



15 December 2004

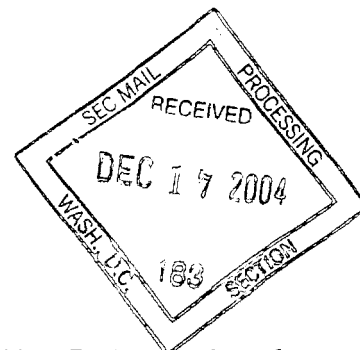


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Securities and Exchange Commission
Division of Corporation Finance
Office of International Corporate Finance
450 Fifth Street, N.W.
Washington, D.C. 20549

SUPPL



Dear Sirs

MYTRAVEL GROUP plc ("the Company")
FILE NUMBER: 82-5049

Reference is made to the Company's exemption from the Securities Exchange Act of 1934, as amended, afforded by rule 12g3-2(b) thereunder.

In order to continue to claim this exemption, the Company agreed to provide to the Securities and Exchange Commission on an ongoing basis all information that the Company;

1. makes or is required to make public pursuant to the laws of England and Wales;
2. distributes or is required to distribute to the holders of its securities; and
3. files or is required to file with the London Stock Exchange Limited and which is made public by the London Stock Exchange Limited.

On the 15 December 2004, the Company filed with the London Stock Exchange an announcement regarding the Unaudited Results for the 13 months ended 31 October 2004.

Very truly yours,

Mike Vaux
Group Company Secretary's Office
MyTravel Group plc

Enclosures

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FINANCIAL

MyTravel Group plc - Final Results

RNS Number:4139G

MyTravel Group plc

15 December 2004

15 December 2004

MyTravel Group plc

Unaudited results for the 13 months ended 31 October 2004

- * The results reflect the change in accounting reference date to 31 October as previously announced.
- * Operating profit before exceptional items and goodwill for the 12 months to September 2004 was £8.3m (12 months to September 2003: loss of £358.3m). Operating loss before exceptional items and goodwill for the 13 months to October 2004 was £17.5m.
- * Loss before tax for the 13 months to October 2004 was £190.3m (12 months to September 2003: £910.9m).
- * Turnover down from £4.2bn to £3.3bn in the 12 months to September 2004, reflecting capacity cuts in the UK and Northern Europe and business disposals. Turnover was £3.5bn in the 13 months to October 2004.
- * The Company is close to being able to implement its balance sheet restructuring pursuant to the proposed scheme of arrangement. The court hearing to sanction the scheme is scheduled for 20 December 2004.

Current trading

- * Winter season 04/05 encouraging for all divisions; bookings for summer 05 in the UK at an early stage but so far encouraging, other divisions not yet on sale.

- * Capacity reduced significantly for both seasons in the UK to bring it into line with demand for brochure holidays.

Outlook

- * Steady progress in North America and continued strong performance in Northern Europe; performance in the UK improving but much work still to be done.
- * Business plan shows 2006 operating profit before exceptional items and goodwill for all divisions.

UNAUDITED OPERATING RESULTS*

	13 months to 31 October 2004 £m	12 months to 30 September** 2004 £m	12 months to 30 September 2003 £m
UK			
Northern Europe	(85.3)	(59.0)	(325.4)
North America	48.5	46.2	(4.0)
	12.1	14.0	(0.1)
Group Continuing Operations	(24.7)	1.2	(329.5)
Germany	-	-	(36.1)
Group	(24.7)	1.2	(365.6)
Joint Ventures & Associates	7.2	7.1	7.3
Group & share of JV's and Associates	(17.5)	8.3	(358.3)

- * The operating result includes the income from Joint Ventures and Associates and is stated before exceptional items and goodwill.

** The figures stated for the 12 month period to 30 September 2004 are management's pro forma figures which have not been audited.

The 2004 loss before tax for the 13 months to 31 October 2004 after goodwill amortisation of £13.5m, exceptional items of £94.4m and net finance charges of £64.9m was £190.3m.

Peter McHugh, Chief Executive, MyTravel Group plc said:

"In moving from an operating loss of £358.3m to a profit of £8.3m year on year, we have clearly made good progress. The results reflect a successful turnaround in Northern Europe and North America, and the beginnings of a turnaround in the UK. However, there is still some way to go in returning the UK business to sustainable profitability. We expect to achieve this through the implementation of the business plan, which targets an operating profit from all three divisions in 2006 and industry-standard margins in the UK in 2007.

"On Monday we won approval from our shareholders and the relevant general creditors for the restructuring. We have the support of our lending banks and facility providers. It only remains for the scheme which implements the restructuring to be sanctioned by the court at the hearing scheduled for 20 December 2004. This will enable us to complete the restructuring by the end of the year."

Enquiries:

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Peter McHugh	Thereafter	0161 232 6523
John Allkins	Chief Executive Officer	
	Finance Director	
Brunswick		020 7404 5959
Fiona Antcliffe		
William Cullum		

A conference call for analysts will take place today at 8.00am. The dial-in arrangements for the call are as follows:

Telephone number: +44 (0) 1452 555014
Password: MyTravel

A copy of the slides will be available on our website at www.mytravelgroup.com.
A recording of the conference call will be available on:

Telephone number: +44 (0) 1452 550000
Pin number: 2368549f

OPERATING REVIEW

Change of accounting reference date

During the year, we changed the accounting reference date of the Company to 31 October 2004. As a result, the accounts for 2004 constitute a 13 month period. The change gives the Company a financial year end that is aligned with the end of the summer season. In order to ensure that the commentary on the Group results has comparability to the prior year without breaching reporting guidelines, however, the turnover and operating profit before exceptional items and goodwill analysis focuses on the unaudited pro forma 12 month period to 30 September 2004 as compared to the audited 12 months to 30 September 2003.

Summary of unaudited trading results

For the 12 months to September 2004, the Group recorded an operating profit before exceptional items and goodwill of £8.3m compared with a loss of £358.3m

in the same period last year. For the 13 months to October 2004, the result was a loss of £17.5m. October is loss-making, however the result for the month of October 2004, shows an improvement over the prior year.

The results reflect a successful turnaround in Northern Europe and North America and the beginnings of a turnaround in the UK. Northern Europe achieved a record operating profit before exceptional items and goodwill of £46.2m in the 12 months to September 2004 (13 months to October 2004: £48.5m) compared with a loss of £4.0m in the previous year. This turnaround clearly demonstrates what can be achieved when supply and demand are brought into balance.

We also recorded a significant improvement in the results of our continuing North American operations. Operating profit before exceptional items and goodwill was £14.0m in the 12 months to September 2004 (13 months to October 2004: £12.1m), compared with a loss of £0.1m in the prior year. After adjusting for businesses sold in the first quarter, the underlying improvement year on year was £22.1m. This reflects the improved market conditions, together with a better alignment of supply and demand and the impact of cost cutting initiatives.

In the UK, the operating loss before exceptional items and goodwill fell to £59.0m in the 12 months to September 2004 (13 months to October 2004: £85.3m), compared with a loss of £325.4m in the prior year. This was a significant improvement even after adjusting for a number of one-off items. This underlying improvement was achieved through the turnaround actions taken, including reductions in capacity, cost savings, efficiency improvements and better yield management. However, there is still some way to go in returning this business to sustainable profitability which we expect to achieve through the implementation of the business plan.

Business Plan

During the year, we developed and adopted a business plan with the aim of returning the UK business to sustainable profits, matching the turnarounds already achieved in Northern Europe and North America. This plan builds on the actions already taken following the strategic review and recognises the UK, Northern Europe and North America as the continuing core business. It is based

on improved understanding and analysis of the dynamics of the market in which we operate, the economics of different aircraft types and accommodation guarantees, and the Group-wide profitability of different routes, resorts and individual properties.

The plan calls for continued improvement in Northern Europe and North America based on cautious growth and some further cost reduction.

