

Nine-Month Report 2008



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1. Summary of key data

		3rd quarter		1. Jan. - 30. Sept.	
		2008	2007	2008	2007
		TEUR	TEUR	TEUR	TEUR
total transaction value	per booking date	4,840	3,777	14,388	12,346
	per travel date	7,056	5,672	14,750	12,205
net sales		1,872	564	4,258	1,464
EBITDA		-507	-252	-1,120	-1,118
EBIT		-512	-258	-1,134	-1,136
consolidated net gain / loss		-606	-410	-1,631	-1,754
net gain / net loss per share (in EUR)	basic	-0.36	-0.28	-0.99	-1.54
	diluted				
operative cash flow		-60	-146	-588	-884
number of employees as per 30. Sept. excl. management board		25	26	25	26

2. Foreword

Ladies and Gentlemen,

Overall, the third quarter of 2008 was as we anticipated. The summer travel period was again characterised this year by a large volume of last-minute bookings. The costs of our SEO (Search Engine Optimisation) are paying off, which is shown by the appearance of our web address on the first page of hits in a google search for this criterion.

Due to the objections raised to the proposals for the disposal of subsidiaries and a capital decrease, we withdrew these items from our agenda during our Annual General Meeting on 29 August 2008. A capital decrease is, nevertheless, inevitable for the Company to survive. We have therefore convened an Extraordinary General Meeting for 27 November 2008, at which the sole agenda item will be this capital decrease.

Thank you for the trust you have placed in Travel24.com AG in 2008 and all the best for 2009!

Yours



Marc Maslaton
CEO Travel24.com AG

Munich, November 2008

3. Business performance

Travel retail

Selling holidays is the core business of the Travel24 Group. Our portfolio includes all major tour operators, as well as over 50,000 hotels and more than 750 airlines offering 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 add-ons such as car rental, insurance policies, etc. All travel services can be booked easily and conveniently online at www.travel24.com or using the toll-free booking hotline.

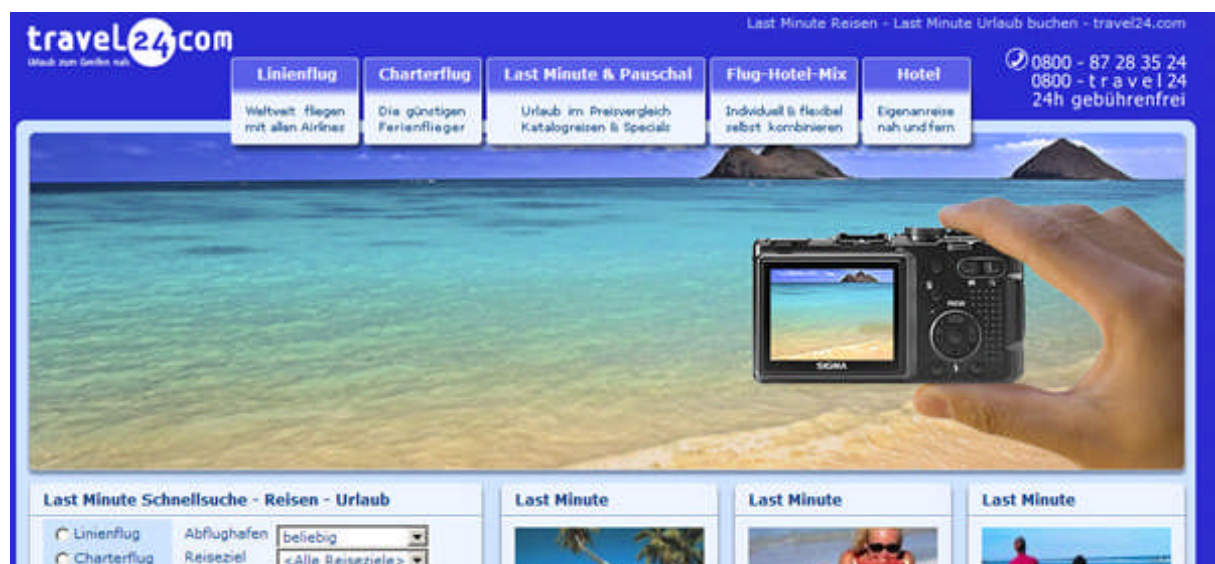
Internet

The total number of visits to our website increased to around 1.31 million in the third quarter (Q3 2007: 1.01 million). The look-to-book rate in September this year was 0.50%. The number of page impressions increased from 10.7 million last year to 14.9 million in September of this financial year.

