ANNUAL REPORT 2008

travel24.com
Holidays at your fingertips.

Contents

1. Summary of Key Data

		1. Jan. - 31. Dec. 2008 TEUR	2007 TEUR
total transaction value	per booking date	17,867	16,202
	per travel date	17,944	15,333
net sales		5,237	2,456
EBITDA		-1,767	-2,286
EBIT		-1,895	-2,310
consolidated net gain / loss		-2,570	-3,221
net gain / net loss per share (in EUR)	basic	-1,53	-2,50
	diluted		
operative cash flow		-817	-1,254
number of employees as per 31. December excl. management board		23	24

2. Foreword

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

At the extraordinary General Meeting on 27.11.2008, a capital reduction by a 16 to 1 ratio was adopted. This stock consolidation has already been executed with new shareholders enabling the Company to ensure business continuance.

Due to the global financial and economic crisis, the operating business shows a rather modest development with a lacking in advance bookings for families' summer vacation. We expect a strong last minute summer and a further development towards particularly cheap travel offers in 2009. As a consequence, we will focus on car travel.

Yours,

Munich, June 2009

Marc Maslaton
CEO, Travel24.com AG

3. Supervisory Board Report

In the year under review the Supervisory Board has performed its statutory tasks and those prescribed by the Articles of Association, and has monitored the management of the Company. The Supervisory Board dealt in depth with the economic position and strategic development of the Company and its divisions.

Cooperation with the Management Board / Focus of the Supervisory Board's activities

The Supervisory Board has held ongoing discussions in its meetings with the Management Board on business development and the future strategic orientation of the Company. It has also regularly advised the Management Board in directing the Company and has permanently monitored the management. The Supervisory Board was directly involved in all decisions that were of fundamental importance to the Company.

In financial year 2008, six joint meetings were held (five meetings were held at the Company’s head office in Munich and one telephone conference). Two meetings were held in Munich at the Company's offices in the first half of 2008, and three were held at the Company's offices in the second half of the year. None of the members of the Supervisory Board attended less than half of the Board’s meetings in financial year 2008. The Supervisory Board did not form any committees in financial year 2008.

The Supervisory Board meetings dealt in particular with the Company's strategic orientation and its continued restructuring and reorganisation as well as its financing, in particular in view of the Company's difficult economic position. In each of the meetings, the Management Board provided detailed written and oral information to the Supervisory Board on the intended business policy, the Company’s situation (including its risk situation), the course of business (sales figures) and in particular the current state of liquidity of the Company and its subsidiaries as well as any important measures. It submitted key financial figures to the Supervisory Board. Deviations between the actual course of business and forecasts were discussed in detail with the Supervisory Board. On the basis of the reports and information provided by the Management Board, the Supervisory Board convinced itself of the proper management of the Company. The Management Board's reports were discussed in detail at the Supervisory Board meetings – both among the members of the Supervisory Board as well as between the Supervisory Board and Management Board. The Supervisory Board was included in all decisions that were of fundamental importance to the Company, in particular in working out the reorganisation concept being pursued by the Management Board. The Supervisory Board passed its resolutions based on in-depth information. In financial year 2008, the Supervisory Board focused in particular on financing as well as the continued negotiations between the Management Board and the subsidiaries' management with potential strategic partners or other cooperation partners. The members of the Management Board took regularly part in the Supervisory Board's meetings, if necessary the Supervisory Board also held meetings without the Management Board.

In the Supervisory Board meeting held in Munich in April 2008, the reorganisation strategy, in particular the invitation to the meeting for creditors of convertible bonds 2005 / 2008, was adopted. Furthermore, the Company's situation was analysed (business areas, future potential) in the Supervisory Board's meeting in April 2008. The declaration of compliance was also passed. After successful extension of the terms and/or deferral of the due dates of all convertible bonds on the occasion of the Creditors' meeting held on 16 May 2008, the balance sheet review of the audited financial statements 2007 was carried out, which were then adopted. The auditor also participated in this meeting, in which the Supervisory Board dealt with the annual financial statements, consolidated financial statements and the compound management report. The auditor was also available to answer questions. In addition, the report of the Supervisory Board, the corporate governance report as well as the two-year extension of the manager's employment agreements and appointment periods were discussed and passed. In its telephone conference in July 2008, the Supervisory Board agreed the proposed resolutions for the General Meeting in 2008. In the meeting at the Company's offices in August 2008, the Supervisory Board dealt in particular with special strategic issues, including the future positioning for the Company's operating business, in particular for the subsidiary Direkt-Touristik AG, as well as the Company's financial position. At the meeting in Munich in October 2008, the proposed resolutions for the General Meeting were passed. The meeting in Munich November 2008 focused on the Company's further forecasts and the Travel24 Group's budget for the upcoming financial years.

Between meetings, the Management Board provided the Supervisory Board with regular and timely briefings on current business development, the risk situation as well as special proposals and requested its approval as necessary. Measures requiring approval were the subject of in-depth discussions with the Management Board. If resolutions had to be passed in this regard (such as the resolutions to authorise the issue of convertible bonds), the Supervisory Board passed these resolutions by means of a written voting process, telephone conferences or as part of an already fixed meeting in Munich. In addition, the Supervisory Board also requested reports from the Management Board according to Section 90 (3) of the *Aktiengesetz* (AktG – German Public Limited Companies Act). The Management Board always presented the requested reports in due time, and it informed the Supervisory Board of the reasons for differences between the actual business and the forecast figures and targets, in particular for the subsidiaries, in the subsequent meetings.

In addition, the Chairman of the Supervisory Board was in regular contact with the Management Board and was informed of the current business situation and financial position of the Company and its subsidiaries as well as on key transactions, and the Management Board, in particular the Chairman of the Board, also informed the Chairman of the Supervisory Board of such issues by itself. In these discussions, the Chairman of the Supervisory Board discussed any measures to be taken with the Management Board.

There were no conflicts of interests for members of the Management and Supervisory Boards that have to be disclosed to the Supervisory Board immediately and about which the General Meeting has to be informed. The Supervisory Board approved in advance the appointment of Sozietät Graf Kanitz, Schüppen & Partner, Rechtsanwälte Wirtschaftsprüfer Steuerberater, a firm of lawyers, tax advisers and auditors to which the Chairman of the Supervisory Board belongs, for legal consulting by passing an agreement on consulting activities/a remuneration agreement, and again separately approved the individual fee notes for 2008.

Corporate Governance

The Supervisory Board constantly monitored the further development of the corporate governance standard. In the meeting on 20 April 2009, the Chairmen of the Supervisory Board and the Management Board reported on the changes to the recommendations by the German Corporate Governance Code Government Commission in the version dated 6 June 2008 which was published in the electronic Federal Gazette on 8 August 2008. In this meeting, the Management and Supervisory Boards issued the declaration of conformity according to Section 161 of the AktG. This declaration was made permanently accessible to shareholders on the Company's web site.

Changes to the Supervisory Board

The Supervisory Board members Alexander Kersting and Alexander Graf von Gneisenau resigned from the Supervisory Board with effect from 4 February 2008 for personal reasons and in agreement with the Supervisory Board. The Supervisory Board would like to thank Mr Kersting and Alexander Graf von Gneisenau for their cooperation. Since then, the Supervisory Board was consisted of three members. At the General Meeting held on 29 August 2008, a resolution was passed to reduce the number of members of the Supervisory Board according to the Articles of Association to three in general. Furthermore, Dr. Matthias Schüppen who already was a member of the Supervisory Board and whose period of office expired at the end of the General Meeting was again elected as a member of the Supervisory Board at the Annual General Meeting in 2008.

2008 Annual Financial Statements and Consolidated Financial Statements

According to the vote by the General Meeting, the Supervisory Board appointed BDO Deutsche Warentreuhand AG, Wirtschaftsprüfungsgesellschaft, Munich, to audit the annual financial statements and consolidated financial statements of Travel24.com AG. The single-entity financial statements for the Aktiengesellschaft prepared by the Management Board according to the provisions of the *Handelsgesetzbuch* (HGB – German Commercial Code) and the consolidated financial statements according to the International Financial Reporting Standards (IFRS) as these are to be applied in the EU, and the provisions of the German Commercial Code also to be applied as a supplement according to Section 315a of the HGB as well as the compounded management report and group management report, including bookkeeping, were audited by BDO Deutsche Warentreuhand AG, Wirtschaftsprüfungsgesellschaft, Munich. The annual financial statements were issued with an unqualified auditor's opinion, the consolidated financial statements were issued with a qualified opinion.

The audit records were subsequently passed on to the Supervisory Board for appraisal. In its turn, the Supervisory Board engaged in detailed deliberations on the single-entity and consolidated financial statements (including the valuation options used) and the compounded management report, taking the audit reports by the (Group) auditory into account, and examined these documents critically. In particular, the

Supervisory Board reviewed the management report to ensure that this is a realistic portrayal of the Company's situation and perspectives, and to ensure that it corresponds to the reports the Management Board already provided to the Supervisory Board during the course of the year. The Supervisory Board shares the Management Board's opinion. The documents were discussed in detail with the Management Board in the Supervisory Board meeting on 15 June 2009 and 30 June 2009. The auditor also attended these discussions and reported on key audit results for both the Company and its subsidiaries, as well as the focus of the audit (such as valuation of securities issued as part of certification transactions), the group of consolidated companies, reviewing assets for impairment (IAS 36) and information in the notes, presentation of risk management targets and methods and the anticipated development, information on relationships with affiliated companies and related parties (IAS 24)) and provided supplementary information. After its own in-depth review of the documents, the Supervisory Board ascertained that the audit reports are in line with legal requirements and did not raise any objections. It approved the audit reports. The Supervisory Board accepted the (Group) auditor's information, discussed this with the auditor and the Management Board and ensured that this information is taken into account. Following an exhaustive discussion and inspection, the Supervisory Board endorsed the projections adopted by the Management Board. No objections were to be raised following the Supervisory Board's conclusive review of the audit. The Supervisory Board approved the annual financial statements and consolidated financial statements prepared by the Supervisory Board in its meeting on 30 June 2009. The annual financial statements 2008 of Travel24.com AG were thus approved according to Article 172 AktG.

The Supervisory Board would like to thank the Management Board and all of the Group's employees for the high degree of commitment they showed and the work they performed in the year just ended.

Dr. Matthias Schüppen

30 June 2009 (Chairman of the Supervisory Board)

4. 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 programme 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 sale of travel packages geared specifically to the German market - focusing on accommodation only without transport - by the subsidiary Direkt-Touristik AG, is continuing to enjoy exceptionally pleasing growth. It offers city breaks, wellness and family vacations, flights, and beach and event holidays with an excellent cost / performance ratio. Sales are supported offline by an eight-page travel catalogue as well as a monthly flyer for the Netto discounter. This includes a selection of the most attractive travel packages. All of the offers can also be easily viewed on the new Web site www.netto-travel.de and can be booked online.

Internet

With approximately 1.51 million visits, the look-to-book rate in 2008 was at 0.51%. The number of page impressions for the past financial year amounted to 17.17 million.

Marketing

Both online and offline sales of travel packages geared specifically to the German market by the subsidiary Direkt-Touristik AG, continued to enjoy exceptionally pleasing growth. The range of offers includes holidays with excellent value for money. According to our expectations and the customer profile, the proportion of offline bookings grew compared to bookings made online, which was pushed by the eight-page travel catalogue as well as the monthly flyer for Netto Marken-Discount. The upward trend of earthbound travelling continues. In the field of travel marketing through Travel24.com, the traditional beach destinations continued to inspire for beach holidays.

In addition to individual premium bonds and sponsorships by different distribution partners such as ultje, Panasonic and SIGMA Deutschland GmbH, sweepstakes with other well-known cooperation partners were organised in order to increase customer loyalty.

5. Investor relations

In 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 bond was completely placed with interested investors both at home and abroad. In total, 300,000 convertible bonds at a nominal amount of EUR 1.00 were issued in the name of the holder. The convertible bond will mature in 2009.

A meeting of the 2005/2008 zero coupon bond creditors of Travel24.com AG was held in May. The participants voted on an extension of the duration of the convertible bond due in 2008 until 14 July 2010. The extension was agreed with the required majority. Furthermore, the Company was able to agree upon a delay of payment free of interest until 20 July 2010 with all the other holders of convertible bonds currently issued with a total claim of about 3.5 million Euros.

The Company initiated forced conversion of the convertible bond 2003/2008 in July. Against an amount of debits amounting to EUR 2.15 million, 117,273 stocks were transferred to the holder of the convertible bond. Thus, the liabilities of the Travel24.com AG balance sheet were reduced by EUR 2.15 million, whereas the subscribed capital increased by EUR 117,273 to EUR 1,735,787.

The ordinary Annual General Meeting was held on 29 August 2008 and another extraordinary General Meeting was held on 27 November 2008. Therein, the resolution proposal to reduce the share capital of the Company to EUR 113,486 by means of a simplified procedure according to article 229 et seq. of the AktG, and to reduce stocks by a 16 to 1 ratio, was adopted with the required majority.

The total of voting rights of Travel24.com AG amounted to 1,735,787 as of end of August and 1,815,787 voting rights as of end of November 2008. This number remained unchanged until December 2008.

6. Outlook

After the extraordinary General Meeting on 27.11.2008, the share value at the Frankfurt Stock Exchange constantly grew by EUR 3 due to the capital reduction. Based on this, we negotiate with potential merger partners and/or investors. Just now, during the crisis, we aim at pushing our growth since our generic and international brand has been registered for more than ten years now – and is thus almost invulnerable. The brand provides a firm basis for international business.

7. Consolidated Key Figures

7.1. Consolidated annual report and report of Travel24.com AG

7.2. Consolidated financial statements 2008

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7.1 Consolidated annual report and report of Travel24.com AG, Munich

for the financial year from 1 January to 31 December 2008

1. General

The sector again saw a satisfactory business development in the past financial year which was particularly marked by a slight increase in bookings. This upward trend defied the financial and economic crisis that started in 2008 and was due to the fact that the consequences of the worldwide recession did not touch the income of German consumers until the end of last year. There were clear signs of it in November and December 2008. During these months, the advance bookings for the upcoming holiday season broke down compared to the previous periods and resulted in a decrease of about 40% compared to the previous year concerning both the number of registered bookings as well as the volume of orders.

2. Economic environment

2. General development
Although travelling costs are a stable part in private consumers' expenditure, it remains to be seen to what extent the current economic situation will influence consumers' travel behaviour. The positive mood which was still noticeable in 2007 can only be maintained to a limited extent – particularly in view of a further rise in unemployment resulting in a real income decline and expenditure reductions.