Our view of the UK market is that the volume of overseas holidays is likely to grow strongly, that the package holiday market will remain a substantial market, and that customer preferences will continue to evolve. As a consequence, we decided that the UK capacity should be cut to bring the supply of holidays into balance with the demand, which was the strategy successfully employed in turning around our Northern Europe business. We have also decided that changes should be made to achieve greater flexibility and to align the product more closely to changing market requirements.

Action has already been taken to reduce capacity and to reduce the size of the UK aircraft fleet. The remaining key elements of the business plan in the UK are:

- * to capitalise on recently gained flexibility in accommodation guarantees to simplify and improve the product offer and match it more closely with market demand;
- * to continue to drive costs down, particularly overheads and accommodation;
- * to complete the redefinition of brand propositions and focus marketing effort on delivering these propositions;
- * to improve distribution by investment to increase on-line sales, revitalising the Going Places retail chain and improving call centre efficiency;
- * to take advantage of the rapid growth of independent travel by consolidating and developing our specialist businesses, Bridge, Cresta and Tradewinds, and establishing new specialist businesses, such as The Cruise Store, a cruise retail business selling the products of different cruise lines by telephone,

internet and Going Places travel agents; and

- * to continue simplifying the UK business and improving its organisational effectiveness.

Restructuring

The Board announced on 13 October 2004 that the Company proposed to restructure its balance sheet. The key points of the proposed restructuring are:

- * The conversion into equity of approximately £800m of unsecured debt and facilities, including:
 - * a £250m revolving credit facility;
 - * US\$100m US private placement notes;
 - * £209m non-equity minority interest preference shares;
 - * certain elements of aircraft leasing arrangements;
 - * all of the outstanding 7% subordinated Convertible Bonds due 2007.
- * The provision at no material cost to the Group of new five year committed bonding and letter of credit facilities.

The Board initially proposed a consensual restructuring, which would have required agreement of the banks and other facility providers involved and of the holders of the 7% subordinated Convertible Bonds due 2007 (the "Bonds") and the shareholders. The Bondholders did not approve the necessary resolution at a meeting convened for 10 December 2004 (the meeting was not quorate and was adjourned) and as a result the Board is now seeking to implement the

restructuring through a scheme of arrangement under section 425 of the Companies Act 1985.

Under the scheme of arrangement, MyTravel Holdings PLC ("MyTravel Holdings"), which is currently a wholly owned subsidiary of the Company, will acquire the whole of the issued share capital of the Company. MyTravel Holdings will then acquire all of the assets of the Company (other than certain rights under insurance policies in respect of claims by former customers of the Company that are to be retained by the Company) and MyTravel Holdings will assume responsibility for all liabilities of the Company other than liabilities that are subordinated (such as the liabilities under the Bonds) and the liability of the Company in respect of a convertible loan note issued to MyTravel Holdings. Pursuant to agreements entered into between the Company, MyTravel Holdings and the banks and other financial institutions whose claims are to be converted to equity, MyTravel Holdings will issue new shares to those converting creditors. MyTravel Holdings will also offer to acquire the Bonds in exchange for the issue of new shares.

If the restructuring is implemented pursuant to the scheme of arrangement, following completion the new shares of MyTravel Holdings in issue will be held as follows:

- * Converting creditors will hold 94%;
- * Bondholders will be offered 2%;
- * Shareholders will hold 4%.

Resolutions to approve the scheme of arrangement were passed at meetings of the shareholders and general creditors of the Company held on 13 December 2004. To become effective the scheme of arrangement must be approved by the High Court, which approval is expected to be given at a hearing on 20 December 2004. Subject to (i) that approval (ii) the UKLA agreeing to admit the new shares to the Official List and the London Stock Exchange agreeing to admit the new shares to trading and (iii) the agreements for implementing the restructuring becoming unconditional, the scheme of arrangement will become effective. These conditions are expected to be satisfied on or before 24 December 2004.

Alternatively, the Board will seek to implement the restructuring on a consensual basis, which would require approvals from shareholders and bondholders. If the scheme of arrangement is sanctioned by the court at the hearing scheduled for 20 December 2004, the Company will withdraw the resolutions to approve the consensual restructuring proposal.

Implementation of the restructuring will create a stronger foundation for our business going forward. For example:

- * liabilities of the Group will be reduced by approximately £800m;
- * annual interest charges and other fees incurred by the Group in respect of its borrowings, which were £70.8m in the 12 months to September 2004, will be reduced to a significantly lower level following the restructuring;
- * the bonding required for regulatory purposes by the Group's tour operating companies and airline will be committed for five years;
- * the new bonding and letter of credit facilities will provide support for new working capital facilities for the Group.

A pro forma statement of consolidated net assets, prepared for illustrative purposes, showing the financial position of the Group as at 31 October 2004 if the restructuring had been implemented at that date, is set out overleaf. This shows the Group having consolidated net liabilities of £162.2m, including creditors due after one year of £164.2m on a pro forma basis. Total restructuring expenses on completion of the balance sheet restructuring are estimated to be approximately £41m.

Pro forma statement of consolidated net assets

Group net assets at 31	Adjustments Restructuring	Debt	Pro forma net assets of the Group at 31
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	October 2004 Note 1 £m	expenses Note 2 £m	conversion Note 3 £m	October 2004 Note 4 £m
Intangible assets - Goodwill				
Tangible assets	146.2			146.2
Investments	302.8			302.8
Total fixed assets	51.1			51.1
Current assets	500.1			500.1
Stocks	6.7			6.7
Debtors	386.2			386.2
Cash and deposits	305.2	(20.5)		284.7
Current assets	698.1	(20.5)		677.6
Creditors: amounts falling due within 1 year	(1,056.6)		7.3	(1,049.3)
Net current liabilities	(358.5)	(20.5)	7.3	(371.7)
Total assets less current liabilities	141.6	(20.5)	7.3	128.4
Creditors: amounts falling due after 1 year				
Convertible debt	(216.4)		216.4	-
Other creditors	(677.8)		513.6	(164.2)
	(894.2)		730.0	(164.2)
Provisions for liabilities and charges	(126.4)			(126.4)
Net liabilities	(879.0)	(20.5)	737.3	(162.2)

Notes

- 1 The consolidated net assets of the Group at 31 October 2004 have been extracted without material adjustment from our unaudited balance sheet at that date.
- 2 Restructuring expenses represent the costs of advisory, legal, banking and accounting fees, including success fees and contractual commitments to key personnel payable on a successful restructuring, which the Group estimates will be payable in relation to the consensual restructuring proposals and the restructuring.
- 3 Debt conversion shows the impact of converting the principal and the

accrued finance charges of the £250m revolving credit facility, the £209m minority interest preference shares, the \$100m US private placement notes and the Bonds.

4 No account has been taken in the pro forma statement of consolidated net assets of the benefit arising as a result of the restructuring of certain of the Group's aircraft leases with debt to be converted with a face value of £64m as at 31 October 2004. The Directors do not believe that the fair value arising in respect of the benefit attributable to this restructuring can be assessed at this stage with a reasonable degree of accuracy.

5 No account has been taken of any change in the financial position of the Group, including its trading position, since 31 October 2004.

Current trading

Trading for the winter season 2004/2005 continues to be encouraging for all divisions. Bookings for the summer season 2005 in the UK are at an early stage but are so far encouraging. The summer season 2005 is not yet on sale in our other divisions.

In North America, we are making steady progress. Northern Europe continues to perform strongly.

We continue to see an improving performance in the UK. Capacity has been reduced significantly for both the winter and summer seasons to bring it into line with demand for brochure holidays. Bookings are ahead of last year as a percentage of available capacity for both the current winter season and the summer season 2005.

