

Half-Year Financial Report Q2 / 2010



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1. Summary of key data

		1 Jan. - 30 June	
		2010	2009
		TEUR	TEUR
net sales		4,194	0
EBIT		769	- 1,423
net gain / loss		517	- 1,424
net gain / loss per share in	basic	0.26	-3.70
EUR	diluted	0.25	-3.70

Note: The previous year comparison is not very meaningful since the previous year's Group structure does not exist anymore.

2. Foreword

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

In the second quarter of fiscal year 2010, the successful business development of the first quarter continued. Both quarters closed with a positive result. Our marketing and sales activities were further extended and the travel 24.com website was revised fundamentally. At the same time, the reorganisation of the Company advanced and can be considered as completed as of 30 June 2010.

The Company is now prepared for a successful future.

Yours,

Jan Valentin
CEO Travel24.com AG

Leipzig, August 2010

3. Business development

Travel retail

In the second quarter 2010, online sales of the Company were consistently extended on the basis of the first quarter measures: marketing and commercialisation activities in Germany, Switzerland and Austria as well as the relaunch of the Travel24.com website contributed to a considerable rise in sales. The flight business on flug.24.de was stabilised on a high sales and profitability level.

Internet

In the second quarter 2010, the number of visits on travel24.com increased significantly compared to previous year (from 0.23 million to 2.1 million), the same applies for page impressions. Flug24.de counted 3.3 million visits.

The number of bookings also increased significantly, and the Company's growth exceeded the Internet market level of the travel business of about 20%. The economic basis can be considered as stable whereas stationary travel business continues to show a weaker development than the online business.

Marketing and IT

In the first half of 2010, the travel retail business was also assured by the contractual relationship with Unister GmbH, a subsidiary of Unister Holding GmbH. Unister GmbH operates and markets numerous Web portals in different business areas. With travel brands such as ab-in-den-urlaub.de and fluege.de, the online travel network of Unister GmbH is among the largest networks in Germany. A broad line up with complementary portals in different business areas is a key element of the business strategy of Unister GmbH. Competitiveness is particularly ensured by the innovative and efficient IT and Marketing department. Travel24.com AG was able to obtain attractive conditions for travel retail due to the agreement concluded with Unister GmbH in the context of the acquisition. Like this, and due to the service contract also concluded with Unister GmbH, Travel24.com AG benefits from the conditions of Unister GmbH and uses the synergies and know-how of the new shareholder.

4. Outlook

Travel 24.com AG plans to extend its business significantly with a view to increasing sales and results. The main focus is on extending marketing activities, product portfolio as well as market presence (internationalisation of business) through the Travel24.com brand. The flight segment is also being extended. Other business segments are still in the planning stages as of the time of preparation of the statement. According to recent planning and development, a positive result and cash flow will be reached in financial year 2010.

5. Interim financial statements of Travel24.com AG as of 30 June 2010

5.1. Balance sheet as of 30 June 2010, figures pursuant to HGB (German Commercial Code)

ASSETS	30 June	31 December	LIABILITIES	30 June	31 December
	2010	2009		2010	2009
	EUR	EUR		EUR	EUR
A. fixed assets			A. shareholders' equity		
I. intangible assets			I. share capital	1,967,803.00	1,787,461.00
concessions, industrial property rights and similar rights and values	0.00	0.00	II. additional paid-in capital	2,782,410.00	2,011,726.00
II. tangible assets			III. accumulated deficit	-4,541,410.03	-3,799,187.00
other fixtures and fittings, tools and equipment	0.00	0.00			0.00
III. financial assets				208,802.97	0.00
other loans	0.00	0.00			
	0.00	0.00	B. accrued expenses		
			1. provisions for taxes	639,000.00	387,000.00
			2. other provisions	88,717.75	117,000.00
				727,717.75	504,000.00
B. current assets			C. liabilities		
I. accounts receivable and other assets			1. bonds	259,175.00	1,190,201.00
1. trade accounts receivable	805.69	0.00	- thereof convertible TEUR 222 (prior year TEUR 763)		
2. accounts receivable from affiliated companies	1,035,220.30	265,250.27	2. accounts payable to banks	6.15	
3. other assets	64,828.03	210,548.89	3. trade accounts payable	70,654.71	334,234.53
II. cash balance, bank balances and cheques	359,649.85	308,147.32	4. accounts payable to affiliated companies	0.00	0.00
	1,460,503.87	783,946.48	5. accounts payable other	194,147.29	14,842.14
			- thereof from taxes TEUR 0 (prior year TEUR 11)		
C. deferred expenses and accrued income	0.00	172.55	- thereof from social security TEUR 0 (prior year TEUR 0)		
D. balance of the accumulated deficit not covered by the shareholders' equity	0.00	1,259,158.64		523,983.15	1,539,277.67
	1,460,503.87	2,043,277.67		1,460,503.87	2,043,277.67