2.2 The tourism market
The quality-based changes the German source market has seen in the recent years also continued in 2008. Demand continued to grow due to new destination offers and innovative vacation types.

Modern types of indulgence such as the recently introduced voluntary climate levy lost ground due to economic constraints caused by the rising oil price reaching record levels in summer 2008. Simultaneously, the tendency of building up holiday resorts ecologically conforming to the target areas pursued by tour operators continued to rise.

2.3 The online travel market
The tendency to plan holidays online continues for both the family vacation planned in advance as well as spontaneously organised last minute holidays. Thus, the online travel business was able to further increase its share of the overall travel market in the last business year. As already seen in the previous years, it's not the price but rather the range of offers and customers' expectations towards the quality of the services offered that are decisive.

2.4 Direct tourism sales
The distribution of travel services other than by traditional agencies has well established in the past 5 years. It is not surprising that Aldi discount market has become the fifth largest seller of holidays in Germany in the last year.

The products sold offer a new type of vacation and are the logical consequence of the new travel philosophy for the economic use of time and money. This market segment plays a major role in the enormous shift on the German vacation market, however it can only operate convincingly given the right foundations - excellent quality at reasonable prices. But it also calls for a tick more than that: "only" paying two-star prices but getting four-star quality.

The Direkt-Touristik AG subsidiary founded in 2006 was also able to benefit from this tendency and quadrupled revenues due to simply structured products which do not require in-depth advice and were mainly promoted by mini catalogues and flyers in the chain stores of Netto discounter. They were sold through telephone and online support.

3. The Group’s strategy

Travel24.com AG continues to be on the right track to meet consumers' changed behaviour with its multibrand strategy. The Company is following the new travel philosophy for the economic use of time and money, thus approaching individual customer segments. At the same time, the Company has further expanded the development of its own Direkt-Touristik AG brand products. This has allowed a new group of customers to be acquired.

The market segments such as exclusive and low-price, wellbeing, healthy and environmentally-friendly travel are served individually by corresponding brands. The types of travel which are now being born have one common factor: A trend to customisation. Holidaymakers continue to compare prices, and are increasingly becoming their own travel agent thanks to the Internet.

The individual market segments are thus reacting to customers' hybrid behaviour: There is demand for exclusive travel and also for budget vacations, also combined with extraordinary services.

After the sale of Travel24.com AG and its subsidiary Travel Systems AG to Unister GmbH Leipzig stated in the risk report and realised after the balance sheet day, elements of the current strategy will remain part of the orientation pursued by the purchaser as “travel24” will be advertised actively as part of a family of generic brands and complete the travel marketing segment of the new majority shareholder. With the purpose of continuing the strategic and operative aims pursued, the subsidiaries Travel 24 GmbH and Direkt-Touristik AG were sold to a group of foreign investors at the time of preparation of the financial statements.

4. Course of business

Business development of Travel24.com AG and the Travel24 Group

4.1 Travel24.com AG

During the past financial year, the Company again mainly operated the portals it runs by positioning so-called ‘keywords’ and placing its own web-links in Internet search engines. While the funds available for this in 2008 were limited, thanks to the continuous optimisation of these keywords the Company was able to significantly boost the conversion ratio between visitors to its web sites and subsequent bookings made.

On the balance sheet date, Travel24.com AG had 8 persons on its payroll. The annual average was 7.8 full-time employees. This was equivalent to 5.2 full-time company employees on the effective date, or an annual average of 5.0 (all figures excluding management). There was also a 3% increase in personnel costs compared with the previous year, commensurate with the slight increase in the payroll.

The Company's business activities were primarily financed by placing a total of 300,000 convertible bonds with a gross issuing volume of EUR 0.3 million.

The net loss in the 2008 annual statement amounts to EUR 1.6 million and is mainly attributable to the following factors:

Expenses for consulting and similar services	approx. EUR 0.4 million
Expenses for IT and reservation systems	approx. EUR 0.2 million
Allowance of investment book value of Travel24 GmbH and Direkt-Touristik AG	approx. EUR 0.2 million
Interest expenses	approx. EUR 0.1 million

4.2 Subsidiaries of the Travel24 Group
As a result of the successful continuation of sales and revenue control, and the constant improvement in its Internet and telephone sales support, Travel24 GmbH was able to increase its revenues by around 2% during the year under review. During the financial year, the Company generated an annual net income of EUR 290,734.

In the past financial year, the direct operator Direkt-Touristik AG was able to quadruple its revenue to 3.9 million compared to the previous year. This was due to the manageable product range and its convincing cost/performance ratio. On the other hand, this was also due to the expansion of distribution channels and the increasing customers' acceptance of the marketing concept pursued. In 2008, the costs of expanding our marketing activities however also resulted in an annual net loss of EUR 700,797.

After all activities were discontinued in 2006, Travel Systems AG was carried as an inactive shelf company in the financial year. The net loss for the year under review amounts to EUR 2,600. The loss of EUR 2.7 million not covered by shareholders' equity is secured by a declaration of subordination by Travel24.com AG.

4.3 The Travel24 Group
The Group was able to record 10% year-on-year travel revenue growth, or 17% (according to the travel and booking date) while sales revenues more than doubled. Both the tour operator activities which are currently being set up as well as the existing travel marketing business played a role. The consolidated annual net loss of EUR 2.6 million is primarily due to financing the new direct tour operator business. In addition, in 2008, the non-cash interest expenses in connection with the convertible bonds issued between 2003 and 2008 also depressed earnings.

Operating business was primarily financed by the convertible bonds placed in the second quarter of 2008 with a total issuing volume of EUR 0.3 million.

Cash and cash equivalents available to the Company fell by EUR 510,562 to EUR 133,144. Cash and cash equivalents used for operating activities in 2008 amounted to EUR -0.6 million (previous year: EUR -1.3 million), whilst the cash flow used for investing activities and generated by financing activities totalled EUR 0.3 million (previous year: EUR 0.7 million).

On the balance sheet date Travel24 Group had 23 persons on its payroll (previous year: 24). The annual average was 24.8 full-time employees (previous year: 26.0). This was equivalent to 18.1 full-time Group employees on the effective date (previous year 16.3), or an annual average of 18.8 (previous year: 16.0; all figures excluding management).

Due to the changes in the Group's composition described in the following, this financial statement refers to the Travel24 Group in its previous structure.

5. Risk report

By means of ongoing early detection and the recognition, assessment and monitoring of potential risks we enable the systematic analysis of current risk situations, on which concrete risk control is based. In organisational terms the risk management system is directly integrated into the management. The Management Board and the responsible employees observe the risks arising in their respective areas. It is crucial that risks are consciously perceived and information on new risks and changes is immediately notified. The most important monitoring targets are liquidity, achievement of sales targets and adherence to cost budgets.

The sustained increase in tourism activity was coupled with a corresponding further toughening of the competitive situation. On the one hand, individual online travel retailers commanded a major portion of the advertising budget for search engine marketing and Internet-related media, as was the case the prior years. At the same time, more and more consumers shifted their purchases for travel services outside of conventional specialised trade channels.

It can be assumed that this trend will continue in 2009, with the result that only those companies which expand their customer base and retain a substantial share of existing customers and which exercise influence on the margins of the products and services sold by them will be able to survive and remain profitable in the long term.

In the travel retail sector, the price level provided by the operator which directly affects commission is particularly important. In view of a market that is increasingly characterized by cut-throat competition, maintaining and extending the market share obtained is of superior importance. In order to avoid or minimize defaults of payment on the part of the customer, Travel 24 GmbH reduced agency collection to a minimum and thus transferred liquidity risks resulting thereof to the respective operator. At the same time, the Group's direct operator Direkt-Touristik AG has implemented an efficient reminder and debt collection system making it almost impossible to dispatch travel documents without prior receipt of payment control.

In the Company's view a sustained expansion of the customer, turnover and thus revenue base can only be achieved by continuing the adopted strategy, according to which customer expectations are fulfilled. The Company must continuously develop and adapt its own offerings and expand the sales channels being used accordingly, in order to keep pace with changes in customer behaviour.

No legal risks exist, since no legal disputes of economic significance are pending. Nor are any risks affecting the security of computer systems currently recognisable.

The corporate actions carried out in the past financial year enabled the continuation of business activities. The current balance sheet deficit of Travel24.com AG amounting to EUR 5,789 thousand is covered by elements of the reorganization concept pursued by Unister GmbH Leipzig which were already known at the time of preparation of the present financial statements and have partly been implemented. As of the end of April 2009, Unister GmbH acquired a majority of the capital of Travel24.com AG by purchase and conversion of the respective amount of convertible bonds issued in the period of 2006 to 2008. It thus consolidated the Company's equity capital by approximately € 3.0 million and at the same time reduced liabilities in the aforementioned amount. The reorganisation plan of Unister GmbH also provides for an evaluation of the acquired "travel24" brand as well as continuation of the Internet-based business activities by using the "Travel24.com" and "Travel24.de" domains which will clearly compensate the remaining negative equity capital. Compositions with creditors of Travel24.com AG agreed by Unister GmbH as a precondition for implementing the above-mentioned transactions have also contributed to compensating the negative equity capital. As a result, the negative equity capital has been eliminated at the time of preparation of this financial statement.

On the occasion of the creditors' meeting held on 16 May 2008, the redemption of convertible bonds due in financial years 2008 and 2009 to the amount of € 4,469 thousand was deferred until July 2010. As mentioned above, a majority thereof was assumed by Unister GmbH, and convertible bonds to the amount of € 3,097 thousand were converted to 1,480,958 new stocks of the Company at the time of preparation of the financial statements.

6. Events of particular significance subsequent to the balance sheet date

According to contracts dated 21/22 April 2009, Unister GmbH Leipzig acquires the majority of the capital of Travel24.com AG. According to the reorganisation plan developed by Unister GmbH, the Company's equity capital is to be consolidated by approximately € 3.0 million through purchase and conversion of the respective amount of convertible bonds issued in the period of 2006 to 2008. The Unister GmbH reorganisation concept also includes the placement of the "Travel24" brand as well as continuation of the Internet-based business activities by using the "Travel24.com" and "Travel24.de" domains which can consolidate business activity in a sustainable and profitable way. Unister acquired the "Travel24.com" and "Travel24.de" domains as well as the "Travel24" brand at a purchasing price of a total of EUR 1.5 million. Pursuant to a License Agreement, the Travel24.com AG domains and brand are made available for at least 30 months. A monthly compensation fee in the amount of EUR 10,000 will be due from 1 January 2012 at the earliest. According to the contracts, the domains and brand revert to Travel24.com AG free of charge and without compensation, if Unister fails to execute only one of the purchase options.

7. Disclosures pursuant to Art. 289 Section 4, 315 Section 4 HGB

7.1 The Company's share capital in the amount of EUR 1,815,787.00, pursuant to Art. 4 Section 2 of the Articles of Association, is divided into 1,815,787 no-par value shares. The shares are bearer shares. There are no separate share categories.

7.2 To the Company's knowledge, as of the given balance sheet date, there were the following direct or indirect holdings in the capital exceeding 10% of voting rights.

Mr Oliver Schilling informed the Company on 22 December 2008 pursuant to article 21 section 1 WpHG

(Securities Trade Act) that his proportion of voting rights in the Travel24.com AG Munich was 20.096% on 22 December 2008.

Since the Company's shares are bearer shares, the Company will generally only ever become aware of changes to the share ownership, if they are subject to notification requirements.

7.3 The appointment and dismissal of members of the Management Board is in line with Art. 84, 85 AktG. In accordance with Art. 6 of the Articles of Association the number of Management Board members is determined by the Supervisory Board, who can also stipulate that the Management Board may be composed of one member, regardless of the amount of the share capital. The Supervisory Board is responsible for appointing Management Board members and for withdrawing such appointments. The Supervisory Board can name a Chairman or a Spokesman of the Management Board as well as a Deputy Chairman of the Management Board if the Management Board is composed of more than two persons.

7.4 In the event of changes to the Articles of Association, Art. 179 et seq. AktG must be observed. The General Meeting must resolve on any amendments to the Articles of Association (Art. 119 Section 1 No. 5, 179 Section 1 AktG). The Supervisory Board is authorised to resolve amendments to the Articles of Association that relate to formulations (Art. 12 Section 2 of the Articles of Association). Resolutions of the General Meeting are passed with a simple majority of votes cast, pursuant to Art. 17 Section 2 of the Articles of Association, unless specifically stipulated otherwise by law and, where the law prescribes a capital majority in addition to the majority of votes, with a simple majority of the share capital represented when the resolution is passed. An abstention shall not be considered a vote cast. The law stipulates a majority of three-quarters of the share capital represented at the resolution for example for changes to the object of the Company (Art. 179 (2) AktG), for capital increases (Art. 182 (1), 193 (1), 202 (2), 207 (2) AktG) and for capital reductions (Art. 222 (1) AktG).

7.5 The Management Board is authorised, pursuant to Art. 4 (4) of the Articles of Association (resolution of the General Meeting of 5 July 2004, changed by the resolution of the General Meeting of 28 June 2006) to increase the Company's share capital with the approval of the Supervisory Board until 4 July 2009 by issuing new no-par value bearer shares against cash contributions or contributions in kind, in full or in partial amounts, on several occasions, however in total by no more than EUR 5,474,960 (Authorised Capital). The Management Board was furthermore authorised, subject to the approval of the Supervisory Board, to exclude the statutory subscription rights of the shareholders,

- in the case of capital increases against non-cash contributions if companies, equity interests in companies or parts thereof are to be incorporated into the Company in return for the issue of shares
- for fractional amounts due to the subscription rights,
- capital increases against cash contribution for restructuring purposes, or
- if capital increases are made against cash contributions, insofar as the issue price of the shares is not significantly below the Company's market price and the new shares issued to the exclusion of subscription rights do not exceed 10% of the share capital, neither at the time the authorisation takes effect, nor at the time of exercising. This figure must take into account shares that have been, or are to be issued, for the servicing of convertible bonds to the exclusion of subscription rights as well as company shares that are to be resold to the exclusion of subscription rights,
- as it is necessary to grant the creditors of the non-interest-bearing profit-sharing certificates of 2006/2009 a subscription right to new shares in the Company, as they are entitled to after exercising the conversion privilege, or
- as it is necessary to grant the creditors of convertible bonds from the 2006 convertible loan programme resolved at the General Meeting of 28 June 2006 according to agenda item 11.1 a subscription right to new shares to the extent to which they are entitled after exercising the conversion privilege.