Marketing

Sales - both online and offline - of the individual package tours geared specifically to the German market that are offered by our subsidiary direkt-touristik AG are continuing to enjoy positive growth. The sales basis has been successfully expanded in this direction. The portfolio includes holidays offering good value for money. The number of offline bookings, which is driven by the 24-page travel brochure published each quarter, is significantly higher than online bookings. This is in line with expectations and the customers' profiles. The trend for earth-bound travel continued in the third quarter. The beach holiday destinations being offered in the travel retail segment via travel24.com, however, aroused a great deal of wanderlust.

Andillary to several voucher and competition campaigns run by a number of distribution partners, we attracted SIGMA Deutschland GmbH – a specialist for cameras, lenses and accessories – as a cooperation partner.







Investor relations

In July of this year the Company initiated compulsory conversion of the convertible bond 2003/2008 from now on. A total of 117,273 shares will be transferred to the holders of the convertible bond against an amount receivable on the convertible bond of € 2.15 million. This will reduce the liabilities in the balance sheet of Travel24.com AG by € 2.15 million, and will increase subscribed capital by € 117,273 to € 1,735,787. In this setting of encouraging business development in 2008 Travel24.com AG thus took another important step in improving its balance sheet.

The capital decrease and the disposal of parts of the Company's assets proposed for the further restructuring of the Company were withdrawn from the agenda of the Annual General Meeting on 29 August 2008. a simplified capital decrease pursuant to Art. 229 et seqq. AktG and a combination of shares in the ratio 8:1 therefore did not take place.

The total number of voting rights of Travel24.com AG amounted to 1,735,787 as of end September 2008. This number had not changed as of 31 October.

4. Outlook

We are confident that the direct tourism business will continue to perform well and that travel24.com will also continue to grow through the continued pursuit of intensive SEO measures. The effects of the financial crisis are, however, evident from the booking behaviour of our customers. The average turnover per booking, for instance, has fallen below € 1,000 for the first time, and we sense a general reticence in booking activities overall. The cheap travel segment is less affected by this than the travel24.com segment.

After our Extraordinary General Meeting on 27 November 2008 our share value should – after the capital decrease – again be in a range that will enable us to engage in negotiations with potential merger partners and/or investors. This will hopefully give new momentum to our growth.

5. Consolidated interim financial statements as of 30 Sept. 2008

5.1 Consolidated balance sheet as of 30 September 2008 (IFRS)

ASSETS	30. Sep. 08	31. Dec. 2007
	TEUR	TEUR
current assets		
cash and cash equivalents	269	511
short-term investments / marketable securities		
trade accounts receivable	638	192
other accounts receivable and assets	787	461
total current assets	1,693	1,164
non current assets		
intangible assets	111	111
property, plant and equipment	24	31
investments	44	80
total non current assets	179	222
total assets	1,872	1,386

LIABILITIES and SHAREHOLDERS' EQUITY	30. Sep. 08	31. Dec. 2007
	TEUR	TEUR
current liabilities		
accrued expenses	161	346
trade accounts payable	1,665	1,372
convertible bonds	0	2,001
other current liabilities	1,623	435
total current liabilities	3,449	4,154
non current liabilities		
convertible bonds	4,536	3,912
total non current liabilities	4,536	3,912
shareholders' equity		
share capital	1,736	1,616
additional paid-in capital	4,155	2,077
remuneration from share options	0	0
accumulated deficit	-12,004	-10,373
total shareholders' equity	-6,113	-6,680
total liabilities and shareholders' equity	1,872	1,386

