

Three-month report Q1 / 2008



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1. Summary of key data

| | | 2008 | 2007 |
|--|------------------|-------|-------|
| | | TEUR | TEUR |
| total transaction value | per booking date | 5,695 | 5,001 |
| | per travel date | 3,076 | 2,143 |
| net sales | | 1,230 | 525 |
| EBITDA | | -107 | -271 |
| EBIT | | -111 | -277 |
| consolidated net gain / loss | | -302 | -507 |
| net gain / | basic | -0.19 | -0.48 |
| net loss per share (in EUR) | diluted | | |
| operative cash flow | | -233 | -460 |
| number of employees as per 31. March excl. management board | | 26 | 27 |

2. Foreword

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

In the first quarter of the year both travel24.com's travel agency business and business at the subsidiary Direkt-Touristik AG grew substantially year-on-year. As only revenues actually travelled are recorded in these quarterly figures, we believe that it is important to note that earnings for the quarter are positive based on the travel sold. We believe that revenues and income will increase in the Internet over the year as a whole, while the market on the whole will stagnate. Travel24.com's growth is purely being driven by customers migrating from bricks-and-mortar travel agents to the Internet.

Yours



Marc Maslaton
CEO Travel24.com AG

Munich, May 2008

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 or using the toll-free booking hotline.

Holiday and more's booking module for package tours went live in March, and replaces the previous provider wwte.

Internet

In the first quarter the look-to-book rate has increased significantly year-on-year from an average of 0.56% (369,850 visits) to 0.58% (around 444,031 visits). The number of page impressions for the first three months increased over the previous year from 3,791,121 to 4,609,832. In general, the number of hits at online travel portals is increasing. The quick-to-find online offerings have played a major role in this growth. These offerings provide a wide range of interactive information on vacation destinations and, of course, the ever increasing number of interactive portal components, such as ratings by the customers themselves. The fact that the average time customers interested in booking travel online actually spent on sites has increased hand-in-hand with the number of page impressions supports the theory that the future of the travel market will also be online.

Marketing

Sales - both online and offline - of the individual package tours geared specifically to the German market that are offered by Direkt-Touristik AG are continuing to enjoy positive growth. The offering covers city breaks, wellness, family vacations, air travel and beach holidays with an excellent cost/benefits ratio. The number of offline bookings, which is driven by the 24-page travel catalog published each quarter, is significantly higher than online bookings. This is in line with expectations and the customers' profiles. In total, there is a clear trend to road and rail travel. (City) event vacations play a major role.

Direkt-Touristik AG has been able to acquire a well-known textiles company as a partner over and above its existing strategic alliances.

Investor relations

Alexander Graf von Gneisenau and Alexander Kersting resigned from the Supervisory Board for personal reasons at the start of February with immediate effect after prior announcement.

At the end of March, the Management and Supervisory Boards of Travel24.com AG resolved to issue a new convertible bond with a total issuing amount of up to EUR 300,000 excluding shareholders' subscription rights in order to further restructure the company. The convertible bond was fully placed with interested investors in Germany and abroad. A total of 300,000 bearer convertible bonds were issued, each with a nominal amount of EUR 1.00. The convertible bond matures in 2009.

4. Business results

Revenue

In the first quarter 2008 the retail travel revenue recorded upon receipt of bookings totalled EUR 5.7 million, up EUR 0.7 million (13.9%) from last year's level (prior-year period: EUR 5.0 million).

In the first three months of the current financial year, gross revenue recorded per travel date, at EUR 3.1 million, is up EUR 0.9 million (43.5%).

The impact of the direct tour activities launched in the past financial year is visible in both these changes. Pure travel retail activities (by travel date) showed an increase of EUR 0.2 million (+ 7.6%) in the first three months of the current financial year in comparison to the equivalent period last year.

Results

Losses in the first quarter fell compared to the prior-year period. At just under EUR 0.1 million, both EBITDA and the EBIT also show a reduction in the losses compared to Q1 2007 of roughly EUR 0.3 million.

If all of the transactions included in the order book as of March 31, 2008 but not yet travelled as of 31 March 2008 were recognised in income, the Travel24.com Group would record a practically balanced result at an operating level. The loss of EUR 0.3 million recorded in the first quarter of the current fiscal year mostly comprises a commission component of EUR 0.1 million included in the order book that is not reflected in income, as well as non-cash interest charges from the convertible bonds issued by the company in the amount of EUR 0.2 million.

