

## Nine-Month Report 2007



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## 1. Summary of key data

		3rd quarter		1. Jan. - 30. Sept.	
		2007	2006	2007	2006
		TEUR	TEUR	TEUR	TEUR
total transaction value	per booking date	3,777	3,305	12,346	10,727
	per travel date	5,672	4,611	12,205	11,084
net sales		564	296	1,464	1,053
EBITDA		-252	63	-1,118	-619
EBIT		-258	52	-1,136	-657
consolidated net gain / loss		-410	-394	-1,754	-311
net gain / net loss per share (in EUR)	basic	-0.28	-0.37	-1.54	-0.21
	diluted	-0.13	-0.15	-0.53	-0.11
operative cash flow		-146	92	-884	-1,276
number of employees as per 30. September excl. management board		26	22	26	22

## 2. Foreword

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

Following the launch of the first cooperative projects with Tchibo, Netto and the Niedrig-Preis branches, the new tour business has started to bear fruit. Naturally, the figures also reflect the high start-up costs for the launch and expansion of direkt-touristik AG. Encouraged by this initial success, however, we have decided to increase investment in this part of the business, over and above what was initially planned. The overall healthy growth of the Travel24.com group will therefore initially be overshadowed by this necessary product and marketing investment.

The travel retail business through the travel24.com portal remains profitable despite the strong increase in marketing expenditure. The Internet travel market is continuing to grow and is constantly changing. Studies carried out by PhoCusWright and Ulysses Web-Tourismus show the growing significance of tour operators in the online business. Significantly higher growth is expected for this segment than for traditional online travel retailers. On account of the strong performance of this sector we are once again expecting to see a clear increase in sales and positive contributions to profits.

Best wishes to you and your families for a Happy Christmas.

Thank you for the trust you have placed in Travel24.com AG in 2007 and all the best for 2008!

Yours,



Marc Maslaton  
CEO Travel24.com AG

Munich, November 2007

### 3. Business development

#### 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](http://www.travel24.com) or using the toll-free booking hotline.

In September the Company's own ypsilon.net scheduled flight module went online. All standard airline flights can be booked here, but so, too, can those of the low-cost airlines. This permits the option of offering multistop and open-jaw flights.

Travel24.com's subsidiary direkt-touristik AG's sales of specific mix and match products geared to the German market are steadily improving. Besides its current partnerships with the Tchibo group and the discounter Netto, direct-touristik AG has also added a further sales outlet in the form of a partnership with the Niedrig-Preis outlets of EDEKA-Markt Minden-Hannover GmbH.

#### Internet

The look-to-book rate has increased significantly year-on-year from an average of 0.56% (1.03 million visits) to 0.66% (around 1.01 million visits). The number of page impressions for the current financial year increased over the previous year from 0.82 million to 1.1 million.

#### Marketing

The partnership with TLC Marketing saw the launch of bonus voucher campaigns for Möbel Knappstein, Tennispark Steinbach, Sijuu and once again for the Postbank in the period from July to September.

Vouchers are still a key component of the marketing activities. They ensure that travel24.com retains an ongoing market presence offline, too.

## 4. Business results

### Sales revenue

In the third quarter 2007 the retail travel revenue recorded upon receipt of bookings totalled EUR 3.8 million, up EUR 0.5 million (14.3%) from last year's level (previous-year period: EUR 3.3 million).

In the first nine months of the current financial year, gross sales recorded per travel date, at EUR 5.7 million, show an increase of EUR 1.1 million (23.0%).

The impact of the direct tour activities launched in the current financial year is visible in both these changes. Pure travel retail activities (by travel date) showed an increase of EUR 0.5 million (+4.4%) in the first nine months of the current financial year in comparison to the equivalent period last year.

### Results

The third quarter shows a reduction in the losses posted in the previous two quarters. At just under EUR 0.25 million, both the EBITDA and the EBIT also show a reduction in the losses in comparison to the average of the same quarter the previous year of roughly EUR 0.43 million.