Subject to the approval of the Supervisory Board, the Management Board also decides on the content of the share rights in question and the other stipulations of the issue of shares. Subject to the approval of the Supervisory Board, the Management Board may decide on a starting date for dividend rights that differs from that stipulated in Article 60 AktG.

The Authorised Capital allows the Management Board to react flexibly during the Company's continued reorganisation phase.

7.6 By way of a resolution by the shareholders' meeting on 25 June 2001 the Company's share capital was increased by a nominal sum of EUR 900,000 through a contingent capital increase (Contingent Capital II).

The contingent capital increase is only conducted to the extent that the holders of stock options exercise the option rights which have been issued by the Company's Management Board on the basis of the authorisation from the General Meeting on 25 June 2001 with the consent of the Supervisory Board or have been issued by the Supervisory Board. On 30 July 2001 a total of 576,500 option rights was offered to the staff, senior employees and management of the Company and its affiliates on the basis of the authorisation from the Company's General Meeting on 25 June 2001 following the appropriate resolutions of the Management and Supervisory Boards. 552,250 options have been accepted. By way of a resolution by the shareholders' meeting on 5 July 2004, in view of the new additional contingent capital to be newly created for the 2004 stock option programme, Contingent Capital II was renamed to become Contingent Capital I and withdrawn in the amount for which options had not yet been issued. As a result, the capital renamed as Contingent Capital I in the amount of EUR 435,500 was cancelled and now exists pursuant to Art. 4 (5) of the Articles of Association in the amount of EUR 464,500.

7.7 In order to service the 2004 stock option programme resolved on 5 July 2004, by way of a resolution of the General Meeting of the same date the Company's share capital was conditionally increased by up to a nominal amount of EUR 910,500 by issuing up to 910,500 no-par value bearer shares (Contingent Capital II in accordance with Art. 4 (6) of the Articles of Association). The contingent capital increase exclusively serves to issue stock options, with the approval of or by the Supervisory Board, to the members of the Company's Management Board, the managing directors of affiliated companies within the meaning of Art. 15 AktG and to employees of the Company and its related companies in compliance with Art. 15 AktG as adopted by the resolution of the General Meeting on 5 July 2004. The contingent capital increase will be carried out to the extent that holders of subscription rights exercise such rights and insofar as the Company does not grant its own shares in fulfilment of the subscription rights or utilise existing authorised capital. The shares issued under subscription options will be issued at a basic price which will be calculated in line with the principles set out in the authorisation resolution. The shares issued under subscription rights carry dividend rights from the start of the financial year in which they are created by exercising the options. The Management Board - and to the extent that it involved itself, the Supervisory Board - is authorised to stipulate the further details of issuing the shares from the contingent capital increase and implementation of the contingent capital increase itself with the approval of the Supervisory Board.

Following the resolution of the Supervisory Board on 8 November 2006, the issuing of a total of 627,625 share options was authorised which, following the implementation of the capital reduction stipulated in the General Meeting resolution of 28 June 2006, entitle holders to purchase a total of 376,575 new bearer shares. Of this total, 400,000 stock options which authorise the bearers to subscribe for 240,000 new no-par value bearer shares were terminated in the year under review. The Company's goal remains achieving a long-term increase in the Company's value by allowing employees, senior employees and managers to participate in its success. Participation by means of share options boosts motivation levels and harmonises the interests of shareholders with those of management and employees.

7.8 By resolution of the General Meeting on 12 June 2002, the Company's share capital was contingently increased by a nominal EUR 4,300,000 by issuing up to 4,300,000 new no-par-value bearer shares with dividend rights from the start of the financial year in which they are issued (Contingent Capital III in accordance with Art. 4 (7) of the Articles of Association). The Management Board was authorised, with the consent of the Supervisory Board, to issue no-par value bearer or registered convertible bonds valued at up to EUR 4,300,000 in one or more issues with a maximum term of five years and to grant the holders of the convertible bonds conversion rights for up to 4,300,000 new shares of the Company, proportionately representing up to EUR 4,300,000 of the share capital, within the strict limitations of this resolution and in accordance with the convertible bond conditions to be specified by the Management Board with the consent of the Supervisory Board.

The convertible bond was placed on 8 July 2003 at a nominal amount of EUR 4,300,000. The Company launched a convertible bond pursuant to the convertible bond contract of 8 July 2003. With the approval of the Supervisory Board, the Management Board bought back convertible bonds to a nominal value of EUR 2,150,000 for the Company in February 2006. Following this repurchase of convertible bonds at a nominal value of EUR 2,150,000, 130,000 convertible bonds were sold on at amended conditions, retaining the original term. In the year under review, convertible bonds of the nominal value of € 2,150,000.00 were due and converted to 117,273 new shares of the Company, proportionately representing € 117,273.00 of the share capital. This measure was registered in the commercial register on 5 December 2008.

7.9 By resolution of the General Meeting on 5 July 2004 the Company's share capital was contingently increased by a nominal EUR 1,200,000 by issuing up to 1,200,000 new no-par value bearer shares with dividend rights from the start of the financial year in which they are issued (Contingent Capital IV in accordance with Art. 4 (8) of the Articles of Association). The Management Board was authorised, with the consent of the Supervisory Board, to issue no-par value bearer or registered convertible bonds valued at up to EUR 1,200,000 until 31 December 2006 in one or more issues with a maximum term of five years and to grant the holders of the convertible bonds conversion rights for up to 1,200,000 new shares of the Company, proportionately representing up to EUR 1,200,000 of the share capital, within the strict limitations of this resolution and in accordance with the convertible bond conditions to be specified by the Management Board with the consent of the Supervisory Board. The contingent capital increase serves to grant shares to the holders of convertible bonds options issued by the Company on the basis of the authorisation granted by the General Meeting on 5 July 2004. New shares are issued against payment of the conversion price as set out in the corresponding authorisation resolution. The contingent capital increase is only to be implemented to the extent that the conversion rights from the convertible bonds are used.

The Management Board - insofar as it itself is involved, the Supervisory Board - is authorised to stipulate the further details of the contingent capital increase with the approval of the Supervisory Board.

Upon issue of the convertible bonds, the holders will receive an irrevocable right to convert these to new shares in the Company, subject to the convertible bond conditions set by the Management Board with the consent of the Supervisory Board. The proportionate amount of the shares issued for conversion in the share capital may not exceed the nominal value of the convertible bonds. The conversion rate is calculated by dividing the nominal value of the convertible bonds by the conversion price, i.e. 1 : 1 (a new share in the Company may be exchanged for each EUR 1.00 nominal value of the convertible bonds). Subject to the convertible bond conditions, the conversion privilege may be exercised at any time during the entire term. The conversion price is EUR 1.00 per share, less the nominal value of the bond.

The convertible bond was placed on 4 July 2005 at a subscription price of EUR 3.00 per fractional debenture. Following partial conversion, Contingent Capital IV still exists in the amount of EUR 311,287.

7.10 The Company's General Meeting of 3 August 2005 authorised the Management Board, with the approval of the Supervisory Board, to issue profit-sharing rights until 31 December 2007 that are not associated with conversion or option rights for shares, at a total nominal amount of up to EUR 15 million, within the strict limitations of this resolution and of the profit-sharing right conditions to be stipulated by the Management Board with the approval of the Supervisory Board. This authorisation may be utilised in full or in tranches, on one or several occasions. The profit-sharing rights have a term of no longer than seven years. The Management Board was further authorised, with the approval of the Supervisory Board, to exclude shareholders' subscription rights to the profit-sharing rights, in order to exclude residual amounts from the subscription right.

In February 2006, the Management Board partially exercised the above-mentioned authorisation with the approval of the Supervisory Board and the Company issued non-interest-bearing profit-sharing rights ("profit-sharing certificates") at a total nominal amount of up to EUR 357,685, divided into up to 357,685 mutually equal partial bearer profit-sharing rights with a nominal value of EUR 1.00 each (each constituting a "partial profit-sharing right" and all partial profit-sharing rights together constituting the "profit-sharing rights").

Following the resolution of the General Meeting of 28 June 2006, each profit-sharing right holder was granted a conversion right with the requirement to exchange each partial profit-sharing right at a nominal value of EUR 1.00 within an exercise period into one issuer's no-par value bearer share (carrying voting rights). The subscription rights are to be issued from the existing Authorised Capital pursuant to Art. 4 (4) of the Articles of Association. However, the Management Board may decide, with the approval of the Supervisory Board, whether the new shares required to fulfil exercised conversion rights should be provided from the existing or authorised capital or an existing or future contingent capital or from holdings of own shares. In exercising this discretion, Management Board and Supervisory Board must act exclusively in the Company's interests.

In December 2006, with the approval of the Supervisory Board, a total of 348,221 profit-sharing rights were repurchased.

7.11 Following the resolution of the General Meeting of 28 June 2006, the Management Board was authorised, with the consent of the Supervisory Board, until 31 December 2008 to issue no-par value bearer and/or registered convertible bonds at a total nominal value of up to EUR 1,500,000, in one or more issues with a maximum term of five years and to grant the holders of the convertible bonds conversion rights (even following a capital reduction) for up to 1,500,000 new shares of the Company, proportionately representing up to EUR 1,500,000 of the share capital, within the strict limitations of this resolution and in accordance with the convertible bond conditions to be specified by the Management Board with the consent of the Supervisory Board. All shareholders have the right to subscribe. The convertible bonds can also be assumed

by a bank or a bank consortium with an undertaking to offer them for subscription to shareholders. However, the Management Board is authorised, subject to the approval of the Supervisory Board, to exclude the pre-emptive rights of shareholders to convertible bonds
(i) provided convertible bonds with conversion rights are subscribed for restructuring purposes by one or more investors for cash, or
(ii) insofar as fractional amounts occur due to a subscription ratio.

Upon issue of the convertible bonds the holders will receive an irrevocable right to convert these to new shares of the Company, subject to the conditions set out by the Management Board with the consent of the Supervisory Board. The proportionate amount of the shares issued in the share capital may not exceed the nominal value of the convertible loans. The exchange ratio is 1:1 (each nominal EUR 1 value of the convertible bond can be exchanged for one new share in the Company). Subject to the convertible bond conditions, the conversion privilege may be exercised at any time during the entire term. The convertible bond conditions can also provide for a right of tender for the Company or a conversion obligation at the end of the term (or at an earlier point in time). The conversion price corresponds to the issuing amount and is considered payment as though by payment of the issuing amount.

The Management Board and, to the extent it is itself involved, the Supervisory Board, were authorised, with the approval of the Supervisory Board, to determine all further details relating to the issue and composition of the convertible bonds and their conditions, in particular the interest payable, issuing price, term and denomination, dilution protection, conversion periods and exchange modalities for the conversion authorisation, provided that these are in keeping with the underlying resolution of the General Meeting. The application of any conversion rights exercised by holders of convertible bonds from the convertible loan programme 2006 should primarily be achieved through the existing Authorised Capital.

In October 2006, the Management Board, with the approval of the Supervisory Board, partially exercised the above authorisation and issued 800,000 convertible bonds. In October 2007 and in December 2007, the Management Board, with the approval of the Supervisory Board, partially exercised the above authorisation and issued 150,000 and 250,000 convertible bonds, respectively. Further 300,000 convertible bonds from the convertible loan programme 2006 were issued with the approval of the Supervisory Board excluding any subscription rights in April 2008.

8. Information on capital management

Financing of the Company is mainly from equity and convertible bonds and thus ensures a high degree of flexibility. Details on equity and the convertible bonds issued by the Company are shown in the Notes.

9. Outlook

After the extraordinary General Meeting on 27.11.2008, the share value at the Frankfurt Stock Exchange constantly grew by EUR 3 due to the capital reduction. Based on this, we negotiate with potential merger partners and/or investors. Just now, during the crisis, we aim at pushing our growth since our generic and international brand has been registered for more than ten years now – and is thus almost invulnerable. The brand provides a firm basis for international business.

Munich, June 2009

Philip Kohler　　　　Marc Maslaton

7.2. Consolidated financial statements of Travel24.com AG, Munich, as of 31 December 2008
7.3. Consolidated balance sheet of Travel24.com AG, Munich, as of 31 December 2008

ASSETS	note	31. Dec. 2008 TEUR	31. Dec. 2007 TEUR
current assets			
cash and cash equivalents short-term investments / marketable securities	3	133	511
trade accounts receivable	4	350	192
other accounts receivable and assets	5	690	461
total current assets		**1,172**	**1,164**
non current assets			
intangible assets	6 & 7	2	111
property, plant and equipment	6	21	31
investments	6	44	80
total non current assets		**67**	**222**
total assets		**1,239**	**1,386**

LIABILITIES and SHAREHOLDERS' EQUITY	note #	31. Dec. 2008 TEUR	31. Dec. 2007 TEUR
current liabilities			
accrued expenses	8.1	182	346
employee benefits obligations	2.9 & 8.2	44	0
trade accounts payable	9	2,399	1,372
convertible bonds	9 & 10.4	28	2,001
other current liabilities	9	942	435
total current liabilities		**3,594**	**4,154**
non current liabilities			
deferred tax	17	87	0
convertible bonds	9 & 10.4	4,368	3,912
total non current liabilities		**4,454**	**3,912**
shareholders' equity			
share capital	10.1	1,816	1,616
additional paid-in capital		4,318	2,077
remuneration from share options	10.6	0	0
accumulated deficit		-12,943	-10.373
total shareholders' equity		**-6,809**	**-6,680**
total liabilities and shareholders' equity		**1,239**	**1,386**

7.4. Consolidated statement of income from 1 January to 31 December 2008

	note	1. January - 31. December 2008 TEUR	2007 TEUR
revenues	11	5,237	2,456
other operating income	12	677	258
purchases	13	-3,168	-739
personnel expenses	14	-1,071	-1,055
depreciation of property, plant and equipment and of intangible assets	6	-128	-23
other operating expenses	15	-3,522	-3,206
operating loss		**-1,975**	**-2,309**
interest income	16	29	11
interest expenses	16	-617	-923
result before income taxes		**-2,562**	**-3,221**
income tax	17	-87	0
other taxes	17	79	0
net income / loss in the year under review		**-2,570**	**-3,221**

net loss per share	1. January - 31. December 2008 basic	2008 diluted	2007 basic	2007 diluted
weighted average number of shares outstanding	1,678,497	3,848,463	1,289,551	3,314,068
net loss (in TEUR)	-2,570	-2,570	-3,221	-3,221
per share (in EUR)	-1,53		-2.50	

7.5. Consolidated cash flow statement from 1 January to 31 December 2008

		note	1. Jan. - 30. Dec. 2008 TEUR	2007 TEUR
net income / net loss			-2,570	-3,221
(+)	depreciation and amortization		128	23
(+)	financial result		588	912
(-)	decrease in provisions		-33	11
(+/-)	gains (-) / losses (+) on the disposal of fixed assets		0	0
(+/-)	change in net working capital		1,147	1,012
(+)	non-cash items		11	11
net cash used in operating activities			**-730**	**-1,254**
(-)	purchase of property, plant and equipment		-9	-9
(+)	proceeds from sale of equipment / repayment of loans		37	38
net cash generated through / used in investing activities			**28**	**29**
(+/-)	accruals from the issuance of share capital		37	135
(+)	payments on other financing instruments		263	706
(+)	interest received		29	11
(-)	interest paid		-3	-133
net cash provided by financing activities			**325**	**721**
net decrease / increase in cash and cash equivalents			**-377**	**-505**
cash and cash equivalents at beginning of period			511	1,015
cash and cash equivalents at end of period			133	511

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.

