

## Nine-Month Report 2002



## Contents

1. Summary of key data	3
2. Introduction	4
3. Course of business	
Travel retailing	5
Technology	9
Press comments	10
4. Business performance	11
5. Outlook	12
6. Interim consolidated financial statements as of 30 September 2002	
Consolidated balance sheet	13
Consolidated income statement	15
Consolidated cash flow statements	16
Development of consolidated share capital	17
7. Comments on the interim financial statements	19
8. Securities held by the Managing Board and Supervisory Board	21
9. Calendar	22
10. Imprint	22

## 1. Summary of key data

	Pro forma, excluding Aeroworld GmbH			
	01.01.-30.09.02	01.01.-30.09.01	01.01.-30.09.02	01.01.-30.09.01
	€ 000	€ 000	€ 000	€ 000
Travel bookings turnover	27,625	82,028	23,247	26,103
Revenues	8,351	32,046	5,141	4,247
EBITDA	-4,530	-15,144	-3,044	-12,436
EBIT	-5,030	-18,297	-3,459	-15,357
Consolidated net loss	-4,953	-17,541	-3,374	-14,577
Net earnings per share (in €)	-0.48	-1.77	-0.33	-1.47
Operative cash flow	-5,878	-17,557	-4,761	-15,985
Employees as of 30.09.	82	251	82	139

## 2. Introduction

**Dear Shareholders, Clients, Employees and Business Partners,**

Despite the continued adverse market background, for the first time Travel24.com was able to return a profit in the third quarter. Originally we had not expected to reach the break-even point until the fourth quarter of 2002. This pleasing result can be attributed to the consistent implication of restructuring measures. Concentration on the core business with sustained strong positioning in the market and substantial cost cutting, resulting in a reduction in monthly capital requirements, were the targets we strived for and indeed achieved. Numerous prizes and awards received from renowned media over the past few months testify to our high brand value as a leading independent travel portal. Our ongoing investments in the brand Travel24.com have proved to be wise and expedient. A representative opinion poll conducted by *stern* magazine showed that Travel24.com enjoys high affinity, familiarity and use values. Almost 30% of Internet users know our company. As the best independent travel portal, Travel24.com leaves direct competitors – such as travelchannel.de, opodo.de, expedia.de, ebookers.de, start.de – far behind.

Although the tourist industry is still weathering a serious crisis, the situation in the online travel market has steadily improved. Customer acceptance of online travel booking has increased substantially. The number of online bookings is on the increase. The level of acceptance of the medium Internet continues to grow. Our projections were correct and we continue to be optimistic for the future.

Earnings from ordinary activities in the third quarter of 2002 amounted to € 981 following € -4,486,530 in the same period of the previous year. Disregarding the now defunct Aeroworld GmbH, net sales as of 30 September 2002 totalled € 5.1m compared to € 4.2m in the same period of the previous year.

We have sustained a policy of corporate consolidation and are confident that we have established a sound basis for continued growth. With further attractive offers to our customers we shall assert ourselves against the competition. Already today, our customers are giving us credit for this.

The capital measures already initiated will ensure success in the long-term and enable us to build on our existing strengths.

Your



Marc Maslaton  
CEO Travel24.com AG

Munich, November 2002

### 3. Course of business

#### Travel retailing

The activities of Travel24.com AG are focused on the sale of holidays. The customer is able to put together and select his or her personal vacation from a wide range of independent offerings. All the renowned tour operators, airlines, car rental, hotels, scheduled flights, charter and last-minute holidays, wellness, sports and diving vacations, cruises, study tours, admission tickets, events, travel insurance and much more can be booked through Travel24.com. The product range is rounded off with travel information and sold over the Internet and telephone, as well as through fixed-location travel agencies.

#### Internet

Again in the third quarter of 2002 new modules and products have been integrated into the Website [www.travel24.com](http://www.travel24.com). Reserved consumer behaviour due to the faltering economy has set a trend in favour of the Internet, since the latter offers the best opportunity for comparison. Travel24.com meets this trend in several ways.

In summer 2002 the established travel portal was one of the first online services to participate in the widely advertised Lufthansa promotion which gave up to € 15 discounts for online booking. In August this was followed by a joint promotion with the world's largest car rental agent holiday autos. The customer received a € 10 discount on any online car rental. Both promotions are still running and extremely successful. The previous year's total sales volume in the car rental sector was exceeded in only a few weeks.

The price advantage in the Internet is also the argument used by the low-cost airlines that use the world-wide web as their main marketing channel. With the large number of suppliers on the German air travel market this opens up new customer potential for short holiday breaks for the tourist industry as a whole. In addition to low-cost air travel, most vacationers need hotel accommodation at their destination. For this reason Buchungsmaschine AG developed a new hotel reservation module that has been in use exclusively on the Travel24.com Website since September. The new reservation module assembles the individual hotel offerings from the catalogues of reputable German tour operators. Currently over 16,000 hotel offerings are available, from which the user can select his preferred establishment. Hotel pictures from the travel catalogues and detailed descriptions assist the customer in his or her choice. The automatic price comparison shows at a glance which tour operator is offering the lowest prices for the hotel – and he can make an immediate online reservation. With this innovation Travel24.com AG is embracing the trend – despite the continued high level of popularity of the traditional package holiday – towards individually combined travel packages. In addition, classical motoring destinations, e.g. Austria, can now also be conveniently booked online.

