

## Nine-Month Report 2000



## Summary of Key Data

<b>DM '000</b>	<b>01.01. – 30.09.2000</b>	<b>01.01. – 30.09.1999</b>
Sales revenue	8,877	2,098
EBITDA	-24,057	-3,698
EBIT	-26,030	-3,892
Consolidated annual deficit	-19,419	-4,022
Profit/Loss DVFA	-19,419	-4,022
Operative cash flow	9,801	-3025
Employees as of 30.09.200	266	45
Net earnings per share (DVFA/SG)	-2.37	-1.74

## Introduction

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

For the first time since our flotation on the stock exchange, in the following Nine-Month Report we are also able to provide quantitative evidence of our strategic successes. The successful acquisitions of AEROWORLD Fernreisen GmbH, Buchungsmaschine AG, Viajes EUROSUN S.A. and CARSTING GmbH have been included in this financial statements. With these holdings and extremely positive trends in the operations of Travel24.com AG, in the first nine months we were able to report a substantial increase of 323% in our net turnover.

Besides these holdings, Travel24.com AG was able to further pursue its policy of pan-european expansion in the second half of 2000. This is

exemplified by the majority holdings in Munckhof Business Travel Venlo BV in the Netherlands and Viajes EUROSUN S.A. in Palma de Mallorca, Spain.

As an Internet-based tour operator, Travel24.com AG is on the direct road to becoming a profitable concern with international operations. The foundation stone for continued positive growth trends has been laid and we are looking forward to an interesting and successful year 2001.

We should therefore like to thank all our customers, partners, staff, friends and shareholders for their confidence and support in 2000, which was certainly the most significant in the company's history to date.

Wishing you a blessed and peaceful Christmas and the best possible success and happiness in 2001.

Yours sincerely,

Marc Maslaton  
CEO Travel24.com AG

Munich, November 2000

## The Holiday Share on the Neuer Markt

Since last summer the overall trading environment has been subject to negative influences, due on the one hand to the first declarations of insolvency on the Neuer Markt and on the other hand to bad news from companies which delivered disappointing turnover figures or results. When some of the US stock market “heavyweights” such as Intel, Kodak and Lexmark failed to meet up to the expectations of analysts, the general mood – already adversely affected by the weak Euro and increased oil prices – was further clouded.

These factors, together with the crisis in the Near-East and the “never-ending story” of the US presidential elections have undermined the confidence of investors worldwide. Hesitation on the

part of investors has in turn led to a downward trend in the indices. In the third quarter, for example, the Neuer Markt index fell from over 5,800 points to almost 3,000 points.

Like many others, Travel24.com AG shares were unable to elude this trend. Following a drop in value to 6.03 euro, however, in the past few weeks our shares have started to recover and are currently being quoted at about 7 euro.

The position we have now reached with our holdings in the e-travel market – for which strong growth is forecast in the coming years – and the solid basis for expansion with qualified staff, liquid funds and co-operation partners allow us to look to the future with optimism.

## Success through Branding

The [www.travel24.com](http://www.travel24.com) Web site is gaining in popularity and since August 2000 the page has one of the fastest overall retrieval rates in the Internet. This was the conclusion reached by Keynote.com, which performs a weekly analysis of the country's 40 most often visited pages. Travel24.com has succeeded in establishing itself as an informative and up-to-date site – as is borne out by the high number of visits. Page impressions in the first nine months of 2000 increased by more than 240% compared with the same period of the previous year. In fact, the figure for the 3rd quarter of 2000 represented an increase of more than 565% over the 3rd quarter of 1999. In the 3rd quarter of 2000 there was a 410% increase in users visiting the site compared with the 3rd quarter of 1999. These figures are all the more impressive when one considers that in the 3rd quarter of 2000 the average time spent by each customer was more than 10 minutes.

We have succeeded in creating a brand image for Travel24.com. The "stern-TrendProfile10/00" study has meanwhile declared Travel24.com to be Germany's fourth best-known online travel brand. The general marketing conditions for Internet use have never been more favourable. According to the study, a substantial growth in Internet travel bookings is to be anticipated in the next few months. 18% of all persons with an Internet access already make their travel reservations in the Internet, and 22% have done so in the past six months.