5.2. Statement of income from 1 January to 30 June 2010, figures pursuant to HGB

	2nd quarter 2010 (1.4. - 30.06.) EUR	1st half 2010 (1.1. - 30.06.) EUR
1. revenues	2,023,185.41	4,194,656.56
2. other operating income	658.02	37,485.52
3. purchases		
a) expenses for third party services	-1,690,479.58	-3,298,470.63
4. personnel expenses		
a) wages and salaries		
b) statutory welfare contributions and expenses relating to pension plans and for optional support payments		
5. depreciation of property, plant and equipment and intangible assets		
6. other operating expenses	-63,614.07	-155,059.79
7. income from other securities and loans receivable held as financial assets		
8. interest and similar income	43.37	94.20
9. depreciation and amortization of financial assets and marketable securities	-9,000.00	-9,000.00
10. interest and similar expenses	-0.05	-0.05
11. result from ordinary activities	260,793.10	769,705.81
12. extraordinary income		
13. extraordinary expenses	0.00	-859.80
14. extraordinary result	0.00	-859.80
15. income taxes	-87,000.00	-252,013.40
16. other taxes	0.00	103.00
17. net loss / profit	173,793.10	516,935.61
18. loss carried forward	-4,715,203.13	-5,058,345.64
19. transfer from treasury stock reserve	0.00	0.00
20. proceeds from equity cut	0.00	0.00
21. accumulated loss	-4,541,410.03	-4,541,410.03

5.3. Cash flow statement from 1 January to 30 June 2010

		1. 1. - 30.06.
		2010
		EUR
net income / net loss		516,936
(+)	depreciation and amortisation	0
(+)	net interest income	0
(+/-)	increase / decrease in provisions	223,718
(+/-)	gains (-) / losses (+) on the disposal of fixed assets	0
(+/-)	change in net working capital	-1,640,177
(+)	non-cash items	
net cash used in operating activities		-899,523
(-)	purchase of property, plant and equipment	0
(+)	proceeds from sale of equipment / repayment of loans	0
net cash generated through / used in investing activities		0
(+)	accruals from the increase of share capital	180,342
(+/-)	payment to additional paid-in capital	770,684
(+)	payments on other financing instruments	0
(+)	interest received	0
(-)	interest paid	0
net cash provided by financing activities		951,026
net decrease / increase in cash and cash equivalents		51,503
cash and cash equivalents at the beginning of the period		308,147
cash and cash equivalents at the end of the period		359,650

note:

Due to a lack of comparability, the previous year comparison is not meaningful.

5.4. Statement of changes in shareholders' equity from 1 January to 30 June 2010

Travel24.com AG Statement of changes in shareholders' equity (EUR, with the exception of figures per share)

	number of shares issued	share capital preference shares	share capital ordinary shares	treasury stock	additional paid-in capital	remuneration from stock options	net loss	total
As of 31 December 2009	1,787,461	0	1,787,461	0	2,011,726	0	-5,058,346	-1,259,159
Capital increase for cash								0
Payment to additional paid-in capital					410,000			410,000
Equity cut & reverse share split								
Convertible bond warrants								0
Expenses for procurement of equity								0
Capital increase through conversion of convertible bonds	180,342		180,342		360,684			541,026
Issue of stock options and partial deferred expenses for remuneration from stock options								
Profit/Net loss of the reporting period							516,936	516,936
As of 30 June 2010	1,967,803	0	1,967,803	0	2,782,410	0	-4,541,410	208,803

5.5. Notes to the interim financial statements

Information on general accounting and valuation principles

Travel24.com AG prepared its half-year financial statements as of 30 June 2010 using the same accounting and valuation methods as were applied in the last financial statements as of 31 December 2009.

The German Accounting Law Modernization Act (BilMoG) was included which led to no modifications. The interim financial statements has neither been reviewed by auditors nor audited within the meaning of Article 317 of the Handelsgesetzbuch (HGB).

