

Three-Month Report 2004



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1. Summary of key data

		1. January - 31. March	
		2004	2003
		€ 000	€ 000
total transaction value	per booking date	8,294	6,427
	per travel date	3,604	4,252
net sales		1,020	922
EBITDA		-360	-528
EBIT		-398	-578
consolidated net loss		-480	-573
net loss per share (in €)	basic	-0.04	-0.06
	diluted	-0.03	-0.06
operative cash flow		-2,211	-524
number of employees as per 31. March excl. management board		75	77

2. Introduction

Dear Shareholders, Clients, Employees and Business Partners,

In May Travel24.com AG embarked on a new path in travel site design. The latter has abandoned the dispassionate listing of products for the purpose of conveying information in favour of the emotionally based travel presentation that already awakens the customer's urge to travel when he or she visits the Website.

In addition, the company's own travel programme has been launched in the form of Internet TV. Thanks to the rapid spread of broadband we can now present the entire world of travel experience in moving images on the screen. The collection of interesting country videos is only the first phase in our new presentation mode.

A further encouraging development, as repeatedly confirmed by independent bodies, is the entirely positive response to our consistent customer focus. For example, in a test conducted by the trade magazine *Teletalk* our reservation hotline was voted the best on the market. From December 2003 to February 2004 *Teletalk* had examined the hotlines of nine travel services, including L'Tur, Alltours, TUI, Reise Quelle and Neckermann.

We are confident that we will be able to further increase this market lead in the future. Since March, calls to our hotline have been free of charge. This went down extremely well with customers and met with a positive response from the press.

We also remain trailblazers in the industry in respect of services. Not only do we offer our customers a complete overview of the airline market (convenient within a single search function) – we also feature online reservations for low-cost carriers such as Ryanair without a surcharge. The users express their gratitude in the form of increased hotel and rental car reservations in conjunction with their cheap flight.

Finally, a word on our own account: This year's Annual General Meeting is due to be held in Munich on 5 July 2004. On this occasion we would be delighted to see as many of our shareholders as possible.

Yours



Marc Maslaton
CEO Travel24.com AG

Munich, May 2004

3. Business performance

Travel retail

The core function of Travel24.com AG is the sale of holidays. As an independent travel retailer it offers a full selection of travel products and services: All renowned tour operators, airlines, hotels, scheduled flights, charter and last-minute holidays, cruises, car rentals, wellness and sports vacations, admission tickets and much more can be booked through Travel24.com – via the Internet, telephone or in the travel agency. Interesting travel information such as country descriptions, weather and entry conditions round off the www.travel24.com Website.

In March 2004 Travel24.com became the first Internet travel site to replace its telephone hotline, previously available at an extra charge, with a free 0800 number. On 0800-Travel24 (0800 / 872 835 24) customers are able to book the travel products offered in the Internet by telephone – 7 days a week.

Internet

True to its path of consistent customer focus, in May 2004 Travel24.com AG implemented a relaunch of its Internet presentation. The main feature of the latter is a completely new design that places priority on emotions, accompanied by attractive products and services, and relegates the pertinent information to “back-stage” in the Web presence. At the same time, interesting video sequences about countries all over the world can be retrieved round-the-clock from Travel24.com. This clearly distinguishes the homepage from the rest of the pack.



The traditional menu items are limited to airline tickets, hotels, package deals and last minute vacations as core services. On the homepage customers will also find holiday photos that seduce them to a dream world linked to the up-to-date offers in various categories such as sport and wellness, family or club vacations.



