

Three-month report Q1 / 2007



Contents

1. Summary of key data	3
2. Introduction	4
3. Business performance	5
4. Business results	7
5. Outlook	8
6. Interim consolidated financial statements as of 31 March 2007	
Consolidated balance sheet	9
Consolidated income statement	10
Consolidated cash flow statement	11
Consolidated statement of changes in shareholders' equity	12
7. Notes to the interim financial statements	13
8. Securities held by the Managing and Supervisory Boards	15
9. Financial calendar	16
10. Publication details	16

1. Summary of key data

		1. Jan. - 31. March	
		2006	2005
		TEUR	TEUR
total transaction value	per booking date	5,001	4,772
	per travel date	2,143	2,689
net sales		525	444
EBITDA		-271	-515
EBIT		-277	-529
consolidated net gain / loss		-507	456
net gain /	basic	-0.45	0.27
net loss per share (in EUR)	diluted	-0.14	0.15
operative cash flow		-460	-884
number of employees as per 31. March excl. management board		27	33

2. Introduction

**Dear Shareholders, Customers, Business Associates and Employees,
Ladies and Gentlemen,**

travel24.com again enjoyed positive business growth in the first quarter of 2007. Operating result from core business was again positive, and Travel24.com AG has now proved, in three successive quarters, that its agency business is on track and growing further. The latest study by F.U.R. evidences the continued high awareness of the brand and sympathy for the travel24.com brand.

When making travel arrangements, the customer does not wish to forego personal service and insists on a competent contact person to help with putting together the individual travel elements. We recently started to present this aspect of our service with a short video on our Web site. We have had the high quality of our service independently reviewed by TÜV Süd, and our top grades mean that we are now "service certified".

The new tour operator segment also recorded initial successes. We won our first key sales partner - Tchibo - and are about to conclude several nationwide sales alliances, which means that Travel24.com AG has now successfully created a second area of operations.

Travel24.com AG's Annual General Meeting will be held on 20 June 2007 in the Literaturhaus, Munich. 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 2007

3. Business performance

Travel retail

The core business of the Travel24 Group is the sale of holidays. The portfolio covers all the major tour operators as well as over 50,000 hotels, more than 750 airlines with scheduled, charter and budget flights. Added to this are a daily selection of up to 12 million last-minute offers and the Dynamic Packaging offering. The program also includes additional offerings such as rental cars, insurance, etc. All travel services can be booked easily and comfortably online at www.travel24.com or using the toll-free booking hotline.

The newly formed subsidiary Direkt-Touristik AG has started a strategic alliance with the Tchibo Group. Direkt-Touristik AG has put together attractive travel packages for this retail group, and is anticipating increased revenues as a result of the cooperation. The travel products created by Direkt-Touristik AG, for example to Italy, Portugal, the USA or Egypt can be booked online.

As a result, Travel24.com AG is no longer a pure travel agent, but also a tour operator and a direct provider of innovative travel products. The subsidiary Direkt-Touristik AG puts together offers geared specifically to the German market and which can be individually combined, and these are offered to a broad range of customers via sales channels such as TV, Internet, print, associations and discount chains - avoiding traditional travel agencies. This reorientation will bring Travel24.com AG increased revenues and, primarily, a larger share of the value chain.

Internet

The look-to-book rate has increased significantly year-on-year from an average of 0.49% (0.4 million visits) to 0.56 % (around 0.37 million visits). The number of page impressions in January to March 2007 totalled 3.79 million.

Travel24.com has now also had the quality of its service tested. In addition to the "safer shopping" certificate, which it has held since 2003 (secure transactions and secure purchasing on the Web site), TÜV Süd has reviewed all of travel24.com's service-related areas for the "TÜV Service Qualitätssiegel". The competence, readiness to help and friendliness of the consultants received highly positive results. The TÜV certificate confirms that the service for the internet offerings fully meets customers' expectations with a professional call center.

Marketing

Thanks to the cooperation with TLC Marketing, which has been running successfully for more than two years, international premium certificate actions have now been completed for Austria and Switzerland.

Vouchers are still a key component of marketing activities. Issuing travel vouchers in cooperation with well-known companies such as OSBORNE enjoys great acceptance from contractual partners. This gives travel24.com a regular market presence both on and offline.

Sample voucher use with OSBORNE: To celebrate the anniversary of the famous bull, bottle neck tags with a travel voucher for a trip to Spain were placed on bottles of OSBORNE SOLAZ wine.