A further service rounds off the package of last minute and charter flight business: customers are now being offered car rentals and travel insurance geared to the dates of their travel booking. Customer acceptance has been pleasing, resulting in increased demand for rental cars and insurance.

#### Alliances

As already announced in the half-year report, the alliance with Rosenheim-based Drinkstar GmbH – the licensor of the beverage brand "deit" – has been implemented. The Website [www.deit.de](http://www.deit.de) offers wellness holidays, sports vacations and weekend breaks which are put together and continuously updated by Travel24.com travel professionals. In summer 2002 approx. 50 million *deit* labels bearing the Travel24.com logo were sold over the counter.

A co-operative venture was likewise agreed with renowned diving vacation specialist SUB AQUA Sportreisen GmbH. The diving vacation specials complement Travel24.com's sports category "Wellness and Sport". Since diving vacations were hitherto hardly available in the Internet, Travel24.com is a pioneer in this sector. In SUB AQUA we have found a specialist that supplies high quality vacations which can be booked online. Because diving vacations are among the products

requiring the most intensive consultation, an additional telephone advice service manned by travel professionals has been set up.

The partner programme was launched in October. All interested parties including companies, associations, organisations, free-lance artists, etc., but also private individuals, are eligible to participate in the Travel24.com AG commission programme. Travel24.com banners or buttons are integrated into Websites or e-mail signatures and a commission is paid to the partner for every package holiday, last-minute travel or charter flight reservation effected via this link.

### Internet hits

The site [www.travel24.com](http://www.travel24.com) is heavily frequented. Continuing the trend of the first half-year 2002, substantially lower advertising outlay was incurred for these visits than in the previous year. The Travel24.com brand remains familiar and is highly rated. In the third quarter there was a sharp increase of almost 30% in the number of page impressions (13.8 million) compared to 10.7 million in the second quarter. A distinct upward trend in page impressions was recognisable in the first nine months of 2002. In the first nine months of 2001 – the second flight of the large-scale brand campaign took place in this period – over 37.2 million page impressions were registered, compared to almost 33.7 million in the same period of 2002. In comparison to the second quarter of 2002 there was a 10% increase in the number of visits (Q2: 1.13m and Q3: 1.25m). Thus there is also a clear upward trend in visits. In the annual comparison the total number of visits falls short of the figure for 2001, but this must be seen in the context of an 80% cut in the marketing budget, so that marketing costs per visit were in fact drastically reduced. The same applies to marketing costs per booking.

### Brand awareness, allegiance and use

Awareness, allegiance and use of the Travel24.com brand continue at a high level. This was demonstrated by this year's *stern* trend profile from September 2002: 15.3% of all Germans are familiar with the Travel24.com brand and Travel24.com is a household name for 28.9% of Germany's 24.57 million Internet users.

#### Travel portal brand triad: total population (Figures in %)

BEKANNTHEIT	SYMPATHIE	NUTZUNGSBEREITSCHAFT
31,4 bahn.de	18,8 tui.de	18,1 lastminute.com
29,9 tui.de	18,7 lastminute.com	18,0 tui.de
29,2 lastminute.com	15,1 bahn.de	16,7 bahn.de
25,3 ltur.de	14,8 ltur.de	13,3 ltur.de
15,3 travel24.com	5,9 travel24.com	6,5 travel24.com
4,4 travelchannel.de	2,1 travelchannel.de	2,3 travelchannel.de
3,7 expedia.de	1,5 expedia.de	2,0 opodo.de
2,4 opodo.de	1,2 start.de	1,9 expedia.de
2,3 start.de	1,1 opodo.de	1,8 start.de
2,3 ebookers.com	0,7 ebookers.com	1,2 ebookers.com
0,9 travelocity.de	0,4 travelocity.de	0,9 travelocity.de

Legende:

Awareness

Allegiance

Use

Source: *stern* Trend profile, Online travel portal brands, page 5, September 2002

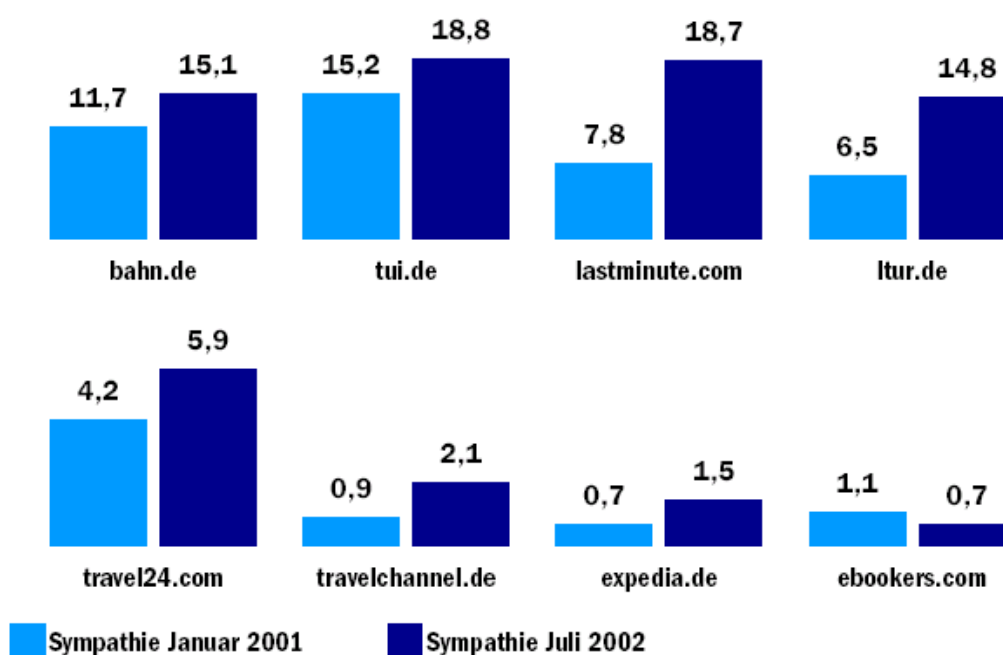
**Travel portal brand triad: Onliners**  
(Figures in %)

