

Nine-Month Report 2005



Contents

1. Summary of key data	3
2. Introduction	4
3. Business growth	
Travel retail	5
Technology	5
Investor relations	6
4. Business results	7
5. Outlook	8
6. Interim consolidated financial statements as of 30 September 2005	
Consolidated balance sheet	9
Consolidated income statement	10
Consolidated cash flow statements	11
Development of consolidated share capital	12
7. Notes to the interim financial statements	13
8. Securities held by the Managing Board and Supervisory Board	14
9. Press comments and news	15
10. Financial calendar	16
11. Contact details	16

1. Summary of key data

		3rd quarter		1. Jan. - 30. Sept.	
		2005	2004	2005	2004
		€ 000	€ 000	€ 000	€ 000
total transaction value	per booking date	5,253	5,903	13,476	19,613
	per travel date	5,874	8,493	12,341	18,358
net sales		484	641	1,313	2,347
EBITDA		-842	-1,395	-1,847	-2,958
EBIT		-857	-1,421	-1,904	-3,057
consolidated net loss		-1,373	-1,507	-2,627	-3,281
net loss per share (in €)	basic	-0.09	-0.11	-0.18	-0.25
	diluted	-0.07	-0.08	-0.13	-0.19
operative cash flow		-3,531	-228	-3,862	-3,088
number of employees as per 30. September excl. management board		55	73	55	73

2. Introduction

**Dear Shareholders, Customers, Business Associates and Employees,
Dear Readers,**

As resolved at this year's general meeting on 3 August, we have now implemented the capital decrease. The shares converted as a result of the capital decrease have been listed on Frankfurt Stock Exchange's Regulated Market since 2 November 2005. The old no-par value shares were delisted as of 01 November 2005.

In addition, as part of our group's consolidation program, we have resolved to merge the activities of Buchungsmaschine AG in Munich. These activities were previously split between two locations. This measure has to be taken in view of further-reaching optimization in our day-to-day business, and is in line with our company's modified structure.

Best wishes to you and your families for a Happy Christmas and a prosperous and successful New Year 2006.

Yours



Marc Maslaton
CEO Travel24.com AG

Munich, November 2005

3. Business growth

Travel retail

The core function of Travel24.com AG is the sale of holidays. Its range of products and services covers all the major tour operators as well as over 50,000 hotels and more than 750 scheduled airlines, charter and low-cost carriers. And that's not to mention the up to 12 million last minute offers, motoring tours, wellness and sport specials that are updated daily, as well as the brand new Dynamic Packaging. The program also includes additional offerings such as rental cars, insurance, etc. All travel services can be booked simply and easily on the Website www.travel24.com or by telephone using the toll-free reservations hotline 0800-travel24 (0800-87283524).

Marketing

Travel24.com continues to have various projects in the pipeline. However, the Company does not wish to disclose any further details on these projects at the moment.

Internet hits

The look-to-book rate is constantly increasing, and reached an average of 0.26% in the first nine months of 2005, compared to 0.21% in the first nine months of 2004.

The number of page impressions was just under 45.5 million (Q3/2004: 109.4 million); almost 2.3 million visits were counted from January to September (Q3/2004: 5.2 million).

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. Many travel agencies and Internet portals use Buchungsmaschine AG modules together with the associated technical know-how.

In August of this year, the "Flight-Hotel-Mix" module was successfully added to the range of products offered at www.travel24.com. This integrated third-party Dynamic Packaging module means that the Company's Web site allows customers to customize flight and hotel components in line with their individual wishes and ideas, and to book their trip directly via the Internet. All of the well-known scheduled and charter airlines and 20,000 city and holiday hotels are available for individual holiday planning. This means that Travel24.com offers its customers a wide range of opportunities for combinations when booking their holidays - and thus also a great deal of flexibility.

Investor relations

At the beginning of July, the Company was able to announce that a convertible debenture, comprising 1.2 million convertible bonds each with a subscription price of € 3.00, had been successfully placed. This has thus secured the Company's liquidity over the medium term - the funds mostly went towards marketing and branding in order to further consolidate the brand.

At the annual general meeting of Travel24.com AG on 3 August 2005 in Munich, the shareholders were supportive of the management's course and the ratification of the Management and Supervisory Boards for the 2004 financial year was carried by a large majority. In addition, the shareholders also authorized the Company to issue profit-participation certificates with a total nominal amount of up to € 15.0 million before 31 December 2007. The shareholders also approved the proposed changes to the Articles of Association stemming from the *Gesetz zur Unternehmensintegrität und Modernisierung des Anfechtungsrechts* (UMAG - German Act for Corporate Integrity and Modernization of the Right of Rescission), so that Travel24.com is very well prepared for the new requirements when the new Act comes into force.