Besuchen Sie den Stier zu seinem 50. Geburtstag!

Der stolze schwarze OSBORNE Stier, das berühmteste Markenzeichen Spaniens, feiert in diesem Jahr seinen 50. Geburtstag.

Er wurde vom spanischen Künstler Manolo Prieto entworfen und ziert seit 1957 nicht nur die Etiketten der traditionsreichen Bodega, sondern an 90 exponierten Stellen auch die spanische Landschaft.

Der OSBORNE Stier hat sich zu dem Wahrzeichen Spaniens entwickelt. Nach einer Entscheidung des spanischen Unterhauses stehen die übergroßen Stiere sogar unter Denkmalschutz.

Besuchen Sie den Stier in seiner Heimat! Wir schenken Ihnen in Kooperation mit travel24.com 25 Euro bei Buchung einer Last-Minute- oder Pauschalreise. Ihren Gutschein-Code finden Sie auf der Innenseite.

Der Stier ruft...

OSBORNE SOLAZ
Spaniens berühmte Weine

Das 1772 gegründete Familienunternehmen OSBORNE ist einer der ältesten und berühmtesten Weinerzeuger Spaniens.

Neben seinen vielfach preisgekrönten Rotweinen Tempranillo/Cabernet Sauvignon und Shiraz/Tempranillo präsentiert OSBORNE einen fruchtig-frischen und sehr eleganten Blanco und einen verführerisch duftigen und betont fruchtigen Rosado.

OSBORNE und das Stier-Symbol sind eingetragene Warenzeichen der Grupo OSBORNE, Spanien

Thanks to the continuing cooperation with wdv Verlag it was possible to send the top-quality travel magazine "abenteuer und reisen" to select customers as a mini-subscription for three issues. Direct dialog was sought with customers via the associated e-mail action, and this met with great acceptance.

In February, a strategic alliance was entered into with the market leader for e-mail marketing. The professional, ASP-based solution for HTML newsletters combined with many years of expertise and experience will optimise dialog marketing.

4. Business results

Sales

In the first quarter 2007 the retail travel revenue recorded upon receipt of bookings totalled EUR 5.0 million, up EUR 0.2 million (4.8%) from last year's level (prior-year period: EUR 4.8 million).

In the first three months of the current business year, gross sales recorded per travel date, at EUR 2.1 million, show a decrease of EUR 0.5 million (20.3%).

The changes in consumers' booking behavior have impacted both of these changes in revenues - the period between booking and starting travel has increased again in contrast to the previous year. In addition, the third-party portal support which was discontinued in Q1 2006 also had an impact: The order book of third-party portal support taken over from 2005 was processed for the last time in Q1 2006. This segment was then discontinued without replacement.

Results

The company's operating results improved significantly in the first quarter, as both EBITDA and EBIT record a loss that is around EUR 0.25 million lower than in Q1 2006.

Adjusting EBIT as of 31 March 2007 (EUR 277 thousand) for the start-up losses with the direct tour operator totalling EUR 281 thousand, results in operating profits for the travel24.com group's core business in the first quarter totalling EUR 4 thousand.

The loss from the first three months of the current fiscal year totalling EUR 0.5 million is mostly due to these start-up losses in connection with establishing the direct tour operator division as well as non-cash interest rate charges of the convertible bonds issued by the company.

Within the reporting item "Interest and similar expenses", issuing and interest expenditure of EUR 233 thousand for convertible bonds depressed earnings due to the progressive capitalisation of interest according to IFRS on all debenture loans and similar financing instruments issued by the Company.

Cash and cash equivalents

The cash and cash equivalents reported as of 31 March 2007 totalled EUR 554 thousand were thus down EUR 461 thousand compared to the start of the year. The cash and cash equivalents used in operations during the first quarter totalled EUR 460 thousand and were mostly used to establish the direct tour operator division which was established at the end of last year.

Capital expenditure

There were no notable investments in the first three months of the current financial year.

Employees

As of 31 March 2007 the Travel24.com Group employed 27 staff; this corresponds to 15.8 full-time employees as of the cut-off date for the quarter (all figures excluding board members).

5. Outlook

The Managing Board is forecasting positive business growth for 2007 as a whole as a result of the favorable underlying conditions for online travel agencies and the promising start being recorded in the tour operator segment. In addition to strong revenue growth with forecast travel sales totalling EUR 30 to 40 million, the company is forecasting significant profits for the first time in its history.