BEKANNTHEIT	SYMPATHIE	NUTZUNGSBEREITSCHAFT
54,2 lastminute.com	35,8 lastminute.com	37,6 lastminute.com
51,4 bahn.de	29,3 ltur.de	29,5 bahn.de
47,2 ltur.de	25,1 tui.de	28,2 ltur.de
43,7 tui.de	23,4 bahn.de	26,6 tui.de
28,9 travel24.com	13,0 travel24.com	15,0 travel24.com
10,4 travelchannel.de	5,9 travelchannel.de	6,4 travelchannel.de
8,8 expedia.de	3,8 expedia.de	5,1 opodo.de
6,0 opodo.de	3,0 start.de	5,0 expedia.de
5,9 ebookers.com	2,7 opodo.de	4,7 start.de
5,7 start.de	1,8 ebookers.com	3,1 ebookers.com
1,3 travelocity.de	0,7 travelocity.de	2,2 travelocity.de

Source: *stern* Trend profiles, Online travel portal brands, page 6, September 2002

Since January 2001 the brand has been able to gain ground in the allegiance ranking: from 4.2% to 5.9%, and has established itself far ahead of competing “purely” travel portals such as travelchannel.de, expedia.de or ebookers.de.

**Trends in brand allegiance**  
(Figures in %)

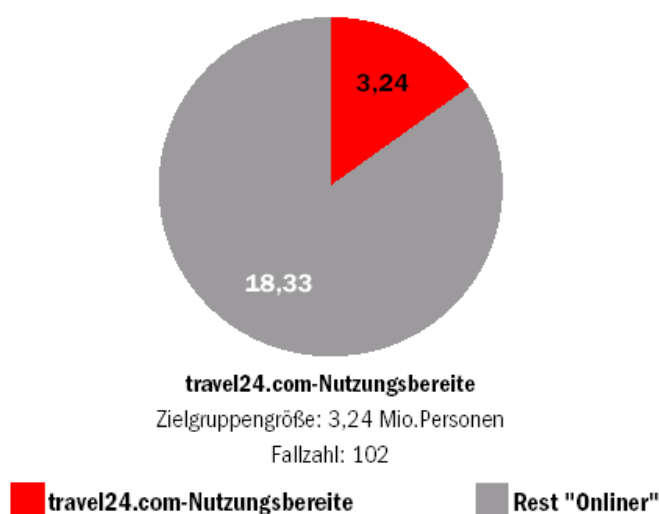


Legende:      Allegiance January 2001      Allegiance July 2002

Source: *stern* Trend profile, Online travel portal brands, page 10, September 2002

But the potential for Travel24.com is by no means exhausted. According to a target group analysis 3.2 million Internet users are distinctly amenable to making their travel reservations in future through Travel24.com – a clear indication that all prerequisites are given for continuation of the company's positive sales and business trends introduced with the restructuring programme.

## Target group potential (Figures in %)



Legende:

Travel24.com Nutzungsbereite	Willing to use travel24.com
Zielgruppengröße: 3,24 Mio. Personen	Target group potential. 3.24m persons
Fallzahl	Yield
Rest "Onliner"	Other "onliners"

Source: *stern* Trend profile, Online travel portal brands, page 26, September 2002

The brand is thus among the top five in all three categories – awareness, allegiance and degree of use. This demonstrates that the brand name Travel24.com can further extend its successful position.

Furthermore, the *stern* study confirms that eTravel is a recipe for success and continues to be well on the advance. Already 4.61 million Germans have made their travel reservations in the Internet and a similarly large group, about 4.67 million, are proposing to book their travel online in the next six months. Trends in the online travel market thus contrast markedly with the situation in the tourist industry overall. Whilst experts are forecasting a 15 to 20% decline in the travel industry as a whole, the online sector can demonstrate a sizeable growth trend.

Travel24.com has succeeded in sustaining its series of good to very good evaluations in popular magazines (*Capital*, *Tomorrow*, *Fliegen&Sparen*). In a test of last-minute vendors by the computer magazine *Computer Bild* (July 2002, p. 88ff) Travel24.com took second place and was only 0.02 points behind the test winner. The search function received special acclaim from the editor: "If it is well conceived, as with Travel24, you'll get much more accurate hits." Travel24.com also scored well when it came to the wide range of information available (travel insurance, travel guides, etc.) and the well laid out page (simple navigation with a clearly structured user interface). Finally, *Computer Bild* calculated a price advantage of almost 33% compared to catalogue prices. This means that Travel24.com has achieved the major prerequisites for a last-minute travel portal: simple navigation and attractive prices.