The sharp rise in the level of familiarity with Travel24.com AG will provide a substantial pay off in future. The successful advertising campaign in summer/autumn 2000 was clearly instrumental in this. Among the highlights were the sponsoring of the Olympic competition in ARD and ZDF and a round of "Wer wird Millionär?" ("Who'll be Millionaire?") hosted by TV celebrity Günther Jauch.

## Ascending to new heights with a 323% increase in sales revenue

With its continued spiralling growth, Germany's leading travel portal Travel24.com AG is venturing into new dimensions. In the first nine months of 2000 net turnover increased by 323% to reach DM 8.877 million. The figures disclosed for the reporting period corroborate the above-average growth of Travel24.com AG and provide an endorsement for its global expansion and investment strategy. Acquisitions Buchungsmaschine AG, AERO-WORLD Fernreisen GmbH, CARSTING GmbH and EUROSUN S.A. have been included for the first time in the consolidated companies.

In addition to expenses of more than DM 17,5 million for general group marketing activities shown under marketing and general administration costs and a growth-related increase in personnel costs, as of 30 September 2000 earnings before interest, tax and deduction of appreciation (EBITDA) stood at minus DM 24.057 million and operating results (EBIT) at minus DM 26.030 million. After interest income of DM 2.15 million from low-risk, fixed-yield investment of liquid assets and the formation of deferred expenses of DM 4.5 million for taxes, the consolidated net loss for the reporting period amounted to minus DM 19.419 million. The DVFA/SG net earnings per share are - DM 2.37 compared with - DM 1.74 last year.

The management intends to adhere to this efficient spending policy and profitability orientation in the future. Selective marketing activities and co-operations enabled the company to substantially increase efficiency levels and reduce the advertising budget proposed for the IPO by approx. 50% to DM 20 million for the year 2000 as a whole. At the same time, with more than 60 co-operation partners and marketing successes in the TV, print and online sectors, it has meanwhile been possible to boost the familiarity level in excess of target. It is thus hardly surprising that independent market studies have produced extremely positive evaluations in terms of familiarity, affinity and willingness of consumers to use the service. Travel24.com AG thus anticipates a further growth in revenue in the forthcoming 4th quarter and travel-related sales of approx. DM 200 million for the group as a whole in the 2000 business year.

With over DM 82 million in available funds (as of 30.09.00), Travel24.com is assured of adequate liquidity until well beyond the break-even point and is strategically well positioned to once again secure for itself an above-average share in anticipated developments in the tourism market.

## A Strong Team

Besides its own travel portal, a major factor determining the future volume of turnover of Travel24.com AG will be travel marketing through other Web sites (affiliates). In the course of the Internet revolution, each day new potential resellers for the Travel24.com product are emerging all over the world. The use of Buchungsmaschine AG's technologically most advanced booking platform enables Travel24.com to approve other Web sites for travel sales within a matter of hours. 62 co-operation agreements for terms of several years have been drawn up since April this year and are currently at the technical implementation stage. They include partners from the financial, technological, publishing, magazine and Internet segments. Due to the general growth of the group and the positive effects of the advertising campaign, there has been an increase in enquiries from potential partners in the commercial and administrative sectors.

Already committed partners include reputable companies such as Burda, Audi, Plus Card and New Economy enterprises such as LibertySurf and Ciao.com. The productive collaboration with a number of German savings banks and our convincing concept have also persuaded Germany's largest savings bank in Cologne to join the ranks of our customers. Further co-operations with the ÖRAG insurance company and affiliated banks, the pan-European contact exchange Trade-doubler and the timelife and music

united Web sites should also be mentioned.

In a joint venture with our subsidiary CARSTING GmbH we are setting up a highly efficient worldwide communications and booking platform using, among others, MultiMedia-over-IP applications. Besides Viag Interkom, Siemens and British Telecom are also involved in this project. The booking modules are currently being implemented on Viag Interkom's Genion and planet-interkom Web sites.

Since the beginning of November a far-reaching strategic alliance has existed between the German branch of Swiss publisher Ringier and Travel24.com AG, which in a second phase is to be expanded to include Switzerland, Ringier's home country. This co-operation includes the merger of the online and print sector for the entire target group of footloose and affluent consumers.

Besides facilities for the booking and purchase of a full range of travel services, Travel24.com affiliates have the option of integrating a substantial portion of the Travel24.com content, enabling them to design the travel sections of their respective Web sites more appealingly. In the course of European expansion, a start has already been made with signing on foreign affiliates. The goal is to in time become Europe's largest virtual travel agency.