The strong growth which the Managing Board is forecasting for the coming years will primarily be generated from expanding its direct marketing business, despite significant growth in its traditional travel agency business. We have put together a total of 89 packages for the coming winter - some of which are at sensationally low prices. We have now finished hiring new staff at our tour operator subsidiary Direkt-Touristik AG; income from the investments made to date is forecast for the second half of the year.

Direkt-Touristik AG is working on also being able to offer package deals in the rest of Europe over the medium term, and has already established corresponding contacts. In addition, new strategic alliances with leading retail chains in Germany are about to be concluded - it may be possible to report on these ahead of the General Meeting on 20 June 2007. We are forecasting net revenues from our tour operator business of up to EUR 20 million for the current fiscal year, with revenues of between EUR 30 to 40 million in 2008.

We are initially forecasting growth rates for our tour operator business at the same level as market growth, which is increasing rapidly. As soon as more marketing investments become worthwhile as a result of the increasing acceptance of online bookings, it will be possible to further increase the market share.

The Managing Board intends to record higher sales, thus making the company more profitable via acquisitions, contributions or asset deals. We plan to achieve a significant increase in enterprise value of our shareholders.

Interim consolidated financial statements as of 31 March 2007

Consolidated balance sheet as of 31 March 2007 (IFRS)

ASSETS	31. March 2007	31. Dec. 2006
	TEUR	TEUR
current assets		
cash and cash equivalents	554	1,015
short-term investments / marketable securities		
trade accounts receivable	269	123
other accounts receivable and assets	624	370
total current assets	1,447	1,508
non current assets		
intangible assets	111	110
property, plant and equipment	44	48
investments	116	116
total non current assets	272	274
total assets	1,718	1,782

LIABILITIES and SHAREHOLDERS' EQUITY	31. March 2007	31. Dec. 2006
	TEUR	TEUR
current liabilities		
accrued expenses	305	335
trade accounts payable	555	478
other current liabilities	320	158
total current liabilities	1,179	971
non current liabilities		
convertible bonds	6,197	5,964
total non current liabilities	6,197	5,964
shareholders' equity		
share capital	1,056	1,056
additional paid-in capital	943	943
remuneration from share options	0	0
accumulated deficit	-7,657	-7,152
total shareholders' equity	-5,658	-5,153
total liabilities and shareholders' equity	1,718	1,782

Consolidated statement of income from 1 January to 31 March (IFRS)

	1. January - 31. March	
	2007 TEUR	2006 TEUR
revenues	525	444
other operating income	61	194
personnel expenses	-386	-279
depreciation of property, plant and equipment and of intangible assets	-6	-14
other operating expenses	-472	-874
operating loss	-277	-529
interest income	3	1,205
interest expenses	-233	-221
result before income taxes	-507	456
income tax	0	0
net income / loss	-507	456

net loss per share	1. January - 31. March			
	2007		2006	
	basic	diluted	basic	diluted
weighted average number of shares outstanding	1,055,745	3,421,290	1,671,251	2,974,762
net loss (in TEUR)	-507	-507	456	456
per share (in EUR)	-0.48	-0.15	0.27	0.15

Consolidated cash flow statement from 1 January to 31 March

	1. Jan. - 31. March	
	2007 TEUR	2006 TEUR
net income / net loss	-507	456
(+) depreciation and amortization	6	14
(+) financial result	230	188
(-) decrease in provisions	-30	-188
(+/-) gains (-) / losses (+) on the disposal of fixed assets	0	0
(+/-) gains (-) / losses (+) on the redemption of convertible bonds	0	-1,203
(+/-) change in net working capital	-161	-162
(+) non-cash items	3	11
net cash used in operating activities	-460	-884
(-) purchase of property, plant and equipment	-3	-2
(+) proceeds from sale of equipment / repayment of loans	0	0
net cash used in investing activities	-3	-2
(+/-) accruals from the issuance of share capital	0	802
(+) payments on other financing instruments	0	761
(-) disbursements for the redemption of convertible bonds	0	0
(+) interest received	3	0
(-) interest paid	-0	-1
net cash provided by / used in financing activities	3	1,562
net decrease / increase in cash and cash equivalents	-461	676
cash and cash equivalents at beginning of period	1,015	193
cash and cash equivalents at end of period	554	869