## Abroad

As a consequence of the decision to focus on the German market within the scope of the restructuring programme, 46.25% of the holding in Netherlands subsidiary Travel24.com NL was sold to manager Tom Roefs in July 2002. The latter now owns 51% and Travel24.com AG 49% of the subsidiary. For the same reason, Spanish subsidiary Eurosun Viajes S.A. was sold as a whole after business operations were discontinued and the office in Palma de Mallorca was closed.



## Technology

The subsidiaries Buchungsmaschine AG and xsnet GmbH are responsible for the technology behind Travel24.com. With innovations in the booking technology sector Buchungsmaschine AG was able to make a substantial contribution to travel booking facilities. xsnet GmbH integrates these innovations in the Websites [www.travel24.com](http://www.travel24.com), further develops the sites and provides the technical infrastructure for travel retailing.

### Buchungsmaschine AG

The application service provider Buchungsmaschine AG has completed work on the much-heralded hotel module. The new reservation module assembles the individual hotel offerings from the catalogues of reputable German tour operators. The desired hotel can be selected from a range of 16,000. Hotel pictures from the travel catalogues and detailed descriptions assist the user in his or her choice. The automatic price comparison shows at a glance which tour operator is offering the lowest prices for the hotel – and he can make an immediate online reservation.

The “Buma II” recently went on line, i.e. the existing last-minute travel machine was completely revised and remodelled. A search for last-minute vacations can be made by entering only a few key details such as period of travel, departure airport and destination region. The available vacations appear in a selection list with a brief description, the tour operator’s logo and pictures of the vacation destination. What’s new is the “marker”: individual offers can be earmarked with a click of the mouse. The advantage: no need to pencil a separate note, make a copy or a later search – the customer’s travel data and the desired property are kept handy. Using this marker the customer can immediately make a reservation, submit an e-mail enquiry to the Travel24.com call centre with the precise travel details or inform travelling companions by sending them the respective link by e-mail. With only another click the customer will receive a proposal for car rental at his or her vacation destination geared to the travel dates. Travel insurance can also be taken out for the appropriate travel period and price.

Buchungsmaschine AG has been able to increase its customer base. The Buchungsmaschine AG flight model is now also in use on the heavily frequented Website [www.rtl.de](http://www.rtl.de).

## Press comments

### September 2002

**Stern** Trendprofile: "Travel24.com greatly boosts its level of allegiance – among the 'onliners' Travel24.com improves its utilisation ratio."



### Tuesday, 24 September 2002

"Buying airline tickets online: www.travel24.com – navigation is relatively simple. Flights are immediately checked for availability. The portal has greatly improved. The prices are comparatively low."



### Saturday, 14 September 2002

"www.travel24.com – professionally made travel portal with wide range of last minute vacations; specials such as sports vacations and wellness trips; booking possible online and by phone. Conclusion: Congratulations. Gives you itchy feet!"



### Monday, 26 August 2002

"The 500 leading travel shopping sites: Travel24 (package tours, specials, events & tickets)"



### Monday, 21 August 2002

"25 holiday saving tips: The easiest way to find last-minute offers is to look into the Internet (e.g. at www.travel24.com)."



### Monday, 29 July 2002

"Flights, rental cars, travel info, package deals – you'll find all that in the Internet at www.travel24.com. Great service: Hotline 01805/252560 with personal advice around the clock."



### Monday, 15 July 2002

"The search function is the essence of a last-minute site. If it is well conceived, as with Travel24 (2nd place), you'll get much more accurate hits."



### Friday, 5 July 2002

"Real online travel agencies provide more detailed information and endeavour to commit their customers with magazines, maps, communities and chat forums. At the Travel24.com online portal would-be vacationers will find not only package deals, flights and rental cars. Short videos will also convey an impression of the vacation destination. The magazine features service topics and even a vacation etiquette to help avoid embarrassing blunders in foreign countries. Travellers to Moslem countries will find useful tips: for example how to dress appropriately, snapshot no-no's and how to behave with regard to tipping, baksheesh and handouts."