The latter impacts the quarterly result in the amount of EUR 205 thousand in the item "Interest and similar expenses" from issuing and interest expenditure 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 2008 totalling EUR 289 thousand were thus down EUR 221 thousand compared to the start of the year. The cash and cash equivalents used in operations during the first quarter totalled EUR 233 thousand and were mostly used to establish the direct tour operator division which was established at the end of last year.

Investment

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

Employees

As of 31 March 2008 the Travel24.com Group employed 26 staff; this corresponds to 18.3 full-time employees as of the cut-off date for the quarter (all figures excluding board members).

5. Outlook

A creditors' meeting for Travel24.com AG was held on May 16 in Munich. As previously announced in the Federal Gazette, this meeting agreed to extend the term of the convertible bond due this year until July 2010. This was agreed with a majority vote and, at the same time, the company was able to agree an interest-free extension of the term to July 2010 with all of the other holders of convertible bonds currently issued with a total claim of around EUR 3.5 million. As a result, there are no repayment obligations in the next two years, and the forecasting horizon is sufficiently long to prove the company's success.

6. Interim consolidated financial statements as of 31 March 2008

Consolidated balance sheet as of 31 March 2008 (IFRS)

| ASSETS | note # | 31. March 2008 | 31. Dec. 2007 |
|--|-----------|----------------|---------------|
| | | TEUR | TEUR |
| current assets | | | |
| cash and cash equivalents | | | |
| short-term investments / marketable securities | 3 | 289 | 511 |
| trade accounts receivable | 4 | 342 | 192 |
| other accounts receivable and assets | 5 | 862 | 461 |
| total current assets | | 1,494 | 1,164 |
| non current assets | | | |
| intangible assets | 6 & 7 | 110 | 111 |
| property, plant and equipment | 6 | 30 | 31 |
| investments | 6 | 80 | 80 |
| total non current assets | | 220 | 222 |
| total assets | | 1,714 | 1,386 |

| LIABILITIES and SHAREHOLDERS' EQUITY | note # | 31. March 2008 | 31. Dec. 2007 |
|---|-----------|----------------|---------------|
| | | TEUR | TEUR |
| current liabilities | | | |
| accrued expenses | 8 | 190 | 346 |
| trade accounts payable | 9 | 1,580 | 1,372 |
| convertible bonds | 9 & 10.4 | 2,075 | 2,001 |
| other current liabilities | 9 | 805 | 435 |
| total current liabilities | | 4,651 | 4,154 |
| non current liabilities | | | |
| convertible bonds | 9 & 10.4 | 4,042 | 3,912 |
| total non current liabilities | | 4,042 | 3,912 |
| shareholders' equity | | | |
| share capital | 10.1 | 1,616 | 1,616 |
| additional paid-in capital | | 2,080 | 2,077 |
| remuneration from share options | 10.6 | 0 | 0 |
| accumulated deficit | | -10,675 | -10,373 |
| total shareholders' equity | | -6,980 | -6,680 |
| total liabilities and shareholders' equity | | 1,714 | 1,386 |

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

| | 1. January - 31. March | |
|---|------------------------|--------------|
| | 2008 TEUR | 2007 TEUR |
| revenues | 1,230 | 525 |
| other operating income | 185 | 61 |
| purchases | -612 | 0 |
| personnel expenses | -264 | -386 |
| depreciation of property, plant and equipment and of intangible assets | -5 | -6 |
| other operating expenses | -645 | -472 |
| operating loss | -111 | -277 |
| interest income | 14 | 3 |
| interest expenses | -205 | -233 |
| result before income taxes | -302 | -507 |
| income tax | 0 | 0 |
| net income / loss | -302 | -507 |

| | 1. January - 31. March | | | |
|---|------------------------|-------------|--------------|-------------|
| | 2008 | | 2007 | |
| net loss per share | basic | diluted | basic | diluted |
| weighted average number of shares outstanding | 1,615,745 | 3,630,963 | 1,055,745 | 3,421,290 |
| net loss (in TEUR) | -302 | -302 | -507 | -507 |
| per share (in EUR) | -0.19 | | -0.48 | |