Internet hits

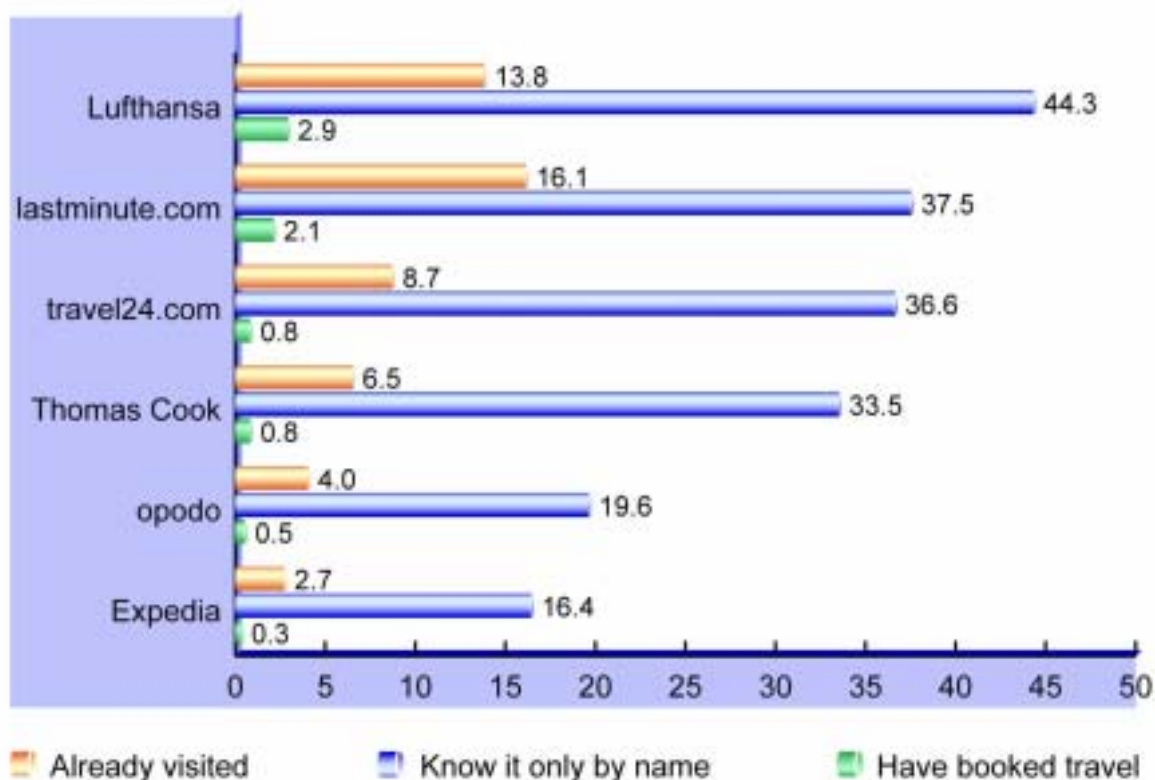
The traffic volume has continued to develop at a very satisfactory rate. In the first quarter of 2004 the number of page impressions rose to more than 32.9 million, which is 155% higher than in the same period last year (Q1/2003: 12.9 million) and more than 161% above the level reached in the last quarter of 2003 (12.6 million). At 1.7 million the number of visits was almost 42% higher than last year (Q1/2003: 1.2 million) and 84% higher than in the previous quarter (Q4/2003: 0.95 million). The average length of stay is more than 10 minutes.

Brand recognition

Travel24.com continues to be a familiar brand. This is evidenced both by the increase in online sales and studies by renowned market research institutes. In one of the most important German market media studies – the *Communications Networks 7.0* study – Travel24.com ranked third in the sector “Brand awareness and use of online travel sites” in each of the response categories “Already visited”, “Know it only by name” and “Made travel reservations” after Lufthansa’s online portal and the British travel portal *lastminute.com*. Travel24.com was thus able to achieve distinction, ahead of well-known travel services such as Thomas Cook, opodo and Expedia¹.

¹ Communication Networks 7.0, FOCUS Market Analysis, The Market for Vacation and Business Travel, December 2003

Awareness and use of online travel sites in %



Source: Communication Networks 7.0, Focus Market Analysis, The Market for Vacation and Business Travel, December 2003

Travel24.com was likewise frequently praised in the press. In its search for bargains the popular TV magazine *tv14*, for example, arrived at the following conclusion: "In many cases savings can be made with one of the most-used online travel agencies: www.travel24.com – 0800 87 28 35 24 (0800 – Hotline: toll free)." (Issue 9/2004). The biggest German tourist magazine *fw International* expressed its delight at Travel24.com's new package tour tool: "A new search mask simplifies the booking of package tours at Travel24.com's Website. Reservation in three easy steps – up until now that was only possible with airline tickets." (Issue 4/2004).