In addition, we have taken further steps to reduce our risk and to increase our operational flexibility. Our exposure to guaranteed accommodation is reducing at a faster rate than our capacity. In the UK, the number of aircraft in the fleet will fall from 33 to 24. With the departure from the fleet of the last cruise ship in May 2005, we will cease to be a cruise tour operator on a risk basis.

Approximately 65% of the Group's currency risk is now hedged. The restructuring is expected to lead to additional hedging becoming available over time. Fuel is currently unhedged, however supplements or pricing adjustments have been made in all divisions to mitigate increases in fuel prices.

Outlook

The results for this financial period presented here show a significant improvement over the prior year. However, there is still a lot of work to do, particularly in the UK. The Board believes that, following the completion of the restructuring, there will be a good prospect of successfully implementing the business plan described above. This business plan targets current industry-standard margins in the UK in 2007. For the year ending 31 October 2006, the business plan shows the three divisions making a profit at the operating level.

FINANCIAL REVIEW

Unaudited operating results before exceptional items and goodwill amortisation

Turnover, including our share from Joint Ventures, for the 13 months was £3,498.7m (12 months to September 2003: £4,225.3m). Turnover for the 12 months to September 2004 was £3,283.1m, a reduction of £942.2m. Of this reduction, £397.7m is a result of the disposal of our German operation in September 2003; £209.4m relates to the disposal of a number of US businesses at the end of 2003; and £282.7m is attributable to the UK and largely reflects the reduced capacity on sale.

The operating loss for the 13 months before exceptional items and goodwill was £17.5m (12 months to September 2003: £358.3m). For the 12 months to September 2004, the Group reported an operating profit before exceptional items and goodwill of £8.3m. This reflects a significant improvement year on year in all our segments and is discussed in more detail in the Segmental review below.

Exceptional items and goodwill amortisation

Total net exceptional costs in the 13 month period were £94.4m (12 months to September 2003: £472.7m). Of this, £67.4m has been classified as exceptional operating items and £15.6m as exceptional finance charges.

The exceptional operating items, of which £38.0m represent non-cash write-downs and provisions, include £54.1m of costs arising from the operational restructuring of a number of our businesses, mainly in the UK, and represent the costs of implementing the turnaround actions. In particular, £40.7m was incurred as a result of our decision to significantly reduce the UK aircraft fleet.

Exceptional finance charges of £15.6m represent costs incurred to 31 October 2004 on the restructuring. In addition, £4.8m of costs were incurred within operating exceptionals in respect of preparatory work relating to the proposed refinancing and restructuring.

The remaining exceptional items total £11.4m. These include net losses on disposal of fixed assets of £3.4m and losses on terminated operations of £19.0m, largely relating to the cessation of our Sun Cruises business. These have been partially offset by £11.0m of profit on the disposal of a number of businesses, mainly in the US.

A segmental analysis of all of the exceptional items is given in the Notes to the Financial Information.

Goodwill amortisation in the 13 months amounted to £13.5m (12 months to September 2003: £26.9m). The reduction reflects the disposal of a number of businesses over the last 18 months and the reduction in the carrying value of certain goodwill as a result of the balance sheet review.

Finance charges before exceptional items

Net finance charges before exceptional items in the 13 months were £64.9m (12 months to September 2003: £53.0m).

Included in the net finance charges for 2004 is £17.9m (12 months to September

2003: £25.5m) in respect of the Group's refinancing in 2003.

Excluding the impact of the refinancing, the increase in net finance charges largely reflects the extra month in the reporting period, lower interest receivable, and the cost of additional drawings under the revolving credit facility, together with four months of additional interest on the Minority Interest Preference Shares (MIPS) which were classified as non-equity minority interests until January 2003.

Taxation

The tax charge in the period on the loss on ordinary activities amounted to £13.0m (12 months to September 2003: credit of £2.8m). The charge reflects taxation in certain overseas businesses which cannot be relieved against UK tax losses.

The restructuring is not expected to alter the Group's position as a taxpayer on the profits of its non-UK businesses in the next financial year.

Loss per share and dividends

Basic and diluted loss per share before exceptional items and goodwill was 17.75p (12 months to September 2003: 85.96p).

The Board recommends that no final dividend should be paid. As a result, the total dividend for the period will be nil p (12 months to September 2003: nil p).

Segmental review of unaudited operating results

UK

Turnover in the 13 month period in the UK was £2,194.9m (12 months to September 2003: £2,340.5m). For the 12 months to September 2004, turnover was £2,057.8m, a reduction of £282.7m. A large proportion of this reduction is attributable to

the UK charter operations where a 13% reduction in capacity on sale was partially offset by an increase in average selling prices of 5%. Turnover in our specialist businesses was also lower, largely reflecting the disposals made in 2003.

The operating loss before exceptional items and goodwill for the 13 months was £85.3m (12 months to September 2003: £325.4m). For the 12 months to 30 September 2004, the operating loss before exceptional items and goodwill was £59.0m, an improvement year on year of £266.4m. This improvement partially reflects the non-recurrence of the non-comparable items reported last year which affected the operating loss. Nevertheless, the underlying improvement in the UK is significant and highlights the steps we have taken to date to reduce both the risk and cost structure of the business.

Market conditions throughout the winter and early summer limited our ability to increase overall margins to targeted levels. Trading in the peak summer season was satisfactory and throughout the year trading benefited from the improvements in management information systems introduced in the period. We also finished the season strongly, benefiting from the capacity cuts that we had implemented.

The simplification of the UK business continued throughout the period and considerable progress has been made in reducing the fixed cost structure of the operation. This work will continue through 2005 as we seek to remove further inefficiencies.

Cost reductions in overhead areas alone in the 13 months to October 2004 are over £100m, which when added to reductions in other cost lines since 2002, means we have exceeded the targeted £150m of cost savings a year early.

Northern Europe

The trading performance in our Northern European operations was very strong during the period. Careful capacity management of both aircraft seats and hotel beds ensured that a better balance was achieved between supply and demand in both the winter and summer season. The proportion of sales at brochure rates was consequently much higher year on year, leaving significantly less product to sell at a discounted price in the lates market.

Turnover in the 13 month period in our Northern European operations was £863.9m (12 months to September 2003: £886.4m). In the 12 months to September 2004, turnover was £805.6m, down £80.8m, or 9%. Of this reduction, £40.5m is attributable to our ongoing Northern European operations (excluding Holland) and reflects 10% lower risk capacity on sale offset by increased selling prices.

Operating profit before exceptional items and goodwill in the 13 month period was £48.5m (12 months to September 2003: operating loss of £4.0m). In the 12 months to September 2004, the operating profit before exceptional items and goodwill was £46.2m, an improvement of some £50.2m year on year. This improvement reflects the margin benefits from the capacity management as well as the positive impact of headcount reductions and other cost saving initiatives.

Losses in our Dutch operations were reduced in the 12 months to September 2004 by £3.7m to £6.3m. It is our intention to sell or close this business to avoid future losses completely.

North America

We also had a very good performance in our North American operations. Turnover in the 13 month period was £404.0m (12 months to September 2003: £565.6m). In the 12 months to September 2004, turnover was £386.1m, a decrease of £179.5m, or 32%. This decrease is attributable to the disposal of a number of US businesses in the first quarter of this financial period (£209.4m), offset partially by higher sales in our ongoing Canadian operations (£37.5m).

Operating profit before exceptional items and goodwill in the 13 month period was £12.1m (12 months to September 2003: loss of £0.1m). In the 12 months to September 2004, the operating profit before exceptional items and goodwill was £14.0m, an improvement of £14.1m year on year. The underlying improvement, however, after adjusting for the impact of the businesses disposed of in the first quarter, was £22.1m. This reflects better trading in our Canadian tour operations and in Alumni Holidays where we have seen a strong recovery from the poor market conditions of the prior year. The increased capacity has been sold at improved margins and overheads have been reduced through a number of cost cutting initiatives.

