KILROY

Annual Report 2008

Our customers dream of doing something different, studying in a foreign country, achieving self realization, exploring the world and sharing their experiences with others.

We are continuously trying to fulfill these dreams in our very own dedicated way.

We make dreams happen!

This annual report with financial statements is presented in accordance with the Danish Financial Statements Act. The following is a translation of a Danish original document. The original Danish text shall be governing for all purposes and in case of any discrepancy the Danish wording shall be applicable. The Danish worded annual report is subject to approval at the ordinary general meeting on April 29, 2009, and will be filed with the Danish Commerce and Companies Agency.

		2008	2007	2006	2005 [1)]	2004 [1)]
Profit & Loss Account (DKK million)						
Turnover		**1,119**	1,094	1,023	1,060	1,209
EBITDA		**23**	12	4	51	21
EBIT		**11**	-4	-10	35	2
Net financials		**6**	6	2	3	3
EBT		**18**	2	-8	38	1
Net profit for the year		**13**	2	-7	41	0
Balance Sheet (DKK million)						
Cash and bonds		**158**	162	162	176	213
Current assets		**222**	227	205	210	262
Total assets		**238**	253	239	249	332
Capital expenditure		**4**	8	8	18	11
Equity		**27**	30	38	70	69
Current liabilities		**204**	217	191	169	239
Cash flow from operating activities		**11**	39	21	-51	36
Key Figures						
EBITDA - Margin (%)	*EBITDA / turnover (excl. other operating income)*	**2.1**	1.1	0.4	4.8	1.7
EBIT - Margin (%)	*EBIT / turnover*	**1.0**	-0.3	-1.0	3.3	0.2
Return on assets (%)	*EBIT / total assets*	**4.8**	-1.5	-4.2	14.0	0.6
Return on equity (%)	*Net profit (excl. extraordinary income/expenses) / average equity*	**46.4**	4.6	-12.8	58.4	6.3
Liquidity ratio (%)	*Current assets / current liabilities*	**108.6**	104.9	107.7	124.4	109.6
Equity ratio (%)	*Equity (excl. minority interests) / total assets*	**11.2**	11.8	16.0	28.1	20.8
Earnings per share (DKK)	*Net profit (excl. extraordinary income/expenses) / number of shares*	**73.3**	8.8	-24.8	145.7	14.5
Cash flow per share (DKK)	*Cash flow from operating activities / number of shares*	**62.0**	219.5	73.7	-184.6	93.1
Dividend (DKK million)		**17.0**	1.5	0.0	65.0	0.0
Dividend (%)	*Dividend / share capital*	**95.3**	8.4	0.0	233.5	0.0
Average number of full-time employees (FTE)		**304**	318	303	368	438

1) Due to the divestment of MyPlanet in June 2005, the key figures for the years 2004-2005 are not fully comparable to the years 2006-2008.

		2008	2007	2006	2005 [1)]	2004 [1)]
Profit & Loss Account (EUR million)						
Turnover		**150.1**	146.8	137.2	142.3	162.5
EBITDA		**3.1**	1.7	0.6	6.8	2.8
EBIT		**1.5**	-0.5	-1.3	4.7	0.3
Net financials		**0.8**	0.8	0.3	0.4	0.4
EBT		**2.4**	0.3	-1.0	5.1	0.1
Net profit for the year		**1.8**	0.2	-0.9	5.5	0.0
Balance Sheet (EUR million)						
Cash and bonds		**21.3**	21.7	21.8	23.6	28.6
Current assets		**29.7**	30.5	27.6	28.1	35.2
Total assets		**32.0**	33.9	32.0	33.4	44.6
Capital expenditure		**0.5**	1.1	1.1	2.4	1.5
Equity		**3.6**	4.0	5.1	9.4	9.3
Current liabilities		**27.4**	29.0	25.6	22.6	32.1
Cash flow from operating activities		**1.5**	5.3	2.8	-6.9	4.8
Key Figures						
EBITDA - Margin (%)	*EBITDA / turnover (excl. other operating income)*	**2.1**	1.1	0.4	4.8	1.7
EBIT - Margin (%)	*EBIT / turnover*	**1.0**	-0.3	-1.0	3.3	0.2
Return on assets (%)	*EBIT / total assets*	**4.8**	-1.5	-4.2	14.0	0.6
Return on equity (%)	*Net profit (excl. extraordinary income/expenses) / average equity*	**46.4**	4.6	-12.8	58.4	6.3
Liquidity ratio (%)	*Current assets / current liabilities*	**108.6**	104.9	107.7	124.4	109.6
Equity ratio (%)	*Equity (excl. minority interests) / total assets*	**11.2**	11.8	16.0	28.1	20.8
Earnings per share (EUR)	*Net profit (excl. extraordinary income/expenses) / number of shares*	**9.8**	1.2	-3.3	19.6	1.9
Cash flow per share (EUR)	*Cash flow from operating activities / number of shares*	**8.3**	29.4	9.9	-24.7	12.5
Dividend (EUR million)		**2.3**	0.2	0.0	8.7	0.0
Dividend (%)	*Dividend / share capital*	**95.3**	8.4	0.0	233.5	0.0
Average number of full-time employees (FTE)		**304**	318	303	368	438

1) Due to the divestment of MyPlanet in June 2005, the key figures for the years 2004-2005 are not fully comparable to the years 2006-2008

KILROY International A/S heads a European based group of companies that are leading in the segments in which they operate.

The Group operates two brands, in five markets and employs more than 300 people.