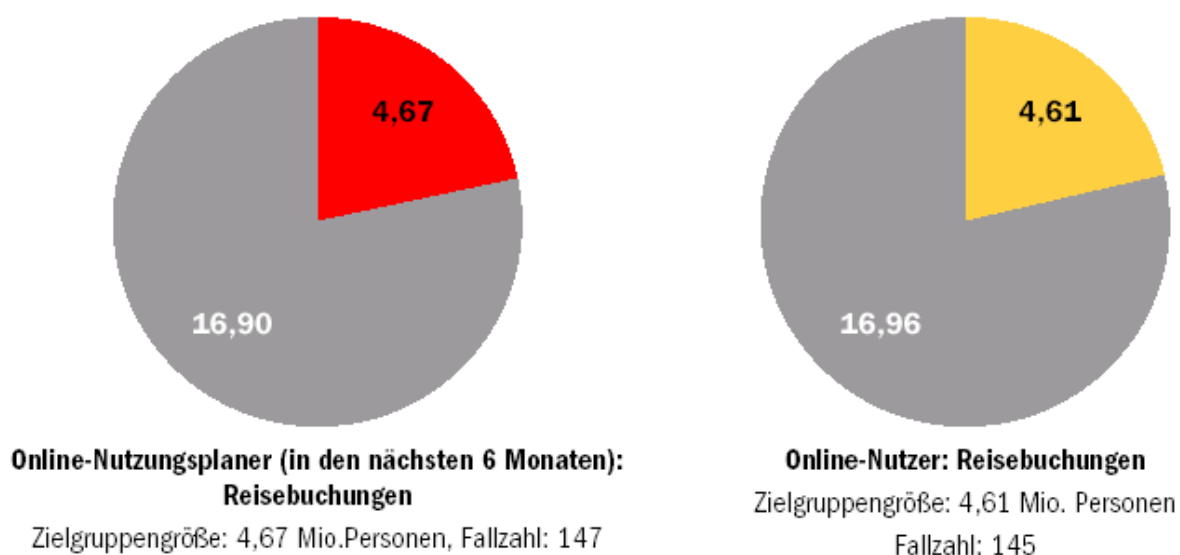


## 4. Business performance

### eTravel

Booking behaviour of travel customers in the classic travel market reflects that of the industry overall: reserved and cautious. Few advance reservations are being made. The traditionally quieter winter business season has begun. The eTravel market, in contrast, is continuing to grow. This was confirmed by the *stern* trend profile of September 2002. The latter showed that 4.61 million Germans with Internet access had already made travel reservations over the Internet. 4.67 were planning to make online travel reservations in the next six months. Customer potential for the online travel market is thus continuing to grow. Travel24.com can thus show an increase in booking figures for the third quarter.

#### Target group potential (Figures in million persons)



Source: *stern* Trend profile, Online travel portal brands, page 12, September 2002

#### Legende:

Online-Nutzungsplaner	Planning to book online travels (within 6 months)
Zielgruppengröße: 4,67 Mio. Personen	Target group potential: 4.67m persons
Fallzahl	Yield
Online-Nutzer: Reisebuchungen	Online users: Booking online travels

### Sales

In the first nine months of 2002 the travel bookings turnover was € 27.6m, compared with € 82.0m in the first nine months of 2001. The reason for this decline is the winding-up of business activities of operator Aeroworld GmbH. Allowing for this change in the consolidated group the travel bookings turnover in the first nine months of 2002 amounted to € 23.2m (same period last year: € 26.1m).

Net sales as of 30 September 2002 totalled € 8.4 million, compared to € 32.0 million in the corresponding period last year. This 74% decline can once again be attributed to the above-mentioned developments at Aeroworld GmbH. If this is compared with the net sales excluding Aeroworld GmbH, from January to September 2002 the group posted net sales of € 5.1m as against € 4.2m in the corresponding period last year. This corresponds to a 21% increase in net sales.

## Net result

The group deficit for the year was cut from € -17.5m in the first nine months of 2001 to € -5.0m in the first nine months of 2002, representing an improvement of 72%. Not counting Aeroworld GmbH, the group deficit as of 30 September 2001 amounted to € -14.6m, whereas this had fallen to € -3.4m by 30 September 2002. This corresponds to a 77% reduction in the deficit.

As of 30 September 2002 the EBITDA totalled € -4.5 million, compared to € -15.1 million in the same period of the previous year, i.e. a 70% reduction in the deficit. If we consider the Travel24.com Group without Aeroworld GmbH, the EBITDA is reduced to € -3.0 million (equivalent period last year: € -12.4 million). This represents a 75% reduction in the deficit.

The net loss per share for the first nine months of 2002 amounted to € -0.48 (equivalent period last year: € -1.77).

## Costs

Costs in the period from January to September 2002 totalled € 13.9 million (equivalent period last year: € 52.3 million). This figure includes production costs of € 2.9 million (equivalent period last year: € 25.1 million) and selling expenses of € 5.1 million (equivalent period last year: € 18.6 million).

## Liquidity and receivables

As of 30 September 2002 liquid assets totalled just under € 2.0m. The operative cash flow amounted to € -5.9m.

## Investments

No notable investments requiring capitalisation were effected in the third quarter of 2002.

## Personnel

The restructuring program has resulted in further personnel cuts. As of 30 September 2002 the workforce of the Travel24.com Group totalled 82 persons. This corresponds to 70.68 FTE (full-time employees).

# 5. Outlook

The eTravel sector is growing. The discounts introduced by Lufthansa for online reservations and the budget airline ticket sales focused on the Internet have resulted in a growth of the customer base for online reservations. In addition, the surcharges of several budget airlines for telephone reservations support this trend. At the same time, this boosts the image of eTravel as a simple, fast and low-cost booking alternative. It can thus be said that the decline in the tourist industry does not apply to eTravel. A recovery in the overall tourism market in the coming year would further accelerate growth in eTravel.

The capital measures already initiated will ensure success in the long-term and enable us to build on our existing strengths.