Adjusting EBIT as of 30 September 2007 (EUR -1.1 million) for the start-up losses with the direct tour operator totalling EUR -1.0 million, results in operating profits for the travel24.com group's core business in the third quarter totalled EUR -0.1 million. The latter is basically attributable to special effects in the reporting period ended related to holding the general meeting and various consulting fees.

Hence, the loss from the first nine months of the current financial year totalling EUR -1.8 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 154 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. Overall, in the first nine months of the current financial year there were EUR 625 thousand in interest rate charges not affecting liquidity.

### Cash and cash equivalents

The cash and cash equivalents reported as of 30 September 2007 totalling EUR 165 thousand were thus down EUR 850 thousand compared to the start of the year. The cash and cash equivalents used in operations during the first quarter totalled EUR 884 thousand and were mostly used to establish the direct tour operator division which was established at the end of last year.

### Capital expenditure

Besides the funds required for setting up direkt-touristik AG there was no appreciable investment in the first nine months of the current financial year.

### Employees

As of 30 September 2007 the Travel24.com Group employed 26 staff; this corresponds to 16.1 full-time employees as of the cut-off date for the quarter (all figures excluding board members).

## 5. Outlook

Travel24.com AG has invested heavily in the new tour operator business of our subsidiary direkt-touristik AG since November 2006, as a result of which it was possible to enter into significant partnerships with major retail organisations such as Tchibo, Netto and all the Niedrig-Preis branches of EDEKA-Markt Minden-Hannover GmbH.

The strong increase in direct tour sales which started to filter through in Q2 continued in the second half of 2007. In comparison to the previous year Travel24.com AG is therefore expecting to see a significant increase in sales in this current financial year, which is otherwise heavily influenced by investment.

The combination of web-based booking and processing and offline marketing with powerful sales partners such as the Netto discounter supermarkets means that we are expecting to see greater bookings sales in the coming financial year from the tour business than from retail sales via the Internet portal. Overall the management board of Travel24.com AG is expecting booking sales totalling EUR 30 to 40 million and significantly higher profits in the coming year, 2008. In the future, growing sales will be generated in Germany, but the expansion currently being seen in the online travel markets of our neighbouring countries will also contribute to our company's growth.

## 6. Consolidated interim financial statements as of 30 Sept. 2007

### Consolidated balance sheet as of 30 September 2007 (IFRS)

	30. Sep. 07	31. Dec. 2006
<b>ASSETS</b>		
	TEUR	TEUR
<b>current assets</b>		
cash and cash equivalents	165	1,015
short-term investments / marketable securities		
trade accounts receivable	237	123
other accounts receivable and assets	777	370
<b>total current assets</b>	<b>1,179</b>	<b>1,508</b>
<b>non current assets</b>		
intangible assets	112	110
property, plant and equipment	37	48
investments	80	116
<b>total non current assets</b>	<b>229</b>	<b>274</b>
<b>total assets</b>	<b>1,408</b>	<b>1,782</b>

	30. Sep. 07	31. Dec. 2006
<b>LIABILITIES and SHAREHOLDERS' EQUITY</b>		
	TEUR	TEUR
<b>current liabilities</b>		
accrued expenses	259	335
trade accounts payable	1,383	478
other current liabilities	77	158
<b>total current liabilities</b>	<b>1,718</b>	<b>971</b>
<b>non current liabilities</b>		
convertible bonds	5,699	5,964
<b>total non current liabilities</b>	<b>5,699</b>	<b>5,964</b>
<b>shareholders' equity</b>		
share capital	1,366	1,056
additional paid-in capital	1,531	943
remuneration from share options	0	0
accumulated deficit	-8,906	-7,152
<b>total shareholders' equity</b>	<b>-6,009</b>	<b>-5,153</b>
<b>total liabilities and shareholders' equity</b>	<b>1,408</b>	<b>1,782</b>



