. Withholding tax on the Notes*

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the "Act"). The London Stock Exchange is a recognised stock exchange. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Notes remain so listed, interest on the Notes will be payable without withholding or deduction on account of United Kingdom tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Notes is paid by a company and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Notes is paid reasonably believes) that the payment of interest is an excepted payment within the meaning of sections 933-937 of the Act, provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that it is likely that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

In other cases, an amount must generally be withheld from payments of interest on the Notes on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

##### *2. Provision of information*

Noteholders may wish to note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Noteholder, or who either pays amounts payable on the redemption of Notes to or receives such amounts for the benefit of another person, although HMRC published practice indicates that HMRC will not generally require this information to be reported in respect of such amounts payable on redemption of Notes where such amounts are paid on or before 5 April 2011. Information so obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.



### 3. *Further United Kingdom Income Tax Issues*

Interest on the Notes constitutes United Kingdom source income for tax purposes and, as such, may be subject to income tax by direct assessment even where paid without withholding.

However, interest with a United Kingdom source properly received without deduction or withholding on account of United Kingdom tax will not be chargeable to United Kingdom tax in the hands of a Noteholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Noteholder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency in connection with which the interest is received or to which the Notes are attributable (and where that Noteholder is a company, unless that Noteholder carries on a trade in the United Kingdom through a permanent establishment in connection with which the interest is received or to which the Notes are attributable). There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers). The provisions of an applicable double taxation treaty may also be relevant for such Noteholders.

### **B. United Kingdom Corporation Tax Payers**

4. In general, Noteholders which are within the charge to United Kingdom corporation tax will be charged to tax as income on all returns, profits or gains on, and fluctuations in value of, the Notes (whether attributable to currency fluctuations or otherwise) broadly in accordance with their statutory accounting treatment.

### **C. Other United Kingdom Tax Payers**

Paragraphs 5 to 7 below do not apply to Noteholders who are subject to United Kingdom corporation tax.

### 5. *Taxation of Chargeable Gains*

A disposal of Notes by an individual Noteholder who is resident or ordinarily resident in the United Kingdom who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable, may give rise to a chargeable gain or allowable loss for the purposes of United Kingdom taxation of chargeable gains.

### 6. *Accrued Income Scheme*

On a disposal of Notes by a Noteholder, any interest which has accrued since the last interest payment date may be chargeable to tax as income under the rules of the accrued income scheme as set out in Part 12 of the Act, if that Noteholder is resident or ordinarily resident in the United Kingdom or carries on a trade in the United Kingdom through a branch or agency to which the Notes are attributable.

### **D. Stamp Duty and Stamp Duty Reserve Tax (SDRT)**

7. No United Kingdom stamp duty or SDRT is payable on the issue of the Notes or on a transfer by delivery of the Notes.

### **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other

countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 15 September 2008, the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above. Such future changes, or indeed any other changes, may well apply to Notes already in issue.

### **German Tax Considerations in respect of Notes Guarantee**

Under current German tax law as of the date of this Prospectus it is expected that those Guarantors incorporated in Germany will not be obliged to withhold German taxes on payments under the Notes Guarantee provided under the Trust Deed in relation to interest, principal, premium due under Condition 7.4 or purchase moneys due under Condition 7.3 payable on the Notes.

### **Belgian Tax Considerations in respect of Notes Guarantee**

Under current Belgian legislation as of the date of this Prospectus, the payment of any sums which may be due in connection with the Notes Guarantee should not be subject to Belgian withholding tax because, whilst not free from doubt, these payments should not be classified as interest payments and therefore should fall outside the scope of Belgian interest withholding.

### **French Tax Considerations in respect of Notes Guarantee**

#### *Payments made by Thomas Cook SAS as Guarantor under the Notes Guarantee*

There is no direct authority under French law on the withholding tax status of payments by Thomas Cook SAS as Guarantor under the Notes Guarantee. Hence, the statements below are based on the interpretation of general French tax principles. Any future legislative, judicial or administrative development may affect, potentially with retroactive effect, such statements.

In accordance with one interpretation of French tax law, payments made by Thomas Cook SAS as Guarantor to the Noteholders in relation to the payment obligations of the Issuer under the Notes (the "**Guarantee Payments**") may be treated as a payment in lieu of payments to be made by the Issuer with respect to the Notes. Under this interpretation, such payments should, whilst not free from doubt, be exempt from the withholding tax set out under article 125 A III of the French Code *général des impôts* provided that interest payments made or deemed made by the Issuer would be exempt from such withholding tax in France by reason of the Issuer not being a resident of France and not being established in France.