Brands and Competence

The KILROY Group believes in the importance of strong brands to create a long-term benefit to our customers and to our company. Resources are continuously channelled towards expanding our knowledge of customer needs and preferences. This knowledge is then integrated into our branding process, thus creating a unique and clear position in the minds of our customers. The brand value is further supported by the high competence of our staff, who together form a platform of specialists, regarded as an authority by our customers.

Operation

The KILROY Group's activities are separated into a number of business areas, which have full profit & loss responsibility.

The KILROY Group

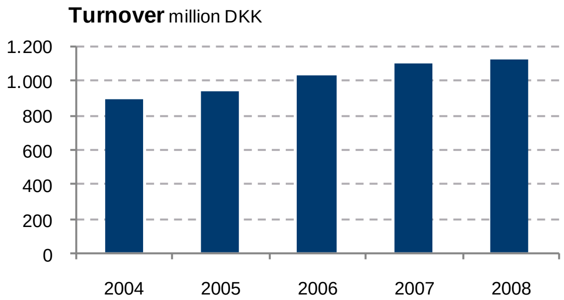
See pages 7-10 for further information about the business areas.

2008 was another year of improvement for the KILROY Group. Turnover went up from DKK 1,094 million to DKK 1,119 million.

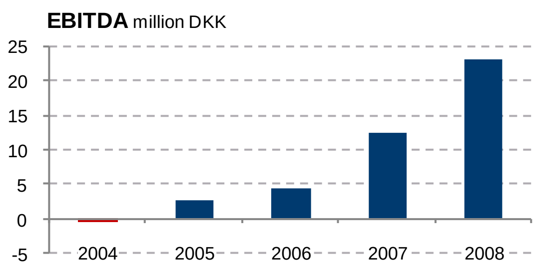
Operating profit (EBITDA) was positive with DKK 23 million, up from DKK 12 million in 2007.

The KILROY Group closed the year 2008 with a profit before tax (EBT) of DKK 18 million.

Although turnover lost momentum in the fourth quarter of 2008 it still went up 2.3% from 2007.



Equally important was a substantial improvement in the profitability. EBITDA increased 86% compared to 2007.



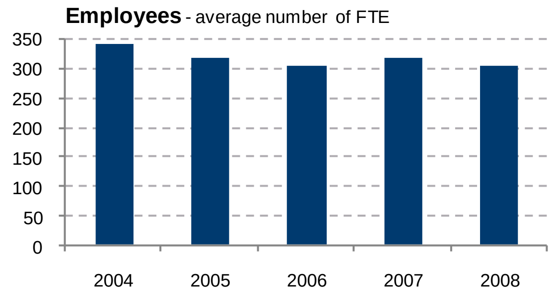
Market conditions

The year 2008 was a very mixed year. The first three quarters provided excellent trading conditions whereas the fourth quarter clearly slowed down as a consequence of the financial unrest.

Organisation

The average number of staff (full time equivalent) was 304 compared to 318 in 2007. The decrease was according to plan and a result of improved working procedures.

The KILROY Group sees the competences of the sales organisation as imperative for our future success. Consequently, resources are continuously being focused on training and upgrading the organisation.



Distribution

Online distribution is still in focus. Nevertheless, shops and other offline sales channels are still important to travellers planning long and complicated routes and to very young travellers preparing their very first trip. To secure significant and relevant value proposition the shops must develop continuously. Also in 2008 sales consultants have been concentrated in fewer units. Three small shops were thus closed during 2008 and the beginning of 2009 bringing the total number of shops to 19 in the five markets.

Name

Within the last years KILROY has broadened its activities to include more diverse services, e.g. educational counselling. In order to reflect this, the name of the parent company has been changed from KILROY travels International A/S to KILROY International A/S. Similar changes have been carried through in the subsidiaries.

Shareholder information

The ownership structures remained unchanged during 2008. The Danish company, SSTS A/S holds 100% of the shares in KILROY International A/S.

SSTS A/S currently has no other activities than the ownership of the KILROY Group and is owned by a group of Nordic investors that have or have had management positions within the Group.

Expectations for 2009

The expectation for 2009 is that the KILROY Group will again deliver a positive result.

The slow down that was seen in the fourth quarter of 2008 has continued during the first months of 2009 and will clearly have some impact on the profitability during 2009.

Apart from the general market condition it is also evident that some travel companies are struggling to survive and are consequently taking desperate measures to stay in the market. It is expected that a number of travel companies are likely to go out of business in 2009 and the main question is how much turmoil they will create on their way out!

The trend that some suppliers cater for a larger part of the value chain will continue and thus undermine the yield on the classic transaction services. In the KILROY Group focus is on building competences - whether human or technological - that are valued by the consumer, thus securing the foundation for continued income.

KILROY travels has built a solid reputation as the leading specialist in youth and student travel.

KILROY specializes in tailor-made packages. Our sales consultants are experts at putting together complex flight itineraries and round the world trips and just as importantly, they are passionate about travelling.

With KILROY you get the best of both worlds, expert personal service from our sales consultants and an online booking service through the KILROY website.

Read more at www.kilroytravels.com

KILROY education is a strong brand in the student market, offering counselling to students who wish to study abroad.

KILROY education works closely with recognized universities throughout the world, offering primarily full time degree programs.

Based on 14 years of experience, KILROY education has recently expanded and we now offer our services in our four Nordic markets as well as in the Netherlands.

Read more at www.kilroyeducation.com

KILROY group travel maintains a dominant position in the Nordic market, specializing in youth and student educational travel.