## Travel24.com AG in Europe: Spain



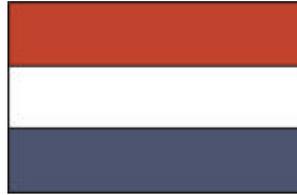
In pursuit of its European expansion policy, Travel24.com AG was able as planned to gain a foothold in Spain in the 3rd quarter. EUROSUN, a public limited company based in Palma de Mallorca, Spain, was acquired retroactively to 01.01.2000. Besides its present core activity as travel agency, organizer of incentive tours and seller of air tickets, two additional economic pillars will be added during the process of integration into the Travel24.com AG Group. One of these is the contract division, which handles hotel, agency and rental car contracts for the whole group in the Spanish and Portuguese speaking world. Parallel to this, in co-operation with CARSTING GmbH an international 24-hour "ComCenter" is being set up in Palma de Mallorca, which will perform IP-supported communication tasks for all companies belonging to the group. This will guarantee a high standard of customer service before and during the vacation (so-called "virtual travel guide"). This

service is immensely superior to the offerings one is accustomed to from other tour operators.

EUROSUN S.A. is in possession of all the necessary licences (IATA, tour operators, travel insurance, etc.) and handles sales through its site – which has been in operation since last spring – in co-operation with "El Mundo", Spain's largest publishing house. Since no general reservation system was previously available in Spain, Travel24.com AG will operate in the B2B segment, thereby using the modules specially developed for travel agent sales by Buchungsmaschine AG.

With this expansion, Travel24.com AG will be controlling the value-added chain for sales, fulfilment, customer service and support, as well as the production of tourism services, thus allowing it to react flexibly to market developments.

## Travel24.com AG in Europe: Netherlands



The European expansion of Travel24.com was further expedited by the acquisition of Munckhof Business Travel Venlo BV. Travel24.com AG is now in possession of all the important marketing licences in the Netherlands.

The well-established travel agency has been part of the Travel24.com Group since 13 July 2000. With 25 employees in three different offices in Venlo, Amsterdam and Roermond, Munckhof Business Travel is an eminent player in the corporate business travel and consolidator sector in the Netherlands. Its customers include major Netherlands corporations which have been using Munckhof's comprehensive ser-

vices for many years. Travel24.com's branding strategy has already been implemented to a substantial degree in the Netherlands. The Netherlands Web site is to be completed by the spring of 2001. It will reflect the familiar look and feel of Travel24.com AG, so that the corporate identity strategy is adhered to consistently.

With the acquisition of Munckhof Business Travel, Travel24.com AG has achieved the direct transition into the upper tourism league in the Netherlands and will be making an active contribution to shaping the e-travel sector.

## Press Comments

# HORIZONT

*Thursday, 2 November 2000*

“The Wiesbaden-based consulting firm Marketing Partner took a close look at the travel and booking hotlines of Germany’s major tour operators. Travel24.com is the only online service available to its customers around the clock.”



*Thursday, 26 October 2000*

“Your dream vacation is only a mouse click away! You’ll find a vast choice and plenty of great bargains at [www.travel24.com](http://www.travel24.com).”

## IT.SERVICES.

*Sunday, 1 October 2000*

“The home page of Internet travel service Travel24.com is one of the Germany’s 40 most frequented sites and is one of the fastest and most popular in the German network.”



*Monday, 19 June 2000*

### **Test winner**

“What makes its offerings so different from all the others is the abundance of travel tips and detailed information on the most popular vacation destinations. To this end, its editorial staff regularly scours the travel market for interesting offers, features travel guides and compiles lists of recommended Internet addresses for many locations all over the world. Test result: good (1.94)

## Press Comments



*Monday, 16 October 2000*

„Travel24.com: The virtual travel agent has ... ascended to the league dominated by its bigger, well-established counterparts.”



*Saturday, 2 September 2000*

“In the Internet you can plan the perfect vacation...” The Web site at [www.travel24.com](http://www.travel24.com) is extremely well appointed. The service includes travel auctions, links to car rental companies, a newsletter and a blackboard for personal vacation impressions and insider tips...”

“A convenient help for preparing one’s vacation.”



*August 2000*

“With a huge selection of vacations which can be booked online, customer-friendly service and an attractive and effective shop concept, Travel24 deserves our recommendation.”