Information on single items

Payables and receivables were assessed at their nominal value. All of them have a residual term of less than one year. The liabilities are unsecured. Since the extraordinary result is insignificant (EUR - 860), income taxes only affect the result from ordinary activities.

Other provisions comprise the following:

	31 December 2009	appropriation	usage	dissolution	30 June 2010
	EUR	EUR	EUR	EUR	EUR
legal advice	23,100	0	0	0	23,100
personnel expenses	46,000	40,580	2,295	36,328	47,958
annual financial statements	42,900	500	29,459	500	13,441
legal advice	5,000		781		4,220
other	0	0	0	0	0
total	117,000	41,080	32,535	36,828	88,718

Other liabilities for the next five years subsequent to the balance sheet date comprise the following. The service fees stated apply to affiliated companies (Unister GmbH):

	1.7. - 31.12.2010	2011	2012	2013	2014	30.06.2015
	EUR	EUR	EUR	EUR	EUR	EUR
office rent	43,000	0	0	0	0	0
services/consulting fees	42,000	84,000	84,000	84,000	84,000	42,000
total	85,000	84,000	84,000	84,000	84,000	42,000

Investor Relations

Share capital and conversion rights

The total of voting rights of Travel24.com AG amounted to 1,967,803 as of the end of the first half of the year. At the same time, 221,985 EUR from the convertible bond issued in 2005 (ISIN: DE 000 A0EPSZ7) were still convertible in a ratio of 3:1. The conversion period expired on 1 July 2010.

Authorised Capital

The Managing Board was empowered by resolution of the General Meeting on 31 August 2009, subject to the approval of the Supervisory Board, to increase the Company's share capital by a maximum of EUR 893,730 (Authorised Capital 2009) by no later than 31 August 2014 through issue of 893,730 new non-par value bearer shares against cash or non-cash contributions with a minimum issuing price of EUR 3.00 per no-par value share. The Managing Board may decide on a share of profits that differs from that stipulated in Art. 60 (2) AktG. The Managing Board was furthermore authorised, subject to the approval of the Supervisory Board, to exclude the statutory subscription rights of the shareholders subject to specific conditions.

Entry of this resolution in the commercial register was made on 21 October 2009.

Corporate Governance Code

The conformity declaration has been made accessible to shareholders on the homepage of Travel24.com AG at www.travel24.com according to Article 161 AktG and will be renewed on an annual basis.

Employees

As of the balance sheet date on 30 June 2010, Travel24.com AG had two employees (excluding Managing Board).

Events subsequent to the balance sheet date

General Meeting

The ordinary General Meeting was held on 30 July 2010 in Leipzig. The voting results are available on the Company's website. The Authorised Capital was again insignificantly adjusted (EUR 90,170).

Conversions

At the beginning of July, most of the convertible bonds were converted to shares. The remaining convertible bonds were paid back. Thus, all conversions have been completed. The Company's share capital now amounts to 2,033,585 EUR.

6. Interim management report

6.1 Report on net worth, financial position and results of operations

Revenue

In the first half of 2010, revenue from travel and flight retail as well as advertising amounted to TEUR 4.194.

Result

The Company generated an EBIT of TEUR 769 from operating business resulting in net profits of TEUR 517 with the full income tax charge (TEUR 252).

Cash and cash equivalents

In the first half of 2010, liquidity increased significantly from TEUR 308 to TEUR 360.

Notes to the balance sheet

The Company's share capital as of 30 June 2010 amounted to EUR 1.967.803.

The Company's equity increased due to the payment to additional paid-in capital carried out by the principal shareholder Unister Holding GmbH (TEUR 410), the net profit (TEUR 517) and conversion of convertible bonds to share capital and additional paid-in capital (TEUR 541).

Accordingly, the deficit not covered by equity (TEUR 1,259) could be eliminated in the first half of the year. As of the balance sheet date on 30 June 2010, the Company's share capital reaches a positive result (TEUR 209).

The provisions in the amount of TEUR 728 include provisions for taxes amounting to TEUR 639. The calculation of provisions for tax was done without accounting for the existing tax loss carry forward. The losses carried forward amount to approx. 93 million EUR as of 31 December 2008. The Company believes that they still exist in spite of the acquisition by the Unister Group according to § 8c (1a) KStG (Corporate tax law), since it incontrovertibly constitutes a reorganisation measure. The compatibility of clause § 8c (1a) KStG with European law is however being reviewed by the European Commission. The result of this review is not foreseeable for the Company (neither in terms of time nor in terms of content). As a result, the provisions for tax are calculated without accounting for the losses carried forward until the situation will be clarified.