Our market share has grown steadily and we are both securing and building upon our strong position, by continuously focusing on concept development and staff competence.

The concept “Go beyond sightseeing” has been developed in association with our target group, the teachers. The concept is to provide teachers with educational material to be used both before and during their study trip, enabling them to save on preparation time.

Read more at www.kilroygroups.com

TEAM BENNS
www.team-benns.com




TEAM BENNS is a travel agency specializing in a number of unique concepts and is at the forefront in all its business areas.

With a starting point in group travel, TEAM BENNS has expanded its product portfolio to include skiing, safaris, cruises and wellness.

The latest development is the launch of comprehensive destination programs in USA/Canada and Australia/New Zealand aimed at young families.

Read more at www.team-benns.com

KILROY International A/S' net result in 2008 is DKK 13.1 million, compared with DKK 1.6 million in 2007.

Shareholders' equity

The share capital remains unchanged at DKK 17.8 million. Free reserves including proposed dividend total DKK 8.8 million. Total Group shareholders' equity is DKK 26.6 million at the end of the year.

Dividends and dividend policy

At an extraordinary General Meeting in November 2008 it was decided to pay out dividend on account of DKK 10.0 million.

As ordinary dividend to be decided at the Annual General Meeting, the Board recommends a payment of DKK 7.0 million.

Future dividends will also be proposed with consideration to the KILROY Group's expansion plans, continued consolidation and liquidity.

Financial management

The KILROY Group placement policy allows placement in liquid assets in the short-term money market and in publicly traded government securities and mortgage backed bonds with a relatively short average maturity.

It is the policy of the KILROY Group that the liquidity ratio always exceeds 100 in order to ensure that all short-term liabilities can be paid immediately. It is also a policy that subsidiaries do not hold liquid assets in excess of those required for normal operations, and they may not accrue debt locally or make other financial arrangements/-agreements.

The financial risk of doing business in many countries and currencies is managed according to established policies to ensure that currency exposure is minimized to the extent possible.

KILROY International's treasury function controls and hedges the consolidated foreign exchange exposure.

Established procedures for reporting are in place, as are limits for managing currency positions.

These policies ensure that financial instruments are used to limit risks. Subsidiaries operate mainly in their own local currencies.

In cases where the subsidiaries have foreign exchange exposure, they hedge their exposure via the KILROY Group's corporate treasury function.

Investments

Investments in technology is a high priority and is considered as one of the key elements for long term sustainability. In the last decade KILROY has invested substantial amounts in software and hardware. Consequently, our IT platform and supporting systems are up to date, flexible and scalable.

Events in 2009

No events have occurred after the balance sheet date, which affect the assessment of the Annual Report 2008.

Auditing

KPMG is sole auditor as from 2007.

SSTS A/S Annual Report

The Annual Report of KILROY International A/S is included in the Annual Report of SSTS A/S.

The Annual Report of SSTS A/S can be obtained from

SSTS A/S
Knabrostræde 8
DK-1210 Copenhagen K

Statement by the Board of Directors and Management

Today, the Board of Directors and the Board of Management have adopted the Annual Report of KILROY International A/S for the year 2008. The Annual Report has been prepared in accordance with the Danish Financial Statements Act. We consider the applied accounting policies appropriate for the Annual Report to give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position on 31 December 2008, and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the year ended 31 December 2008. We recommend the Annual Report for the financial year 1 January - 31 December 2008 to be approved at the Annual General Meeting.

Copenhagen, 29 April 2009

Board of Management	Board of Directors				
Claus H. Hejlesen	**Arnar Thorisson**	**Tapio Kiiskinen**	**Sigurdur Kiernan**	**Claus H. Hejlesen**	**Robert Doeleman**
Managing Director	Chairman	Vice Chairman			(elected by staff)

Independent Auditor's Report to the Shareholders of KILROY International A/S

We have audited the annual report of KILROY International A/S for the financial year 1 January - 31 December 2008, which comprises the statement by the Board of Directors and Board of Management, financial review, accounting policies, income statement, balance sheet, cash flow statement and notes. The annual report has been prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the annual report

Management is responsible for the preparation and fair presentation of the annual report in accordance with the Danish Financial Statements Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an annual report that is free from material misstatement, whether due to fraud or error; selecting and using appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors responsibility

Our responsibility is to express an opinion on the annual report based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the annual report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the annual report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit did not result in any qualification.

Opinion

In our opinion, the Annual Report gives a true and fair view of the Group's and the Parent Company's financial position at 31 December 2008 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January - 31 December 2008, in accordance with the Danish Financial Statements Act.

Copenhagen, 29 April 2009

KPMG
Statsautoriseret Revisionspartnerselskab

Sven Carlsen	**Per Lund**
State Authorised Public Accountant	State Authorised Public Accountant

General

The Annual Report for 2008 for KILROY International A/S is presented in accordance with the provisions of the Danish Financial Statements Act for accounting class large-C companies.

The Annual Report has been prepared using the same accounting policies as last year.

Consolidated Accounts

The consolidated accounts include the annual accounts of the parent company; KILROY International A/S, and all subsidiaries that the parent company controls directly or indirectly.

The consolidated accounts are prepared by adding items of a similar nature in the accounts of KILROY International A/S and its subsidiaries.

Subsidiary accounts that are included in the consolidated accounts are prepared in accordance with the accounting policies of the parent company.