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 31 March

in TEUR, 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. December 2005	1,609,584	0	1,610	0	1,788	-50	0	-8,756	-5,408
capital increase for cash	150,000		150		255				405
equity cut & reverse share split									0
convertible bond warrants					319			143	462
expenses for procurement of equity *					-66				-66
capital increase through conversion of convertible bonds									0
issue of stock options and partial deferred expenses for remuneration from stock options					-1	12			11
net gain								456	456
as of 31. March 2006	1,759,584	0	1,760	0	2,296	-37	0	-8,157	-4,139
as of 31. December 2006	1,055,745	0	1,056	0	943	0	0	-7,152	-5,153
capital increase for cash									0
equity cut & reverse share split									0
convertible bond warrants									0
expenses for procurement of equity *									0
capital increase through conversion of convertible bonds									0
issue of stock options and partial deferred expenses for remuneration from stock options					0			2	3
net loss								-507	-507
as of 31. March 2007	1,055,745	0	1,056	0	943	0	0	-7,657	-5,658

* 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	Interest held
Direkt-Touristik AG, Munich	100%
Travel24 GmbH, Berlin	100%
Travel Systems AG, Munich	100%

Notes to the balance sheet

The total assets of EUR 1.7 million as of 31 March 2007 were down EUR 0.1 million over 31 December 2006.

The downturn in cash and cash equivalents was only partially compensated by increasing the receivables and other assets.

On the equity and liabilities side, current liabilities increased by almost EUR 0.2 million to EUR 1.2 million in the first quarter 2007; non-current liabilities also increased by almost EUR 0.2 million as a result of non-cash interest charges being carried as liabilities. During the same period, equity fell as a result of losses by around EUR 0.5 million.

Segment reporting

segment presentation per 31. March 2007	Travel Marketing & Distribution	Travel Technology	Direct Marketing Tour Operator	Eliminations	Travel24- Group
	TEUR	TEUR	TEUR	TEUR	TEUR
revenues - trade	508	0	17	0	525
- intersegment	0	0	0	0	0
total revenues	508	0	17	0	525
operating result	86	0	-281	-82	-277
interest income					3
interest expenses					-233
net loss					-507
segment assets	1,760	0	193	-235	1,718
segment liabilities	743	0	254	-235	762
unassigned liabilities					417
consolidated liabilities	743	0	254	-235	1,179
capital expenditure	0	0	3	0	3
ordinary depreciation	5	0	0	0	6

segment presentation per 31. March 2006	Travel Marketing & Distribution	Travel Technology	Direct Marketing Tour Operator	Eliminations	Travel24- Group
	TEUR	TEUR	TEUR	TEUR	TEUR
revenues - trade	420	24		0	444
- intersegment	0	0		0	0
total revenues	420	24		0	444
operating result	-576	-93		140	-529
interest income					1,205
interest expenses					-221
net loss					456
segment assets	2,772	123		-700	2,194
segment liabilities	1,168	152		-700	620
unassigned liabilities					1,059
consolidated liabilities	1,168	152		-700	1,679
capital expenditure	0	0		0	0
ordinary depreciation	2	11		0	14

Net cash used in operating activities

Net cash used in operating activities in the first three months of the current financial year amounted to EUR 0.5 million. The reduction in liquidity was mostly due to establishing a new division, which was initiated at the end of last year.

Net cash used in investing activities

Investing activities had no significant effect on group liquidity.

Net cash provided by financing activities

The net cash provided under this reporting item is mainly due to the interest income from fixed-term deposits and loans granted.

8. Securities held by the Managing and Supervisory Boards

	<u>Shares</u>	<u>Options</u>
Managing Board		
Marc Maslaton	23,319	8,727
Philip Kohler	542	4,909
Supervisory Board		
Dr. Matthias Schüppen	0	
Martin Amrhein	7,981	
Cristofor Henn	0	
Alexander Kersting	0	
Alexander Graf Gneisenau	0	

As of 31 March 2007 the Company had issued a total of 466,825 stock options. The options applying from this to the Company's executive bodies authorised them to subscribe for 13,636 shares in Travel24.com AG as per the figures provided above. The balance in the amount of 216,825 options relates to employees and senior staff of Travel24.com AG and of subsidiaries.

9. Financial calendar

31 May 2007	Publication of Three-month report Q1 / 2007
20 June 2007	Annual General Meeting
31 August 2007	Publication of Half-Year Report 2007
19 November 2007	Publication of Three-month report Q3 / 2007
30 April 2008	Publication of Annual Report 2007

10. Publication details

Publisher

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