Since the general meeting, the Supervisory Board of Travel24.com once again comprises six members in line with the Articles of Association: Joachim Semrau, Dr. Matthias Schüppen and Konstantin Graf von der Pahlen were re-elected for the period until the 2006 general meeting. Martin Amrhein (Frankfurt businessman) was appointed to the Supervisory Board as a new member. Having given advance notice, Dr. Armin Reiners resigned from the Supervisory Board in June with immediate effect for personal reasons.

The general meeting of Travel24.com on 3 August 2005 approved - with a majority of 99.9% - to firstly increase the Company's share capital by € 40.00 from € 15,000,000.00 to € 15,000,040.00 by issuing 40 new, no-par value bearer shares each with a par value of € 1.00 excluding subscription rights, and then, in a second stage, to reduce the Company's share capital from € 15,000,040.00 by € 13,636,400 to € 1,363,640.00 at a ratio of 11:1, with eleven of the no-par value bearer shares, each with an interest of € 1.00 in the share capital, being consolidated to one no-par value bearer share at € 1.00. The reduction was implemented in line with the requirements for simplified capital reductions within the meaning of sections 229 et seq of the *Aktiengesetz* (AktG - German Public Limited Companies Act) in order to compensate for reductions in value and other losses. The resolution by the general meeting regarding the simplified capital reduction was entered in the commercial register on 27 September 2005 and thus became effective.

The converted shares from the capital reduction (new ISIN DE000A0FAP75; new WKN (German Securities Code) A0F AP7) were listed on the Frankfurt Stock Exchange's regulated market (Prime Standard) on 2 November 2005. The old no-par value shares were de-listed as of 1 November 2005.

4. Business results

Revenues

Compared to the first nine months 2004, total retail travel bookings by date of receipt fell by € 6.1 million (31%) to € 13.5 million. The main reasons for this were the restricted access to the Travel24 Website via search engines and the drastic cuts in advertising activities. A further reason for the decline in revenues as disclosed in the balance sheet was the discontinuation of stationary marketing activities in 2004. However, based on those activities which were continued in 2005, the decline in sales compared to the previous year is reduced to € 4.8 million (27%).

The same applies to gross sales recorded by travel date, which fell by almost € 6.0 million (33%) to € 12.3 million in the first three quarters of the current financial year. Limiting the comparison to the activities continued in 2005, the sales downturn amounts to € 3.3 million (21%).

Earnings

The loss from the first nine months of the current financial year totals € 2.6 million and thus constitutes an improvement of almost € 0.7 million (20%) compared to the figure from the first nine months of 2004.

The reduced revenues detailed above led to a € 0.6 million reduction in total income compared to the first nine months of 2004, however there were also savings for personnel expenses totaling € 0.5 million and other operating expenses (including marketing and advertising expenses) totaling € 1.1 million.

The loss per share was thus kept down on the previous year's level at 18 cents (basic loss per share) or 13 cents (diluted loss per share), although all of the expenses connected with the issue of the convertible debenture with a total amount of € 0.4 million were deferred in this figure during the quarter under review. The shares newly issued during the capital increases at the end of 2004 and in August 2005 were included in the calculation of these figures. Overall, in a year-on-year comparison the number of shares issued by Travel24.com AG increased from 1,250,040 to 15,000,040. In addition, the calculation of diluted earnings per share took into account the new issue of up to 4,300,000 shares which would arise through the exercise of the conversion right for the bond issued in 2003 as well as the new issue of up to 1,200,000 shares which would arise through the exercise of the conversion right for the bond issued in July 2005.

The previous year's figures shown in the report are not fully comparable with those for the nine-month report published a year ago. This is mostly due to the conversion of the presentation method for the income statement from the cost of sales method to the type of expenditure method as of 31 December 2004.

At the profit and loss account level, these related to the most part, to reclassifications between revenues and other operating income (€ 0.1 million) and between extraordinary and other operating expenses (€ 0.8 million), although these had no impact on total earnings or the loss for the period under review.

At the balance sheet level, the deferrals for commission formed in line with IAS/IFRS accounting policies in the first nine months of 2004 and the corresponding liabilities of € 0.3 million were taken directly to equity in the figures for the first nine months of 2005, resulting in the total assets falling by this amount.

Cash and cash equivalents

The decline in cash and cash equivalents to €0.3 million as reported on 30 September 2005 is mainly attributable to losses generated in the first nine months of 2005. Cash and cash equivalents used in operating activities in the period under review amounted to €3.9 million.

Capital expenditure

Investments with a capitalization requirement totaling €56 thousand were effected in the first nine months of the current financial year. These were mostly replacement investments for computers and hardware used. This figure is offset by income totaling €10 thousand from the disposal of fixed assets and the repayment of loans.