Profit and loss statements of foreign subsidiaries are converted into Danish kroner (DKK) using the average exchange rates for the year. Balance sheet items are converted at the exchange rate at the end of the year.

Exchange rate adjustments of the equity of foreign subsidiaries at the beginning of the year, and exchange rate adjustments of the profit and loss accounts from average rates to year-end rates, are posted against the Group shareholders' equity. In the consolidation of the accounts, intercompany income and expenses, intercompany accounts, and intercompany profits and losses are eliminated. The parent company's share in a subsidiary is calculated as its share of the subsidiary's net assets.

Companies in which the Group owns 20-50% of the respective company's equity, but of which the Group does not hold a controlling share, are referred to as affiliated companies. The value of the Group's share is calculated according to its share of the affiliated company's net assets. Entries relating to affiliated companies connected to KILROY International A/S and operated in conjunction with other shareholders are prorated in proportion to the size of the share, when compiling consolidated accounts. Upon acquisition of a subsidiary, the share of the net assets is calculated according to the Group's accounting policies. If the purchase price deviates from the value of the net assets, the difference is, to the extent possible, allocated to the assets or liabilities that have a higher or lower value. In addition, provisions are made for the expenses incurred at the time of purchase. Goodwill in connection to acquisitions is capitalised and amortised over a maximum 20-year period.

Newly acquired or established companies are included in the consolidated accounts from the date when control was gained.

Divested companies are included up to the date of disposal.

Profit and Loss Account

Turnover

Turnover includes the year's sales of travel products and services. Revenues from individual travel products are booked at the time of invoicing, regardless of departure date. Revenues from group travel products are booked in the accounting period that coincides with the departure date of the trip.

Cost of products sold

Cost of products contains invoiced and accrued cost of travel related products, services and financial arrangements.

Other income

Other income includes net gains from activities that are not directly linked to travel products.

Result from shares in subsidiaries

Net profits or losses in subsidiaries contain the proportionate share of net profits or losses in the subsidiaries.

Tax

KILROY International A/S is jointly taxed with Danish subsidiaries and the parent company SSTS A/S. Subsidiaries are included/excluded in the joint taxation at the same time, as they are included/excluded in the consolidation.

The current Danish corporation tax is allocated among the jointly taxed Danish companies in proportion to their taxable income (full absorption with refunds for tax losses).

Tax for the year comprises current tax, joint taxation and changes in deferred tax for the year including adjustments to tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to changes directly recognised in equity is recognised directly in equity.

Deferred tax is provided under the liability method and covers all temporary differences between accounting and tax values of the assets and liabilities.

Deferred tax is furthermore provided for re-taxation of tax deductible losses realised in non-Danish affiliated companies, if the re-taxation is expected to be realised by the affiliated companies' departure from the Danish joint taxation scheme.

The tax value of tax loss carry-forwards will be set off against deferred tax liabilities to the extent that the tax losses and other tax assets are expected to be utilised in the future taxable income. Deferred tax is calculated according to applicable tax laws and according to the expected tax rate.

Extraordinary income/expenses

Income and expenses incurred as a result of circumstances which vary significantly from the operational travel business are listed in the profit and loss account as extraordinary income/expenses.

Balance Sheet

Fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment. Assets are written down if their value has depreciated and cannot be seen as appreciating in the near future.

Depreciation is calculated on a straight-line basis of the cost according to the following guidelines, based on the estimated economic life of the asset:

- Software 2-7 years
- Goodwill 5-20 years
- Land and buildings 33-50 years
- Leasehold improvements 5 years
- IT and other equipment 2-5 years

Minor assets below DKK 11,900 are posted as expenses in the profit and loss account.

Participating interests in subsidiaries and affiliated companies

Participating interests in subsidiaries are valued according to the equity method at the proportionate share of the net assets.

Inventories

Goods for resale are measured at cost price.

Write-downs are made according to obsolescence and other forms of value depreciation.

Receivables

Receivables are stated net of provisions for possible losses.

Bonds and securities

Publicly traded bonds are stated at the market value at year-end. Realised and unrealised gains and losses are included in the profit and loss account.

Other provisions

Other provisions include an estimated liability, which will presumably lead to an outflow of resources.

Dividend

Dividend is stated in the accounts at the time when the company at the Annual General Meeting, the company thereby having incurred a liability, decides it. The dividend that is proposed for distribution is included in the equity under the item “retained earnings”.

Rent and leasing

The parent company and the Group have entered into rental and leasing agreements for offices and equipment for multi-year periods.

Rental and leasing expenses are stated in the profit and loss account for the applicable period.

The aggregate rental and leasing liability is stated under contingent liabilities.

Currency conversion

Accounts in foreign currency are stated at the exchange rate at year-end. Gains and losses are included in financial items. Currency contracts to hedge forward income and expenses are booked in the profit and loss account at market values.

Currency contracts to hedge incomes and expenses already in the Annual Report are included in the profit and loss at market value of the currency contract. Changes in the value of the hedging instrument after tax are stated directly in the equity until the hedged asset is realised.

Cash Flow Statement

The cash flow statement is presented according to the indirect method based on the operating profit.

The cash flow statement shows the Group’s cash flow for the year and is divided into cash flow from operating, investing and financial activities.

Cash flow from operating activities covers cash flow from the year’s operations, adjusted for operating items of a non-cash nature and changes in working capital.

Working capital includes current assets less liquid assets and current, non-interest bearing liabilities and dividends.

Cash flow from investing activities covers cash flow in connection with the purchase and sale of fixed assets, including participating interests and other long-term securities.