## 6. Interim consolidated financial statements as of 30 September 2002

### Consolidated balance sheet as of 30 September 2002, figures according to US-GAAP

<b><u>ASSETS</u></b>	<b><u>30.09.2002</u></b>	<b><u>30.09.2001</u></b>
	<b>€ 000</b>	<b>€ 000</b>
<b><u>Current assets</u></b>		
Liquid assets	1,975	3,849
Short-term investments / marketable securities	0	8,017
Accounts receivable	463	2,659
Accounts receivable due from related parties		0
Inventories		
Deferred taxes	0	0
Prepaid expenses and other current assets	572	4,726
<b>Total current assets</b>	<b>3,010</b>	<b>19,251</b>
<b><u>Non-current assets</u></b>		
Property, plant and equipment	696	2,650
Intangible assets	0	1,494
Financial assets	3	36
Investments capitalised by the equity method	848	
Notes receivable / loans	355	1,055
Goodwill	608	7,077
Deferred taxes	0	0
Other assets	0	0
<b>Total non-current assets</b>	<b>2,510</b>	<b>12,311</b>
<b>Total assets</b>	<b>5,520</b>	<b>31,561</b>

**LIABILITIES****30.09.2002****30.09.2001****€ 000****€ 000****Current liabilities**

Current portion of capital lease obligation

Short-term debts and current portion

of long-term debt

45

194

Trade accounts payable

1,192

5,606

Accounts payable due to affiliated companies

0

0

Advance payments received

548

2,122

Accrued expenses

2,059

3,097

Deferred revenues

Accrued taxes

0

634

Deferred taxes

Other current liabilities

123

2,053

**Total current liabilities****3,967****13,707****Non-current liabilities**

Long-term debt, less current portion

Capital lease obligations, less current portion

Deferred revenues

Deferred taxes

Pension accrual

**Total non-current liabilities****0****0**

Minority interest

0

18

**Shareholders' equity**

Share capital

10,473

10,472

Additional paid-in capital

63,572

63,724

Treasury stock

(1,109)

(1,432)

Consolidated accumulated deficit

(71,151)

(54,695)

Accumulated other comprehensive income / loss

(232)

(232)

Remuneration from stock options

**1,553****17,836****Total shareholders' equity****Total liabilities and shareholders' equity****5,520****31,561**

## Consolidated income statement as of 30 September 2002, figures according to US-GAAP

	3rd quarter 2002 € 000	3rd quarter 2001 € 000	01.01.- 30.09.2002 € 000	01.01.- 30.09.2001 € 000
Revenues	1,579	11,095	8,351	32,046
Cost of revenues	(74)	(8,156)	(2,904)	(25,083)
<b>Net profit on sales</b>	<b>1,505</b>	<b>2,939</b>	<b>5,447</b>	<b>6,963</b>
<b>Operating expenses</b>				
Selling and marketing expenses	(731)	(6,118)	(5,059)	(18,634)
General and administrative expenses	(547)	(1,711)	(5,437)	(5,356)
Research and development expenses	0	(38)	0	(38)
Amortisation of goodwill	0	(1,211)	0	(2,145)
Depreciation of tangible assets and intangible fixed assets	(203)	(209)	(500)	(1,007)
<b>Total operating expenses</b>	<b>(1,481)</b>	<b>(9,287)</b>	<b>(10,997)</b>	<b>(27,181)</b>
<b>Operating income/loss</b>	<b>24</b>	<b>(6,348)</b>	<b>(5,550)</b>	<b>(20,217)</b>
<b>Other income/expenses</b>				
Interest income	199	183	260	1.002
Interest expenses	(109)	(98)	(175)	(173)
Income from investments and participations	0	0	0	0
Income from investments accounted for by the equity method	(11)	0	(11)	0
Foreign currency exchange gains / losses	0	0	0	0
Other operating income and expenses	(103)	1.777	(461)	1.920
<b>Total other income/expenses</b>	<b>(23)</b>	<b>1.862</b>	<b>(387)</b>	<b>2,749</b>
<b>Earnings from ordinary activities before taxes on earnings</b>	<b>1</b>	<b>(4,487)</b>	<b>(5,936)</b>	<b>(17,468)</b>
<b>Extraordinary result</b>				
Extraordinary amortisation	0	0	(35)	0
Extraordinary expenses/income from consolidation	(314)	0	1,199	0
Extraordinary income/expenses	(0)	0	(172)	0
<b>Earnings before taxes</b>	<b>(314)</b>	<b>(4,487)</b>	<b>(4,944)</b>	<b>(17,468)</b>
Taxes on income	5	(22)	(8)	(74)
<b>Result before minority interests</b>	<b>(309)</b>	<b>(4,508)</b>	<b>(4,952)</b>	<b>(17,542)</b>
Minority interest	0	1	(1)	1
<b>Net loss for the year</b>	<b>(309)</b>	<b>(4,507)</b>	<b>(4,953)</b>	<b>(17,541)</b>