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

	3rd quarter		1. January - 30. September	
	2008 TEUR	2007 TEUR	2008 TEUR	2007 TEUR
revenues	1,872	564	4,258	1,464
other operating income	99	60	376	178
purchases	-1,263	0	-2,586	0
personnel expenses	-254	-175	-775	-777
depreciation of property, plant and equipment and of intangible assets	-5	-6	-15	-18
other operating expenses	-960	-701	-2,393	-1,983
operating loss	-512	-258	-1,134	-1,136
interest income	2	2	19	8
interest expenses	-95	-154	-516	-626
result before income taxes	-606	-410	-1,631	-1,754
income tax	0	0	0	0
net income / loss	-606	-410	-1,631	-1,754

	3rd quarter				1. January - 30. September			
	2008		2007		2008		2007	
net loss per share	basic	diluted	basic	diluted	basic	diluted	basic	diluted
weighted average number of shares outstanding	1,695,393	3,920,963	1,284,078	3,221,290	1,642,807	3,824,296	1,137,301	3,287,957
net loss (in TEUR)	-606	-606	-410	-410	-1,631	-1,631	-1,754	-1,754
per share (in EUR)	-0.36		-0.28		-0.99		-1.54	

5.3 Consolidated cash flow statement from 1 January to 30 September

	1. Jan. - 30. Sept.	
	2008 TEUR	2007 TEUR
net income / net loss	-1,631	-1,754
(+) depreciation and amortization	15	18
(+) financial result	496	618
(-) decrease in provisions	-184	-76
(+/-) gains (-) / losses (+) on the disposal of fixed assets	0	0
(+/-) change in net working capital	708	303
(+) non-cash items	8	8
net cash used in operating activities	-588	-884
(-) purchase of property, plant and equipment	-8	-9
(+) proceeds from sale of equipment / repayment of loans	36	36
net cash generated through / used in investing activities	29	27
(+/-) accruals from the issuance of share capital	37	0
(+) payments on other financing instruments	263	0
(+) interest received	19	8
(-) interest paid	-1	-1
net cash provided by financing activities	318	7
net decrease / increase in cash and cash equivalents	-242	-850
cash and cash equivalents at beginning of period	511	1,015
cash and cash equivalents at end of period	269	165

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.

5.4 Statement of changes in consolidated equity from 1 January to 30 September

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 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	310,000		310		580				890
issue of stock options and partial deferred expenses for remuneration from stock options					8				8
net loss								-1,754	-1,754
as of 30. September 2007	1,365,745	0	1,366	0	1,531	0	0	-8,906	-6,009
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					37				37
expenses for procurement of equity *									0
capital increase through conversion of convertible bonds	120,042		120		2,034				2,154
issue of stock options and partial deferred expenses for remuneration from stock options					8				8
net loss								-1,631	-1,631
as of 30. Sept. 2008	1,735,787	0	1,736	0	4,155	0	0	-12,004	-6,113

* 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

5.5 Notes to the consolidated interim financial statements

5.5.1 Information on general accounting and valuation principles

Travel24.com AG prepared its nine-month report as of 30 September 2008 using the same accounting and valuation methods applied for the last consolidated annual financial statements as of 31 December 2007.

The consolidated interim financial statements and the consolidated interim management report have neither been reviewed by auditors nor audited within the meaning of Section 317 of the Handelsgesetzbuch (HGB – German Commercial Code).

5.5.2 Report on forecasts and other statements on anticipated growth

Travel retail activities showed positive growth during the first nine months of the current financial year, and are in line with the Company's internal forecasts for both revenues and earnings. As a result, it is assumed that this trend will continue in the last quarter of the year.

The direct tour operating segment implemented in the course of last year also exhibited strong sales growth in the third quarter of 2008. The rates of increase achieved here clearly illustrate the growing acceptance of these tour operator products in the direct marketing channels opened up for them.

Although positive trends can be identified from the development of new activities in 2008, the sustained expansion of this segment is contingent upon further consolidation of our sales revenue and customer base.

5.5.3 Opportunities and risks

Please refer to Note 5 of the Group management report to the annual financial statements as of 31 December 2007.

5.5.4 Related party transactions

There were no significant transactions with related parties that had a material impact on the Company's net assets, financial position and results of operations during the reporting period.