Cash flow from financing activities covers payments to and from shareholders, together with the raising of and repayment of interest bearing liabilities.

Liquid assets are cash holdings, money market deposits in banks, and marketable securities stated under current assets.

January 1 - December 31

Note		Group 2008 kDKK	Group 2007 kDKK	Parent 2008 kDKK	Parent 2007 kDKK
1	Turnover	1,119,046	1,094,072	51,956	49,353
2	Other operating income	3,515	2,752	816	764
	Cost of products sold	-926,805	-912,137	-41,808	-43,143
	Gross profit	**195,756**	**184,687**	**10,964**	**6,974**
3	Sales and administrative costs	-60,269	-65,903	349	653
4	Personnel costs	-112,529	-106,382	-17,081	-16,493
	EBITDA	**22,958**	**12,402**	**-5,768**	**-8,866**
5	Depreciation	-11,603	-16,118	-498	-560
	EBIT	**11,355**	**-3,716**	**-6,266**	**-9,426**
8	Result from shares in subsidiaries	-	-	19,547	9,076
6	Financial income, net	6,329	5,606	-2,600	-1,003
	EBT	**17,684**	**1,890**	**10,681**	**-1,353**
7	Tax	-4,603	-326	2,400	2,917
	Net profit for the year	**13,081**	**1,564**	**13,081**	**1,564**
	Proposed appropriation of net result:				
	Retained earnings at the beginning of the year			10,462	10,398
	Net profit for the year			13,081	1,564
	Dividend on account			-10,000	0
	Other free reserves			-4,748	0
	Retained earnings at the end of the year			**8,795**	**11,962**
	Proposed dividend			-7,000	-1,500
				1,795	**10,462**

December 31

Note	ASSETS	Group 2008 kDKK	Group 2007 kDKK	Parent 2008 kDKK	Parent 2007 kDKK
	FIXED ASSETS				
	Software	3,188	9,967	0	0
	Goodwill	7,860	10,191	708	1,113
5	**Intangible fixed assets**	**11,048**	**20,157**	**708**	**1,113**
	Land and buildings	886	948	0	0
	Leasehold improvements	1,265	1,035	175	197
	IT hardware and other equipment	3,341	3,107	162	0
5	**Tangible fixed assets**	**5,492**	**5,090**	**337**	**197**
8, 13	Shares in subsidiaries	-	-	56,485	56,879
	Other securities	36	0	0	0
	Financial fixed assets	**36**	**0**	**56,485**	**56,879**
	TOTAL FIXED ASSETS	**16,576**	**25,248**	**57,530**	**58,189**
	CURRENT ASSETS				
	Inventories	**4,231**	**3,364**	**0**	**0**
	Trade debtors	22,971	14,489	271	635
	Amounts due from affiliated companies	21,656	23,804	29,021	29,553
	Other receivables	3,086	3,048	551	383
	Prepaid expenses and accrued income	11,248	20,486	277	1,543
	Total receivables	**58,961**	**61,827**	**30,120**	**32,114**
	Bonds and securities	**459**	**544**	**459**	**544**
	Cash at bank and in hand	**157,939**	**161,554**	**83,568**	**128,258**
	TOTAL CURRENT ASSETS	**221,590**	**227,289**	**114,147**	**160,916**
	TOTAL ASSETS	**238,166**	**252,537**	**171,677**	**219,105**

December 31

Note	LIABILITIES	Group 2008 kDKK	Group 2007 kDKK	Parent 2008 kDKK	Parent 2007 kDKK
	EQUITY				
	Share capital	17,839	17,839	17,839	17,839
	Proposed dividend	7,000	1,500	7,000	1,500
	Retained earnings	1,795	10,462	1,795	10,462
9	**TOTAL EQUITY**	**26,634**	**29,801**	**26,634**	**29,801**
	PROVISIONS				
10	Other provisions	4,500	4,632	3,000	3,000
7	Deferred tax	2,999	1,532	3,957	4,247
	TOTAL PROVISIONS	**7,499**	**6,164**	**6,957**	**7,247**
	CURRENT LIABILITIES				
	Trade creditors	115,157	113,300	30,384	34,885
	Amounts owed to subsidiaries	0	0	103,454	143,227
	Other liabilities	9,892	11,071	1,847	806
	Accrued liabilities	9,997	14,205	2,401	3,139
11	Advance payments	68,987	77,996	0	0
	TOTAL CURRENT LIABILITIES	**204,033**	**216,572**	**138,086**	**182,057**
	TOTAL LIABILITIES	**238,166**	**252,537**	**171,677**	**219,105**

12 **Contingent assets, liabilities and secured debt**
13 **Subsidiaries**
14 **Related parties**