Personnel

As of 30 September 2005 the Travel24.com Group employed 55 staff; this corresponds to 42.5 full-time employees as of the cut-off date for the quarter (all figures excluding board members).

5. Outlook

We also had to modify our strategy for the coming years with the issue of a convertible debenture to investors in the middle of this year. All activities will focus on managing and broadening the brand, whereas other functions will be outsourced.

The first step has already been completed and our Hamburg facility has been closed. The outsourcing to an external service provider of activities that were previously conducted in-house as a result of the merger of Buchungsmaschine AG's locations promises to bring with it savings of between €400 thousand and €500 thousand.

This step, together with a number of additional steps that have now been introduced, will give the Company the flexibility it needs to generate renewed growth after a period of consolidation.

Our projected sales and earnings figures for 2006 mean that it is possible to expect a break-even result towards mid-year.

In view of our ongoing discussions with strategic partners we believe that we absolutely must be able to disclose positive earnings from operations prior to the ultimate conclusion of any agreement - which brings with it the benefit of a reasonable valuation.

Consolidated interim financial statements as of 30 September 2005

Consolidated balance sheet as of 30 September 2005 (IFRS)

	30. Sep. 05	31. Dec. 2004
ASSETS	€ 000	€ 000
current assets		
cash and cash equivalents	273	614
short-term investments / marketable securities		
trade accounts receivable	78	92
other accounts receivable and assets	1,098	593
total current assets	1,448	1,299
non current assets		
intangible assets	612	611
property, plant and equipment	159	162
investments	195	203
total non current assets	965	976
total assets	2,414	2,275

	30. Sep. 05	31. Dec. 2004
LIABILITIES and SHAREHOLDERS' EQUITY	€ 000	€ 000
current liabilities		
accrued expenses	463	922
trade accounts payable	364	1,150
other current liabilities	212	164
total current liabilities	1,038	2,236
non current liabilities		
convertible bond	6,195	2,266
total non current liabilities	6,195	2,266
shareholders' equity		
share capital	1,364	15,000
additional paid-in capital	136	62,549
remuneration from share options	-78	-150
accumulated deficit	-6,242	-79,626
total shareholders' equity	-4,820	-2,227
total liabilities and shareholders' equity	2,414	2,275

Consolidated income statement from 1 January to 30 September (IFRS)

	3rd quarter		1. January - 30. September	
	2005	2004	2005	2004
	€ 000	€ 000	€ 000	€ 000
revenues	484	641	1,313	2,347
other operating income	81	37	736	254
personnel expenses	-499	-660	-1,543	-2,092
depreciation of property, plant and equipment and of intangible assets	-15	-26	-57	-99
other operating expenses	-908	-1,414	-2,352	-3,467
operating loss	-857	-1,421	-1,904	-3,057
interest income	19	22	33	63
interest expenses	-535	-107	-756	-287
result before income taxes	-1.373	-1,507	-2,627	-3,281
income tax	0	0	0	0
net loss / income	-1.373	-1,507	-2,627	-3,281

net loss per share	3rd quarter				1. January - 30. September			
	2005		2004		2005		2004	
	basic	diluted	basic	diluted	basic	diluted	basic	diluted
weighted average number of shares outstanding	15,000,001	20,446,668	13,750,000	18,050,000	14,971,667	19,653,889	13,227,407	17,527,407
net loss (in € 000)	-1.373	-1.373	-1,507	-1,507	-2,627	-2,627	-3,281	-3,281
per share (in €)	-0.06	-0.05	-0.11	-0.08	-0.15	-0.11	-0.25	-0.19

Consolidated cash flow statement from 1 January to 30 September

	1. Jan. - 31. Sept.	
	2005	2004
	€ 000	€ 000
1. cash flows from operating activities:		
net loss	-2,627	-3,281
adjustments for:		
- depreciation and amortization	57	99
- financial result	723	224
- interest received	33	63
- interest paid	-426	-12
- decrease in provisions	-459	136
- losses on the disposal of fixed assets	0	0
- change in net working capital	-1,229	-401
- non-cash items	66	84
net cash used in operating activities	-3,862	-3,088
2. cash flows from investing activities:		
- purchase of property, plant and equipment	-56	-39
- proceeds from sale of equipment / repayment of loans	10	38
net cash used in / provided by investing activities	-46	-0
3. cash flows from financing activities:		
- accruals from the issuance of share capital	-32	2,434
- payments on convertible bond	3,600	0
net cash provided by financing activities	3,568	2,434
net decrease / increase in cash and cash equivalents	-341	-654
cash and cash equivalents at beginning of period	614	1,061
cash and cash equivalents at end of period	273	407
net decrease / increase in cash and cash equivalents	-341	-654

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.