Consolidated cash flow statement from 1 January to 31 March

| | note # | 1. Jan. - 31. March | |
|--|-----------|---------------------|--------------|
| | | 2008 TEUR | 2007 TEUR |
| net income / net loss | | -302 | -507 |
| (+) depreciation and amortization | | 5 | 6 |
| (+) financial result | | 191 | 230 |
| (-) decrease in provisions | | -155 | -30 |
| (+/-) gains (-) / losses (+) on the disposal of fixed assets | | 0 | 0 |
| (+/-) change in net working capital | | 27 | -161 |
| (+) non-cash items | | 3 | 3 |
| net cash used in operating activities | | -233 | -460 |
| (-) purchase of property, plant and equipment | | -4 | -3 |
| (+) proceeds from sale of equipment / repayment of loans | | 1 | 0 |
| net cash generated through / used in investing activities | | -3 | -3 |
| (+/-) accruals from the issuance of share capital | | 0 | 0 |
| (+) payments on other financing instruments | | 0 | 0 |
| (+) interest received | | 14 | 3 |
| (-) interest paid | | -0 | -0 |
| net cash provided by financing activities | | 14 | 3 |
| net decrease / increase in cash and cash equivalents | | -221 | -461 |
| cash and cash equivalents at beginning of period | | 511 | 1,015 |
| cash and cash equivalents at end of period | | 289 | 554 |

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 EUR 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. 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 |
| as of 31. December 2007 | 1,615,745 | 0 | 1,616 | 0 | 2,077 | 0 | 0 | -10,373 | -6,680 |
| 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 | | | | | 3 | | | | 3 |
| net loss | | | | | | | | -302 | -302 |
| as of 31. March 2008 | 1,055,745 | 0 | 1,616 | 0 | 2,080 | 0 | 0 | -10,675 | -6,980 |

* 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

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 1.7 million as of 31 March 2008 were down EUR 0.3 million over 31 December 2007.

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 0.4 million to EUR 2.6 million in the first quarter 2008; 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 0.3 million.

Segment reporting

| segment presentation per 31. March 2008 | Travel Marketing & Distribution TEUR | Travel Technology TEUR | Direct Marketing Tour Operator TEUR | Eliminations TEUR | Travel24- Group TEUR |
|--|--|------------------------------|---|----------------------|----------------------------|
| revenues - trade | 451 | 0 | 779 | 0 | 1,230 |
| - intersegment | 0 | 0 | 0 | 0 | 0 |
| total revenues | 451 | 0 | 779 | 0 | 1,230 |
| operating result | -63 | 0 | -51 | 3 | -111 |
| interest income | | | | | 14 |
| interest expenses | | | | | -205 |
| net loss | | | | | -302 |
| segment assets | 623 | 0 | 1,091 | 0 | 1,714 |
| segment liabilities | 1,228 | 0 | 1,348 | 0 | 2,576 |
| unassigned liabilities | | | | | 0 |
| consolidated liabilities | 1,228 | 0 | 1,348 | 0 | 2,576 |
| capital expenditure | 3 | 0 | 1 | 0 | 4 |
| ordinary depreciation | 4 | 0 | 1 | 0 | 5 |

| segment presentation per 31. March 2007 | Travel Marketing & Distribution TEUR | Travel Technology TEUR | Direct Marketing Tour Operator TEUR | Eliminations TEUR | Travel24- Group 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 |

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 0.2 million. The impact on liquidity was mostly due to the direct tour operator division established 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 Board and Supervisory Board

As of the balance sheet date 31 March 2008 the shares and options held by members of the Managing Board and of the Supervisory Board under the employee participation program were as follows:

| | Shares | Options |
|--------------------------|--------|--|
| Managing Board | | |
| Marc Maslaton | 23,319 | 160,000 with subscription rights for 8,727 shares |
| Philip Kohler | 540 | 90,000 with subscription rights for 4,909 shares |
| Supervisory Board | | |
| Dr. Matthias Schüppen | 0 | |
| Martin Amrhein | 7,981 | |
| Cristofor Henn | 0 | |
| Alexander Kersting | 0 | |
| Alexander Graf Gneisenau | 0 | |

The company had issued a total of 554,875 non-terminated stock options as of 31 March 2008, which authorise the holders to subscribe for 154,425 shares. 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 of 304,875 options that authorise the holders to subscribe for 140,789 shares, is due to employees and executives at Travel24.com AG and at subsidiaries.

9. Financial calendar

| | |
|------------------|--------------------------------------|
| 19 May 2008 | Publication of Q1 Report / 2008 |
| 29 August 2008 | Publication of Half-Year Report 2008 |
| 19 November 2008 | Publication of Q3 Report / 2008 |
| 30 April 2009 | Publication of Annual Report 2008 |
| 30 April 2009 | Balance sheet press conference |
| 30 April 2009 | Analysts' Conference |

10. Publication details

Publisher

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