7.6. Development of consolidated share capital from 1 January to 31 December 2008

	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					138				138
expenses for procurement of equity *					-3				-3
capital increase through conversion of convertible bonds	560,000		560		988				1,548
issue of stock options and partial deferred expenses for remuneration from stock options					11				11
net loss								-3,221	-3,221
as of 31. December 2007	**1,615,745**	**0**	**1,616**	**0**	**2,077**	**0**	**0**	**-10,373**	**-6,680**
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 *									
capital increase through conversion of convertible bonds	200,042		200		2,194				2,394
issue of stock options and partial deferred expenses for remuneration from stock options					11				11
net loss								-2,570	-2,570
as of 31. December 2008	**1,815,787**	**0**	**1,816**	**0**	**4,318**	**0**	**0**	**-12.943**	**6,809**

* 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

7.7. Notes to the consolidated financial statements

for the financial year from 1 January to 31 December 2008

1. Business purpose and group structure

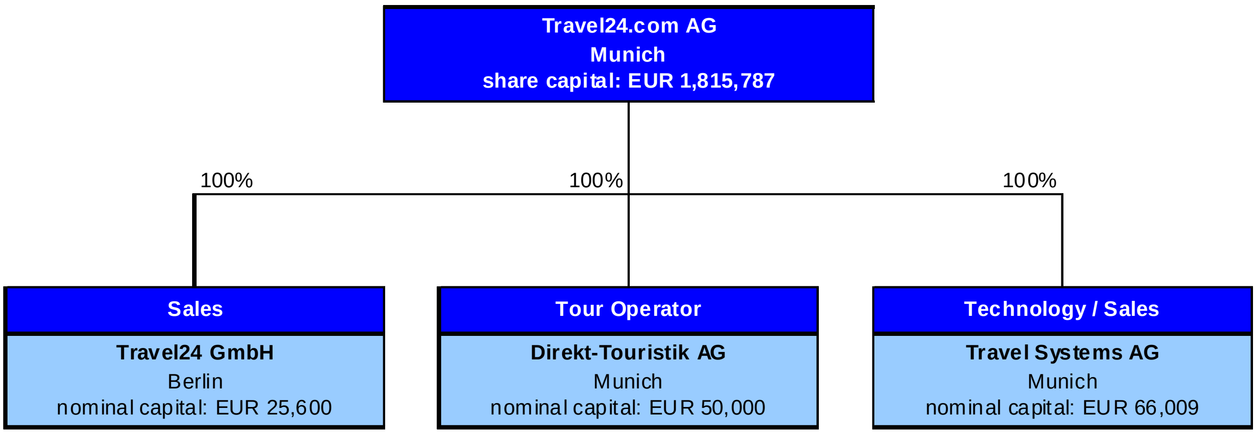
Travel24.com AG is the parent company of the Group of the same name and is a listed stock corporation under German law based in Munich. It was founded with the adoption of the Articles of Association on 22 February 1996 as Travel Systems AG and recorded in the commercial register at Munich Local Court on 27 February 1996. The Company's name was changed to Travel24.com AG by shareholders' resolution on 14 February 2000 and the change was recorded in the commercial register on 24 February 2000. Since 15 March 2000 the Company's shares have been listed on Frankfurt Stock Exchange (Prime Standard, until 31 December 2002: *Neuer Markt)*.

The business activities of Travel24.com AG - hereinafter referred to as the "Company" - and its subsidiaries relate to the organisation and marketing of travel services ("Travel marketing & distribution" business segment), the development and operation of system components for online information and reservation systems ("Travel technology" business segment), and the design of travel products and their direct marketing ("Direct Marketing Tour Operator" business segment).

As of 31 December 2008 the reporting entity consisted of the following subsidiaries:

	ownership share	subscribed capital	equity	net profit (loss) for the year	
		31.12.2008	31.12.2008	2008	2007
	%	TEUR	TEUR	TEUR	TEUR
Travel24 GmbH, Berlin	100	26	76	291	183
Direkt-Touristik AG, München	100	50	-1,294	-701	-496
Travel Systems AG, München	100	66	-2,667	-3	-18

As of the balance sheet date, the Group structure was as follows:



The above group structure resulted from the following commercial transactions:

- With the agreements of 2 June 1998 / 21 August 1998 all shareholdings in Travel24 GmbH were purchased at a nominal value of DM 50,000. The business purpose of the Company is the operation of travel agencies, the organisation and retail sale of holidays as well as associated services.
- Following its agreement of 29 March 2006, Travel24.com AG disposed of the booking modules developed by Buchungsmaschine AG and the name rights to this company, so that following the entry in the commercial register of 2 May 2006, this subsidiary henceforth operates under the name Travel Systems AG. Since the closure of its own programming activities, Travel Systems AG no longer runs any operating business activities.
- In its resolution of 8 November 2006, the Supervisory Board endorsed the establishment of a new business segment, and in November 2006 the Company purchased 100% of the shares of the *Aktiengesellschaft* (German public company) subsequently renamed as Direkt-Touristik AG. The appropriate changes to Articles of Association were entered into the commercial register on 11 January 2007.

2. Summary of essential accounting and valuation principles

2.1 General
Travel24.com AG has prepared its consolidated financial statements for financial year 2008 in conformance with international accounting rules, the International Financial Reporting Standards (IFRS), as they are applicable in the European Union. The basis for this is the obligation ensuing from Article 315a Section 1 German Commercial Code (HGB) in conjunction with EC Directive No. 1606/2002 of the European Parliament and Council dated 19 July 2002 regarding the use of international accounting standards. All mandatory standards and interpretations have been taken into account. According to IAS 1.14, the present financial statements conform to IFRS standard. In addition, above and beyond the compulsory disclosures according to IFRS, all declarations and explanatory notes stipulated under Article 315a Section 1 HGB have been published, as required by German commercial law for consolidated financial statements according to IFRS. The most important evaluation basis of the financial statements are (continued) procurement and production costs.

The consolidated financial statements were prepared according to the going concern principle. The Management Board is assuming that the parent company's existing balance sheet deficit of EUR 5,830 thousand is covered by elements of the reorganisation concept pursued by Unister GmbH Leipzig which were already known at the time of preparation of the present financial statements and have partly been implemented. As of the end of April 2009, Unister GmbH acquired a majority of the capital of Travel24.com AG by purchase and conversion of the respective amount of convertible bonds issued in the period of 2006 to 2008. It thus consolidated the Company's equity capital by approximately € 3.0 million and at the same time reduced liabilities in the aforementioned amount. The reorganisation plan of Unister GmbH also provides for an evaluation of the acquired “travel24” brand as well as continuation of the Internet-based business activities by using the “Travel24.com” and “Travel24.de” domains which will clearly compensate the remaining negative equity capital.

The repayment of the convertible bonds in the amount of EUR 4,417 thousand due in 2008 and 2009 was postponed until July 2010 as a result of the creditors' meeting held on 16 May 2008.

The achievement of this goal hinges on the successful implementation of the business concept approved by the Management Board. Should this not be possible, the solvency of the parent Company and thus the Group overall will be jeopardised.

The consolidated financial statements were prepared in EUR thousand/EUR 000.

2.2 Layout of the balance sheet and income statement
The balance sheet is classified according to maturity. For the statement of income total cost accounting is being applied.

2.3 Consolidation principles and reporting entity
The consolidated financial statements of Travel24.com AG as of 31 December 2008 were prepared in accordance with International Accounting Principles (IFRS). The provisions valid on the balance sheet date have been applied.

The standards and amendments IFRIC 4 et seq., Amendment to IAS 19, IAS 21, and IAS 39 being applied for the first time in financial year 2006 had no significant effects.

In financial year 2008, IFRS standard was applied which is obligatory for financial years starting on or after 1 January 2008. As a result, the following accounting principles were applied for the first time in financial year 2008:

- Amendment of IAS 39 “Financial Instruments: Recognition and Measurement” and IFRS 7: “Financial Instruments: Disclosures”: Reclassification of Financial Assets”,
- IFRIC 14 “IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”.

The first time application of the mentioned provisions had no effect on assets and the financial or profit situation of Travel24.com AG.

The following standards, interpretations and amendments of existing standards were already included in European law by the European Union until 31 December 2008, but are not obligatory and were not applied by Travel24.com AG before maturity for the preparation of the financial statements 2008.

- IFRS 8 “Operating Segments”
- Amendment of IAS 1 “Presentation of Financial Statements”

In 2009, the following standards were included in European law until the preparation of these financial statements:

- Amendment of IAS 32 “”Financial Instruments: Presentation” and IAS 1 “Presentation of Financial Statements”,
- Amendment of IFRS 1 “First time Adoption of International Reporting Standards”
- Improvements of the International Financial Reporting Standards as a result of the annual update aiming at tightening and facilitating the international accounting principles.

Overall, the Company therefore does not expect the new provisions to have an effect on the assets and the financial and profit situation.

The Company’s consolidated financial statements include the annual financial statements of Travel24.com AG and its subsidiaries listed in Note 1, for which Travel24.com AG directly or indirectly holds a majority of the Company’s voting rights or can otherwise significantly influence the Company’s activities. The companies are incorporated into the consolidated financial statements beginning from the moment from which Travel24.com AG can exercise control.

The annual financial statements of the companies included in the consolidated financial statements were prepared according to uniform accounting and valuation principles. All significant balances and transactions generated by the intercompany exchange of goods and services have been eliminated on consolidation in accordance with IFRS.

In the consolidation of funds the initial cost of investments was set off against the attributable equity capital at the time of purchase. The resulting differences were allocated to assets to the extent that the book value differs from the current value. Any remaining differences are treated as goodwill.

A resulting negative difference is recognised in net profit or loss.

Any balances, expenses and earnings, as well as any interim profits resulting from Group-internal transactions are eliminated.

2.4 Use of estimates
For some items the preparation of the consolidated financial statements in compliance with IFRS necessitates assumptions which have an effect on the measurement and recognition of assets and liabilities in the balance sheet or income and expenses in the Group’s income statement and the declaration of contingent assets and liabilities. The most important assumptions and estimates relate to assessments of the recoverability of intangible assets, in particular goodwill, uniform treatment within the Group of expected economic useful life for tangible assets, the collectability of receivables and the accounting and valuation of provisions. The assumptions and estimates are based on the currently available state of knowledge. In particular, the predicted business development was based on the conditions prevailing when the consolidated statements were prepared and a realistic assumption for the future development of the global and industry-specific environment. The most complex assumptions were made for the impairment test on goodwill. For specific details of these assumptions please see Item 7.

2.5 Cash and cash equivalents
The Company considers all cash with a term of three months or less at the point in time of their acquisition as cash equivalents.

2.6 Non-current assets
Intangible assets acquired against payment are capitalised at acquisition cost and, with the exception of goodwill, are each written off using the straight-line method across a useful life of three to five years. As of 31 December 2008, the impairment test has shown that the recoverability of the disclosed goodwill is no longer given. The balance sheet item was revised respectively.

Tangible assets were assessed at acquisition costs reduced by planned, physical depreciation.

Office furniture and equipment are depreciated over a useful life of three to eight years.

Intangible assets and tangible assets are exceptionally amortised pursuant to IAS 36 as of the balance sheet date if there is an indication of an impairment and if, following the subsequent impairment test, the "achievable amount" of the asset has fallen below the book value. In the case of assets to be attributed to a goodwill-bearing Cash Generating Unit (CGU), the impairment test is conducted annually irrespective of any indication.

2.7 Financial assets / current financial assets
Other receivables and assets are balanced at their nominal value. If there is doubt as to their collectability, such receivables are then recognised at the lower realisable amount. In addition to the reserves for bad debt that are required, identifiable risks from the general credit risk are allowed for by forming portfolio-oriented reserves derived from experiential values.
Financial assets are recognised at acquisition costs, reduced by exceptional depreciation if required.

The following table describes the valuation of assets and liabilities:

Thousand EUR		2008		2007	
	Category	(continued) Acquisition costs	Fair value	(continued) Acquisition costs	Fair value
Financial assets					
Other accounts receivable	LaR	41	41	77	77
Financial investments	AfS	3	3	3	3
Trade accounts receivable	LaR	350	350	192	192
Other accounts receivable and assets	LaR	690	690	461	461
Cash and cash equivalents	LaR	133	133	511	511
Financial liabilities					
Financial debts	FLAC	4,395	4,395	5,913	5,913
Trade accounts payable	FLAC	2,399	2,399	1,372	1,372
Other liabilities and debts	FLAC	942	942	435	435

Reserves on trade accounts receivable showed the following development:

Thousand EUR	31.12.2008	31.12.2007
Reserves as of the beginning of the financial year	118	118
Receipts of payment and appreciations in value of accounts receivable primarily depreciated	-	-
Amount recorded as earnings during the period under review	-	-
Expenditure for reserves formed during the year under review	22	
Reclassification of accruals for bad debts	-	-
Reserves as of the end of the financial year	140	118

Thousand EUR	2008	2007
Earnings from the receipt of accounts receivable already written off	-	-

2.8 Provisions

Provisions are formed if an obligation to a third party resulting from previous earnings is likely to lead to a future cash outflow and if this financial charge can be reliably estimated. Provisions are valued with the best possible estimate of the scope of obligation are checked on each key balance sheet date.

If the provision cannot be formed because one of the criteria has not been met, without the probability of availment otherwise being remote, the corresponding obligations are reported as contingent debts.