Technology

The technical facilities of Travel24.com AG are provided primarily by its subsidiary Buchungsmaschine AG, Hamburg. The Internet travel company Buchungsmaschine AG also offers its systems to travel agencies, travel agency chains/cooperations and portals as a basis for commercially successful Web presentations. These are Internet and intranet-based products which enable the implementation of all the essential tourism services on the travel agents' homepages and the portals' Internet platforms.

Over 1,000 travel agencies and 100 Internet portals use Buchungsmaschine modules together with the associated technical know-how. The comprehensive customer care service provided by the online service centre as a fulfilment partner is also used by many non-tourism Internet portals.

The climax of technical progress of the Travel24.com Website was achieved in the first quarter of 2004 with the implementation of the "Holiday Finder" module for package tours. With this module Travel24.com has set a new standard in online travel booking. Not only does the clever search function take account of individual travel wishes (e.g. special sports facilities), it also displays them in detail for each hotel. Another new feature is the direct price comparison within the hotel selection list – the customer will see at a glance which tour operator offers the desired hotel at the lowest rate. In a second step a real-time check is made whether the desired product is available. And once the customer has decided on a product, he only needs to click once more to finalise the booking.



Investor relations

The issue of new shares enabled Travel24.com AG to further increase liquidity and strengthen its capital base in the first quarter of 2004. Two capital increases in February and March 2004 were placed with private and institutional investors in Germany and abroad. Between 1 January and 31 March 2004 the Company accrued about €2.6 million in cash and cash equivalents through partial utilisation of the authorised capital. The new share issue raised the share capital of Travel24.com AG to €13,750,000, greatly improving the balance sheet position.

In the first quarter of 2004 the market price of Travel24.com AG shares also exhibited an extremely positive trend. From €0.93 at the beginning of the year the share value climbed to €1.68 (XETRA) in March (+81%). The financial press also drew attention to the high potential in the share price: In its issue of 19 February 2004 *FOCUS-MONEY* magazine recommended Travel24.com AG shares as "price cutters", at the end of March *DER AKTIONÄR* included them in its trading sample portfolio. The Managing Board is convinced that the measures introduced will secure long-term growth in sales revenue as well as the related corporate value. A total transaction value in excess of €40 million is anticipated for the current year.

4. Business results

Turnover

The improved general situation in the tourist industry overall and our enlarged investments in customer acquisition and Travel24.com brand building since the beginning of the year have given a considerable boost to the booking and order situation of group undertakings. The total value of bookings received in the first quarter of the current financial year, for example, stood at € 8.3 million, an increase of almost 30% compared to the same period of the previous year.

A further relevant finding is derived from the booking volume registered on the quarterly cut-off date: Whereas in the first quarter of the past year over half of the bookings entered bore a departure date prior to 31 March 2003, this proportion grew in 2004 until almost 60% of all bookings received in the current reporting period bore a departure date after the quarterly cut-off date. This indicates a trend in an increasing number of travellers towards scheduling holidays well in advance.

Net result

Compared to the same quarter of the previous year the deficit for the current reporting period was – according to IAS/IFRS accounting rules – reduced by € 0.1 million to € -0.5 million. This improved result was mainly attributable to an increase in revenues. The cut in operating expenses was offset by a comparable reduction in other income.

The reduction in losses at EBIT and EBITDA level (€ -0.4 million in each case; previous year € -0.6 and € -0.5 million respectively) was correspondingly higher due to the accrued interest on convertible bonds; deficits for the two key items were cut by approx. 30% compared to the previous year.

At 4 cents (basic) and 3 cents (diluted) the loss per share was almost halved in comparison to the previous year's figure of € -0.06 per share. The new shares issued in conjunction with the capital increase in December 2003 as well as February and March of the current financial year were taken into account in the calculation of these key figures. Overall the number of shares issued by Travel24.com AG increased by 3,277,394 to 13,750,000. In addition, the calculation of the diluted earnings per share took into account the new issue of 4,300,000 shares that would arise through the exercising of the conversion privilege for the bond issued in 2003.