In accordance with another interpretation, any such Guarantee Payments may be treated as a payment independent from the payments to be made by the Issuer with respect to the Notes. In the absence of any specific provision in article 125 A III of the French Code *général des impôts*, such payments should, whilst not free from doubt, be exempt from the withholding tax set out under article 125 A III of the French Code *général des impôts*.

#### *Implementation of the EU Savings Directive*

The EC Council Directive 2003/48/EC on the taxation of savings income was implemented into French law under Article 242 ter of the French Code *général des impôts*.

### **Danish Tax Considerations in respect of Notes Guarantee**

Under current Danish legislation as of the date of this Prospectus, the payment of any sums which may be due in connection with the Notes Guarantee are not subject to Danish withholding tax.

### **Canadian Tax Considerations in respect of Notes Guarantee**

Under Canadian federal income tax legislation as of the date of this Prospectus, Thomas Cook Canada Inc. is not required to make any deduction or withholding for or on account of tax under the *Income Tax Act* (Canada) in respect of any amount that it pays or credits, or is deemed to pay or credit, as, on account or in lieu of payment of, or in satisfaction of, principal, purchase money due under Condition 7.3 or premium due under Condition 7.4 and interest in respect of any Note to a beneficial owner of a Note who, at all relevant times for purposes of the *Income Tax Act* (Canada), (i) is a non-resident of Canada and (ii) deals at arm's length with Thomas Cook Canada Inc. and the Issuer.

## SUBSCRIPTION AND SALE

Barclays Bank PLC, HSBC Bank plc, Lloyds TSB Bank plc, ING Bank N.V. and The Royal Bank of Scotland plc (the “**Joint Lead Managers**”) and BNP PARIBAS and DnB NOR Bank ASA (the “**Co-Lead Managers**”) and, together with the Joint Lead Managers, the “**Managers**”) have, pursuant to a Subscription Agreement (the “**Subscription Agreement**”) dated on or about 20 April 2010, jointly and severally agreed to subscribe for the Notes at the issue price of 99.168 per cent. of the principal amount of Notes, less a combined management and underwriting commission of 1.00 per cent. of the principal amount of the Notes. The Issuer will also reimburse the Managers in respect of certain of their expenses, and has agreed to indemnify the Managers against certain liabilities, incurred in connection with the issue of the Notes. The Subscription Agreement may be terminated in certain circumstances prior to payment of the Issuer.

### United States

The Notes and the Notes Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act.

The Notes and the Notes Guarantee are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Issue Date within the United States or to, or for the account or benefit of, U.S. persons and that it will have sent to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

### Canada

The Notes and the Notes Guarantee have not been and will not be qualified for sale under the securities laws of any province or territory of Canada and may not be offered or sold to or for the benefit of any resident of Canada except in compliance with an exemption from applicable securities laws.

Each Manager has represented and agreed that:

- (a) it has not offered or sold, and will not offer or sell, any Notes to or for the benefit of a resident of Canada except in compliance with an exemption under applicable securities laws; and
- (b) it has not distributed, and will not distribute, this Prospectus or any other offering material or advertisement with respect to the Notes in Canada except in compliance with applicable securities laws.

### United Kingdom

Each Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) received by it in

connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **General**

No action has been taken by the Issuer, the Guarantors or the Managers that would, or is intended to, permit a public offer of the Notes in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Manager has undertaken that it will not, directly or indirectly, offer or sell any Notes or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

## GENERAL INFORMATION

### Authorisation

1. The issue of the Notes was duly authorised by a resolution of the Board of Directors of the Issuer dated 13 April 2010.

The giving of the Notes Guarantee was, in the case of Thomas Cook Group Treasury Limited, Thomas Cook Retail Limited, Thomas Cook Tour Operations Limited, Thomas Cook UK Limited, Thomas Cook Airlines Limited and Thomas Cook Scheduled Tour Operations Limited, duly authorised on 12 April 2010 by resolutions of their respective boards of directors and by their respective shareholders. The giving of the Notes Guarantee was, in the case of Condor Flugdienst GmbH, duly authorised on 12 April 2010 by a resolution of its board of directors, and in the case of TC Touristik GmbH, Thomas Cook AG and Bucher Reisen GmbH, duly authorised on 12 April 2010 by resolutions of their respective boards of directors, and, in the case of TC Touristik GmbH and Bucher Reisen GmbH, by resolutions of their respective shareholders and, in the case of Condor Flugdienst GmbH and Thomas Cook AG, by resolutions of their respective supervisory boards. The giving of the Notes Guarantee was, in the case of Thomas Cook Airlines Belgium N.V. and Thomas Cook Belgium N.V., duly authorised on 13 April 2010 by resolutions of their respective boards of directors and by resolutions of their respective shareholders. The giving of the Notes Guarantee was, in the case of Thomas Cook Airlines Scandinavia A/S, duly authorised on 12 April 2010 by a resolution of its board of directors. The giving of the Notes Guarantee was, in the case of Thomas Cook Canada Inc., duly authorised on 15 April 2010 by a resolution of its board of directors. The giving of the Notes Guarantee was, in the case of Thomas Cook SAS, duly authorised by a resolution of its sole shareholder on 13 April 2010.