2.9 Employee benefits obligations / pension provisions

According to the provisions of the IAS 19 accounting principles, pension obligations are determined by means of an actuarial valuation based on the Projected Unit Credit Method. By using this method, the cost of providing benefits is recognised in the period in which the benefit was earned. Accounting of pension obligations is based on the income approach. Accordingly, the value relevant for the statement of income is determined by using data collected at the beginning of a financial year. Pension provisions at the end of the financial year are derived from the pension provisions at the beginning of the financial year by adding the pension cost determined at the beginning of the year and deducting cash expense. The differences between expected and actual value of the benefits obligation result in actuarial gains or losses unless those arise from plan changes (Past Service Cost). In this case, it was assumed that the actuarial gains and losses were not recognised at different dates and were only considered in the annual expense to a certain extent, they rather were recognised immediately in the year in which they occurred. This approach thus leads back to the Balance Sheet Approach.

The Travel24.com AG financial statements and consolidated financial statements as of 31 December 2008 for the first time recognised provisions for contractual direct benefits obligations determined according to actuarial principles. Neither the obligations arising from pension commitments granted to the Management Board (liabilities side) nor credits from life insurance (asset side) were taken into account by the previous financial statements of financial years 2003 to 2007 as of the respective balance sheet day. This means that neither pension provisions nor reinsurance claims were included in the balance.

In conjunction with pension claims, life policies with an insured sum adjusted to the expected future pension claim were taken out. The annual insurance rates were recognised in the Company's expense and included in the amounts of the Management Board members' income disclosed in the notes of previous individual and consolidated financial statements. According to an actuarial certificate issued by BodeHewitt AG & Co KG, Munich, dated 9 June 2009, the existing pension obligations in the financial statements as of the balance sheet day are to be recognised with pension provisions in the amount of EUR 42,916 as of 31 December 2007 and EUR 44,265 as of 31 December 2008. The surrender value of reinsurance amounted to EUR 112,080 as of 31 December 2008. This leads to the conclusion that balance expense has been overstated by almost EUR 10 thousand p.a. on average in the last six years. According to the consolidated statement of income, this resulted in a consolidated loss of EUR 590 thousand in financial year 2006 and of EUR 3,221 thousand in financial year 2007.

As a result of a Supervisory Board resolution adopted in April 2009, the management pension claims were eliminated without substitution.

The accounting of pension provisions as well as surrender values of reinsurance taken out to cover pension claims in the IFRS consolidated financial statements is not being realised by changing the previous financial statements (retrospective restatement) but included in current account.

According to IAS 8.43, a company shall correct errors in the IFRS financial statements by retrospective restatement except to the extent that it is impracticable to determine the period-specific effects of the error. The requirement of retrospective restatement pursuant to IAS 8.42 only applies for material errors. On the basis of these accounting principles, retrospective restatement due to the aforementioned error in accounting of the pensions granted to the Management Board is not to be considered. The error resulted thereof is not material. In addition, retrospective restatement in conformance with IAS would be impracticable.

The meaning of “materiality” is defined by IAS 8.5 conforming to a large extent to Framework 30. Accordingly, omissions or misstatements of items are material if they could influence the economic decisions of recipients taken on the basis of the financial statements. Framework 30 clearly states that this refers to quantitative requirements in terms of a threshold value and not to qualitative requirements.

In this case, the accounting of pensions results in an accumulating effect on earnings in the amount of EUR 58,197 which means that consolidated earnings were overstated by EUR 10,000 p.a. at a maximum. In view of stated losses in the million range, it is evident that the economic decisions of recipients would not be influenced by misstated earnings in the respective amount. Another question of qualitative character concerns correct statement of the Management Board members' income. Since the expense of reinsurance

premiums was recognised, insignificantly overrated salaries were stated. It is immaterial for the recipients' economic decisions whether the Management Board members receive direct insurance or pension benefits covered by reinsurance. Since retrospective restatement is not required due to immateriality, it must only be mentioned for the sake of completeness that retrospective restatements are also impracticable. According to the definition of IAS 8.5, the application of a provision is impracticable if it is impossible to apply despite any reasonable efforts on the part of the company. Thus, the notion of practicability is also relative.
It must be taken into account that there are no significant effects on the recipients' economic decision. Furthermore, the Supervisory Board already cleared up this matter by passing its resolution on April 2009 due to which pension commitments became obsolescent for the past and the future. Therefore, both obtaining further costly actuarial certificates as well as the new preparation of financial statements are clearly inappropriate.

2.10 Liabilities
Trade payables and other liabilities are recognised at their nominal value or at the higher repayment amount.

Liabilities from convertible bonds and profit-sharing rights contain the cash value of the repayment amount as of the balance sheet date, reduced by the conversion right.

2.11 Employee participation programme (stock-based compensation)
The Company balances the existing employee participation programmes by applying IFRS 2 Standard Share-based Payment of 18 February 2004. Accordingly, all share options issued to employees must be recognised in net profit or loss. The market value of the employee participation is determined and stated as expenses over the period of the vested rights of the stock options or another equity capital instrument.

2.12 Realisation of income and expenses
Sales revenues from travel retail brokerage are recognised with the transfer of significant risks and opportunities if, as is often the case, the remaining prerequisites (no continued involvement, reliable determinability of the revenue amount and sufficient probability of accrual) are also met. Own package tours are recognised when travellers commence their trips.

Operating expenses affect net income once the payment is made or at the time they are triggered. Interest revenue and interest expenses are accrued.

2.13 Segment information
The presentation according to segments in the present financial statements conforms to IAS 14. IFRS 8 which is binding since 1 January 2009 was not obligatory at the date of the balance sheet day and has therefore not been applied before maturity for the preparation of the Travel24.com AG financial statements 2008.

2.14 Net earnings per share
Basic earnings/losses per share are calculated from the weighted average number of outstanding ordinary shares in the reporting period. The diluted earnings/loss per share are calculated from the weighted average number of outstanding ordinary shares in the reporting period and the equity-related rights. The latter consist of share options and share subscription rights such as convertible loans and profit-sharing rights (including own shares, if applicable). According to IAS 33, pars. 38 et seq., potential ordinary shares are only considered diluted, if their conversion to ordinary shares reduces the earnings per share from the ordinary course of actions or increases the loss per share from the ordinary course of actions. Since including potential ordinary shares in the current financial statements would countervail dilution, the diluted earnings per share are not being stated.

3. Liquid funds and securities

The funds shown include current, fixed-deposit and time-deposit accounts at financial institutions, as well as cash equivalents. A distinction is made between fixed deposits with terms of less than three months and those with terms of more than three months.

	2008 TEUR	2007 TEUR
cash, cheques and bank balances	102	400
fixed-term deposits up to 3 months	31	111
total cash and fixed-term deposits up to 3 months	133	511
fixed-term deposits over 3 months, as well as reserved deposits	0	0
total marketable securities and fixed-term deposits over 3 months	0	0
total current assets	**133**	**511**

4. Trade accounts receivable

All receivables shown have a term of up to one year.

5. Other receivables and assets

Other receivables and assets comprise the following:

	31. December 2008 TEUR	2007 TEUR
Taxes:		
capital gains tax and surcharge (solidarity tax contribution)	3	4
sales tax	77	7
sub-total taxes	80	11
advance payments for travel services/ receivables to operators	203	372
performance bonds and deposits	172	22
debit balances of accounts payable	77	0
loans granted	3	3
other	154	53
sub-total other prepaid expenses & assets	609	449
grand total	**690**	**460**

All other receivables and assets have terms of up to one year. Due to the pension obligations being recognised for the first time, the credits of life insurance covering future pension obligations were included under item “other”.

6. Fixed assets

Fixed assets and investments as of 31 December 2008 are shown in the movement schedule on the following page:

Travel24.com AG - Group

Development of fixed assets in the 2008 financial year

	acquisition and production costs					depreciation and amortization					residual book values	
	1.1.2008	additions	disposals	transfers	31.12.2008	1.1.2008	additions	disposals	transfers	31.12.2008	31.12.2008	31.12.2007
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
I. intangible assets												
1. software	5	1			6	3	1			4	2	2
2. goodwill	6,527				6,527	6,418	109			6,527	0	109
	6,532	1	0	0	6,533	6,421	110	0	0	6,531	2	111
II. tangible assets												
other fixtures and fittings, tools and equipment	160	8	1	0	167	129	19	2	0	146	21	32
III. financial assets												
1. investments	5,337				5,337	5,334				5,334	3	3
2. loans due from entities with which the Company is linked by virtue of participating interests	4,088				4,088	4,088				4,088	0	0
3. other loans	77		36		41	0				0	41	77
	9,502	0	36	0	9,466	9,422	0	0	0	9,422	44	80
	16,194	9	37	0	16,166	15,972	129	2	0	16,099	67	222

7. Goodwill

Goodwill comprises the following:

	goodwill	write-down	accumulated depreciation	net book values	
		2008	31.12.2008	31.12.2008	31.12.2007
	TEUR	TEUR	TEUR	TEUR	TEUR
Direkt-Touristik AG	0	0	0	0	0
Travel Systems AG	6,256	0	6,256	0	0
Travel24 GmbH	271	109	162	0	109
total consolidated companies	**6,527**	**109**	**6,418**	**0**	**109**

Goodwill, including goodwill from the capital consolidation, is subjected to an impairment test once a year. The Group management performed this test on 31 December 2008. The need for value adjustment resulting thereof is shown in the chart above.

For the purposes of the impairment test, the goodwill existing as of 31 December 2008 for the unit generating the affected means of payment (Cash Generating Units, CGUs) was assigned to Travel24 GmbH (Travel Marketing & Distribution). According to the sale of Travel24.com AG stipulated in the reorganisation concept of Unister GmbH, the sale proceeds obtained by this unit at the end of April 2009 were used in the impairment test. As a result, goodwill of this unit was revised by EUR 109 thousand.

8. Provisions / employee benefits obligations

8.1 Provisions

Provisions at the balance sheet date comprise the following:

	31. December 2007	appropriation	usage	dissolution	31. December 2008
	TEUR	TEUR	TEUR	TEUR	TEUR
legal disputes	22	10	0	22	10
personnel expenses	20	18	19	0	18
Supervisory Board remuneration	118	40	100	0	58
other	186	67	133	24	96
grand total	**346**	**134**	**252**	**46**	**182**

8.2 Employee benefits obligations

Pension provisions are generated for obligations resulting from pension entitlement and current benefits to entitled current and former employees as well as their surviving dependents. Retirement provisions are regulated by performance-oriented benefits pension plans. It is financed by allocation of provisions as well as pension schemes financed by funds. In case fund assets exceed the pension obligation, assets are shown within the other financial receivables according to IAS 19. If fund assets do not cover the pension obligations, net obligation is recognised under pension provisions as a liability item.

Pension provisions comprise the following:

In thousand EUR	2008	2007
Opening balance 1.1. *	43	-
Obligation balance changes		-
Actuarial gains (-) / losses (+)	-6	-
Service cost	5	-
Interest cost	2	-
Employer's expenses for pensions and similar obligations	-	-
Closing balance 31.12.	44	-

* fictitious opening balance since pension obligations were recognised for the first time (item 2.9 on page 28-29)

Surrender values of reinsurance amounted to EUR 112,080 as of 31 December 2008.

Since pension obligations were recognised for the first time, the closing balance as of 31 December 2008 shown above was recognised on liabilities side. Any expenses due to these pension obligations occurred before the balance sheet day are included in the Company's loss and/or loss brought forward.

The Company's own financial instruments or assets used by itself are not included in the pension reinsurance.

In the recent years, pension provisions developed as follows:

In thousand EUR	31.12.2008	31.12.2007	31.12.2006	31.12.2005	31.12.2004
Pension provision	44	43*	-	-	-

* fictitious closing balance since pension obligations were recognised for the first time in 2008 (item 2.9 on page 28-29)

The amount of the pension obligations was calculated according to actuarial methods for which estimations are indispensable. In general, the calculations are based on the following assumptions:

actuarial interest rate	6.0%	(previous year 5.5%)
rate of pension progression	1.5%	(previous year 1.5%)
biometric actuarial basis	actuarial tables 2005 of K. Heubeck (Richttafeln 2005G)	

For valuation, actuarial certificates were obtained.

9. Liabilities

	with a residual term of		31. December	
	up to 1 year	1 to 5 years	2008	2007
	€ 000	€ 000	€ 000	€ 000
trade accounts payable	2,399	0	2,399	1,372
other current liabilities	942	0	942	435
convertible bonds	28	4,368	4,395	5,913

The convertible bonds recognise the convertible loans issued by the Company in 2003, 2005, 2006, 2007 and 2008 and the profit-sharing rights. The convertible bonds/profit-sharing rights were disclosed to the amount of the value received, allowing for option premiums and compounding according to the effective interest method.

All convertible bonds and profit-sharing right agreements allow for a conversion without further payment at a ratio of 1:1. Conversion rights may be exercised at any time until the final due date. All convertible bonds issued until mid-2006 have a term until July 2008, which was extended until July 2010 as a result of the creditors' meeting held on 16 May 2008. The convertible bonds issued in November 2006 and October and December 2007 are valid until March 2009. Here too, the respective terms have been extended to July 2010. The profit-sharing certificates placed at the start of 2006 mature in March 2009.

The following chart comprises the contracted (undiscounted) cash flows including interest of the original financial liabilities as well as derivative financial instruments with negative fair value (previous year in brackets):

In thousand EUR	2009	2010-2013	2014 and later
Trade accounts payable	2,399 (1,372)	-	-
Other liabilities	942 (435)	-	-
Financial debts	28 (2,001)	4,368	-

Liabilities repayable at any time are attributed to the period in which cash outflow is considered most likely.

Other current liabilities comprise the following:

	31. December	
	2008	2007
	TEUR	TEUR
social security; salaries & wages; wage and church tax	21	15
credit balances in accounts receivable	14	24
advance payments received	907	396
grand total	**942**	**435**

10. Share capital, convertible loans and profit-sharing rights

10.1 Share capital

By resolution of the Annual General Meeting on 3 August 2005 the Company's share capital was increased against cash in partial exploitation of the Authorised Capital (Article 4 Section 4 of the Articles of Association) by EUR 40.00 from EUR 15,000,000.00 to EUR 15,000,040.00 by issuing 40 new no-par value bearer shares, each representing EUR 1.00 of the share capital, at an issuing price of EUR 1.00 per no-par value share. For the purpose of compensating impairment of assets and offsetting losses, the Company's share capital was reduced by EUR 13,636,400 from EUR 15,000,040 to EUR 1,363,640 by a simplified procedure (Art. 229 et seq. AktG). In order to preserve the proportional minimum par value per share (Article 8 Section 3 AktG) the no-par value shares were consolidated in a ratio of 11 : 1. These measures were recorded in the commercial register on 26 and 27 September 2005.