Liquid assets

Cash and cash equivalent of € 1.3 million declared as of 31 March 2004 are primarily attributable to the issue of new Travel24.com AG shares in February and March 2004. Cash outflow from operating activities was covered by the capital increases referred to above.

Investments

In the first three months of the current financial year there were no notable investments requiring capitalisation.

Personnel

As of 31 March 2004 the Travel24.com Group employed 75 staff; this corresponds to 59.1 full-time employees as of the cut-off date for the quarter (all figures excluding board members).

5. Outlook

With a high level of commitment and initiative, Travel24.com is currently working on the “Moving Images” project. The objective of the latter is to present the world of travel in moving pictures “at your fingertips”. With the relaunch, destination videos will be presented as a 24-hour travel programme on Travel24.com’s homepage. Up-to-the-minute tour offers and products for the country in question will round off the new Internet TV programme. In the next phase, hotel videos with commentary are to be added to this service. The launch of Internet TV thus puts Travel24.com in an excellent position to exploit the growing trend towards broadband use in Germany.

In conjunction with the introduction of new technologies in the first quarter of 2004 further measures have been initiated to further enhance the presence of Travel24.com in search engines. Due to the time delay for technical reasons, the first positive results are not expected until summer.

The Managing Board is anticipating a substantial increase in sales this summer. The key figures for the first quarter and market surveys are indicators of this. According to the latest F.U.R. Travel Analysis 2004, 69% of Germans have the firm intention of taking a holiday in 2004. Only 18% are as yet undecided.²

Based on a combination of in-house innovations and the potential of broadband technology, the Managing Board is looking to the current year with optimism. The forecast approx. 70% increase in sales continues to appear realistic.

² F.U.R. Forschungsgemeinschaft Urlaub und Reisen e.V., 34th Travel Analysis 2004, January 2004

6. Interim consolidated financial statements as of 31 March 2004

Consolidated balance sheet as of 31 March 2004,
figures according to IAS / IFRS

ASSETS	31. March 2004 IAS / IFRS € 000	31. Dec. 2003 US-GAAP € 000	31. Dec. 2003 pro forma IAS / IFRS € 000
current assets			
cash and cash equivalents	1,295	1,061	1,061
short-term investments / marketable securities			
trade accounts receivable	96	95	95
prepaid expenses and other current assets	2,595	548	548
total current assets	3,986	1,705	1,705
non current assets			
property, plant and equipment	236	254	254
goodwill	608	608	608
notes receivable / loans	221	251	251
other assets	3	3	3
total non current assets	1,068	1,117	1,117
total assets	5,055	2,821	2,821

LIABILITIES and SHAREHOLDERS' EQUITY	31. March 2004 IAS / IFRS € 000	31. Dec. 2003 US-GAAP € 000	31. Dec. 2003 pro forma IAS / IFRS € 000
current liabilities			
short-term debt and current portion of long-term debt	0	0	0
trade accounts payable	695	649	778
accrued expenses	1,255	1,265	1,265
other current liabilities	406	282	282
total current liabilities	2,357	2,195	2,325
non current liabilities			
long-term debt, less current portion	1,973	1,886	1,886
total non current liabilities	1,973	1,886	1,886
shareholders' equity			
share capital	13,750	11,600	11,600
additional paid-in capital	62,617	62,336	62,336
remuneration from share options	-268	-303	-303
accumulated deficit	-75,374	-74,894	-75,023
total shareholders' equity	725	-1,261	-1,390
total liabilities and shareholders' equity	5,055	2,821	2,821

**Consolidated income statement from 1 January to 31 March,
figures according to IAS / IFRS**

	1. January - 31. March	
	2004 € 000	2003 € 000
revenues	1,020	922
cost of revenues	-137	-104
gross Profit	883	817
operating expenses		
selling and marketing expenses	-663	-806
general and administrative expenses	-683	-723
depreciation of property, plant and equipment and of intangible assets	-38	-49
total operating expenses	-1,384	-1,578
operating loss	-501	-761
other income / expense		
interest income and expenses	-82	3
other income / expense	103	319
total other income / expense	21	322
result from ordinary activities		
before income tax and discontinued operations	-480	-439
income tax	0	2
extraordinary income / expenses	0	0
result from ordinary activities		
before discontinued operations	-480	-438
income / loss from discontinued operations	0	-135
net loss	-480	-573

net loss per share (in € 000; except amounts per share and number of shares)	2004		2003
	basic	diluted	basic / diluted
weighted average shares outstanding	12,182,222	16,482,222	10,373,981
result from ordinary activities			
before discontinued operations	-480	-480	-438
per share	-0.04	-0.03	-0.04
income / loss from discontinued operations	0	0	-135
per share	0.00	0.00	-0.01
net loss	-480	-480	-573
per share	-0.04	-0.03	-0.06