### Listing

2. It is expected that official listing will be granted on or about 22 April 2010 subject only to the issue of the Temporary Global Note. Application has been made to the UK Listing Authority for the Notes to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market.

The Issuer estimates that the amount of expenses related to the admission to trading of the Notes will be approximately £4,200.

### Clearing Systems

3. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The ISIN for this issue is XS0504306001 and the Common Code is 050430600.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L 1855 Luxembourg.

### No significant change

4. There has been no significant change in the financial or trading position of the Issuer, any Guarantor or the Group since 30 September 2009 and there has been no material adverse change in the prospects of the Issuer, any Guarantor or the Group since 30 September 2009.

### Litigation

5. None of the Issuer, any Guarantor or any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or any Guarantor is aware) in the 12 months preceding the date of this

document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer, any Guarantor and/or the Group.

### **Auditors**

6. The auditors of the Issuer are PricewaterhouseCoopers LLP, a member firm of the Institute of Chartered Accountants of England and Wales, who have audited the Issuer's accounts, without qualification, in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union for the financial year ended on 30 September 2009, the eleven months ended 30 September 2008 and the financial year ended 31 October 2007.

### **U.S. tax**

7. The Notes and Coupons will contain the following legend:  
  
"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

### **Documents Available**

8. For the period of 12 months following the date of this Prospectus, copies of the following documents will be available for inspection from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London:
  - (a) the memorandum and articles of association of the Issuer and the memorandum and articles of association (or equivalent constitutional documents) of each of the Guarantors;
  - (b) the consolidated audited financial statements of the Issuer in respect of the financial year ended 30 September 2009, the eleven months ended 30 September 2008 and the financial year ended 31 October 2007. The Issuer currently prepares audited consolidated accounts on an annual basis;
  - (c) the most recently published audited consolidated annual financial statements of the Issuer and the most recently published unaudited interim financial statements (if any) of the Issuer, in each case together with any audit or review reports prepared in connection therewith; and
  - (d) the Trust Deed and the Agency Agreement.

### **Yield**

9. The yield of the Notes is 7.75 per cent. per annum calculated on a semi-annual basis on the basis of the Issue Price and as at the date of this Prospectus.

### **Managers transacting with the Issuer and its affiliates**

10. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

## **THE ISSUER**

### **Thomas Cook Group plc**

6th Floor South  
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Lancaster Place  
London WC2E 7EN

## **THE GUARANTORS**

### **Condor Flugdienst GmbH**

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### **Thomas Cook AG**

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### **Thomas Cook Belgium NV**

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### **Thomas Cook Retail Limited**

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Peterborough, PE3 8SB

### **Thomas Cook Tour Operations Limited**

Thomas Cook Business Park  
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Peterborough, PE3 8SB

### **Thomas Cook Airlines Limited**

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Coningsby Road  
Peterborough, PE3 8SB

### **Thomas Cook Airlines Scandinavia A/S**

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Hangar 276  
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Denmark

### **TC Touristik GmbH**

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### **Thomas Cook Airlines Belgium NV**

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### **Thomas Cook Group Treasury Limited**

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Peterborough, PE3 8SB

### **Thomas Cook SAS**

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### **Thomas Cook UK Limited**

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### **Thomas Cook Scheduled Tour Operations Limited**

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Peterborough, PE3 8SB

### **Thomas Cook Canada Inc.**

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Canada

### **Bucher Reisen GmbH**

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40667 Meerbusch  
Germany



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London E14 5HQ

**PRINCIPAL PAYING AGENT**

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*To the Issuer*

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**JOINT LEAD MANAGERS**

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**HSBC Bank plc**  
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**Lloyds TSB Bank plc**  
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London EC2V 7AE

**ING Bank N.V.**  
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The Netherlands

**The Royal Bank of Scotland plc**  
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