In November and December 2005 a total of 245,944 bonds from the convertible loan of 2005 were converted, and as of 31 December 2005 the share capital thus stood at EUR 1,609,584.00. These measures were entered in the commercial register on 4 May 2006.

Following the resolution of the Management Board with the approval of the Supervisory Board, in February 2006 150,000 new no-par value bearer shares were issued at an issuing price of EUR 2.70 per share. The share capital thus totalled EUR 1,759,584. This was entered in the commercial register on 4 May 2006.

Following the resolution of the General Meeting on 28 June 2006, the Company's share capital was reduced from EUR 1,759,584.00, broken down into 1,759,584 no-par value bearer shares, as part of a simplified recovery of shares pursuant to Art. 237 (3) No. 1 AktG by EUR 9.00 to EUR 1,759,575.00. For the purpose of compensating impairment of assets and offsetting losses, the Company's share capital was further reduced by EUR 703,830.00 to EUR 1,055,745.00 by a simplified procedure (Art. 229 et seq. AktG). In order to preserve the proportional minimum par value per share (Article 8 Section 3 AktG) the no-par value shares were consolidated in a ratio of 5 : 3.

These measures were entered in the commercial register on 16 August 2006. Execution of the simplified capital reduction was completed in November 2006.

In May, July and August 2007, a total of 560,000 bonds from the convertible loan of 2005 were converted. Entry in the commercial register was made on 30 April 2008.

In May and at the beginning of November 2008, a total of 82,769 bonds from the 2005 convertible loan were converted. When becoming due, the bonds issued in 2003 were converted to 117,273 new shares of the Company. Entry in the commercial register was made on 5 December 2008.

As of the balance sheet date, the share capital therefore totals EUR 1,815,787.00 (previous year EUR 1,615,745.00) and exclusively includes ordinary shares. These involve 1,815,787 no-par value bearer shares.

Following the resolution of the extraordinary General Meeting on 27 November 2008, the Company's share capital was reduced from EUR 1,815,787.00 , broken down into 1,815,787 no-par value bearer shares, as part of a simplified recovery of shares pursuant to Art. 237 (3) No. 1 AktG by EUR 11.00 to EUR 1,815,776.00. For the purpose of compensating impairment of assets and offsetting losses, the Company's share capital was further reduced by EUR 1,702,290.00 to EUR 113,486.00 by a simplified procedure (Art. 229 et seq. AktG). In order to preserve the proportional minimum par value per share (Article 8 Section 3 AktG) the no-par value shares were consolidated in a ratio of 16 : 1. Entry of this measure in the commercial register was made on 12 January 2009. As a result, accounting of this measure was not included in the balance sheet as of the balance sheet day.

10.2 Authorised Capital

The Management Board was empowered by resolution of the General Meeting on 5 July 2004, subject to the approval of the Supervisory Board, to increase the Company's share capital by a maximum of EUR 6,875,000 (Authorised Capital) by no later than 4 July 2009 through one or more issues of new non-par value bearer shares against cash or non-cash contributions. The Management Board was furthermore authorised, subject to the approval of the Supervisory Board, to exclude the statutory subscription rights of the shareholders,

- in the case of capital increases against non-cash contributions if companies, equity interests in companies or parts thereof are to be incorporated into the Company in return for the issue of shares

- for fractional amounts due to the subscription rights,
- in the case of capital increases against cash contribution for restructuring purposes, or
- if capital increases are made against cash contributions, insofar as the issue price of the shares is not significantly below the Company's market price and the new shares issued to the exclusion of subscription rights do not exceed 10% of the share capital, neither at the time the authorisation takes effect, nor at the time of exercising. This figure must take into account shares that have been, or are to be issued, for the servicing of convertible bonds to the exclusion of subscription rights as well as Company shares that are to be resold to the exclusion of subscription rights.

Subject to the approval of the Supervisory Board, the Management Board also decides on the content of the share rights in question and the other stipulations of the issue of shares. Subject to the approval of the Supervisory Board, the Management Board may decide on a starting date for dividend rights that differs from that stipulated in Article 60 AktG. The Supervisory Board is authorised to amend the wording of the Articles of Association according to the implementation of capital increases from the Authorised Capital. For this purpose Article 4 Section 4 of the Articles of Association was revised. This shareholders' resolution was recorded in the commercial register on 14 July 2004. Taking into account the issue of 1,250,000 new no-par value bearer shares in December 2004 the Authorised Capital stood at EUR 5,625,000 as of 31 December 2004.

After allowing for the authorisation by the General Meeting on 3 August 2005 to partially exploit the Authorised Capital (Article 4 Section 4 of the Articles of Association) for the issue of new no-par value bearer shares, each representing EUR 1.00 of the share capital, at an issue price of EUR 1.00, Authorised Capital stood at EUR 5,624,960. This shareholders' resolution was recorded in the commercial register on 26 and 27 September 2005.

The issue approved by the Supervisory Board on 23 February 2006 of 150,000 new no-par value bearer shares was served from the existing Authorised Capital, which amounted to EUR 5,474,960 after taking this measure into account. This was entered accordingly in the commercial register on 4 May 2006.

Following the resolution of the General Meeting on 28 June 2006, two cases were added to the authorisation of the Management Board to exclude subscription rights with the approval of the Supervisory Board when issuing shares from Authorised Capital. The Management Board is now also authorised, subject to the approval of the Supervisory Board, to exclude the statutory subscription rights of the shareholders,

- as it is necessary to grant the creditors of the non-interest-bearing profit-sharing certificates of 2006/2009 a subscription right to new shares in the Company, to the extent to which they are entitled after exercising the conversion privilege,
- as it is necessary to grant the creditors of convertible bonds from the 2006 convertible loan programme resolved at the General Meeting of 28 June 2006 according to TOP 11.1 a subscription right to new shares to the extent to which they are entitled after exercising the conversion privilege.

To this extent, we also refer readers to point 10.4 Convertible bonds, discussed below.

10.3 Contingent Capital

By way of a resolution by the General Meeting on 25 June 2001 the Company's share capital was increased by a nominal sum of EUR 900,000 through a contingent capital increase (Contingent Capital II). The contingent capital increase is only conducted to the extent that the holders of stock options exercise the option rights which have been issued by the Company's Management Board on the basis of the authorisation from the General Meeting on 25 June 2001 with the consent of the Supervisory Board or have been issued by the Supervisory Board. On 30 July 2001 a total of 576,500 option rights was offered to the staff, senior employees and management of the Company and its affiliates on the basis of the authorisation from the Company's General Meeting on 25 June 2001 following the appropriate resolutions of the Management and Supervisory Boards. 552,250 options have been accepted. Whilst 196,000 options had reverted to the Company by the end of financial year 2001, 230,500 options had been properly cancelled in 2002. 30,000 options were accepted in 2003 and 12,750 terminated. In addition, a second tranche was added in August 2003 with the issue of 321,500 options. As a result, the total number of stock options issued and not terminated totalled 464,500 on 31 December 2003. By way of a resolution by the shareholders' meeting on 5 July 2004, in view of the new additional contingent capital to be newly created for the 2004 stock option programme, Contingent Capital II was renamed to become Contingent Capital I and withdrawn in the amount for which options had not yet been issued. As a result, the capital renamed as Contingent Capital I was withdrawn in the amount of EUR 435,500. Of the remaining options, in 2004 71,000, in 2005 36,750, in 2006 23,500 and in the course of the reporting year, a further 6,000 were cancelled, so that the number of issued subscription rights from the Contingent Capital I as of 31 December 2008 totalled 327,250.

In order to service the 2004 stock option programme resolved on 5 July 2004, by way of a resolution of the General Meeting of the same date the Company's share capital was conditionally increased by up to a nominal amount of EUR 910,500 by issuing up to 910,500 no-par value bearer shares (Contingent Capital II). The contingent capital increase exclusively serves to issue stock options, with the approval of or by the Supervisory Board, to the members of the Company's Management Board, the managing directors of affiliated companies within the meaning of Art. 15 AktG and to employees of the Company and its related companies in compliance with Art. 15 AktG as adopted by the resolution of the General Meeting on 5 July 2004. The contingent capital increase will be carried out to the extent that holders of subscription rights exercise such rights and insofar as the Company does not grant its own shares in fulfilment of the subscription rights or utilise existing authorised capital. The shares issued under subscription options will be issued at a basic price which will be calculated in line with the principles set out in the authorisation resolution. The shares issued under subscription rights carry dividend rights from the start of the financial year in which they are created by exercising the options. The Management Board - and to the extent that it involved itself, the Supervisory Board - is authorised to stipulate the further details of issuing the shares from the contingent capital increase and implementation of the contingent capital increase itself with the approval of the Supervisory Board. The Supervisory Board is authorised to amend the wording of the Articles of Association in line with the implementation of the capital increase from Contingent Capital II.

Following the resolution of the Supervisory Board on 8 November 2006, the issuing of a total of 627,625 share options was authorised which, following the implementation of the capital reduction stipulated in the General Meeting resolution of 28 June 2006, entitle holders to purchase a total of 376,575 new bearer shares.

A total of 400,000 stock options that authorise the holders to subscribe for 240,000 new, no-par value bearer shares, were terminated, with the result that the number of issued and not terminated subscription rights from Contingent Capital II totalled 227,625 on 31 December 2008, which would authorise the holders to subscribe for 136,575 new, no-par value bearer shares. However, these stock options were cancelled without compensation due to unauthorised disposition.

For further financing instruments to be served from the Contingent Capital we refer to Point 10.4 given below.

10.4 Convertible bonds and profit-sharing rights

By resolution of the general meeting on 12 June 2002 the Company's share capital was nominally increased by EUR 4,300,000 subject to contingencies by issuing up to 4,300,000 new no-par-value bearer shares with dividend rights from the start of the financial year in which they are issued (Contingent Capital III). The Management Board was authorised, with the consent of the Supervisory Board, to issue no-par value bearer or registered convertible bonds valued at up to EUR 4,300,000 until 31 December 2004 in one or more issues with a maximum term of five years and to grant the holders of the convertible bonds conversion rights for up to 4,300,000 new shares of the Company, proportionately representing up to EUR 4,300,000 of the share capital, within the strict limitations of this resolution and in accordance with the convertible bond conditions to be specified by the Management Board with the consent of the Supervisory Board.

All shareholders have the right to subscribe. However, the Management Board is authorised, subject to the approval of the Supervisory Board, to exclude the subscription rights of shareholders to convertible bonds,

- if the issue price is not substantially higher than the theoretical market value of the convertible bonds calculated according to generally accepted investment mathematical principles and the shares to be issued in satisfaction of the conversion privileges pursuant to Art. 186 Section 3 (4) AktG do not exceed 10% of the share capital, either at the date they become effective or are exercised (the limitation to 10% of share capital is to include shares issued on existing authorised capital with the exclusion of pre-emptive rights, as well as the Company's own shares that are resold with the exclusion of pre-emptive rights).

- provided convertible bonds with conversion rights are subscribed for restructuring purposes by one or more investors for cash, or
- insofar as fractional amounts occur due to a subscription ratio.

Upon issue of the convertible bonds the holders will receive an irrevocable right to convert these to new shares in the Company, subject to the conditions set by the Management Board with the consent of the Supervisory Board. The proportionate amount of the shares issued in the share capital may not exceed the nominal value of the convertible loans. The conversion rate is calculated by dividing the nominal value of the convertible bonds by the conversion price, i.e. 1 : 1 (a new share in the Company may be exchanged for each EUR 1.00 nominal value of the convertible bonds). Subject to the convertible bond conditions, the conversion privilege may be exercised at any time during the entire term. The conversion price is EUR 1.00 per share, less the nominal value of the bond.

The convertible bond was placed on 8 July 2003 at a nominal amount of EUR 4,300,000. The Company launched a convertible bond pursuant to the convertible bond contract of 8 July 2003.

With the approval of the Supervisory Board, the Management Board bought back convertible bonds to a nominal value of EUR 2,150,000 for the Company in February 2006. The purchase price for the repurchase of convertible bonds of EUR 240,000.00 was divided between the equity and borrowed capital components in the same ratio as pertained at the time of issue. The portion applying to the borrowed capital component was recognised in net profit/loss in the income statement. The portion applying to the equity component was recognised with the capital reserve/net loss without affecting net income. Following this repurchase of convertible bonds at a nominal value of EUR 2,150,000, 130,000 convertible bonds were sold on at amended conditions, retaining the original term.

In the year under review, convertible bonds with a nominal value of EUR 2,150,000.00 matured and were converted to 117,273 new shares of the Company, representing a proportionate share of EUR 117,273.00 of the share capital. Entry of this measure in the commercial register was made on 5 December 2008.

By resolution of the general meeting on 5 July 2004 the Company's share capital was nominally increased by EUR 1,200,000 subject to contingencies by issuing up to 1,200,000 new no-par value bearer shares with dividend rights from the start of the financial year in which they are issued (Contingent Capital IV). The Management Board was authorised, with the consent of the Supervisory Board, to issue no-par value bearer or registered convertible bonds valued at up to EUR 1,200,000 until 31 December 2006 in one or more issues with a maximum term of five years and to grant the holders of the convertible bonds conversion rights for up to 1,200,000 new shares of the Company, proportionately representing up to EUR 1,200,000 of the share capital, within the strict limitations of this resolution and in accordance with the convertible bond conditions to be specified by the Management Board with the consent of the Supervisory Board. The contingent capital increase serves to grant shares to the holders of convertible bonds options issued by the Company on the basis of the authorisation granted by the shareholders' meeting on 5 July 2004. New shares are issued against payment of the conversion price as set out in the corresponding authorisation resolution. The contingent capital increase is only to be implemented to the extent that the conversion rights from the convertible bonds are used.

The Management Board - insofar as it itself is involved, the Supervisory Board - is authorised to stipulate the further details of the contingent capital increase with the approval of the Supervisory Board. The Supervisory Board is authorised to amend the wording of the Articles of Association in line with the implementation of the capital increase from Contingent Capital IV.