There were no changes to related party transactions that were reported in the last consolidated financial statements.

6. Notes to the interim financial report

6.1 Companies consolidated

Consolidated companies	Interest held
direkt-touristik AG, Munich	100%
Travel24 GmbH, Berlin	100%
Travel Systems AG, Munich	100%

6.2 Segment reporting

The companies included in the consolidated financial statements of Travel24.com AG were active in various business areas. The individual segments generated their income from the following activities:

- a) Travel retail (Travel Marketing & Distribution)
- b) Development and operation of system components for Web-based information and reservation systems (Travel Technology)
- c) Operation and direct marketing of travel services (Direct Marketing Tour Operator)

The business activities of the Travel24 Group cover the following divisions and services and are conducted by the following companies:

<u>Division</u>	<u>Company</u>
a) Travel marketing & distribution Travel retail	Travel24.com AG , Munich Travel24 GmbH , Berlin Travel Systems AG , Munich
b) Travel Technology Development and operation of system components for Web-based information and reservation systems	Travel Systems AG , Munich
b) Direct Marketing Tour Operator Operation and direct marketing of travel services	direkt-touristik AG , Munich

There are no geographic segments within the Travel24.com Group, because the Group's divisions operate only on a national basis.

segment presentation per 30. September 2008	Travel Marketing & Distribution	Travel Technology	Direct Marketing Tour Operator	Eliminations	Travel24- Group
	TEUR	TEUR	TEUR	TEUR	TEUR
revenues - trade	1,065	0	3,193	0	4,258
- intersegment	0	0	0	0	0
total revenues	1,065	0	3,193	0	4,258
operating result	-708	0	-426	0	-1,134
interest income					19
interest expenses					-516
net loss					-1,631
segment assets	820	0	1,101	-49	1,872
segment liabilities	829	0	2,669	-49	3,449
unassigned liabilities					0
consolidated liabilities	829	0	2,669	-49	3,449
capital expenditure	5	0	2	0	8
ordinary depreciation	13	0	2	0	15

segment presentation per 30. September 2007	Travel Marketing & Distribution	Travel Technology	Direct Marketing Tour Operator	Eliminations	Travel24- Group
	TEUR	TEUR	TEUR	TEUR	TEUR
revenues - trade	1,161	0	303	0	1,464
- intersegment	0	0	0	0	0
total revenues	1,161	0	303	0	1,464
operating result	-97	0	-1,029	-10	-1,136
interest income					8
interest expenses					-626
net loss					-1,754
segment assets	865	0	343	201	1,408
segment liabilities	887	0	753	201	1,841
unassigned liabilities					-122
consolidated liabilities	887	0	753	201	1,718
capital expenditure	4	0	6	0	9
ordinary depreciation	16	0	2	0	18

6.3 Report on net assets, financial position and results of operations

6.3.1 Revenue

In the first nine months of 2008 the retail travel revenue recorded upon receipt of bookings totalled € 14.4 million, corresponding to an increase of € 2.1 million (16.5%) year-on-year (year-ago period: € 12.3 million).

In the first nine months of the current financial year, gross sales recorded per travel date, at € 14.8 million, show an increase of € 2.5 million (20.8%).

Whereas the contribution to sales revenue from stationary travel agencies was just above our expectations, both Internet and telephone gross sales and the growing demand for products of the direct operator were conducive to an encouraging trend in turnover.

6.3.2 Results

The losses disclosed in the travel retail segment resulted exclusively from the overheads attributable to this business segment. After eliminating these expenses generated in the parent company, travel retail activities showed a profit of almost € 230 thousand from operating activities.

The start-up losses from direct tour operations were substantially curtailed: losses fell year-on-year by € 603 thousand at the operative level to € -426 thousand.

The shortfall from the reporting period also showed an improvement of € 123 thousand (7%) over the previous year's figure, due to increased turnover and the resulting broader contribution margin.

The interest expenses from the convertible bonds in the amount of € 514 thousand impacted "Interest and similar expenses", which totalled € 516 thousand (Q3 2007: € 626 thousand). However, as already noted in previous periods, this effect did not affect liquidity.

