

Travel24.com AG

Three-months' report 2000

- *Successful quotation on the New Market*
- *Mediated gross travel turnover rises by over 30 %*
- *Number of Page Impressions doubled from March to May*
- *Operative result develops according to schedule*
- *Strategic alliance with travelbyus.com*

Dear Stockholders,

the first quarter of 2000 is one of the most important in the young history of Travel24.com. On 15/3/2000 the Executive Board, the Board of Directors and friends of Travel24.com celebrated the company's successful quotation on the New Market at the Frankfurt Stock Exchange. The stocks of Travel24.com were emitted at a rate of 29 Euro and ranked at the top end of the bookbuilding range. The demand for stocks was thirty times in excess of the offer. With the proceeds from the company's quotation on the stock exchange we are now in a position to realise our growth strategy – since May 18 this year a widespread marketing campaign has been aiming at establishing Travel24.com as *the* Internet provider of travel services in Germany and will spread out these activities to cover Europe in the following. This campaign is accompanied by a new Corporate Identity and a newly designed WebSite.

Despite the stress on management resulting from the company's going public, the result achieved in the first quarter of 2000 is fully in line with our expectations. Key decisions, however, had to be postponed to the second quarter. One highlight in this respect is the Declaration of Intent which was signed on May 25 of this year with regard to a strategic partnership and capital link with the Canadian company travelbyus.com Ltd., North America's technologically leading eTravel company. This first Transatlantic alliance between two Internet travel companies can lead to a noticeable turnover growth in the years to come by bundling the product ranges and technological competence.

The key points of the first quarter of 2000 are detailed in the following:

TURNOVER

The mediated gross travel turnover rose in the first quarter of 2000 by 30.2% to a total of 5.6 million DM. The net proceeds with 0.6 million DM lie just below the figures for the pre-year quarter. This turnover does not render comprehensive information on the development of business year 2000 as there were no longer school holiday periods in any federal land in the first three months of the year. Turnover traditionally rises with the Easter and Whitsun holidays and reaches annual peaks after the summer holidays in Germany, ranging from the end of June to mid September. As in the years before the proceeds were almost exclusively achieved on the domestic market.

MARKETING

The advertising measures within the scope of going public have already led to considerable increases in the number of users and number of page impressions. The number of users rose from March to May by about 40% now totalling 300,000. The number of page impressions registered under www.travel24.com based on 1.1 million page impressions – almost doubled in the same period of time.

The expenses for marketing will represent an exceptional item in the company's Statement of Income in the years to come. The aim is to additionally boost the popularity of Travel24.com in order to make it one of the top three Internet travel portals in Europe.

RESULT

As a result of expanding the business Travel24.com had to face drastic excess costs in sales and administration. At the end of the first quarter the **result of ordinary operations (EBT)** totalled – 3.69 million DM (pre-year result: – 0.83 million DM) and therefore according to schedule. As the tax revenue is not significant in the first quarter, the **annual deficit** also lies at about – 3.69 million DM. The **DVFA result** per stock (calculation of annual profit according to Deutsche Vereinigung für Finanzanalyse und Anlageberatung) therefore totalled – 0.58 DM in comparison with an adjusted result of – 0.13 DM in the comparable pre-year period.

STAFF FORCE

In comparison with the first quarter of 1999 the Travel24.com-Group enlarged its **staff force and now employs 60 as against the former 35 employees**. In particular the key divisions Marketing and Technology were reinforced. Additional employees for the Callcenter were also hired. Plans have been made to expand all corporate divisions.

COOPERATIONS

With Unidad Editorial S.A., one of the largest spanish media groups, a principle agreement with the intention to establish the leading eTravel-portal in Spain, was fixed. The launch of the website took place at the beginning of June 2000.

An exclusive sales cooperation agreement was signed with ÖRAG, an insurance company within the Sparkassen-Finanzgruppe, as well as with PLUSCARD, the service company for credit card processing in the Sparkassenorganisation (organisation of savings banks). This cooperation agreement will regulate the general marketing of travel services in Internet.

FORECAST

For the current business year 2000 we expect a lasting stimulation of the travel market. We proceed on the assumption that the agreed cooperations will lead to noticeable rises in turnover in the medium term. Further important strategic agreements have already progressed to an advanced negotiating stage.

Yours sincerely,
Travel24.com AG

The Executive Board

At one glance

In DM m	1/1-3/31/2000	1/1-3/31/2000
Gross travel turnover	5.6	4.3
Net turnover	0.57	0.60
Result before taxes	- 3.69	- 0.83
Net result	- 3.69	- 0.85
Operative Cash Flow	- 1.59	- 0.11
Staff	60	35
Result/stock (DVFA/SG) in DM	- 0.58	- 0.13

TRAVEL24.COM Group

Consolidated *Statement of Income*

Date 3/31/2000/1999, figures according to US-GAAP

	1/1 – 03/31/00	1/1 – 3/31/99
	DM	DM
Sales	566,533.13	602,452.42
Cost of sales		
	– 259,985.10	– 179,632.49
Gross profit	306,548.03	422,819.93
Selling expenses	– 1,479,902.93	– 772,716.45
General and administrative expenses	– 2,472,599.06	– 482,786.73
Other operating income	176.00	23,209.00
Other operating expense	– 310.00	– 26,517.82
Write-off of goodwill	– 60,578.43	– 500.00
Other interest and similar income	24,310.31	8,285.00
Interest and similar expenses	– 4,277.98	– 6,561.00
	– 3,993,182.09	– 1,257,588.00
<u>Profit/loss from ordinary operations</u>	– 3,686,634.06	– 834,768.07
Taxes on income	0.00	– 21,158.41
Other taxes	– 1,326.00	3.26
<u>Consolidated net loss</u>	– 3,687,960.06	– 855,923.22
Consolidated loss carry forward	– 5,570,054.92	– 1,202,192.39
Transfer from capital reserves	0.00	0.00
Transfer of accumulated deficit from as-if-subsiidiaries	0.00	410,271.86
<u>Consolidated accumulated deficit</u>	– 9,258,014.98	– 1,647,843.75