Consolidated cash flow statement from 1 January to 31 March

	1. January - 31. March	
	2004 € 000	2003 € 000
1. cash flows from operating activities:		
net loss	-480	-573
adjustments for:		
- depreciation and amortization	38	46
- decrease / increase in provisions and accruals	-10	-168
- losses on the disposal of fixed assets	0	0
- change in net working capital	-1,877	171
- non-cash items for capital expense and financing	118	0
net cash used in operating activities	-2,211	-524
2. cash flows from investing activities:		
- purchase of property, plant and equipment	-21	-2
- proceeds from sale of equipment	1	0
- other additions / disposals of investments	30	0
net cash provided by / used in investing activities	10	-2
3. cash flows from financing activities:		
- proceeds from issuance of share capital	2,434	0
- proceeds from short or long-term borrowings	0	350
net cash provided by financing activities	2,434	350
net increase / decrease in cash and cash equivalents	233	-175
cash and cash equivalents at beginning of period	1,061	922
cash and cash equivalents at end of period	1,295	747
net increase / decrease in cash and cash equivalents	233	-175

note:

in this statement of cash flows, cash and cash equivalents are defined as "net available cash and cash equivalents", i. e. this item comprises the cash and cash equivalents carried on the balance sheet under current assets as well as the bank loans and overdrafts carried on the balance sheet under liabilities.

Consolidated statement of changes in shareholders' equity from 1 January to 31 March

in € 000, with the exception of figures per share

	number of shares issued	share capital: preference shares	share capital: ordinary shares	treasury stock	additional paid-in capital	remuneration from stock options	revaluation surplus	net loss	total
as of 31. Dec. 2002	10,472,606	0	10,473	-356	62,655	-58	0	-73,178	-464
capital increase for cash (authorised capital approved in 2003)									0
expenses for procurement of equity									0
purchase / disposal of treasury stock									0
issue of stock options and partial deferred expenses for remuneration from stock options									0
net loss								-573	-573
as of 31. March 2003	10,472,606	0	10,473	-356	62,655	-58	0	-73,751	-1,037
as of 31. Dec. 2003 (based on US-GAAP financials)	11,600,000	0	11,600	0	62,336	-303	0	-74,894	-1,261
capital increase for cash (authorised capital approved in 2003)	2,150,000		2,150		465				2,615
expenses for procurement of equity					-181				-181
purchase / disposal of treasury stock									0
issue of stock options and partial deferred expenses for remuneration from stock options					-3	35			32
net loss								-480	-480
as of 31. March 2004	13,750,000	0	13,750	0	62,617	-268	0	-75,374	725
* expenses for equity procurement were offset to the full amount as a result of the accounting assumption that losses carried forward will not be used for fiscal purposes									
as of 31. Dec. 2003 (based on IAS / IFRS financials)	11,600,000	0	11,600	0	62,336	-303	0	-75,023	-1,390
capital increase for cash (authorised capital approved in 2003)	2,150,000		2,150		465				2,615
expenses for procurement of equity					-181				-181
purchase / disposal of treasury stock									0
issue of stock options and partial deferred expenses for remuneration from stock options					-3	35			32
net loss								-480	-480
as of 31. March 2004	13,750,000	0	13,750	0	62,617	-268	0	-75,503	596
* expenses for equity procurement were offset to the full amount as a result of the accounting assumption that losses carried forward will not be used for fiscal purposes									

7. Conversion to IAS / IFRS accounting as of 1 January 2004

General

The consolidated financial statements of Travel24.com AG (hereinafter referred to as “the Company”) for the year ending 31 December 2003 were prepared as discharging consolidated financial statements in accordance with Art. 292a of the German Commercial Code (HGB), in line with US generally accepted accounting principles (“US-GAAP”) and in accordance with German Accounting Standard No. 1 (DRS 1) of the German Accounting Standard Committee (Deutscher Standardisierungsrat, [German Standardisation Committee], DSCR e.V.).