Joint Ventures & Associates

Joint Ventures (Hotetur and Tenerife Sol) and Associates (Aqua Sol) contributed £7.2m in the 13 months to October 2004 (12 months to September 2003: £7.3m). In the 12 months to September 2004 our share of profits from these businesses was £7.1m.

Balance sheet

Net liabilities at 31 October 2004 were £879.0m compared with £672.9m restated at 30 September 2003. The increase is as a result of the net losses recorded in the period.

Cash balance and cash flow

Cash and deposits at 31 October 2004 were £305.2m compared with £254.9m at 30 September 2003. (Cash and deposits at 30 September 2004 were £331.9m).

Careful cash management has been a key focus throughout the period and will continue to be so in the future. This, together with the reduced operating loss has contributed to a cash inflow from operating activities in the period of £26.5m (12 months to September 2003: outflow of £109.4m).

Net proceeds from the disposal of non-core businesses realised £123.1m (12 months to September 2003: net outflow of £0.8m) contributing significantly to the improvement in the Group's cash position.

Net debt at 31 October 2004 was £577.2m compared with £607.3m at 30 September 2003.

International Financial Reporting Standards

The Group intends to adopt International Financial Reporting Standards (IFRS) in its accounts (and those of its subsidiaries) for the financial year ending 31 October 2006.

Group Profit and Loss Account

	Unaudited 13 months ended 31 October 2004 Pre-g'will & except'l operating items £m	Audited Year ended 30 September 2003 Pre-g'will & except'l operating items £m	Total £m
Turnover: Group and share of Joint Ventures' Continuing operations	3,498.7	3,827.6	3,827.6
Discontinued operations	-	397.7	397.7
Less: share of Joint Ventures' turnover	3,498.7	4,225.3	4,225.3
Group turnover	(35.9)	(35.1)	(35.1)
Cost of sales	3,462.8	4,190.2	4,190.2
Gross profit	(2,959.0)	(3,774.4)	(3,800.0)
Net operating expenses pre-goodwill amortisation	503.8	415.8	390.2
Goodwill amortisation	(528.5)	(781.4)	(1,102.7)
Net operating expenses	(528.5)	(781.4)	(25.6)
Operating loss	(24.7)	(781.4)	(1,128.3)
Continuing operations	(24.7)	(781.4)	(1,128.3)
Discontinued operations	-	(329.5)	(619.1)
Group operating loss	(24.7)	(36.1)	(119.0)
Income from interests in Joint Ventures and Associates	(99.8)	(365.6)	(738.1)
Joint Ventures	5.6	6.2	6.2
Associates	(0.9)	(9.5)	(9.5)
- continuing operations	(0.7)	1.1	(1.0)
- exceptional operating items	1.6	1.1	1.1
- goodwill amortisation	(4.2)	(17.5)	(17.5)
- continuing operations	-	(0.3)	(0.3)
- exceptional operating items	-	-	-
Group and share of Joint Ventures'	-	-	-

and Associates' operating loss	(17.5)	(98.4)	(358.3)	(759.1)
Exceptional items				
Profit/(loss) on sale of subsidiary undertakings		10.9		5.8
- continuing operations		-		(81.4)
- discontinued operations				
(Loss)/profit on sale of tangible fixed assets		(3.4)		1.9
- continuing operations		-		(0.2)
- discontinued operations		0.1		-
Profit on sale of Joint Venture undertaking				
Losses on terminated operations		(18.5)		(1.1)
- continuing operations		(0.5)		(1.3)
- discontinued operations				
Loss on ordinary activities before finance charges		(109.8)		(835.4)
Finance charges (net)				
Group		(62.5)		(51.9)
Exceptional finance charges		(15.6)		(22.5)
Joint Ventures and Associates		(2.4)		(1.1)
Loss on ordinary activities before tax		(190.3)		(910.9)
Tax on loss on ordinary activities		(13.0)		2.8
Loss on ordinary activities after tax		(203.3)		(908.1)
Equity minority interests		(0.3)		(0.4)
Non-equity minority interests		-		(4.7)
Loss for the financial period		(203.6)		(913.2)
Dividends		-		-
Transfer from reserves		(203.6)		(913.2)
Loss per share				
Basic & diluted				
- pre-goodwill amortisation		(37.88p)		(185.51p)
- pre-goodwill amortisation and exceptional items		(35.37p)		(180.05p)
		(17.75p)		(85.96p)
	Unaudited	Audited		
	13 months ended	Year ended		
	31 October	30 September		
	2004	2003		

Group Balance Sheet

	Unaudited At 31 October 2004 £m	Audited Restated* At 30 September 2003 £m
Fixed assets		
Intangible assets - goodwill	146.2	277.8
Tangible assets	302.8	367.3
Joint Venture undertakings		
Share of gross assets	89.6	84.6
Share of gross liabilities	(59.6)	(59.2)
Goodwill	11.0	11.7
	41.0	37.1
	10.0	13.7
	0.1	0.1
	51.1	50.9
	500.1	696.0
Investments in Associated undertakings		
Other investments		
Total fixed assets		
Current assets		
Stocks	6.7	11.3
Debtors: amounts falling due within one year	281.6	431.9
Debtors: amounts falling due after one year	104.6	140.4
Cash and deposits	305.2	254.9
	698.1	838.5
Creditors: amounts falling due within one year	(1,056.6)	(1,230.6)
Net current liabilities	(358.5)	(392.1)
Total assets less current liabilities	141.6	303.9
Creditors: amounts falling due after one year		
Convertible debt		
Other creditors	(216.4)	(221.6)
	(677.8)	(650.9)
	(894.2)	(872.5)
	(126.4)	(104.3)
	(879.0)	(672.9)
Provisions for liabilities and charges		
Net liabilities		

Capital and reserves
Called up share capital
Share premium account
Capital redemption reserve
Other reserves
Own shares
Profit and loss account
Equity shareholders' deficit
Equity minority interests

54.4	49.5
114.2	113.9
3.2	3.2
-	18.0
(0.3)	(0.3)
(1,051.9)	(858.6)
(880.4)	(674.3)
1.4	1.4
(879.0)	(672.9)

* Restated for adoption of UITF 38 - Accounting for ESOP Trusts. £0.3m of own shares held in trust has been reclassified from investments to capital and reserves.

Group Cash Flow Statement

	Unaudited 13 months ended 31 October 2004 £m	Audited Year ended 30 September 2003 £m
Net cash inflow/(outflow) from operating activities	24.3	25.4
Dividends received from Associated undertakings	(86.2)	(81.5)
Returns on investments and servicing of finance	(7.4)	(6.9)
Interest received	-	(5.9)
Interest paid	(0.3)	(0.2)
Interest element of finance leases		
Dividends paid on undated preference shares		
Minority interests		
Net cash outflow from returns on investments and servicing of finance	(69.6)	(69.1)
Tax paid	(16.2)	(21.3)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(29.1)	(78.4)
Purchase of fixed asset investments	-	-

Sale of tangible fixed assets	8.0	29.9
Net cash outflow from capital expenditure and financial investment	(21.1)	(48.5)
Acquisitions and disposals		
Purchase of subsidiary undertakings	(7.0)	(1.4)
Cash at bank and in hand acquired with subsidiaries	15.2	-
Proceeds less cash at bank and in hand relating to disposal of subsidiaries	123.1	(0.8)
Net cash inflow/(outflow) from acquisitions and disposals	131.3	(2.2)
Cash inflow/(outflow) before management of liquid resources and financing	50.9	(249.2)
Management of liquid resources	11.8	43.2
Movement on term deposits		
Net cash inflow from management of liquid resources	11.8	43.2
Financing		
Repayment of undated preference shares	-	(1.0)
Redemption of Convertible Bonds due 2007	-	(8.4)
Loan facilities utilised	14.4	228.6
Capital element of finance lease rental payments	(26.3)	(28.0)
Net cash (outflow)/inflow from financing	(11.9)	191.2
Increase/(decrease) in cash in the period	50.8	(14.8)

Group Statement of Total Recognised Gains and Losses

	Unaudited 13 months ended 31 October 2004	Audited Year ended 30 September 2003
	£m	£m
Loss for the financial period	(203.6)	(913.2)
Currency differences on foreign currency net investments	(9.6)	10.3
Total recognised gains and losses relating to the period	(213.2)	(902.9)

Notes to the Financial Information

Throughout the notes on pages 20 to 28, 2004 means the 13 months ended 31 October 2004 in the context of the profit and loss and cash flow notes, and 31 October 2004 in the case of the balance sheet notes. 2003 means the year ended 30 September 2003 or 30 September 2003 as appropriate.