**TRAVEL24.COM AG**  
**MUNICH**  
**CONSOLIDATED CASH FLOWS**

	01.01.- 30.09.2002 € 000	01.01.- 30.09.2001 € 000
<b>1. Cash flow from operating activities</b>		
Net loss for the year	(4,953)	(17,541)
Adjustments to reconcile net loss to net cash from operating activities:		
- Depreciation of receivables	237	0
- Depreciation of tangible assets	500	1,007
- Amortisation of goodwill	35	2,145
- Changes in the reporting entity	409	0
- Stock option expenses	0	41
- Depreciation of investments	741	0
- Creditor compensation by way of shares	283	0
- Increase / (decrease) in outside interests in shareholders' equity	1	(1)
- Change in operating assets and liabilities		
Accounts receivable	1,370	(1,047)
Advance payments received	(499)	610
Trade accounts payable	(3,838)	1,082
Deferred income and other receivables	2,477	1,682
Other liabilities	(1,763)	(3,266)
Accrued expenses	(879)	(2,174)
Accrued taxes		(97)
- Transfer to adjustment item for remuneration from stock options		
<b>Cash flow from operating activities</b>	<b>(5,878)</b>	<b>(17,557)</b>
<b>2. Cash flow from investment activities</b>		
- Sale of assets	156	0
- Additions to fixed assets	(20)	(1,258)
- Additions to intangible assets / goodwill	0	(1,022)
- Additions to / retirements from financial assets	679	(252)
<b>Cash flow from investment activities</b>	<b>815</b>	<b>(2,532)</b>
<b>3. Cash flow from financing activities</b>		
- Income from the issue of shares	(9)	1,603
- Purchase of own shares	0	(1,288)
- Increase/ (loss) in capital reserve on revaluation	0	(160)
<b>Cash flow from financing activities</b>	<b>(9)</b>	<b>155</b>
<b>(Decrease) / increase in cash and cash equivalents</b>	<b>(5,073)</b>	<b>(19,935)</b>
Cash and cash equivalents at the start of the reporting period	7,002	31,607
Cash and cash equivalents at the end of the reporting period	1,930	11,672
<b>(Decrease) / increase in cash and cash equivalents</b>	<b>(5,073)</b>	<b>(19,935)</b>

Notes: In this cash flow statement funds are defined as "net available liquid assets", i.e. financial resources include liquid assets declared in the balance sheet and deposit liabilities shown in the balance sheet under "Liabilities due to banks". Due to the Neuer Markt reporting requirements that became effective on 30 September 2001, securities were reclassified in the previous year's presentation. To facilitate comparison this was revoked in the following table.



**TRAVEL24.COM AG**  
**MUNICH**  
**STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY**

(in € 000, with the exception of figures per share)

	Number of outstanding shares	Share capital preferred shares	Share capital ordinary shares	Own shares	Capital reserve	Remuneration Stock options	Revaluation reserve	Consoli- dated net loss	Total
<b>As per 1 January 1998</b>	800	128	554		480			-356	806
Expenses for raising equity capital					-44				-44
Adjustment from capital consolidation								144	144
Withdrawal from capital reserve					-496			496	0
Net loss for the year								-789	-789
<b>As per 31 December 1998</b>	<b>800</b>	<b>128</b>	<b>554</b>	<b>0</b>	<b>-60</b>	<b>0</b>	<b>0</b>	<b>-505</b>	<b>117</b>
Conversion of preferred shares into ordinary shares and conversion into no-par value bearer shares	292,000	-128	128						0
Expenses for raising equity capital					-797				-797
Capital increase from cash contributions and contributions in kind on 27 and 30 August 1999	370,923		245		4,994				5,239
Adjustment from capital consolidation								184	184
Transfer from capital reserves					-7				-7
Net loss for the year								-2,527	-2,527
<b>As per 31 December 1999</b>	<b>663,723</b>	<b>0</b>	<b>927</b>	<b>0</b>	<b>4,131</b>	<b>0</b>	<b>0</b>	<b>-2,848</b>	<b>2,210</b>
Capital increase from corporate funds from 14 February 2000			2,073		-2,073			0	0
Capital increase from cash contribution and reclassification of shares with resolution from 14 February 2000 and initial public offering	8,936,277		6,600		67,200			0	73,800
Issue of stock options and partial deferred expenses for remuneration from stock options					134	-105			29
Expenses for procurement of equity (gross)					-8,809			0	-8,809
Contribution when buying subsidiaries and granting of shares					2,243				2,243
Purchase of own shares				-144				0	-144
Fair value valuation of securities							78		78
Net loss for the year								-34,248	-34,248
<b>As per 31 December 2000</b>	<b>9,600,000</b>	<b>0</b>	<b>9,600</b>	<b>-144</b>	<b>62,826</b>	<b>-105</b>	<b>78</b>	<b>-37,096</b>	<b>35,159</b>
Capital increase against contribution in kind (from Authorised Capital II)	872,606		873						873
Net purchase of own shares				-1,239					-1,239
Issue of stock options and partial deferred expenses for remuneration from stock options					151	-127			24
Fair value valuation of securities							-78		-78
Retroactive correction of contribution for the acquisition of subsidiaries and granting of shares					595				595
Net loss for the year								-29,102	-29,102
<b>As per 31 December 2001</b>	<b>10,472,606</b>	<b>0</b>	<b>10,473</b>	<b>-1,383</b>	<b>63,572</b>	<b>-232</b>	<b>0</b>	<b>-66,198</b>	<b>6,232</b>

Capital increase against contribution in kind (from Authorised Capital II)								
Net purchase of own shares								
Issue of stock options and partial deferred expenses for remuneration								
from creditor compensation by way of shares			274					274
Stock options								
Fair value valuation of securities								
Retroactive correction of contribution for the acquisition of subsidiaries and granting of shares								
Net loss for the year							-4,953	-4,953
<b>As per 30 September 2002</b>	<b>10,472,606</b>	<b>0</b>	<b>10,473</b>	<b>-1,109</b>	<b>63,572</b>	<b>-232</b>	<b>0</b>	<b>-71,151 1,553</b>

## 7. Explanatory notes to the interim financial statements

### Reporting entity

Consolidated companies	Holding
<b>Germany</b>	
Travel24 GmbH, Eching	100%
xsnet Gesellschaft für Multimediale Informationssysteme mbH, Munich	100%
Buchungsmaschine AG, Hamburg	100%
Tii Community GmbH, München (non-operative)	100%
<b>Consolidated at equity</b>	
Munckhof Business Travel B.V., Venlo, Netherlands	49%

### Basis of presentation

The consolidated balance sheet for the nine-month report 2002 is based on US-GAAP accounting standards. The income statement has been prepared in accordance with the operational format. The figures given for the equivalent period in 2001 relate to the consolidated companies in the Travel24.com group on the closing date.