*Friday, 1 September 2000*

“Terrific vacations

For a long time, the tourist industry has functioned according to the principle: Major organizer markets hotels and sells accommodation through travel agents. The Travel24.com Internet travel portal does both – and offers even more besides. The Internet travel portal is a platform for all topics relating to tourism.”

## Consolidated Statement of Income from 01 January 2000 to 30 September 2000. Figures according to US-GAAP

	01.01. - 30.09.2000	01.01. - 30.09.1999
	DM	DM
<b>1. Sales</b>	<b>8,877,269.49</b>	<b>2,097,632.80</b>
2. Cost of sales	-1,577,871.47	-530,000.78
3. Gross profit on sales	<b>7,299,398.03</b>	<b>1,567,632.02</b>
4. Selling expenses	-23,515,500.99	-2,851,253.28
5. General administrative expenses	-9,254,411.14	-2,396,326.32
6. Other operating income	158,697.97	56,437.44
7. Other operating expenses	-535,803.61	-187,295.22
8. Write-off of goodwill	-181,735.29	-80,964.21
9. Other interest and similar income	2,151,062.18	1,862.18
10. Interest and similar expense	-126,590.52	-93,984.08
	-31,304,281.41	-5,551,523.50
<b>11. <u>Result from ordinary activities</u></b>	<b>-24,004,883.38</b>	<b>-3,983,891.48</b>
12. Taxes on income	4,544,954.12	-37,244.05
13. Other taxes	41,288.48	-658.00
<b>14. <u>Consolidated net loss</u></b>	<b>-19,418,640.78</b>	<b>-4,021,793.53</b>
15. Consolidated loss carried forward	-5,570,054.92	<b>-988,239.24</b>
16. Transfer from capital reserves	0.00	0.00
17. Transfer of accumulated deficit from as-if subsidiaries	0.00	360,521.79
18. Shares of outside shareholders in year-end results	40,935.08	0.00
<b>18. <u>Consolidated accumulated deficit</u></b>	<b>-24,947,760.63</b>	<b>-4,649,511.00</b>

## Consolidated Balance Sheet from 01 January 2000 to 30 September 2000. Figures according to US-GAAP

<u>ASSETS</u>	<b>30.09.2000</b>	<b>30.09.1999</b>
	<b>DM</b>	<b>DM</b>
A <u>Current assets</u>		
I. <u>Cheques, cash on hand</u>		
<u>Cash in banks</u>	82,835,918.78	7,365,151.11
II. <u>Other marketable securities</u>	29,053.61	0.00
III. <u>Accounts receivable and other assets</u>		
1. Trade receivables	7,000,430.68	783,443.84
2. Accounts due from affiliated companies	0.00	0.00
3. Accounts due from other group companies	45,199.49	0.00
4. Other assets	14,612,478.06	364,098.89
	21,658,108.23	1,147,542.73
IV. <u>Inventories</u>		
1. Work in progress	5,205.00	850.70
	5,205.00	850.70
	104,528,285.62	8,513,544.54
B. <u>Deferred charges and pre-paid expenses</u>	5,230,311.10	8,829.95
C. <u>Deferred taxes</u>	4,200,000.00	0.00
D. <u>Fixed assets</u>		
I. <u>Intangible assets</u>		
1. Computer software, licenses, rights	11,181,003.80	115,668.50
2. Goodwill	25,753,479.73	1,158,603.44
	36,934,483.53	1,274,271.94
II. <u>Property, plant and equipment</u>		
1. Other fixtures, fittings, tools and equipment	2,066,931.38	199,424.77
	2,066,931.38	199,424.77
III. <u>Financial assets</u>		
1. Shares in affiliated companies	0.00	0.00
2. Investments	6,791,911.90	5,391.17
3. Loans to affiliated companies	0.00	0.00
4. Other loans	6,259,600.49	0.00
	13,051,512.39	5,391.17
	52,052,927.31	1,479,087.88
	<b>166,011,524.03</b>	<b>10,001,462.37</b>