1. Basis of Preparation

The financial information has been prepared using accounting policies stated in the Company's report and accounts for the 13 months ended 31 October 2004. The results shown above do not constitute statutory accounts for the 13 months ended 31 October 2004 and the 12 months ended 30 September 2003 within the meaning of section 240 of the Companies Act 1985. The results in respect of the 12 months ended 30 September 2003 are an abridged version of the Company's consolidated statutory accounts which have been reported on without qualification, and without a statement under section 237(2) or (3) of the Companies Act 1985, by the auditors. The 2003 consolidated statutory accounts have been delivered to the Registrar of Companies.

Going concern

The Group is seeking to implement a restructuring of its balance sheet which would involve the conversion to equity of approximately £800 million of unsecured debt and facilities and the provision of new five year committed facilities for the provision of bonding, letters of credit and guarantees.

The restructuring is to be implemented either on a consensual basis, as described in a circular to shareholders dated 1 December 2004 (the "consensual restructuring"), or through a scheme of arrangement (the "scheme") with its shareholders and certain unsubordinated creditors described in a circular (comprising an explanatory statement) dated 26 November 2004.

Implementation of the consensual restructuring is subject, inter alia, to approval of the proposals by bondholders and shareholders, to be sought at an adjourned meeting of bondholders to be held on 29 December 2004 and an extraordinary general meeting to be held on 24 December 2004. Implementation of the scheme, which was approved by shareholders and creditors at a meeting held on 13 December 2004, is subject, inter alia, to the approval of the court at a hearing to be held on 20 December 2004.

The Directors consider that it is likely that either:

- (a) all the conditions to the consensual restructuring will be satisfied; or
- (b) the scheme will become effective.

They have further received indications from the CAA that the outcome of the restructuring will be acceptable.

If the restructuring is implemented through the scheme, all of the assets of the Company (other than actual or potential claims under insurance policies relating to claims by customers against the Company) will be transferred to MyTravel Holdings PLC (Holdings), which will become the holding company of the Group and which will assume all of the liabilities of the Company (save for certain excluded liabilities, including the liabilities of the Company in respect of the 7% subordinated Convertible Bonds (the Bonds) due 2007). In these circumstances, MyTravel Group plc will have transferred all of its assets and liabilities to Holdings and will be a subsidiary of Holdings with only the Bonds as an unprovided or uninsured liability. The Directors believe that, under the scheme, the holders of the Bonds are likely to agree to exchange their Bonds for shares in Holdings. When Holdings has acquired at least 75% of the outstanding Bonds it will be in a position to require all the Bonds to be transferred to it and capitalised. If the bondholders choose not to accept the offer to exchange their Bonds, the Bonds will remain outstanding as liabilities of the Company, but the bondholders will have no effective remedy to enforce any right to payment. The Directors do not believe there is any reason to expect the Company to be wound up.

Having taken into account the uncertainties mentioned above in relation to the

restructuring, the Directors consider it appropriate to prepare the Group's accounts on a going concern basis. The accounts do not, therefore, include any adjustments which may be necessary if the Group was unable to continue to operate.

2. Segmental information

(a) Turnover	Unaudited 2004 £m	Audited 2003 £m
UK		
Other Europe - Northern Europe	2,194.9	2,340.5
North America	863.9	886.4
Group continuing	404.0	565.6
Discontinued - Other Europe - Germany	3,462.8	3,792.5
Group	-	397.7
Joint Ventures	3,462.8	4,190.2
Group and share of Joint Ventures	35.9	35.1
	3,498.7	4,225.3

(b) Operating (loss)/profit

	Pre-goodwill & exceptional operating items		Post goodwill & exceptional operating items	
	Unaudited 2004 £m	Audited 2003 £m	Unaudited 2004 £m	Audited 2003 £m
UK	(85.3)	(325.4)	(153.1)	(480.9)
Other Europe - Northern Europe	48.5	(4.0)	47.8	(37.0)
North America	12.1	(0.1)	5.5	(101.2)
Group continuing	(24.7)	(329.5)	(99.8)	(619.1)
Discontinued - Other Europe - Germany	-	(36.1)	-	(119.0)
Group	(24.7)	(365.6)	(99.8)	(738.1)

(c) Income from interests in Joint Ventures
& Associates

	Pre-goodwill and exceptional operating items		Post goodwill and exceptional operating items	
	Unaudited 2004	Audited 2003	Unaudited 2004	Audited 2003
	£m	£m	£m	£m
Joint Ventures	5.6	6.2	4.0	(4.3)
Associates	1.6	1.1	(2.6)	(16.7)
	7.2	7.3	1.4	(21.0)

(d) Exceptional operating items

	Unaudited 2004	Audited 2003
	£m	£m
UK		
Other Europe - Northern Europe	(62.1)	(150.0)
North America	(0.2)	(32.2)
Group continuing	-	(86.3)
Discontinued - Other Europe - Germany	(62.3)	(268.5)
Group	-	(78.4)
Joint Ventures	(62.3)	(346.9)
Associates	(0.9)	(9.5)
	(4.2)	(17.5)
Group and share of Joint Ventures & Associates	(67.4)	(373.9)

(e) Goodwill amortisation

	Unaudited 2004	Audited 2003
	£m	£m
UK	(5.7)	(5.5)
Other Europe - Northern Europe	(0.5)	(0.8)
North America	(6.6)	(14.8)
Group continuing	(12.8)	(21.1)
Discontinued - Other Europe - Germany	-	(4.5)
Group	(12.8)	(25.6)
Joint Ventures	(0.7)	(1.0)

Associates

-	(0.3)
(13.5)	(26.9)

(f) Profit/(loss) on sale of subsidiary undertakings

	Unaudited 2004 £m	Audited 2003 £m
UK	0.8	5.8
Other Europe - Northern Europe	(0.3)	-
North America	10.4	-
Group continuing	10.9	5.8
Discontinued - Other Europe - Germany	-	(81.4)
Group	10.9	(75.6)

The tax effect of the profit/(loss) on sale of subsidiary undertakings was £0.1m
(2003: £nil)

(g) (Loss)/profit on sale of tangible fixed assets

	Unaudited 2004 £m	Audited 2003 £m
UK	(3.9)	0.6
Other Europe - Northern Europe	0.5	1.3
North America	-	-
Group continuing	(3.4)	1.9
Discontinued - Other Europe - Other	-	(0.2)
Group	(3.4)	1.7

The tax effect of the profit/(loss) on sale of tangible fixed assets was £0.2m
(2003: £0.5m).

(h) Losses on terminated operations		Unaudited	Audited
		2004	2003
		£m	£m
UK	continuing	(18.5)	(1.1)
Other Europe	discontinued	(0.5)	(1.3)
		(19.0)	(2.4)

On 16 April 2004, the Group announced agreed arrangements with Louis Limited, a cruise and hotel group listed on the Cyprus Stock Exchange, under which Louis took over operation of three cruise ships. The loss on termination of the Group's cruise business amounts to £18.6m.