Consolidated statement of changes in shareholders' equity from 1 January to 30 September

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. 2003 (based on IFRS statements)	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					-24	108			84
net loss								-3,281	-3,281
as of 30. September 2004	13,750,000	0	13,750	0	62,596	-195	0	-78,175	-2,023
as of 31. Dec. 2004	15,000,000	0	15,000	0	62,549	-150	0	-79,626	-2,227
capital increase for cash	40		0						0
expenses for procurement of equity *					-32				-32
equity cut			-13,636		-62,374			76,011	0
issue of stock options and partial deferred expenses for remuneration from stock options					-6	72			66
net loss								-2,627	-2,627
as of 30. September 2005	15,000,040	0	1,364	0	136	-78	0	-6,242	-4,820

* 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. Notes to the interim financial statements

Reporting entity

Consolidated companies

Travel24 GmbH, Hamburg
Buchungsmaschine AG, Hamburg

Interest held

100%
100%

Notes to the balance sheet

The total assets of €2.4 million as of 30 September 2005 represented an increase of €0.1 million over 31 December 2004.

This is mostly due to the issue of the convertible debenture in July 2005 and the associated increase in noncurrent liabilities by €3.6 million plus an additional €0.3 million from the present value of the convertible debenture placed in 2003. This figure takes into account the reporting date and the accrued interest.

In contrast, the Company recorded a further reduction in equity as a result of the accumulated losses in the first nine months totaling €2.6 million. At the same time, trade payables have fallen by €0.8 million since the start of the financial year, whereas it has been possible to reverse provisions with a total amount of almost €0.5 million - mostly due to the final settlement of litigation with the bankruptcy administrators for Aeroworld GmbH.

Segment reporting

segment presentation per 30. 09. 2005	Travel Marketing & Distribution	Travel Technology	Eliminations	Travel24- Group
	€ 000	€ 000	€ 000	€ 000
revenues - trade	1,180	132	0	1,313
- intersegment	0	0	0	0
total revenues	1,180	132	0	1,313
operating result	-2,561	-342	276	-2,627
assets	5,138	159	-2,883	2,414
depreciation	37	20	0	57

segment presentation per 30. 09. 2004	Travel Marketing & Distribution	Travel Technology	Eliminations	Travel24- Group
	€ 000	€ 000	€ 000	€ 000
revenues - trade	2,152	195	0	2,347
- intersegment	40	0	-40	0
total revenues	2,191	195	-40	2,347
operating result	-4,848	-26	1,593	-3,281
assets	5,756	181	-2,931	2,741
depreciation	67	32	0	99

Cash flow from operating activities

For the first nine months of the current financial year, the net cash used in operating activities totaled €3.9 million. The negative impact on liquidity mostly resulted from the loss recorded in the period under review as well as the settlement concluded with Aeroworld GmbH's creditors and the final settlement of all of the items in this connection.

Net cash used in investment activities

The net cash used in investment activities totaled €46,216 and is due to replacement investments for IT.

Net cash provided by financing activities

The net cash provided by financing activities relates to the placement of a convertible debenture in July 2005 with a total volume of €3.6 million.

8. Securities held by the Managing Board and Supervisory Board

	<u>Shares</u>	<u>Options</u>
Management Board		
Marc Maslaton	427,520	160,000
Philip Kohler	10,040	90,000
Supervisory Board		
Andrea Bahlsen	23,823	
Martin Amrhein	146,323	
Cristofor Henn	0	
Konstantin v. d. Pahlen	0	
Dr. Matthias Schüppen	0	
Joachim Semrau	0	

As of 30 September 2005 the Company had issued a total of 384,000 stock options. Of these, as may be seen above, 250,000 options are held by members of the Company's executive bodies, the remaining 134,000 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.

9. Press comments and news

09 August 2005

"Win a trip to Cape Town! TOM TAYLOR bodytalk and travel24.com are holding a prize draw for a 7-day trip for two lovers to South Africa's city of dreams - Cape Town."



04 August 2005

"Travel24 caused a bit of a stir among the Micro Caps with a 10% leap in its share price to €0.43. Investors enjoyed the resolution to reduce share capital - to make the company an interesting prospect for a strategic alliance."

Börsen-Zeitung

22 July 2005

"Travel24.com has issued a convertible debenture. The online travel agent placed a total of 1.2 million bonds, each with a subscription price of €3.00. This flushed €3.6 million into the company's accounts. The bonds were subscribed by selected shareholders and institutional investors."



- | | |
|------------|---|
| 30.08.2005 | Travel24.com AG on the right path |
| 03.08.2005 | Travel24.com a suitable candidate for marriage |
| 01.07.2005 | Ad hoc disclosure: Convertible bond with a total volume of €3.6 million placed. |

10. Financial calendar

30 November 2005	Publication of Nine-Month Report 2005
31 March 2006	Financials' press conference and analysts' conference
31 March 2006	Publication of Annual Report 2005

11. Contact details

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