TRAVEL24.COM Group

Consolidated *Cash-Flow Account*

Date 3/31/2000/1999, figures according to US-GAAP

	1/1 – 3/31/2000	1/1 – 3/31/1999
	TDM	TDM
1. Cash flows from business activities:		
Annual result	– 3,688	– 858
Corrections:		
- Depreciation on plant and equipment and intangible assets	61	56
- (Increase)/decrease in inventories	11	35
- (Increase)/decrease in receivables from customers	158	208
- Increase/(decrease) in trade account payables	1,689	– 154
- (Increase)/decrease in other receivables and deferred income	– 501	65
- (Increase)/decrease in down payments for subscribed capital	– 6,161	0
- Increase/(decrease) in other liabilities and deferred income	235	414
- Increase/(decrease) in tax reserves	0	16
- Increase/(decrease) in other reserves	6,610	112
- Loss/(profit) from plant, property and equipment sales	0	0
Money balance from operational activities	– 1,586	– 106
2. Cash flow from investments:		
- Sale of property, plant and equipment	0	0
- Additions to fixed assets	– 222	– 11
- Additions to intangible assets	-6	30
- Additions to financial assets	0	0
Money balance from investments	– 228	19
3. Cash flows from financing:		
- Increase in subscribed capital	16,963	0
- Capital reserves	110,667	0
- Transfers from accumulated deficit	0	0
- (Increase)/decrease in shareholders' equity		
Other transactions	0	0
Money balance from financing	127,630	0
(Decrease)/Increase of financing funds	125,816	– 87
Financing funds at the beginning of the period under review	4.248	223
Financing funds at the end of the period under review	130.064	136
(Decrease) / increase in financing	125.816	-87

TRAVEL24.COM Group

Consolidated *Balance Sheet*

Date 3/31/2000/1999, figures according to US-GAAP

<u>ASSETS</u>	3/31/00	3/31/99
A. <u>Current assets</u>	DM	DM
I. <u>Cheques, cash on hand,</u>		
<u>Cash in banks</u>	130,064,584.63	135,782.00
II. <u>Other marketable securities</u>	0.00	0.00
III. <u>Accounts receivable and other assets</u>		
1. Accounts receivable from trading	217,935.16	519,776.00
2. Accounts due from affiliated companies	0.00	0.00
3. Accounts due from other group companies	0.00	0.00
4. Other assets	920,848.46	557,862.80
	<u>1,138,783.62</u>	<u>1,077,638.80</u>
IV. <u>Inventories</u>		
1. Work-in process	0.00	35,967.00
	<u>131,203,368.25</u>	<u>1,249,387.80</u>
B. <u>Deferred charges and prepaid expenses</u>	16,384.97	3,119.00
C. <u>Deferred charges for latent taxes</u>	0,00	0.00
D. <u>Fixed assets</u>		
I. <u>Intangible assets</u>		
1. Computer software. licenses. rights	227,581.77	165,710.75
2. Goodwill	1,070,536.69	1,043,910.42
	<u>1,298,118.46</u>	<u>1,209,621.17</u>
II. <u>Property, plant and equipment</u>		
1. Other equipment. fixtures. fittings and Equipment	531,362.93	155,894.00
	<u>531,362.93</u>	<u>155,894.00</u>
III. <u>Financial assets</u>		
1. Shares in affiliated companies	0.00	0.00
2. Investments	5,791.17	5,000.00
3. Loans to affiliated companies	0.00	0.00
	<u>5,791.17</u>	<u>5,000.00</u>
	<u>1,835,272.56</u>	<u>1,370,515.17</u>
	<u><u>133,055,025.78</u></u>	<u><u>2,623,021.97</u></u>

TRAVEL24.COM Group

Consolidated *Balance Sheet*

Date 3/31/2000/1999, figures according to US-GAAP

<u>LIABILITIES AND SHAREHOLDERS EQUITY</u>	3/31/00	3/31/99
	DM	DM
<u>A. Liabilities</u>		
1. Liabilities due to banks	37,900.08	130,682.00
Advance payments received on account of		
orders	0.00	0.00
2. Trade accounts payable		0.00
	2,810,374.20	816,248.00
3. Accounts due to affiliated companies		0.00
	0.00	0.00
4. Other liabilities	491,224.36	1,896,289.80
	<u>3,339,498.64</u>	<u>2,843,219.80</u>
<u>B. Deferred charges</u>	0,00	0.00
		<u>0.00</u>
<u>C. Provisions and accrued liabilities</u>		0.00
1. Accrued taxes	66,911.00	16,728.00
2. Other provision and accrued liabilities	7,546,716.04	194,800.00
	<u>7,613,627.04</u>	<u>211,528.00</u>
<u>D. Shareholders' equity</u>		
I. Capital stock – preferred stock	0.00	250,000.00
II. Capital stock – common stock	18,775,968.01	1,083,333.33
III. Subscriptions receivable	– 6,160,864.50	0.00
IV. Capital reserves	118,744,811.57	537,758.67
IV. Shareholders' equity from other transactions	0.00	– 654,974.00
V. Consolidated accumulated deficit	– 9,258,014.98	– 1,647,843.83
	<u>122,101,900.10</u>	<u>– 431,725.83</u>
	<u>133,055,025.78</u>	<u>2,623,021.97</u>

Further information

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Next dates:

Half-year interim report: **August 2000**