Also included within the UK terminated operations are the costs of exiting of the Group from Vacation Ownership operations. During the period, the Group recorded £0.1m of profits (2003: loss of £1.1m).

In Other Europe, the Group announced in 2000 the closure of its Belgian charter airline operations and closed its tour operations in France and Belgium. During 2004, the Group incurred £0.5m of costs relating to this activity (2003: £1.3m).

There was no material tax effect in respect of these items.

(i) Finance charges (net)		Unaudited	Audited
		2004	2003
		£m	£m
UK		(62.0)	(35.1)
Other Europe - Northern Europe		4.0	3.2
North America		(4.5)	(12.3)
Group continuing		(62.5)	(44.2)
Discontinued - Other Europe - Germany		-	(7.7)
Group		(62.5)	(51.9)
Exceptional finance charges		(15.6)	(22.5)
Joint Ventures		(1.7)	(1.1)

Associates	(0.7)	-
Joint Ventures & Associates	(2.4)	(1.1)
Total finance charges (net)	(80.5)	(75.5)

The exceptional finance charges relate to costs incurred in the refinancing and restructuring of the Group.

Finance charges relating to discontinued operations in 2003 represent the costs of centrally funded working capital together with local external charges.

(j) (Loss)/profit on ordinary activities before tax	Pre-goodwill & exceptional items		Post goodwill & exceptional items	
	Unaudited 2004	Audited 2003	Unaudited 2004	Audited 2003
	£m	£m	£m	£m
UK				
Other Europe - Northern Europe	(147.3)	(360.5)	(252.3)	(533.2)
North America	52.5	(0.8)	52.0	(32.5)
Group continuing	7.6	(12.4)	11.4	(113.5)
Discontinued - Other Europe - Germany	(87.2)	(373.7)	(188.9)	(679.2)
Discontinued - Other Europe - Other	-	(43.8)	-	(208.1)
Group	(87.2)	(417.5)	(0.5)	(1.5)
Joint Ventures	3.9	5.1	(189.4)	(888.8)
Associates	0.9	1.1	2.4	(5.4)
Group and share of Joint Ventures & Associates	(82.4)	(411.3)	(3.3)	(16.7)
			(190.3)	(910.9)

(k) Total exceptional items	Unaudited 2004	Audited 2003
	£m	£m

UK		
Other Europe - Northern Europe	(99.3)	(167.2)
North America	-	(30.9)
Group continuing	10.4	(86.3)
Discontinued - Other Europe - Germany	(88.9)	(284.4)
Discontinued - Other Europe - Other	-	(159.8)
Group	(0.5)	(1.5)
Joint Ventures	(89.4)	(445.7)
Associates	(0.8)	(9.5)
Group and share of Joint Ventures & Associates	(4.2)	(17.5)
	(94.4)	(472.7)

(1) Net (liabilities)/assets

	Unaudited	Audited
	2004	Restated
	£m	2003
		£m
UK		
Other Europe	(947.5)	(712.1)
North America	25.1	2.8
	43.4	36.4
	(879.0)	(672.9)

3. Exceptional operating items

	Unaudited	Audited
	2004	2003
	£m	£m
UK		
Balance sheet restructuring	(i) (4.8)	-
Operational restructuring	(ii) (53.2)	-
Other advisory fees	(iii) (4.2)	(10.1)
Balance sheet review	(iv) 1.8	(135.4)
Restructuring of aircraft leases	(v) (1.7)	-
Directors' settlements	(vi) -	(4.5)
Other Europe - Northern Europe	(iv) (0.2)	(32.2)

North America	Balance sheet review	(iv)	-	(86.3)
Group continuing			(62.3)	(268.5)
Discontinued				
Other Europe - Germany	Balance sheet review	(iv)	-	(78.4)
Group			(62.3)	(346.9)
Joint Ventures	Operational restructuring	(ii)	(0.9)	-
	Balance sheet review	(iv)	-	(9.5)
Associates	Balance sheet review	(iv)	(4.2)	(17.5)
			(67.4)	(373.9)

- (i) Balance sheet restructuring represents the costs incurred in respect of preparatory work relating to the proposed refinancing and restructuring of the Group.
- (ii) Operational restructuring represents redundancy and other costs incurred in reorganising the Group's UK businesses.
- (iii) Other advisory fees represent costs incurred in respect of the 2003 refinancing of the Group.
- (iv) The balance sheet review charges which total £2.6m (2003: £359.3m) represent adjustments to the carrying value of goodwill and certain other assets. In the period to 31 October 2004, additional provisions of £6.5m, including £1.9m in respect of goodwill previously written off to reserves, have been made, and provisions of £3.9m made last year have been released on the basis of improved information.
- (v) This represents the net cost of the restructuring of certain aircraft leases.
- (vi) Directors' settlements represent the costs in 2003 of terminating the contracts of certain former Directors.

4. Finance charges (net)	Unaudited 2004 £m	Audited 2003 £m
Interest payable on:		
bank borrowings	(22.9)	(35.4)
other borrowings	(27.6)	(30.9)
undated preference shares	(17.0)	(11.5)
Share of Joint Ventures' and Associates' interest payable	(2.4)	(1.1)
Amortisation of issue costs relating to undated preference shares	-	(1.7)
Amortisation of issue costs relating to Convertible Bonds	-	(1.7)
Finance charges in respect of finance leases	(9.0)	(6.9)
Exceptional finance charges	(78.9)	(89.2)
Interest capitalised	(15.6)	(22.5)
	-	1.2
Bank interest receivable	(94.5)	(110.5)
Foreign exchange gain	14.0	34.0
	-	1.0
	(80.5)	(75.5)

5. Tax on loss on ordinary activities	Unaudited 2004 £m	Audited 2003 £m
Analysis of charge/(credit) in the period		
Current tax		
The current tax charge/(credit) is based on the loss for the year and is made up as follows:		
UK	0.1	-
corporation tax at 30% (2003: 30%)	(14.7)	30.1
adjustments in respect of previous periods	(14.6)	30.1
Overseas	20.8	17.3
corporation tax		

adjustments in respect of previous periods		
Tax on share of profits of Joint Ventures & Associates	3.7	0.2
Total current tax	24.5	17.5
Deferred tax	2.9	0.6
	12.8	48.2
origination and reversal of timing differences	(0.6)	(8.2)
adjustments in respect of previous periods	0.8	(42.8)
Total deferred tax	0.2	(51.0)
Tax on loss on ordinary activities	13.0	(2.8)

6. Loss per share

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period, excluding those held in the employee share ownership trusts. Due to losses made, there is no difference between basic and diluted loss per share.

Supplementary loss per share figures are presented. These exclude the effects of the amortisation of goodwill and also the effects of the exceptional items and are presented to allow comparison to the prior year on a like-for-like basis.

	Unaudited 2004	Unaudited 2004	Audited 2003	Audited 2003
Weighted average number of shares (millions) *		537.5		492.2
	Loss+	Per share amount	Loss+	Per share amount
Basic & diluted loss per share	£m	£m	£m	p
Effect of goodwill amortisation	(203.6)	(37.88)	(913.2)	(185.51)
Basic & diluted loss per share pre-goodwill	13.5	2.51	26.9	5.46

amortisation	(190.1)	(35.37)	(886.3)	(180.05)
Exceptional items				
Exceptional operating items	67.4	12.54	373.9	75.96
Exceptional finance charges	15.6	2.90	22.5	4.57
Loss/(profit) on sale of tangible fixed assets	3.4	0.63	(1.7)	(0.35)
(Profit)/loss on sale of subsidiary undertakings	(10.9)	(2.03)	75.6	15.36
Profit on sale of joint venture undertakings	(0.1)	(0.02)	-	-
Losses on terminated operations	19.0	3.54	2.4	0.48
Tax relating to the exceptional items	0.3	0.06	(9.5)	(1.93)
Basic & diluted loss per share pre-goodwill				
amortisation and exceptional items	(95.4)	(17.75)	(423.1)	(85.96)

- * The number of shares has been reduced by 2.7m being the weighted average number of shares held by the employee share ownership trusts (2003: 2.7m).
- + Loss attributable to ordinary shareholders.