Pursuant to an EU directive passed in 2002, from 2005 onwards the consolidated financial statements of companies listed on a regulated market must be prepared in conformance with International Accounting Standards / International Financial Reporting Standards (IAS / IFRS), unless the consolidated balance sheet was previously prepared according to US-GAAP. The deadline for conversion is the end of 2007. Particulars and queries regarding the conversion of accounting methods to IAS / IFRS from 2005/2007 onwards were hitherto regulated by SIC 8 of the Standing Interpretations Committee (SIC) of the International Accounting Standards Board (IASB, until April 2001 IASC).

On 19 June 2003 the IASB approved Standard IFRS 1 (“First time Adoption of International Financial Reporting Standards”). IFRS 1 is due to replace SIC 8 from 1 January 2004 onwards. The application of IFRS 1 is mandatory if the first IFRS accounts are to be prepared for reporting periods starting on or after 1 January 2004.

The first IFRS accounts are thus to be prepared as if the company had always applied the IFRS rules. This means that when the IFRS rules are applied from 2004 onwards, the accounting figures for 2003 must be determined according to IFRS and an initial IFRS balance sheet prepared as of 1 January 2004.

The Company had completed the changeover of accounting methods from US-GAAP to IFRS as of 31 December 2004 / 1 January 2004. The Company’s express and unqualified declaration with regard to compliance with IFRS is in hand.

The conversion to the different accounting method has had an impact on the Company’s net worth, financial position, earnings and cash flow (cf. percentage of completion method).

Summary of differences between IAS / IFRS and US-GAAP

General comments

The IFRS balance sheet may be structured either by diminishing liquidity as with US-GAAP or increasing liquidity as with HGB. In contrast to US-GAAP, IAS / IFRS does not prescribe a minimum content.

According to US-GAAP a clear distinction must be made between short-term (current) and long-term (non-current) assets and liabilities. IFRS requires neither a subdivision into current and non-current assets, nor a continuous classification according to increasing or decreasing liquidity or corporate ties.

According to the IAS framework, the income statement consists only of expenditure and earnings. The net disclosure of peripheral and fortuitous events as gains and losses according to US-GAAP is not proposed. The disposal of capital assets or reimbursement of expenses are exceptions.

Neither US-GAAP nor IAS / IFRS propose a classification for income statements: however, US-GAAP prescribes the cost of sales method and IAS / IFRS gives an option. The Company will continue to prepare its income statements in the cost of sales format.

Deferred taxes on loss carryforwards

Deferred tax assets resulting from tax loss carryforwards must be recognised as assets in the balance sheet according to US-GAAP and IAS / IFRS if the loss carryforwards are likely to be realisable. The Company has adjusted the value of the capitalised tax loss carryforwards in full as of 31 December 2000, as it is not certain whether they will be realised.

Stock options for employee participation

Under US-GAAP, remuneration to employees in the form of equity capital participation (stock-based compensation) is to be stated on the balance sheet in two forms. Under the one method the market value of the employee participation is determined and stated as expenses over the period of the vested rights of the stock options or another equity capital instrument.

Alternatively, only the difference between the exercise price of an option and the market price of the underlying instrument at the point in time the option was granted may be stated as an expense over the period of the vested rights. When using this method, the impact on the annual result calculated by the first method must be shown as a pro forma figure in the annual financial statements. The Company has elected to use the first method.

With the IFRS 2 Standard Share-based payment of 18 February 2004 the IASB has for the first time issued a guideline intended to regulate the accounting and valuation of share-based compensation elements. Under this method, all share options issued to employees must be recognised as an expense in the income statement. US-GAAP and IAS / IFRS rules are likewise almost identical in respect of the notes.

Expenses for the initial public offering

Under US-GAAP and IAS / IFRS the costs in connection with the issue of shares on the stock exchange are to be treated as a reduction in the premium from the issue of shares.