Shareholders shall, as a matter of principle, be entitled to subscription rights. The subscription right may, however, be excluded in three exceptional cases:

- If pursuant to Articles 186 Section 3 (4), Section 4 (2), 221 Section 4 AktG (pursuant to Article 221 Section 4 (2) AktG, the provisions of Art. 186 Section 3 (4) apply analogously to the exclusion of subscription rights in the issue of convertible bonds) the issue price does not lie significantly below the theoretical market price of the convertible bonds determined by generally accepted investment mathematical principles and the shares to be issued in satisfaction of the conversion privileges pursuant to Art. 186 Section 3 (4) AktG do not exceed 10% of the share capital,
- provided convertible bonds with conversion rights are subscribed for restructuring purposes by one or more investors for cash, or

- insofar as fractional amounts occur due to a subscription ratio.

Upon issue of the convertible bonds the holders will receive an irrevocable right to convert these to new shares in the Company, subject to the conditions set by the Management Board with the consent of the Supervisory Board. The proportionate amount of the shares issued in the share capital may not exceed the nominal value of the convertible loans. The conversion rate is calculated by dividing the nominal value of the convertible bonds by the conversion price, i.e. 1 : 1 (a new share in the Company may be exchanged for each EUR 1.00 nominal value of the convertible bonds). Subject to the convertible bond conditions, the conversion privilege may be exercised at any time during the entire term. The conversion price is EUR 1.00 per share, less the nominal value of the bond.

The convertible bond was placed on 4 July 2005 at a subscription price of EUR 3.00 per fractional debenture.

The Company's General Meeting of 3 August 2005 authorised the Management Board, with the approval of the Supervisory Board, to issue profit-sharing rights until 31 December 2007 that are not associated with conversion or option rights for shares, at a total nominal amount of up to EUR 15 million, within the strict limitations of this resolution and of the profit-sharing right conditions to be stipulated by the Management Board with the approval of the Supervisory Board. This authorisation may be utilised in full or in tranches, on one or several occasions. The profit-sharing rights have a term of no longer than seven years. The Management Board was further authorised, with the approval of the Supervisory Board, to exclude shareholders' subscription rights to the profit-sharing rights, in order to exclude residual amounts from the subscription right.

In February 2006, the Management Board partially exercised the above-mentioned authorisation with the approval of the Supervisory Board and the Company issued non-interest-bearing profit-sharing rights ("profit-sharing certificates") at a total nominal amount of up to EUR 357,685, divided into up to 357,685 mutually equal partial bearer profit-sharing rights with a nominal value of EUR 1.00 each (each constituting a "partial profit-sharing right" and all partial profit-sharing rights together constituting the "profit-sharing rights"). The profit-sharing rights were initially offered for subscription with a subscription period of two weeks, observing shareholders' statutory subscription rights to the profit-sharing rights, to all shareholders in a ratio of 4.5 : 1 at a subscription price/issuing amount of EUR 3.00 per partial subscription right. Furthermore, following the resolution of the General Meeting of 28 June 2006, each profit-sharing right holder was granted a conversion right with the requirement to exchange each partial profit-sharing right at a nominal value of EUR 1.00 within an exercise period into one issuer's no-par value bearer share (carrying voting rights).

The subscription rights are to be issued from the existing Authorised Capital pursuant to Art. 4 (4) of the Articles of Association. However, the Management Board may decide, with the agreement of the Supervisory Board, whether the new shares required to fulfil exercised conversion rights should be provided from the existing or authorised capital or an existing or future contingent capital or from holdings of own shares. In exercising this discretion, Management Board and Supervisory Board must act exclusively in the Company's interests.

In December 2006, with the approval of the Supervisory Board, a total of 348,221 profit-sharing rights were repurchased.

The purchase price for the repurchase of the profit-sharing rights of EUR 1,500,000.00 was divided between the equity and borrowed capital components in the same ratio as pertained at the time of issue. The portion applying to the borrowed capital component was recognised in net profit/loss in the income statement. The portion applying to the equity component was recognised with the capital reserve/net loss without affecting net income.

Following the resolution of the General Meeting of 28 June 2006, the Management Board was authorised, with the consent of the Supervisory Board, until 31 December 2008 to issue no-par value bearer and/or registered convertible bonds at a total nominal value of up to EUR 1,500,000, in one or more issues with a maximum term of five years and to grant the holders of the convertible bonds conversion rights (even following a capital reduction) for up to 1,500,000 new shares of the Company, proportionately representing up to EUR 1,500,000 of the share capital, within the strict limitations of this resolution and in accordance with the convertible bond conditions to be specified by the Management Board with the consent of the Supervisory Board. All shareholders have the right to subscribe. The convertible bonds can also be assumed by a bank or a bank consortium with an undertaking to offer them for subscription to shareholders.

However, the Management Board is authorised, subject to the approval of the Supervisory Board, to exclude

the pre-emptive rights of shareholders to convertible bonds,
(i) provided convertible bonds with conversion rights are subscribed for restructuring purposes by one or more investors for cash, or
(ii) insofar as fractional amounts occur due to a subscription ratio.

Upon issue of the convertible bonds the holders will receive an irrevocable right to convert these to new shares of the Company, subject to the conditions set out by the Management Board with the consent of the Supervisory Board. The proportionate amount of the shares issued in the share capital may not exceed the nominal value of the convertible loans. The exchange ratio is 1 : 1 (each nominal EUR 1 value of the convertible bond can be exchanged for one new share in the Company). Subject to the convertible bond conditions, the conversion privilege may be exercised at any time during the entire term. The convertible bond conditions can also provide for a right of tender for the Company or a conversion obligation at the end of the term (or at an earlier point in time). The conversion price corresponds to the issuing amount and is considered payment as though by payment of the issuing amount.

The Management Board and, to the extent it is itself involved, the Supervisory Board, were authorised, with the approval of the Supervisory Board, to determine all further details relating to the issue and composition of the convertible bonds and their conditions, in particular the interest payable, issuing price, term and denomination, dilution protection, conversion periods and exchange modalities for the conversion authorisation, provided that these are in keeping with the underlying resolution of the General Meeting. The application of any conversion rights exercised by holders of convertible bonds from the convertible loan programme 2006 should primarily be achieved through the existing Authorised Capital.

In October 2006, the Management Board, with the approval of the Supervisory Board, partially exercised the above authorisation and issued 800,000 convertible bonds. Here, the statutory subscription right to the convertible loan was offered to shareholders in such a way that VEM Aktienbank AG, Munich, was admitted to subscribe for and assume the partial bonds at a nominal value of EUR 1.00 each with an undertaking to offer them to shareholders for subscription in a ratio of 2.1 : 1, in line with the ratio prior to the exchange conversion of the capital reduction, or 1.3 : 1 in line with the ratio following the exchange conversion of the capital reduction at a subscription price of EUR 2.50 in a period of two weeks and to cede the additional proceeds, following deduction of appropriate costs and commissions, to the Company. The Supervisory Board approved the exclusion of the statutory subscription right for fractional amounts. The planned exclusion of subscription rights for fractional amounts arising from a subscription rights relationship where even distribution to all shareholders is no longer possible allows for a ‘fairer’ exchange ratio and thus the smoother progress of the capitalisation measure. The Supervisory Board also agreed that partial bonds not subscribed for may be offered by VEM Aktienbank AG, Munich as part of a private placement to investors at a subscription price of EUR 2.50. This is in the Company’s interests, as it is currently still in a reorganisation phase.

In October 2007, with the approval of the Supervisory Board, a further 150,000 convertible bonds from the 2006 convertible loan programme were issued excluding shareholders' subscription rights at a subscription price of EUR 2.30. In December 2007 - also with the approval of the Supervisory Board and excluding shareholders' subscription rights - a further tranche comprising 250,000 convertible bonds was issued from this convertible loan programme at a subscription price of EUR 2.00.

In April 2009, further 300,000 convertible bonds from the 2006 convertible loan programme were issued with the approval of the Supervisory Board excluding shareholders' subscription rights at a subscription price of EUR 1.00.

10.5 Stock option plans
10.5.1 Stock option plan 2001
Under the stock option plan of 30 July 2001, 552,250 options for the purchase of shares in Travel24.com AG were issued to 305 employees at EUR 1.32 per share. This corresponds to 88% of the market value on the issuing day. The vesting period for these shares is two years for the first 40% of the options and a further year for each remaining 20% until all option shares become fully vested after five years. All options must be exercised within seven years of the date on which the option was granted.

Further provisions in relation to this employee stock option programme (exercise periods, taxation, transfer rights, etc) are laid down in the framework contract for this stock option programme. To date none of these options have been exercised. In the past financial year, the programme assets did not change, with the result that as of 31 December 2008 85,250 shares subject to the original regulations of 2001 were still in circulation.

In August 2003, a further tranche of 321,500 options was issued under this stock option plan. The exercise price for this tranche is EUR 1.33 each, equivalent to 92% of the market value on the day of issue. The vesting period for these shares is two years for the first 40% of the options and a further year for each remaining 20% until all option shares become fully vested after five years. All options must be exercised within seven years of the date on which the option was granted.

Further provisions in relation to this employee stock option programme (exercise periods, taxation, transfer rights, etc.) are laid down in the framework contract for this stock option programme. To date none of these options have been exercised. In the past financial year, the programme assets did not change, with the result that 242,000 of the options issued in 2003 were still in circulation as of 31 December 2008.

10.5.2 Stock option plan 2004

As part of the 2004 stock option plan, in November 2006 a total of 376,575 options (627,625 prior to the capital reduction) were issued to 2 employees for the purchase of shares in Travel24.com AG. The exercise price of this tranche is EUR 2.81 per share and corresponds to 110% of the first closing price, following exchange-related conversion and the execution of the capital reduction resolved by the General Meeting on 28 June 2006, for a share in Travel24.com AG in the Xetra trading system (or such trading system as replaces it) of Deutsche Börse AG. The vesting period for these shares is two years for the first 40% of the options and a further year for each remaining 20% until all option shares become fully vested after five years. All options must be exercised within seven years of the date on which the option was granted.

Further provisions in relation to this employee stock option programme (exercise periods, taxation, transfer rights, etc.) are laid down in the framework contract for this stock option programme. During the past financial year, 400,000 stock options from this stock option programme were terminated, which authorised to subscribe for 240,000 shares after the capital reduction, with the result that 227,625 of the options issued and not terminated in 2006 which would authorise to subscribe for 136,575 shares were still in circulation as of 31 December 2008. These stock options, however, were cancelled without compensation due to unauthorised disposition.

10.6 Employee Participation Programme

The market value of the options granted in 2001, 2003 and 2006 were calculated at the point in time the commitments were made applying the Black-Scholes model. The assumptions made in this respect and the resulting market values are as follows:

		stock option plan 2004	stock option plan 2001		stock option plan 2000
			tranche 2003	tranche 2001	
risk-free interest		3,75%	5%	5%	5%
volatility		82.7%	145.23%	50%	50%
estimated fluctuation		0%	0%	0%	0%
mean expected term		7.0 years	2.91 years	3.4 years	3.7 years
market value per option		€ 1.57	€ 0.97	€ 0.65575	€ 13.76
number of out-standing options per	**31. Dec. 2008**	**0***	**242,000**	**85,250**	**0**
	31. Dec. 2007	227,625	242,000	85,250	0
expense booked (in € 000)	**2008**	**11**	**0**	**0**	**0**
	2007	11	0	0	0

* cancelled without compensation due to unauthorised disposition

The changes in the options from the stock option plans of the Company are as follows:

	2008 number of weighted average issued options	2008 Ø strike Price €	2007 number of weighted average issued options	2007 Ø strike Price €
as of 1. January	554,875	1.94	960,875	2.30
granted *	0	-	0	-
exercised	0	-	0	-
cancelled	-227,625 **	-	-406,000	2.79
as of 31. Dec.	**327,250**	**1.94**	**554,875**	**1.94**

* in addition to 172,375 virtual stock options which entitle to take up 6,464 shares

**227,625 stock options were cancelled without compensation due to unauthorised disposition

11. Sales revenues

Sales revenues of the Group according to business activities can be divided as follows:

	2008 TEUR	2007 TEUR
travel marketing commission	1,411	1,500
gross sales from tour operator activities	3,826	956
other revenues	0	0
grand total	**5,237**	**2,456**

12. Other operating income

Other operating income comprises the following:

	2008 TEUR	2007 TEUR
reversal of accruals and deferred liabilities	47	1
rental income	25	17
income from the retirement of debentures	0	0
other income	605	240
grand total	**677**	**258**

The other income disclosed in 2008 is mostly due to the refund of advertising costs.

13. Cost of materials

The newly added expenses for materials are due exclusively to the purchase of third-party tourism services used to compile Direkt-Touristik AG's product offering.

14. Personnel expenses

Specific components of the sums recognised under personnel expenses are as follows:

	2008 TEUR	2007 TEUR
salaries and wages	915	941
payroll deductions / retirement provisions	156	114
grand total	**1,071**	**1,055**

15. Other operating expenses

Other operating expenses comprise the following:

	2008 TEUR	2007 TEUR
occupancy costs	101	104
IT / communication	319	317
marketing expenses / advertisement / commission transfer	1,581	1,453
investor relations	39	59
car and travel expenses	110	185
legal and consultancy fees, accounting expenses, legal disputes	962	822
Supervisory Board fees	41	65
insurance, dues, contributions	113	92
losses on the disposal of fixed assets	0	2
bad debt loss, allowance	122	24
redemption of participation rights	0	0
other expenses	134	83
grand total	**3,522**	**3,206**

16. Net interest income/loss

Net interest income/loss is primarily impacted by interest charges in connection with the convertible loan:

	2008 TEUR	2007 TEUR
interest on convertible bond	-613	-790
other interest expense	-3	-133
interest income on VAT refund	0	0
other interest income	29	11
financial result	**-588**	**-912**

17. Income tax

Deferred taxes are calculated pursuant to the provisions of IAS 12. As a matter of principle, income taxes that must be declared are taxes paid or owed on income, as well as deferred tax accruals and deferrals. Deferred taxes are ascertained on temporary differences between the assigned value of assets and liabilities in the IFRS and tax balance sheet, from consolidation processes and realisable loss carryforwards.

Due to recognition and valuation differences for individual liability items, unbalanced deferred tax liabilities of EUR 87 thousand were formed.

Due to negative annual earnings and the existing tax loss carryforwards in the amount of 95,6 million as of 31 December 2008, no actual tax expense incurs. Since the loss situation is likely to continue, the Company assumes that tax deductible loss carryforwards are not usable in the foreseeable future – thus, there is no accounting of active deferred tax referring to this tax loss carryforwards in the amount of EUR 28.7 million.