7. Dividends

The Board is recommending that no final dividend is paid. As a result, the total dividend for the period will be nil p (2003: nil p).

8. Reconciliation of operating loss to operating cash flows

	Unaudited 2004 £m	Audited 2003 £m
Operating loss	(99.8)	(738.1)
Depreciation charges	77.4	92.3
Goodwill amortisation	12.8	25.6
Impairment of goodwill	2.4	156.7
Impairment of fixed assets	30.3	106.2
Provision against fixed asset investments	-	11.0
Decrease/(increase) in stocks	2.4	(0.2)
Decrease in debtors	115.9	99.2

(Decrease)/increase in creditors		
Increase in provisions	(142.3)	106.9
Cash impact of the termination of operations	32.5	38.7
Cash impact of fundamental reorganisation	(5.1)	(3.0)
	-	(4.7)
Net cash inflow/(outflow) from operating activities	26.5	(109.4)

9. Reconciliation of net cash flow to movement in net debt

	Unaudited 2004 £m	Audited 2003 £m
Increase/(decrease) in cash in the year	50.8	(14.8)
Cash outflow/(inflow) from decrease/(increase) in debt & lease financing	11.9	(191.2)
Cash inflow from decrease in liquid resources	(11.8)	(43.2)
Changes in net debt resulting from cash flows	50.9	(249.2)
Loans acquired with subsidiary undertakings	(27.1)	-
Finance leases disposed with subsidiary undertakings	0.1	-
Transfer of Convertible Bonds due 2007 redeemed 30 September 2002, settled 3 October 2002	-	(8.4)
7.51% cumulative undated preference shares reclassified from minority interests	-	(208.3)
Conversion of Convertible Bonds due 2007	5.2	-
Issue costs of undated preference shares	-	(1.7)
Issue costs of Convertible Bonds due 2007	-	(1.7)
Capitalisation of finance leases	(30.4)	(27.3)
Exchange differences	31.4	19.2
Movement in net debt in the year	30.1	(477.4)
Net debt brought forward	(607.3)	(129.9)
Net debt carried forward	(577.2)	(607.3)

10. Annual General Meeting

The Annual General Meeting will be held in March 2005. Further details will be circulated with the notice of the Annual General Meeting.

APPENDIX - PRO FORMA INFORMATION FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2004

Group Profit and Loss Account	Notes	Unaudited 12 months to 30/09/04 £m	Audited 12 months to 30/09/03 £m
Turnover: Group and share of Joint Ventures'			
Continuing operations	2 (a)	3,283.1	3,827.6
Discontinued operations		-	397.7
		3,283.1	4,225.3
Less: share of Joint Ventures' turnover			
Continuing operations		(33.6)	(35.1)
Group turnover		3,249.5	4,190.2
Operating profit/(loss) before exceptional operating items and goodwill amortisation	2 (b)		
Continuing operations		1.2	(329.5)
Discontinued operations		-	(36.1)
		1.2	(365.6)
Exceptional operating items	2 (c)	(58.8)	(346.9)
Goodwill amortisation	2 (d)	(11.9)	(25.6)
Operating loss		(69.5)	(738.1)
Continuing operations		(69.5)	(619.1)
Discontinued operations		-	(119.0)
		(69.5)	(738.1)
Income from interests in Joint Ventures & Associates before exceptional operating items and goodwill	2 (b)	7.1	7.3
Exceptional operating items	2 (c)	(4.0)	(27.0)
Goodwill amortisation	2 (d)	(0.7)	(1.3)
Income from interests in Joint Ventures & Associates		2.4	(21.0)

Group and share of Joint Ventures' & Associates' operating loss

Exceptional items

Profit/(loss) on sale of subsidiary undertakings

- continuing operations
- discontinued operations

(Loss)/profit on sale of tangible fixed assets

- continuing operations
- discontinued operations

Profit on sale of Joint Venture undertaking

Losses on terminated operations

- continuing operations
- discontinued operations

Loss on ordinary activities before finance charges

Finance charges (net)

Group

Exceptional finance charges

Joint Ventures and Associates

Loss on ordinary activities before tax

Tax on loss on ordinary activities

Loss on ordinary activities after tax

Equity minority interests

Non-equity minority interests

Loss for the period - transfer from reserves

2 (b)	(67.1)	(759.1)
2 (e)	10.9	5.8
	-	(81.4)
2 (f)	(2.9)	1.9
	-	(0.2)
2 (g)	0.1	-
	(16.7)	(1.1)
	(0.5)	(1.3)
2 (h)	(76.2)	(835.4)
	(58.0)	(51.9)
	(12.8)	(22.5)
	(2.4)	(1.1)
2 (i)	(149.4)	(910.9)
3	(12.0)	2.8
	(161.4)	(908.1)
	(0.1)	(0.4)
	-	(4.7)
	(161.5)	(913.2)

Group Balance Sheet

	Unaudited	Audited
	As at	Restated*
	30/09/04	As at
	fm	30/09/03
		fm
Fixed assets		
Intangible assets - goodwill	146.5	277.8
Tangible assets	305.8	367.3

Joint Venture undertakings	88.5	84.6
Share of gross assets	(61.7)	(59.2)
Share of gross liabilities	11.1	11.7
Goodwill	37.9	37.1
	10.1	13.7
	-	0.1
Investments in Associated undertakings	500.3	696.0
Other investments		
Total fixed assets	8.8	11.3
Current assets	342.2	431.9
Stocks	104.0	140.4
Debtors: amounts falling due within one year	331.9	254.9
Debtors: amounts falling due after one year	786.9	838.5
Cash and deposits		
Creditors: amounts falling due within one year	(1,107.6)	(1,230.6)
Net current liabilities	(320.7)	(392.1)
Total assets less current liabilities	179.6	303.9
Creditors: amounts falling due after one year		
Convertible debt	(216.4)	(221.6)
Other creditors	(684.3)	(650.9)
	(900.7)	(872.5)
Provisions for liabilities and charges	(119.4)	(104.3)
Net liabilities	(840.5)	(672.9)
Capital and reserves		
Called up share capital	54.4	49.5
Reserves	(895.9)	(723.5)
Own shares	(0.3)	(0.3)
Equity shareholders' deficit	(841.8)	(674.3)
Equity minority interests	1.3	1.4
	(840.5)	(672.9)

* Restated for adoption of UITF 38 - Accounting for ESOP Trusts. £0.3m of own shares held in trust has been reclassified from investments to capital and reserves.

Notes to the Pro Forma Financial Information

1. Basis of preparation

The pro forma financial information has been prepared using accounting policies stated in the Company's report and accounts for the 13 months ended 31 October 2004. The Group's Directors set out on page 20 of this document the reasons why they considered it appropriate to prepare the Group's accounts on the going concern basis.

The financial information in this statement relating to the 12 months ended 30 September 2004 is unaudited and does not constitute full statutory accounts within the meaning of section 240 of the Companies Act 1985. The results shown for the year ended 30 September 2003 have been derived from the full report and accounts which received an unqualified auditors' report and did not contain any statements under section 237(2) or (3) of the Companies Act 1985, and have been delivered to the Registrar of Companies.