### Comments on the balance sheet

Since 30 June 2002 the balance sheet total has fallen by € 2.9 million to € 5.5 million. Current liabilities were reduced by a total of € 2.6m to € 4.0m. This change was mainly attributable to a further reduction in accounts payable for goods and services.

Current assets showed a decrease of € 2.5m over the previous quarter, due mainly to a reduction in accounts receivable.

At 28.1% the capital ratio as of 30 September 2002 grew in comparison to the previous quarter (21.6% as of 30 June 2002).

Deferred taxes were not taken into account. As a result of the conservative accounting assumption that loss carryforwards will not be used for fiscal purposes, the expenses for equity procurement were offset to the full amount of the gross sum. Thus there is no reduction in the apportionable taxes on income.

Other items missing in the balance sheet, income statement and cash flow statement did not accumulate in the given period or were minimal. This affects the balance sheet items "Current portion of capital lease obligation", "Accounts payable due to related parties", "Deferred revenues" (see "advance payments received"), "Non-current liabilities" and "Accumulated other comprehensive income/loss".

In the income statement this affects the items "Other operating income and expenses", "Income from investments and participations", "Income/expenses from investments capitalised by the equity method" and "Foreign currency exchange gains/losses".

## Segment reporting

### Segments as of 30 September 2002

	Travel Products € 000	Travel Marketing & Distribution € 000	Travel Technology € 000	Elimi- nations € 000	Travel24 Group € 000
External sales	3,211	4,077	1,063	0	8,351
Group internal sales	0	573	230	-803	0
Total revenues	3,211	4,650	1,293	-803	8,351
Operating result	-1,578	-4,703	-1,245	1,590	-5,936
Assets	2,163	11,197	860	-8,700	5,520
Depreciation	86	174	242	-2	505

### Segments as of 30 September 2001

	Travel Products € 000	Travel Marketing & Distribution € 000	Travel Technology € 000	Elimi- nations € 000	Travel24 Group € 000
External sales	27,799	3,370	877	0	32,046
Group internal sales	0	55	1,214	-1,269	0
Total revenues	27,799	3,424	2,092	-1,269	32,046
Operating result	-2,944	-10,563	-1,948	-2,013	-17,468
Assets	5,514	37,343	3,717	-15,012	31,561
Depreciation	232	494	285	-4	1,007

## Net income per share

The net income per share figure is calculated by dividing the result of the period under review by the weighted average number of the shares issued.

	3rd quarter 2002	3rd quarter 2001	01.01.- 30.09.2002	01.01.- 30.09.2001
Weighted average of shares in circulation	10,242,215	9,904,926	10,242,215	9,904,926
Earnings per share (undiluted = diluted, in €)	-0.03	-0.45	-0.48	-1.77
Result after tax without extraordinary result (in € 000)	6	-4,508	-5,944	-17,542
Earnings per share excl. extraordinary result (in €)	0.00	-0.45	-0.58	-1.77
Distribution paid	0	0	0	0

### Cash flow from operating activities

In the first nine months of the current financial year cash flow from operating activities totalled € - 5.9m. This was mainly attributable to the consolidated loss of € -5.0 million.

### Cash flow from investing activities

The cash flow from investing activities from 1 January to 30 September 2002 showed a cash inflow of just below € 1.0m, the greater portion of which resulted from the partial disposal of foreign business activities.

### Cash flow from financing activities

In the course of the third quarter of 2002 there were no changes in financing activities which had a major impact on cash flow.

### Shares held by the company

Pursuant to a resolution adopted by the extraordinary shareholders' meeting on 12 December 2000, Travel24.com AG was authorised to purchase its own shares in accordance with Art. 71 *AktG* (German Stock Corporation Act). In the third quarter of 2002 a total of 36,667 shares were transferred by the company in the discharge of obligations. As of 30 September 2002 the number of unregistered shares is 98,625.

## 8. Securities held by the Management and Supervisory Boards

	Securities held as of 30. September 2002	Stock options as of 30. September 2002
<b>Management Board</b>		
Philip Kohler	0	30,000
Marc Maslaton	317,520	0
<b>Supervisory Board</b>		
Cristofor-Guillem Henn	26,449	0
Dr. Armin Reiners	0 <sup>1</sup>	0
Hans-Joachim Richter	0	0
Joachim Semrau	0 <sup>2</sup>	0
Knut Wehner	86,673 <sup>3</sup>	6,000
Andrea Wessels	23,823	0

<sup>1</sup> Dr Reiners holds 3,448 shares as trustee.

<sup>2</sup> Portfolio incl. trust cross-holdings: 43,000 shares

<sup>3</sup> Figure excluding shares held in trust by third parties: 43,673 shares

## 9. Calendar

31. March 2003	Publication of Annual Report 2002
31. March 2003	Balance sheet press conference
30. May 2003	Publication of Three-Month Report 2003
29. August 2003	Publication of Half-Year Report 2003
28. November 2003	Publication of Nine-Month Report 2003

## 10. Imprint

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