“Percentage of Completion” method

In the percentage of completion method (PoC method) the anticipated proceeds are tied to the stage of completion during the period of construction. This presumes that a reliable estimate can be made of the progress and attributable costs, and that enforceable rights ensue from the contract. According to IAS 18 the PoC method can also be used for service business within the scope of IAS / IFRS accounting. According to US-GAAP the PoC method plays a subordinate role.

For the first time, the Company has made a year-on-year comparison of revenues by the percentage of completion method. Compared to US-GAAP accounting hitherto this resulted in differences in earnings and in the statements of cash flow and development of shareholders' equity.

Summary of differences between IAS / IFRS and HGB

General comments

In IAS / IFRS accounting the information function is the overriding goal. The emphasis is placed on the principle of fair representation. By contrast, the priority set by the HGB is the protection of creditors. This is guaranteed by the accounting principle of prudence.

IAS / IFRS exhibits no explicit codification of the true and fair view principle as the general standard pursuant to Art. 264 (2) HGB. IAS / IFRS and HGB provide differing interpretations of the terms "assets" and "liabilities".

In contrast to the HGB's imparity principle, within the scope of the accruals concept the IAS / IFR method includes not only profits that have already been realised, but also those considered realisable with a fair degree of certainty, e.g. in conjunction with the accounting of long-term manufacturing orders (cf. percentage of completion method).

In some cases the allocation of expenses not related to operational purpose according to IFRS principles requires the capitalisation of expenses until the respective profits have been realised. Under HGB rules these expenses, such as development expenses, must not be treated as assets, but as periodic expenditure.

The statutory duty of disclosure under IAS / IFRS rules is more comprehensive than under HGB rules. Besides the balance sheet, income statement and notes the annual financial statements under IFRS must also include a cash flow statement and the development of shareholders' equity. In the case of publicly traded shares the earnings/loss per share – if applicable, also the diluted earnings/loss per share – must be disclosed at the end of the income statement, which is almost identical to that according to US-GAAP.

Deferred taxes on loss carryforwards

Under HGB deferred tax claims arising from tax loss carryforwards may not be shown on the balance sheet, as the anticipated future tax savings are deemed not to have been realised. For preparation according to IAS / IFRS: see above.

Stock options for employee participation

Under the balance sheet regulations currently in force, in accordance with HGB there are no expenses to be posted on the income statement. Under IFRS 2, as already explained, stock options for employee participation must be posted as personnel expenses.

Expenses for the initial public offering

In contrast to IAS / IFRS, under HGB these costs are extraordinary expenses.

Percentage of completion (PoC) method

In contrast to IAS / IFRS the PoC method is unknown to HGB. The latter uses the completed contract method. Under the latter, the costs incurred are carried as assets until the time of completion. Profits are not posted until the time of completion or rendering of a service. Both methods produce the same overall results. However, the PoC method discloses net income on an accrual basis, whereas the completed contract method allocates total net income to the last period.

8. Comments on the interim financial statements

Reporting entity

Consolidated companies

Travel24 GmbH, Eching
Buchungsmaschine AG, Hamburg

Interest held

100%
100%

Notes to the balance sheet

The balance sheet total of €5.1 million as of 31 March 2004 represented an increase of €2.2 million over the figure of 31 December 2003.

This increase is mainly attributable to the capital increase against cash contribution carried out in February and March 2004. The 2,150,000 new shares issued by the Company in this connection resulted in a corresponding growth in subscribed capital. After deduction of the expenses of €0.2 million for equity procurement, the issuing premium totalling €0.5 million was transferred to capital reserves.

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 was no reduction in the apportionable taxes on income.

The long-term liabilities of almost €2.0 million shown in the balance sheet reflect solely the cash value of the convertible bond placed in 2003 as determined on the respective cut-off date, allowing for accumulated interest.

The increase of about €0.1 million in other current liabilities in the reporting period compared to the figure of 31 December 2003 is attributable to accruals and deferrals related to the accounting changeover on 1 January 2004.