January 1 - December 31	Group		Parent	
	2008	2007	2008	2007
	kDKK	kDKK	kDKK	kDKK
EBIT	11,355	-3,716	-6,266	-9,426
Adjustments for non-cash items				
Depreciation	11,603	16,118	498	560
Exchange rate and other adjustments	-7,903	-2,968	-1,929	-424
Working capital				
Change in inventories	-867	-300	0	281
Change in receivables	2,358	-110	566	6,457
Change in other provisions	-132	-1,086	0	0
Change in trade creditors	1,857	11,939	-4,500	6,975
Change in other liabilities	-12,351	13,048	-39,056	15,621
Cash flow from operating activities before financial items	**5,920**	**32,924**	**-50,687**	**20,044**
Net interest income, etc.	8,412	6,026	-673	-645
Paid taxes	-3,278	210	878	686
Cash flow from operating activities	**11,054**	**39,161**	**-50,482**	**20,085**
Net purchase of plant, operating equipment etc.	-5,402	-5,729	-233	0
Cash flow from investment activities	**-5,402**	**-5,729**	**-233**	**0**
Capital reduction	0	-10,000	0	-10,000
Loan to affiliated companies	2,148	-23,804	2,148	-23,804
Dividends paid/received	-11,500	0	3,792	10,276
Cash flow from financial activities	**-9,352**	**-33,804**	**5,940**	**-23,528**
Net cash flow from operating, investing and financing activities	**-3,700**	**-372**	**-44,775**	**-3,443**
Liquid assets at the beginning of the year	**162,098**	**162,470**	**128,802**	**132,245**
Liquid assets at the end of the year	**158,398**	**162,098**	**84,027**	**128,802**

Not all figures above can be found directly in the Annual Report.

1. TURNOVER	Group 2008 kDKK	Group 2007 kDKK	Parent 2008 kDKK	Parent 2007 kDKK
Sales through subsidiaries	1,114,074	1,087,898	51,694	48,643
Sales through agents	4,972	6,174	262	710
Total turnover	**1,119,046**	**1,094,072**	**51,956**	**49,353**

KILROY distributes only within the European region, which is considered as one geographic segment.

2. OTHER OPERATING INCOME

In order to give a true and fair view of primary operations compared with the travel industry in general, this section also includes a fixed defined portion of total financial income (2008: kDKK 816, 2007: kDKK 764). The reason is that the KILROY Group, has a specially developed business concept that distinguishes from the rest of the travel industry due to KILROY's unique agreements/products, thus carrying a direct interest advantage while also requiring additional costs for administration and sales.

3. FEES TO AUDITORS APPOINTED AT THE GENERAL MEETING	Group 2008 kDKK	Group 2007 kDKK	Parent 2008 kDKK	Parent 2007 kDKK
Statutory	823	1,128	230	305
Other fees	126	230	195	187
Total auditor fees	**949**	**1,358**	**425**	**492**

4. PERSONNEL COSTS	Group 2008 kDKK	Group 2007 kDKK	Parent 2008 kDKK	Parent 2007 kDKK
Salaries and wages	94,101	88,118	15,852	15,098
Social security contributions	7,110	6,509	127	116
Pensions	5,278	5,745	682	601
Other personnel costs	6,040	6,010	420	678
Total personnel costs	**112,529**	**106,382**	**17,081**	**16,493**

In 2008 the Group employed an average of 304 persons, full time equivalent (2007: 318). In 2008 the parent company employed an average of 36 persons, full time equivalent (2007: 35).

5. FIXED ASSETS

	Software	Goodwill	Land & buildings	Leasehold improvements	IT and other equipment	Total
	kDKK	kDKK	kDKK	kDKK	kDKK	kDKK
GROUP						
Cost at the beginning of 2008	77,507	24,177	2,050	13,315	61,067	178,116
Reclassification	0	0	0	0	0	0
Exchange rate adjustments	-43	-1,186	0	-778	-2,602	-4,609
Additions in year	154	796	0	689	2,066	3,705
Disposals in year	-32,625	0	0	-1,137	-14,975	-48,737
Cost at the end of 2008	**44,993**	**23,787**	**2,050**	**12,089**	**45,556**	**128,475**
Depreciation at the beginning of 2008	-67,539	-13,987	-1,102	-12,280	-57,960	-152,868
Reclassification	0	0	0	0	0	0
Exchange rate adjustments	23	587	0	762	2,533	3,905
Disposals in year	32,530	0	0	1,137	14,964	48,631
Depreciation in year	-6,819	-2,527	-62	-443	-1,752	-11,603
Depreciation at the end of 2008	**-41,805**	**-15,927**	**-1,164**	**-10,824**	**-42,215**	**-111,935**
Carrying amount at the end of 2008	**3,188**	**7,860**	**886**	**1,265**	**3,341**	**16,540**
Carrying amount at the end of 2007	**9,968**	**10,190**	**948**	**1,035**	**3,107**	**25,248**
PARENT						
Cost at the beginning of 2008	0	4,046	0	605	625	5,276
Additions in year	0	0	0	71	162	233
Disposals in year	0	0	0	0	0	0
Cost at the end of 2008	**0**	**4,046**	**0**	**676**	**787**	**5,509**
Depreciation at the beginning of 2008	0	-2,933	0	-408	-625	-3,966
Disposals in year	0	0	0	0	0	0
Depreciation in year	0	-405	0	-93	0	-498
Depreciation at the end of 2008	**0**	**-3,338**	**0**	**-501**	**-625**	**-4,464**
Carrying amount at the end of 2008	**0**	**708**	**0**	**175**	**162**	**1,045**
Carrying amount at the end of 2007	**0**	**1,113**	**0**	**197**	**0**	**1,310**

6. FINANCIAL INCOME, NET	Group		Parent	
	2008	2007	2008	2007
	kDKK	kDKK	kDKK	kDKK
Financial income	8,859	6,448	5,923	5,072
Financial expenses	-2,530	-842	-8,523	-6,075
Financial income, net	**6,329**	**5,606**	**-2,600**	**-1,003**

Of the parent company´s financial income, kDKK 1,285 is interest from subsidiaries (2007: kDKK 434) and kDKK 1,215 from affiliated companies (2007: kDKK 1,087)

Of the parent company´s financial expenses, kDKK 6,582 is interest to subsidiaries (2007: kDKK 5,407).