Due to the measures above, the balance sheet could be considerably improved. The share capital is positive and the Company's liabilities in the amount of TEUR 1,539 were reduced by TEUR 1,015 to TEUR 524.

Notes to the cash flow statement

The consolidated cash flow statement for the period under review starts with the net profit from the period under review. First, net profit is adjusted for non-cash income and expenses. The changes in working capital are accounted for in the cash flow. In the period under review, cash flow recognises a payment of the shareholder to additional paid-in capital. Cash and cash equivalents comprise the cash items recognised in the balance sheet.

6.2 Reorganisation measures

The reorganisation process has been completed. One of the last goals – eliminating the negative equity and/or the deficit not covered by equity – could be reached during the first half of the year.

6.3 Opportunity and risk report

In the current economic condition, the focussing on online business is increasing since clients are even more price conscious and service providers are more cost-sensitive. Our clients are looking for the best offer for their money, and providers wish to minimize their distribution costs. Considering the unstable economic situation, our clients will rather be cautious with early decisions. We therefore expect a stronger last minute business for financial years 2010 and 2011.

Anyone who wants to be successful in the highly competitive online travel market must be able to respond flexibly to short-term changes in demand. Effective applications for dynamic pricing and packaging, efficient online marketing with core competences in search engine marketing (SEO, SEM) as well as affiliate, newsletter and display promotion are key factors for being successful. In 2010, there is also a lot of competitive pressure on the travel market, particularly for flight and hotel bookings. However, there was a further shift in travel bookings from stationary distribution channels to the Internet, which has reduced the negative impact of the economic crisis on the travel market. If and to which extent the current economic crisis will influence the online travel market during the next months is not yet foreseeable. But due to the reorganisation measures described above as well as the marketing and sales activities carried through, Travel24.com AG is well prepared for the future.

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 Managing Board. The Managing Board observes the risks arising in their respective areas such as IT security as well as legal and fiscal risks. It is crucial that risks are consciously perceived and information on new risks and changes is immediately notified.

6.4 Related party transactions

The business plan provides for the evaluation of the acquired "Travel24" brand as well as the continuation of the Internet-based business activities by using the "travel24.com" and "travel24.de" domains, which permit to organize business activities in a sustainable and profitable way. Unister Holding GmbH acquired the "travel24.com" and "travel24.de" domains as well as the "Travel24" brand at a total purchasing price 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 free of charge. A monthly compensation fee in the amount of TEUR 10 will be due from 1 January 2012 at the earliest.

Due to the agreement concluded with Unister GmbH, a subsidiary of Unister Holding GmbH, Travel24.com AG was able to obtain attractive conditions for travel retail. Like this, and due to the service contract also concluded with Unister GmbH, Travel24.com AG benefits from the conditions of Unister GmbH and uses the synergies and know-how of the Unister Group. The aforementioned business has a positive effect on the net worth, financial position and results of operation of the Company.

7. Securities held by the Managing Board and Supervisory Board

As of the balance sheet date on 30 June 2010, the shares and options held by members of the Managing Board and of the Supervisory Board under the employee participation program were as follows:

	<u>Shares</u>	<u>Options</u>
Managing Board		
Jan Frederik Valentin (CEO)	0	0
Thomas Gudel	0	0
Supervisory Board		
Daniel Kirchhof (Chairman)	0	
Oliver Schilling	24,556	
Markus Mair	0	

8. Declaration by the legal representatives

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

Leipzig, August 2010

The Managing Board of Travel24.com AG

Jan Valentin

Thomas Gudel

9. Financial Calendar

31 May 2010	Publication of Three-month Report Q1 / 2010
18 June 2010	Analysts' Conference
30 July 2010	General Meeting
25 August 2010	Publication of Half-Year Report Q2 / 2010
30 November 2010	Publication of Nine-month Report Q3 / 2010

10. Publication Details

Publisher

Travel24.com AG
Barfußgässchen 11
04109 Leipzig

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Telephone: +49 - (0) 341 - 49288 - 3128
Fax: +49 - (0) 341 - 49288 - 59
www.travel24.com

Contact

Travel24.com AG
Investor Relations

Thomas Gudel
Barfußgässchen 11
04109 Leipzig
Telephone: +49 - (0) 341 - 49288 - 3128
E-Mail: ir@travel24.com
www.travel24.com