The proceeds of the capital increase in the first quarter of 2004 are reflected in the €0.2 million increase in cash and cash equivalents to €1.3 million as well as in current assets. In addition, due to the changeover to new accounting methods reserves for accrued commissions of about €0.5 million were posted under this item.

Segment reporting

segment presentation per 31. March 2004	Travel Marketing & Distribution € 000	Travel Technology € 000	Eliminations € 000	Travel24- Group € 000
revenues - trade	962	58		1,020
- intersegment	17		-17	0
total revenues	979	58	-17	1,020
operating result	-766	-84	370	-480
assets	7,442	219	-2,607	5,055
depreciation	27	11		38

segment presentation per 31. March 2003	Travel Marketing & Distribution € 000	Travel Technology € 000	Eliminations € 000	Travel24- Group € 000
revenues - trade	788	133		922
- intersegment	4		-4	0
total revenues	792	133	-4	922
operating result	-630	-34	227	-438
assets	7,237	357	-4,354	3,998
depreciation	35	14		49

Cash flow from operating activities

In the first three months of the current financial year € 2.2 million were used in operating activities. Almost € 1.9 million of this amount was attributable to the change in working capital and an increase in accruals and deferrals as well as other current assets.

Cash flow from investing activities

Investing activities in the reporting period had no significant effect on Group liquidity.

Cash flow from financing activities

The proceeds of new equity injections are shown netted out under this item, i.e. expenses directly related to the raising of equity capital are subtracted from the proceeds of placement including issuing premiums.

9. Securities held by the Managing and Supervisory Boards

	<u>Shares</u>	<u>Options</u>
Managing Board		
Marc Maslaton	477,520	160,000
Philip Kohler	10,000	90,000
Supervisory Board		
Andrea Bahlse	23,823	
Joachim Semrau	0	
Christof Henn	70,192	
Dr. Armin Reiners	0 ¹	
Hans-Joachim Richter	0	

¹ Dr Reiners holds 3,448 shares as trustee.

As of 31 March 2004 the Company had issued a total of 448,500 stock options. Of these, as may be seen above, 250,000 options are held by members of the Company's executive bodies, the remaining 198,500 options are held by employees and senior management at Travel24.com AG as well as at the fully-consolidated subsidiaries Travel24 GmbH and Buchungsmaschine AG.

10. Press comments and news

31 March 2004

"Trading sample portfolio: We used the latest consolidation of the Munich-based tour operator to step aboard. The first upside target is the horizontal resistance at € 1.69. Once this has been overcome, substantially higher prices are within reach."



Issue 9/2004

"All-round travel professionals: Real bargains are seldom to be found on the Websites of the tour operators. In many cases savings can be made with one of the most-used online travel agencies: www.travel24.com – 0800 87 28 35 24 (0800 – Hotline: toll free)."



20 February 2004

"A new search mask simplifies the booking of package tours at Travel24.com's Website. Reservation in three easy steps – up until now that was only possible with airline tickets."



19 February 2004

"FOCUS-MONEY searched all over the world and found the price-breakers. The online travel market is booming. One of the companies to profit is Travel24."



9 January 2004

"The experts at SdK AktionärsNews recommend keeping hold of Travel24.com shares."



29.03.2004	Ad hoc notice: Travel24.com AG reports substantial improvement in profits
18.03.2004	Travel24.com does away with fees
04.03.2004	Ad hoc notice: Travel24.com continues to grow
02.03.2004	Ad hoc notice: Cash capital increase at Travel24.com AG
26.02.2004	British investors discover German online travel service
19.02.2004	Travel24.com receives Award of Excellence in London
16.02.2004	Ad hoc notice: Cash capital increase at Travel24.com AG
03.02.2004	Above-average growth of Travel24.com
01.02.2004	Online holiday bookings without getting cramp in index finger
27.01.2004	Online travel market on record course
23.01.2004	Book travel bargains now – "It won't get any greener!"
05.01.2004	Ad hoc notice: Travel24.com AG sells interest in Netherlands

11. Financial Calendar

01 June 2004	Publication of Three-Month Report 2004
05 July 2004	Annual General Meeting, Munich
31 August 2004	Publication of Half-Year Report 2004
30 November 2004	Publication of Nine-Month Report 2004

12. Imprint

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