7. TAX	Group		Parent	
	2008	2007	2008	2007
	kDKK	kDKK	kDKK	kDKK
Current tax charge	3,292	2,633	0	0
Joint taxation contributions	-502	-	-2,110	-1,267
Adjustments to previous year´s tax charge	346	0	0	0
Change in deferred tax and other changes	1,467	-2,307	-290	-1,650
	4,603	**326**	**-2,400**	**-2,917**
Portion of tax charge to subsidiaries	-	-	6,896	3,243
Total tax	**4,603**	**326**	**4,496**	**326**
Deferred tax primo	1,532	3,839	4,247	5,897
Change in deferred tax, net	1,467	-2,307	-290	-1,650
Change in deferred tax (adjusted tax %)	0	0	0	0
Deferred tax ultimo	**2,999**	**1,532**	**3,957**	**4,247**

The deferred tax liability is based on the temporary difference between the book value and the statutory value of assets and liabilities. The parent company is taxed jointly with the Danish subsidiaries.

In 2008, kDKK -140 (2007: kDKK -210) was paid as corporate tax in the Group.

In 2008, kDKK 622 (2007: kDKK -686) was paid as corporate tax in the parent company and jointly taxed consolidated Danish subsidiaries.

8. SHARES IN SUBSIDIARIES	Parent 2008	Parent 2007
	kDKK	kDKK
Cost at the beginning of the year	106,775	106,775
Purchase of shares and capital contributions	0	0
Cost at the end of the year	**106,775**	**106,775**
Adjustments at the beginning of the year	**-52,857**	**-51,717**
Exchange rate adjustments	-4,721	48
Other adjustments	0	7
Profit before tax	26,443	12,319
Tax of the year	-6,896	-3,243
Dividends from subsidiaries	-15,291	-10,271
Adjustments at the end of the year	**-53,322**	**-52,857**
Adjustments (negative equity, subsidiaries)	3,032	2,960
Book value at the end of the year	**56,485**	**56,879**

A list of subsidiaries is shown on page 25

9. EQUITY	Group 2008	Group 2007	Parent 2008	Parent 2007
	kDKK	kDKK	kDKK	kDKK
Share capital at the beginning of the year	**17,839**	**27,839**	**17,839**	**27,839**
Capital adjustments	0	-10,000	0	-10,000
Share capital at the end of the year	**17,839**	**17,839**	**17,839**	**17,839**
Retained earnings at the beginning of the year	**11,962**	**10,398**	**11,962**	**10,398**
Exchange rate and other adjustments	-4,748	0	-4,748	0
Dividend paid during the year	-11,500	0	-11,500	0
Proposed dividend	7,000	1,500	7,000	1,500
Net result of the year	6,081	64	6,081	64
Retained earnings at the end of the year	**8,795**	**11,962**	**8,795**	**11,962**
Total equity	**26,634**	**29,801**	**26,634**	**29,801**

10. OTHER PROVISIONS

Mainly accrued costs that are expected to mature in future years (later than 2009). Uncertainty exists for both amount and maturity.

11. ADVANCE PAYMENTS

Primarily prepayments from travel ordered for 2009.

12. CONTINGENT ASSETS, LIABILITIES AND SECURED DEBT

The Group has entered into rent and lease obligations with remaining terms of up to 4 years. Rent and lease payments in the period of the agreements total kDKK 17,704 (2007: kDKK 24,920). In total kDKK 10,163 is due in 2009.

The KILROY Group companies are from time to time involved in disputes, as it is usual in the travel business in general. KILROY Denmark A/S has filed a legal claim of mDKK 1 against the Danish VAT authorities. Based on a external assessment it is anticipated to end in favour of KILROY.

The parent company has entered into rent and lease obligations with remaining terms of 6 months. Rent and lease payments in the periods of the agreements total kDKK 504 (2007: kDKK 486). In total kDKK 504 is due in 2009.

The KILROY Group has issued guarantees/letters of credit for an amount of mDKK 41,7 that is secured by an equal cash pledge of deposits.

13. SPECIFICATION OF SUBSIDIARIES	Capital Share
KILROY Denmark A/S (Copenhagen)	100%
KILROY Norway AS (Oslo)	100%
KILROY Sweden AB (Stockholm)	100%
OY KILROY Finland AB (Helsinki)	100%
KILROY Netherlands B.V. (Amsterdam)	100%
KILROY travels Spain S.A. (Madrid)	100%
KILROY Invest A/S (Copenhagen)	100%
KILROY group travel A/S (Copenhagen)	100%

14. RELATED PARTIES

Related parties are considered to be the SSTS A/S, Knabrostraede 8, DK-1210 Copenhagen, which owns 100% of the shares in KILROY International A/S.
The KILROY Group has not had any material transactions with the related parties, which are not eliminated in the Group accounts.

The Board of Directors' and Management's executive positions outside KILROY International A/S as disclosed in accordance with the Danish Financial Statements Act.