2. Segmental information

(a) Turnover

	Unaudited 12 months to 30/09/04 £m	Audited 12 months to 30/09/03 £m
UK	2,057.8	2,340.5
Other Europe - Northern Europe	805.6	886.4
North America	386.1	565.6
Group continuing	3,249.5	3,792.5
Discontinued - Other Europe - Germany	-	397.7
Group	3,249.5	4,190.2
Joint Ventures	33.6	35.1

Group and share of Joint Ventures

3,283.1 4,225.3

(b) Operating profit/(loss)

	Pre-exceptional operating items & goodwill		Post-exceptional operating items & goodwill	
	Unaudited 12 months to	Audited 12 months to	Unaudited 12 months to	Audited 12 months to
	30/09/04	30/09/03	30/09/04	30/09/03
	£m	£m	£m	£m
UK	(59.0)	(325.4)	(122.8)	(480.9)
Other Europe - Northern Europe	46.2	(4.0)	45.5	(37.0)
North America	14.0	(0.1)	7.8	(101.2)
Group continuing	1.2	(329.5)	(69.5)	(619.1)
Discontinued - Other Europe - Germany	-	(36.1)	-	(119.0)
Group	1.2	(365.6)	(69.5)	(738.1)
Joint Ventures	5.7	6.2	4.8	(4.3)
Associates	1.4	1.1	(2.4)	(16.7)
Group and share of Joint Ventures & Associates	8.3	(358.3)	(67.1)	(759.1)

(c) Exceptional operating items

	Unaudited 12 months to	Audited 12 months to
	30/09/04	30/09/03
	£m	£m
UK	(i) (3.9)	-
Balance sheet restructuring	(ii) (51.1)	-
Operational restructuring	(iii) (4.1)	(10.1)
Other advisory fees	(iv) 2.2	(135.4)
Balance sheet review	(v) (1.7)	-
Restructuring of aircraft leases	(vi) -	(4.5)
Directors' settlements	-	-
Other Europe	-	-

Northern Europe	Balance sheet review	(iv)	(0.2)	(32.2)
North America	Balance sheet review	(iv)	-	(86.3)
Group continuing			(58.8)	(268.5)
Discontinued				
Other Europe - Germany	Balance sheet review	(iv)	-	(78.4)
Group			(58.8)	(346.9)
Joint Ventures	Operational restructuring	(ii)	(0.2)	-
	Balance sheet review	(iv)	-	(9.5)
Associates	Balance sheet review	(iv)	(3.8)	(17.5)
			(62.8)	(373.9)

(i) Balance sheet restructuring represents the costs incurred in respect of preparatory work relating to the proposed refinancing and restructuring of the Group.

(ii) Operational restructuring represents redundancy and other costs incurred in reorganising the Group's UK businesses.

(iii) Other advisory fees represent costs incurred in respect of the 2003 refinancing of the Group.

(iv) The balance sheet review charges which total £1.8m (2003: £359.3m) represent adjustments to the carrying value of goodwill and certain other assets. In the period to 30 September 2004, additional provisions of £5.7m, including £1.5m in respect of goodwill previously written off to reserves, have been made, and provisions of £3.9m made last year have been released on the basis of improved information.

(v) This represents the net cost of the restructuring of certain aircraft leases.

(vi) Directors' settlements represent the costs in 2003 of terminating the contracts of certain former Directors.

(d) Goodwill amortisation	Unaudited 12 months to 30/09/04 £m	Audited 12 months to 30/09/03 £m
UK	(5.2)	(5.5)
Other Europe - Northern Europe	(0.5)	(0.8)
North America	(6.2)	(14.8)
Group continuing	(11.9)	(21.1)
Discontinued - Other Europe - Germany	-	(4.5)
Group	(11.9)	(25.6)
Joint Ventures	(0.7)	(1.0)
Associates	-	(0.3)
Group and share of Joint Ventures & Associates	(12.6)	(26.9)

(e) Profit/(loss) on sale of subsidiary undertakings	Unaudited 12 months to 30/09/04 £m	Audited 12 months to 30/09/03 £m
UK	0.8	5.8
Other Europe - Northern Europe	(0.3)	-
North America	10.4	-
Group continuing	10.9	5.8
Discontinued - Other Europe - Germany	-	(81.4)
Group	10.9	(75.6)

(f) (Loss)/profit on sale of tangible fixed assets	Unaudited 12 months to 30/09/04 £m	Audited 12 months to 30/09/03 £m
UK	(3.4)	0.6
Other Europe - Northern Europe	0.5	1.3

North America	-	-
Group continuing	(2.9)	1.9
Discontinued - Other Europe - Other Group	(2.9)	(0.2)
		1.7

(g) Losses on terminated operations	Unaudited 12 months to 30/09/04 £m	Audited 12 months to 30/09/03 £m
UK continuing	(16.7)	(1.1)
Other Europe discontinued	(0.5)	(1.3)
Group	(17.2)	(2.4)

On 16 April 2004, the Group announced agreed arrangements with Louis Limited, a cruise and hotel group listed on the Cyprus Stock Exchange, under which Louis will take over operation of three cruise ships. The loss on termination of the Group's cruise business at 30 September 2004 amounted to £16.8m.

Also included within UK terminated operations are the costs of exiting of the Group from Vacation Ownership operations. During the period, the Group recorded £0.1m of profit (2003: loss of £1.1m).

In Other Europe, the Group announced in 2000 the closure of its Belgian charter airline operations and closed its tour operations in France and Belgium. During 2004, the Group incurred £0.5m of costs relating to this activity (2003: £1.3m).

There was no material tax effect in respect of these items.

(h) Finance charges (net)	Unaudited 12 months to 30/09/04 £m	Audited 12 months to 30/09/03 £m
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UK		
Other Europe - Northern Europe	(57.5)	(35.1)
North America	3.7	3.2
Group continuing	(4.2)	(12.3)
Discontinued - Other Europe - Germany	(58.0)	(44.2)
Group	-	(7.7)
Exceptional finance charges	(58.0)	(51.9)
Joint Ventures	(12.8)	(22.5)
Associates	(1.7)	(1.1)
Joint Ventures & Associates	(0.7)	-
Total finance charges (net)	(2.4)	(1.1)
	(73.2)	(75.5)

The exceptional finance charges relate to costs incurred in the refinancing and restructuring of the Group.

Finance charges relating to discontinued operations in 2003 represent the costs of centrally funded working capital together with local external charges.

	(i) (Loss)/profit on ordinary activities before tax		Pre-exceptional items & goodwill		Post-exceptional items & goodwill	
			Unaudited		Unaudited	
	12 months to	Audited	12 months to	Audited	12 months to	Audited
	30/09/04	30/09/03	30/09/04	30/09/03	30/09/04	30/09/03
	£m	£m	£m	£m	£m	£m
UK						
Other Europe - Northern Europe	(116.5)	(360.5)	(212.4)	(533.2)	(212.4)	(533.2)
North America	49.9	(0.8)	49.4	(32.5)	49.4	(32.5)
Group continuing	9.8	(12.4)	14.0	(113.5)	14.0	(113.5)
Discontinued - Other Europe - Germany	(56.8)	(373.7)	(149.0)	(679.2)	(149.0)	(679.2)
Discontinued - Other Europe - Other	-	(43.8)	-	(208.1)	-	(208.1)
Group	-	-	(0.5)	(1.5)	(0.5)	(1.5)
Joint Ventures	(56.8)	(417.5)	(149.5)	(888.8)	(149.5)	(888.8)
Associates	4.0	5.1	3.2	(5.4)	3.2	(5.4)
Group and share of Joint Ventures &	0.7	1.1	(3.1)	(16.7)	(3.1)	(16.7)

Associates

(52.1) (411.3) (149.4) (910.9)

3. Tax on loss on ordinary activities

The charge in the period of £12.0m (2003: credit of £2.8m) relates to taxation in certain overseas businesses, which cannot be relieved against losses.

This information is provided by RNS
The company news service from the London Stock Exchange

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