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

	3rd quarter		1. January - 30. September	
	2007	2006	2007	2006
	TEUR	TEUR	TEUR	TEUR
revenues	564	296	1,464	1,053
other operating income	60	148	178	710
personnel expenses	-175	-179	-777	-700
depreciation of property, plant and equipment	-6	-11	-18	-38
other operating expenses	-701	-203	-1,983	-1,681
<b>operating loss</b>	<b>-258</b>	<b>52</b>	<b>-1,136</b>	<b>-657</b>
interest income	2	4	8	1,212
interest expenses	-154	-450	-626	-867
<b>result before income taxes</b>	<b>-410</b>	<b>-394</b>	<b>-1,754</b>	<b>-311</b>
income tax	0	0	0	0
<b>net income / loss</b>	<b>-410</b>	<b>-394</b>	<b>-1,754</b>	<b>-311</b>

	3rd quarter				1. January - 30. September			
	2007		2006		2007		2006	
net loss per share	basic	diluted	basic	diluted	basic	diluted	basic	diluted
weighted average number of shares outstanding	1,284,078	3,221,290	1,055,745	2,614,759	1,137,301	3,287,957	1,490,313	2,873,062
<b>net loss (in TEUR)</b>	<b>-410</b>	<b>-410</b>	<b>-394</b>	<b>-394</b>	<b>-1.754</b>	<b>-1.754</b>	<b>-311</b>	<b>-311</b>
<b>per share (in EUR)</b>	<b>-0.32</b>	<b>-0.13</b>	<b>-0.37</b>	<b>-0.15</b>	<b>-1.54</b>	<b>-0.53</b>	<b>-0.21</b>	<b>-0.11</b>

## Consolidated cash flow statement from 1 January to 30 September

	1. Jan. - 30. Sept.	
	2007	2006
	TEUR	TEUR
net income / net loss	-1,754	-311
(+) depreciation and amortization	18	102
(+) financial result	618	827
(-) decrease in provisions	-76	-539
(+/-) 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	303	-174
(+) non-cash items	8	22
<b>net cash used in operating activities</b>	<b>-884</b>	<b>-1,276</b>
(-) purchase of property, plant and equipment	-9	-17
(+) proceeds from sale of equipment / repayment of loans	36	0
<b>net cash used in investing activities</b>	<b>27</b>	<b>-17</b>
(+/-) accruals from the issuance of share capital	0	780
(+) payments on other financing instruments	0	761
(-) disbursements for the redemption of convertible bonds	0	0
(+) interest received	8	0
(-) interest paid	-1	-252
<b>net cash used in / provided by financing activities</b>	<b>7</b>	<b>1,288</b>
<b>net decrease / increase in cash and cash equivalents</b>	<b>-850</b>	<b>-4</b>
cash and cash equivalents at beginning of period	1,015	193
cash and cash equivalents at end of period	165	189

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 equity from 1 January to 30 Sept.

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
<b>as of 31. December 2005</b>	<b>1,609,584</b>	<b>0</b>	<b>1,610</b>	<b>0</b>	<b>1,788</b>	<b>-50</b>	<b>0</b>	<b>-8,756</b>	<b>-5,408</b>
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 *					-87				-87
capital increase through conversion of convertible bonds									0
issue of stock options and partial deferred expenses for remuneration from stock options					-15	37			22
net gain								-311	-311
<b>as of 30. September 2006</b>	<b>1,759,584</b>	<b>0</b>	<b>1,760</b>	<b>0</b>	<b>2,259</b>	<b>-12</b>	<b>0</b>	<b>-8,924</b>	<b>-4,917</b>
<b>as of 31. December 2006</b>	<b>1,055,745</b>	<b>0</b>	<b>1,056</b>	<b>0</b>	<b>943</b>	<b>0</b>	<b>0</b>	<b>-7,152</b>	<b>-5,153</b>
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	310,000		310		580				890
issue of stock options and partial deferred expenses for remuneration from stock options					8			0	8
net loss								-1,754	-1,754
<b>as of 30. September 2007</b>	<b>1,055,745</b>	<b>0</b>	<b>1,366</b>	<b>0</b>	<b>1,531</b>	<b>0</b>	<b>0</b>	<b>-8,906</b>	<b>-6,009</b>

\* 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 consolidated interim financial statements

### Group of consolidated companies

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 1.4 million as of 30 September 2007 were down EUR 0.4 million over 31 December 2006.