Board of Directors

Arnar Thorisson
Chairman
Chairman, Iceland Invest Ltd.
Chairman, Iceland properties ltd.
Chairman, Caoz Ltd

Tapio Kiiskinen
Vice Chairman
Chairman, Destination Lapland Ltd.
Member of the Finnish Association of Professional Board Members

Sigurdur Kiernan
CEO, Investum

Robert Doeleman (elected by staff)
Product Manager,
KILROY International A/S

Claus H. Hejlesen
Managing Director & CEO
KILROY International A/S

Registered Management

Claus H. Hejlesen[1)]
Managing Director & CEO, KILROY International A/S
Managing Director, KILROY Invest A/S

Henrik Kaltoft[1)]
CFO, KILROY International A/S
Managing Director, KILROY Denmark A/S
Managing Director, OY KILROY Finland AB
Managing Director, KILROY Netherlands B.V.
Managing Director, KILROY Norway AS
Managing Director, KILROY Spain S.A. (Not trading)

Monica Murphy
Managing Director, KILROY Sweden AB

Allan Qvist[1)]
Managing Director, KILROY group travel A/S

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1946 Student organisations in all Nordic countries establish travel agencies.

1951 SSTS, Scandinavian Student Travel Service was established by the Scandinavian student travel agencies with the objective of purchasing flight seats jointly on behalf of all the agencies. The Nordic student travel organization were:

DIS Rejser (Denmark), **Travela** (Finland), **Univers Reiser** (Norway) and **SFS Resebyrå** (Sweden).

Over the years, SSTS developed into a travel organization specialized in production and wholesale of student and youth tours. Besides its founders, SSTS serves other student and youth travel agencies in Europe and the US, and SSTS became a major travel operator, topping with 700,000 sold flight seats in 1973. However, the global oil crisis in 1973/74 changed the picture totally.

1987 SSTS is re-organised into a limited company. The majority shareowner is HYY Group, which is owned by The Student Union of Helsinki University.

1990 SSTS opens a wholesale company in Spain.

1991 SSTS and the Nordic travel agencies are merged into one group with SSTS as the mother company. The group's name is changed to KILROY.

1994 KILROY acquires the German youth travel agency ARTU.

1996 KILROY establishes its own sales company in the Netherlands.

1998 Axcel IndustriInvestor a.s., Copenhagen takes over an equity stake in the mother company, KILROY travels International A/S.

1999 KILROY acquires Benns Rejser A/S in Holstebro, Denmark. The company name of Benns Rejser is later changed to MyPlanet.

2001 KILROY acquires the Danish group travel company TEAM TRAVEL. Subsequently, all group travel activities in MyPlanet and KILROY travels Denmark are merged into the new company, KILROY group travel A/S.

KILROY travels Germany - ARTU GmbH is sold.

2003 KILROY acquires the Danish ski group travel operator "Peer Gynt".

2004 KILROY stops trading in the Spanish market.

2005 KILROY divests of the company MyPlanet

KILROY acquires the new ski operator Ski-experten.

2006 KILROY acquires the ski operator Qvistgaard Rejser.

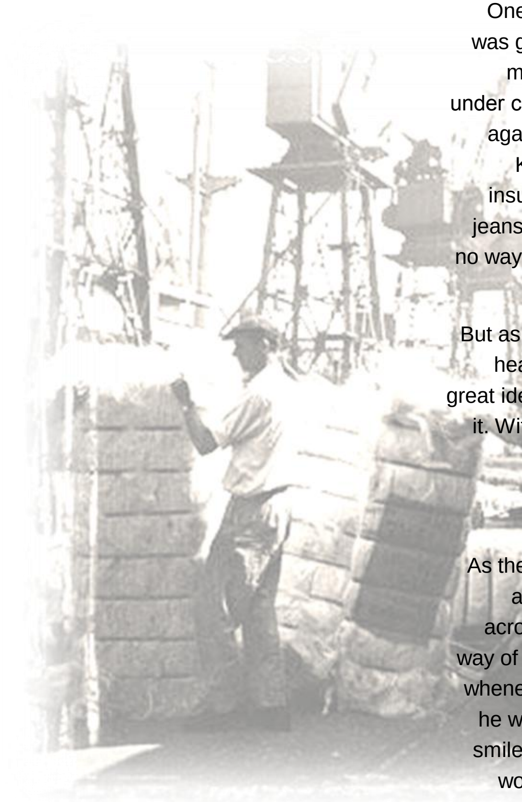
HYY Group takes over Axcel IndustriInvestor a.s.' equity stake in KILROY travels International A/S.

2007 KILROY acquires all educational activities from International Education Centre (IEC), Norway.

The ownership structure is changed. A group of Nordic investors acquires 100% of the shares in KILROY travels International A/S.

2008 KILROY acquires all educational activities from IEC Online, Finland.

2009 The name of the parent company of the Group is changed to KILROY International A/S.



Young **James Kilroy** worked on the docks of Boston back in the 1940s. His job was to load the great steamships of that day with huge cases of blue jeans bound for every corner of the world.

One early November morning the weather was grey and gloomy, and James Kilroy felt more like staying indoors, sheltered and under cover. "Hey Kilroy, you're day dreaming again. Can't you ever get anything done?" Kilroy was used to the foreman and his insults. And the cases full of 100 000 blue jeans were waiting to be loaded. There was no way around it - it had to be done, might as well get on with it.

But as Kilroy bent down to pick up one of the heavy wooden boxes, he was struck by a great idea - an idea so good, he just had to do it. With a piece of chalk he wrote in big bold letters on each and every box:

KILROY WAS HERE!

As these cases turned up in foreign ports all around the world, Kilroy's spirit reached across the world as well - a really effective way of getting around! From that moment on, whenever the foreman shouted at Kilroy that he wasn't getting anything done, Kilroy just smiled. He knew better. In ports all over the world there were daily reminders that the foreman was all wrong.

Kilroy knew that there's more than one way of crossing borders, and breaking through all kinds of barriers to be free and independent!

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