## Consolidated Balance Sheet from 01 January 2000 to 30 September 2000. Figures according to US-GAAP

<u>LIABILITIES</u>	<b>30.09.2000</b>	<b>30.09.1999</b>
	<b>DM</b>	<b>DM</b>
<b>A <u>Liabilities</u></b>		
1. Liabilities due to banks	2,441.73	36,728.59
Advance payments received on account of orders		
2. Trade accounts payable	2,168,840.52	1,354,668.39
3. Accounts due to affiliated companies	0.00	0.00
4. Other liabilities	51,946,131.90	339,938.07
	54,117,414.15	1,731,335.05
 <b>B <u>Deferred charges</u></b>		
	0.00	0.00
 <b>C <u>Provisions and accrued liabilities</u></b>		
1. Accrued taxes	2,447,530.80	50,183.25
2. Other provisions and accrued liabilities	3,399,419.01	1,418,592.13
	5,846,949.81	1,468,775.38
 <b>D. Shareholders' equity</b>		
I. Capital stock – preferred stock	0.00	0.00
II. Capital stock – common stock	18,775,968.01	1,813,450.83
III. Subscriptions receivable	0.00	0.00
IV. Capital reserves	118,744,811.57	10,292,386.09
V. Shareholders' equity from other transactions	-6,521,007.48	-654,974.00
VI. Shares of outside shareholders	-4,851.41	0.00
VII. Consolidated accumulated deficit	-24,947,760.63	-4,649,510.98
	106,047,160.06	6,801,351.94
	<b>166,011,524.03</b>	<b>10,001,462.37</b>

## Consolidated Cash Flow Account from 01 January 2000 to 30 September 2000. Figures according to US-GAAP

	1.1. - 30.9.2000 DM '000	1.1. - 30.9.1999 DM '000
<b>1. Cash flows from operating activities</b>		
Annual result	(19,419)	(4,022)
Corrections		
– Depreciation on plant and equipment and intangible assets	1,973	194
– (Increase) / decrease in inventories	6	70
– (Increase) / decrease in receivables from customers	(6,667)	(55)
– (Increase) / decrease in trade accounts payable	1,046	385
– (Increase) / decrease in other receivables and deferred income	(19,435)	253
– (Increase) / decrease in down payments f. subscribed capital	0	0
– Changes in current deferred taxes	(4,200)	0
– (Increase) / decrease in other receivables and deferred income	51,653	(1,236)
– Increase / (decrease) in deferred taxes	2,382	50
– Increase / (decrease) in other reserves	2,462	1,336
– Loss / (profit) from plant, property and equipment sales	0	0
Net cash from operating activities	9,801	(3,025)
<b>2. Cash flows from investment activities:</b>		
– Sale of property, plant and equipment	0	0
– Additions to fixed assets	(3,555)	(63)
– Additions to intangible assets	(35,717)	(365)
– Additions to financial assets	(19,568)	0
Net cash from investment activities:	(58,840)	(428)
<b>3. Cash flows from financing activities:</b>		
– Increase in subscribed capital	16,963	480
– Transfers to capital reserves	110,667	9,754
– Transfers from accumulated deficit	0	361
– Change in shareholders' equity from other transactions	(5)	0
Net cash from financing activities	127,625	10,595
(Decrease) / (increase) in financing funds	78,586	7,142
<b>Liquidity at the start of the period under review</b>	4,250	223
<b>Liquidity at the end of the period under review</b>	82,836	7,365
<b>Net increase in cash and cash equivalents</b>	78,586	7,142

Notes: In this cash flow statement funds are defined as "net available liquid assets", i.e. the funds include liquid assets declared in the balance sheet and deposit liabilities shown in the balance sheet under liabilities to banks.

## Contact:

Travel24.com AG  
Weinstrasse 3  
D-80333 München

IR Hotline: 0800 - T24Aktie or 0800 – 82 42 58 43

Fax 089 - 37 90 95-55

Your contacts:

Silke Siegel  
Klaus Artmann

## Internet

E-mail: [ir@travel24.com](mailto:ir@travel24.com)  
[www.travel24.com](http://www.travel24.com)

## Important Dates:

<b>01.12.2000</b>	<b>IPOC, Frankfurt</b>
02.12.2000	BVH Stock Exchange Day, Munich
<b>12.12.2000</b>	<b>Extraordinary General Meeting, Munich</b>
<b>28.03.2001</b>	<b>Annual Report 2000</b>
28.03.2001	Balance Sheet Press Conference
April 2001	Analysts Conference
<b>30.05.2001</b>	<b>Three-Month Report 2001</b>
<b>June 2001</b>	<b>Annual General Meeting</b>