The downturn in cash and cash equivalents was only partially compensated by increasing trade receivables and other assets due to business development.

On the equity and liabilities side, current liabilities increased by almost EUR 0.7 million to EUR 1.7 million in the third quarter 2007; noncurrent liabilities also increased by almost EUR 0.3 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 0.9 million.

## Segment reporting

<b>segment presentation per 30 September 2007</b>	<b>Travel Marketing &amp; Distribution TEUR</b>	<b>Travel Technology TEUR</b>	<b>Direct Marketing Tour Operator TEUR</b>	<b>Eliminations TEUR</b>	<b>Travel24- Group TEUR</b>
revenues - trade	1.161	0	303	0	1.464
- intersegment	0	0	0	0	0
<b>total revenues</b>	<b>1.161</b>	<b>0</b>	<b>303</b>	<b>0</b>	<b>1.464</b>
operating result	-97	0	-1.029	-10	-1.136
interest income					8
interest expenses					-626
<b>net loss</b>					<b>-1,754</b>
segment assets	865	0	343	201	1,408
segment liabilities	887	0	753	201	1,841
unassigned liabilities					-122
<b>consolidated liabilities</b>	<b>887</b>	<b>0</b>	<b>753</b>	<b>201</b>	<b>1,718</b>
capital expenditure	4	0	6	0	9
ordinary depreciation	16	0	2	0	18

<b>segment presentation per 30 September 2006</b>	<b>Travel Marketing &amp; Distribution TEUR</b>	<b>Travel Technology TEUR</b>	<b>Direct Marketing Tour Operator TEUR</b>	<b>Eliminations TEUR</b>	<b>Travel24- Group TEUR</b>
revenues - trade	1,028	25		0	1,053
- intersegment	0	0		0	0
<b>total revenues</b>	<b>1,028</b>	<b>25</b>		<b>0</b>	<b>1,053</b>
operating result	56	-144		-569	-657
interest income					1,212
interest expenses					-867
<b>net loss</b>					<b>-311</b>
segment assets	1,552	116		-580	1,088
segment liabilities	870	37		-580	327
unassigned liabilities					630
<b>consolidated liabilities</b>	<b>870</b>	<b>37</b>		<b>-580</b>	<b>956</b>
capital expenditure	12	0		0	12
ordinary depreciation	30	7		0	38

### Net cash used in operating activities

Net cash used in operating activities in the first nine months of the current financial year amounted to EUR 0.9 million. The reduction in liquidity was mostly due to establishing a new division, which was launched 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

As of the balance sheet date 30 September 2007 the shares and options held by members of the Managing Board and of the Supervisory Board under the employee participation program were as follows:

	<u>Shares</u>	<u>Options</u>
<b>Management Board</b>		
Marc Maslaton	23,319	8,727
Philip Kohler	540	4,909
<b>Supervisory Board</b>		
Dr. Matthias Schüppen	0	
Martin Amrhein	7,981	
Cristofor Henn	0	
Alexander Kersting	0	
Alexander Graf Gneisenau	0	

As of 30 September 2007 the Company had issued a total of 465,325 stock options. The 250,000 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 of 215,325 options is due to employees and executives of Travel24.com AG and its subsidiaries and authorizes these persons to subscribe to a total of 140,871 shares of Travel24.com AG upon maturity.

## 9. Financial calendar

19 November 2007	Publication of Nine-Month Report 2007
30 April 2008	Publication of Annual Report 2007
30 April 2008	Balance sheet press conference
30 April 2008	Analysts' Conference

## 10. Publication details

### Publisher

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