Both offset and not offset, the following balanced recognised deferred tax assets and deferred tax liabilities relate to differences in approach and valuation for the individual balance sheet items and tax losses carried forward:

	deferred taxes - assets side		deferred taxes - liabilities side	
	31. December		31. December	
	2008	2007	2008	2007
	€ 000	€ 000	€ 000	€ 000
trade accounts payable	0	0	53	75
convertible bond	0	0	31	164
employee benefits obligations	0	0	3	0
tax-deductible loss carryforward	0	240	0	0
	0	240	87	240

Income and earnings taxes refer to the following tax types and financial years:

In thousand EUR	2008	2007
Corporate and solidarity tax	-	-
Year under review		
Previous years		
Foreign withholding tax	-	-
Trade earnings tax	-	-
Year under review		
Previous years		
Deferred tax	87	-

Income tax expenses comprise the following:

In thousand EUR	2008	2007
Actual tax expense	-	-
Deferred tax income due to formation of active deferred tax on tax loss carryforwards	-	-
Deferred tax expense due to usage and cancellation of active deferred tax on tax loss carryforwards	-	-
Deferred tax expense / income from temporary differences	87	-

Tax offsetting and reconciliation

In thousand EUR	2008	2007
Result before income tax	-2,562	-3,221
Group tax rate	30%	30%
Expected tax expense (+) / tax income (-)	-769	-966
Deferred tax not capitalised on tax losses	769	966
Deferred tax expense from temporary differences	87	-
Actual income and earnings tax	87	-
Tax rate in %	n/ a	-

The amount of EUR 79,441 disclosed as other taxes exclusively refers to tax refunds from previous periods.

18. Segment information

The companies on the reporting entity of Travel24.com AG are 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:

Business segment	Company
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 Internet-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

Segment information by business division:

segment presentation for 2008	Travel Marketing & Distribution TEUR	Travel Technology TEUR	Direct Marketing Tour Operator TEUR	Eliminations TEUR	Travel24-Group TEUR
revenues - trade	1,411	0	3,826	0	5,237
- intersegment	0	0	0	0	0
total revenues	1,411	0	3,826	0	5,237
operating result	-1,268	0	-707	0	-1,975
interest and similar income					108
interest and similar expenses					-617
period net loss					-2,483
segment assets	406	0	766		1,172
segment liabilities	1,534	0	2,060	0	3,594
unassigned liabilities					
consolidated liabilities	1,534	0	2,060		3,594
investments	7	0	2	0	9
ordinary depreciation	16	0	3	0	19

segment presentation for 2007	Travel Marketing & Distribution TEUR	Travel Technology TEUR	Direct Marketing Tour Operator TEUR	Eliminations TEUR	Travel24-Group TEUR
revenues - trade	1,500	0	956	0	2,456
- intersegment	0	0	0	0	0
total revenues	1,500	0	956	0	2,456
operating result	-1,853	0	-496	39	-2,310
interest and similar income					11
interest and similar expenses					-923
period net loss					-3,221
segment assets	887	0	498		1,385
segment liabilities	1,061	0	1,092		2,153
unassigned liabilities					
consolidated liabilities					2,153
investments	4	0	6		9
ordinary depreciation	21	0	3		23

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

19. Earnings per share

Basic earnings/losses per share are calculated from the weighted average number of outstanding ordinary shares in the reporting period. The diluted earnings/loss per share are calculated from the weighted average number of outstanding ordinary shares in the reporting period and the equity-related rights. The latter consist of share options and share subscription rights such as convertible loans and profit-sharing rights (including own shares, if applicable). Taking the regulations included in IAS 33 paragraphs 38 et seq. into account, the following table does not show the diluted earnings per share which differs from the basic earnings per share.

The ratios for earnings per share are as follows:

net loss per share	1. January - 31. December			
	2008		**2007**	
	basic	diluted	basic	diluted
weighted average number of shares outstanding	1,678,497	3,848,463	1,289,551	3,314,068
net loss (in TEUR)	-2,649	-2,649	-3,221	-3,221
per share (in EUR)	-1.58		-2.50	

20. Contingent liabilities and other financial commitments

As of 31 December 2008, the following obligations existed:

	2009 TEUR	2010 TEUR	2011 TEUR	2012 TEUR	2013 TEUR
office rent	113	113	111	109	109
services / consulting fees	678	676	676	676	676
licenses / software systems	113	107	103	103	103
grand total	**903**	**897**	**889**	**888**	**888**

21. Uncertainties and events after the balance sheet date

A detailed summary of corporate risks and events after the balance sheet date is to be found in the Consolidated Management Report, which in conformance with German law was prepared and published simultaneously with these annual financial statements.

22. Hedging policy

The Group generates no foreign revenue and undertakes no significant procurement activities in other countries. Financing is exclusively from equity and convertible bonds and profit-sharing rights. Derivatives do not exist, thus no special hedging policy is called for.

23. Notes to the cash flow statement

The cash flow statement for the financial year starts with the net loss for the year. First of all, the net loss was adjusted for income and expenses not affecting payments. Then the changes in working capital were accounted for in the cash flow.

The cash flow from investing activities shows outpayments for investments in fixed assets and payments in from the repayment of loans issued by Travel24.com AG.

Cash flow from financing activities includes the proceeds from the issue of convertible bonds and the injection of equity financing. Finally, the interest paid is shown here.

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

24. Employees

The average number of employees was 24.8 (previous year 26). As of 31 December 2008, 23 persons were employed (previous year: 24).

25. Contingent payables/receivables

There are no contingent payables or receivables.

26. Relationships to related parties

The partnership Graf Kanitz, Schüppen & Partner, Rechtsanwälte Wirtschaftsprüfer Steuerberater, with which Supervisory Board member Dr. Matthias Schüppen is closely associated, provided legal consultation and representation for Travel24.com AG. With the approval of the Supervisory Board, it received total fees of EUR 72 thousand in 2008. The business was conducted under the usual conditions for outside parties.

The remuneration of the Directors is listed under a separate item.

27. Management Board and Supervisory Board

In financial year 2008, the members of the **Management Board** of the parent company were:

- Mr Marc Maslaton — Marketing, Sales, Technology — Munich (Chairman)
- Mr Philip Kohler — Finance, Accounting, HR — Starnberg

At the same time, Mr Marc Maslaton was Director of Travel Systems AG and Managing Director of Travel24 GmbH. Mr Philip Kohler held a Supervisory Board post at Travel Systems AG.

The members of the Management Board received a total remuneration of EUR 306 thousand (previous year EUR 303 thousand) for fulfilling their tasks. As was the case the previous year, these were exclusively fixed payments. The Company has refrained from specifying the detailed individual breakdown of Management Board members' earnings pursuant to Art.286 Section 5 HGB, because the General Meeting of 28 June 2006 resolved, with a majority of 99.88%, not to disclose the details demanded for financial years 2006 to 2010 both in the annual and consolidated financial statements.

Pursuant to Article 95 AktG (in conjunction with Article 8 of the Articles of Association), the parent company's Supervisory Board comprises three members.

The members of the Supervisory Board as of 31 December 2008 are:

▪ Dr. Matthias Schüppen	Lawyer	Stuttgart	(Chairman)
▪ Martin Amrhein	Banker	Frankfurt	
▪ Cristofor Henn	Finance Director, rtd.	Palma de Mallorca, Spain	

Cristofor Henn holds further positions with the executive bodies of Grubargés Inversión Hotelera S.A. and Barceló Crestline Corp. Dr. Matthias Schüppen is a member of the Supervisory Board of ACCERA Venture Partners AG.

Mr Cristofor Henn resigned his Supervisory Board membership according to notice dated 18 February 2009 for personal reasons.

Following a resolution of the registration court Munich dated 4 March 2009, Reiner Distel, accountant and auditor from Düsseldorf, was appointed as new member of the Supervisory Board.

Expenses of EUR 40 thousand were incurred for the Supervisory Board of Travel24.com AG in the year under review (previous year: EUR 65 thousand).

As of the balance sheet date 31 December 2008, the shares and options held by members of the Management and Supervisory Boards under the employee participation programme were as follows:

Management Board		
Marc Maslaton	23,319	160,000 authorise to subscribe for 8,727 shares
Philip Kohler	529	90,000 authorise to subscribe for 4,909 shares
Supervisory Board		
Dr. Matthias Schüppen	0	
Martin Amrhein	7,981	
Cristofor Henn	32,512	

As of 31 December 2008, the Company had issued a total of 327,250 stock options not terminated which authorise to subscribe for 17,856 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 in the amount of 77,250 options (which authorise to subscribe for 4,220 shares) relates to employees and senior staff of Travel24.com AG and of subsidiaries.

28. Auditors' fees

The fee for the auditor of the consolidated financial statements was recorded as an expense in financial year 2008. Including the reimbursement of expenses, it consisted of

a) annual audits EUR 59 thousand (previous year: EUR 55 thousand),
b) other confirmatory and evaluation services EUR 0 thousand (previous year EUR 0 thousand),
c) tax consultancy services EUR 0 thousand (previous year: EUR 0 thousand),
d) other services rendered to the parent Company or its subsidiaries EUR 0 thousand (previous year: EUR 0 thousand)

29. Other disclosures

Travel24.com AG's consolidated financial statements and Group management report are published in the electronic federal gazette.

30. Corporate governance report / Declaration of compliance with the Corporate Governance Code

Corporate governance represents a standard that applies to all areas of the Company. Transparent reporting and a management course aligned to the interests of the shareholders is a constituent part of corporate policy; responsible cooperation in a climate of trust is a sound basis for corporate activities.

The Management Board and Supervisory Board of Travel24.com AG hereby declare, pursuant to Art. 161 AktG, that the recommendations published by the Federal Justice Ministry on 4 July 2003 in the official section of the electronic version of the Federal Gazette of the "Government Commission on the German Corporate Governance Code" in the version of 14 June 2007, notified on 20 July 2007, since the last declaration of conformity up to including 8 August 2008 and as from 9 August 2008, the recommendations of the "Government Commission on the German Corporate Governance Code" in the version of 6 June 2008 notified on 8 August 2008 in the electronic version of the Federal Gazette have been and are complied with, and what recommendations have not been or are not being applied.

This declaration and pertaining explanations has been made permanently accessible online to shareholders on the homepage of Travel24.com AG at www.travel24.com and will be renewed on an annual basis.

31. Declaration by the legal representatives

To the best of our knowledge, we declare that, according to the principles of proper consolidated reporting applied, the consolidated financial statements provide a true and fair view of the Group's net worth, financial position and results of operations, that the consolidated management report presents the Company's business including the results and the Group's position such as to provide a true and fair view and that the major opportunities and risks of the Group's anticipated growth are described.

Munich, June 2009

Philip Kohler　　　　　　Marc Maslaton

7.8 Auditor’s opinion

We have audited the consolidated financial statements of Travel24.com AG, Munich, comprising the balance sheet, statement of income, statement of changes in shareholders' equity, cash flow statement and notes to the financial statements as well as the Group management report for the fiscal year from 1 January to 31 December 2008. The preparation of the consolidated financial statements and the Group management report in accordance with the IFRS, as adopted by the EU, and the additional requirements of commercial law pursuant to Section 315a (1) of the HGB (German Commercial Code) are the responsibility of the Company’s legal representatives. Our responsibility is to express an opinion, based on our audit, on the consolidated financial statements and on the group management report.

We conducted our audit in accordance with Section 317 of the HGB and in compliance with the principles of proper auditing adopted by the Institut der Wirtschaftsprüfer (IDW). These standards require that we plan and perform the audit to obtain reasonable assurance on whether the consolidated financial statements (based on the applicable accounting standards) and the management report for both the Company and the entire Group are free of material misrepresentations and present a true and fair view of the assets, the financial position and results of the Company. The process of defining the audit procedures takes account of knowledge about the business activities and the economic and legal environment of the Company, as well as expectations of possible errors. The conduct of an audit includes examining the effectiveness of the Company’s internal accounting-related control systems and, on a sample basis, evidence supporting the information contained within the consolidated financial statements as well as in the management report for both the Company and the entire Group. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company’s legal representative, as well as evaluating the overall presentation of the consolidated financial statements and the single-entity and Group management report. We are confident that our audit provides a sufficiently sound basis on which to make an assessment.

Our audit led to no objections with the exception of the following:

The consolidated financial statements of financial years 2003 to 2007 neither recognised the obligations arising from pension commitments granted to the Management Board members as a liability nor capitalised the respective credit from life insurances. In opposition to the regulations of IAS 8.42, this error was not revised by retrospective restatement but was recognised in profit or loss in current accounts. In terms of the absolute effects, we refer to the statements under item 2.9 (Employee benefits obligations / pension provisions) in the notes of the Company. Since there was no error correction conforming to IAS 8.42, the specifications required by IAS 8.49 are not included in the Company’s notes.

In our opinion, based on the results of our audit, the consolidated financial statements with the exception of the above-mentioned comply with IFRS as these are to be applied in the EU and the supplementary provisions of the HGB as stipulated by Section 315a (1) of the HGB, and convey a true and fair view of the Group’s assets, financial position and results. The single-entity and Group management report is in line with the consolidated financial statements, provides an accurate picture of the Group’s situation and accurately reflects the opportunities and risks of future growth.

Munich, 30 June 2008

BDO Deutsche Warentreuhand
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Bartuschka	ppa. Stephan
Auditor	Auditor

8. Key Corporate Announcements 2008

Ad hoc announcements according to § 15 WpHG

27.11.2008	Travel24.com AG: Capital reduction
15.10.2008	Travel24.com AG: Capital reduction
29.08.2008	Travel24.com AG: Annual General Meeting
18.07.2008	Travel24.com AG: Capital reduction
14.07.2008	Travel24 services EUR 2.15 million bond with shares
09.06.2008	Travel24.com AG: Unqualified certificate for the Annual Financial Statements as well as Consolidated Financial Statements 2007
16.05.2008	Travel24.com AG: Considerable improvement of financial situation due to extension of the convertible bond maturity
18.04.2008	Travel24.com AG: Extension of the convertible bond maturity planned
10.04.2008	Travel24.com AG realises balanced results in the first quarter 2008
02.04.2008	Travel24.com AG announces successful placement of convertible bond
27.03.2008	Travel24.com AG issues further convertible bond and negotiates restructuring of convertible bond 2005/2008
04.02.2008	Travel24.com AG: Change in Travel24.com AG Supervisory Board

9. Financial calendar 2009

14 August 2009	Publication of Six-Month Report
August 2009	Annual General Meeting
13 November 2009	Publication of Nine-Month Report

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