The basic loss per share amounts to € 0.99.

6.3.3 Liquidity

The € 242 thousand decline in cash and cash equivalents in the first nine months of 2008 to € 269 thousand is mainly attributable – as mentioned in previous quarters – to the continued expansion of direct tour operations.

The cash and cash equivalents used in operations during the reporting period totalled € 588 thousand and were thus down by € 296 thousand compared with same period of the previous year (€ 884 thousand). A portion of the cash flow used here was covered by the convertible bonds placed at the start of the second quarter with a total volume of € 300 thousand.

6.3.4 Investment

There was no notable capital expenditure in the first nine months of the current financial year.

6.3.5 Employees

As of 30 September 2008 the Travel24.com Group had 25 employees; this corresponds to 19.3 full-time employees as of the balance sheet date for the quarter (all figures excluding board members).

6.3.6 Notes to the balance sheet

As of 30 September 2008, total assets were up by € 486 thousand to € 1,872 thousand compared with 31 December 2007.

The € 242 thousand decline in cash and cash equivalents was offset by a disproportionate increase of € 772 thousand in other receivables and assets (from the increased business volume). Due to the repayment of loans in the second quarter there was a decline of € 36 thousand to € 44 thousand in the total disclosed under financial assets.

On the liabilities side trade payables together with other current liabilities increased by € 1,480 thousand in the first nine months of the current financial year to € 3,287 thousand. The total volume of convertible bonds decreased by € 1,376 thousand. On the one hand, the corresponding item in the balance sheet – which recognised the liabilities-side 2,150,000 convertible bonds at a value of almost € 2.0 million under "current liabilities" as of 31 December 2007, was reversed after full conversion of the bonds in August 2008. This was countered, on the other hand, by the recognition as liabilities of the non-cash interest expenses and by the placement of an additional convertible bond at the start of the second quarter.

Redemption of the latter resulted in a € 184 thousand reduction in provisions to € 161 thousand.

As a result of the above-mentioned conversion of convertible bonds into new shares of Travel24.com AG the subscribed capital of the Company increased by € 120 thousand to € 1,736 thousand; capital reserves increased by € 2,078 thousand to € 4,155 thousand.

6.3.7 Notes to the consolidated cash flow statement

The consolidated cash flow statement for the period under review begins with the net loss for the period under review. First of all, the net loss was adjusted for non-cash income and expenses. Then the changes in working capital were accounted for in the cash flow.

Net cash used in operating activities in the first nine months of the current financial year amounted to € 588 thousand. The drain on liquidity was mainly attributable to the continued expansion of tour operations.

The cash flow from investing activities shows payments for investments in fixed assets. The repayment of loans granted by Travel24.com AG played a major role in the cash inflow in the reporting period. Investing activities themselves had no significant effect on the Group's liquidity.

Cash flow from financing activities in the reporting period takes into account the convertible bond with a total volume of € 300 thousand placed at the beginning of the second quarter. The conversion in June and August 2008 of a total of 2,152,769 convertible bonds into 120,042 new shares of Travel24.com AG had no effect on the Group's liquidity.

Cash and cash equivalents comprise the liquid assets shown in the balance sheet.

7. Securities held by the Managing Board and Supervisory Board

As of the balance sheet date 30 September 2008 the shares and options held by members of the Managing Board and the Supervisory Board under the employee participation program were distributed as follows:

	<u>Shares</u>	<u>Options</u>
Managing Board		
Marc Maslaton	23,319	160,000 with subscription rights for 8,727 shares
Philip Kohler	537	90,000 with subscription rights for 4,909 shares
Supervisory Board		
Dr. Matthias Schüppen	0	
Martin Amrhein	7,981	
Cristofor Henn	117,273	

The Company had issued a total of 554,875 non-terminated stock options as of 30 September 2008, which authorise the holders to subscribe for 154,425 shares. The associated options attributable 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.

8. Financial calendar

27 November 2008	Extraordinary General Meeting
30 April 2009	Publication of Annual Financial Report 2008
30 April 2009	Balance sheet press conference
30 April 2009	Analysts' Conference

9. Publication details

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