

## Q3 – Nine-month Report 2010

1 July 2010 – 30 September 2010  
1 January 2010 – 30 September 2010



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## 1. Summary of key data

	1 January - 30 September	
	2010	2009
	TEUR	TEUR
net sales	6,894	247
other operating income		2,568
EBIT	1,029	1,343
net gain Q1 - Q3 / net loss	683	1,342
net gain / loss per share (in EUR)		
basic	0.33	3.49
diluted	0.33	3.49

Note: The previous year comparison is not very meaningful since the previous year's Group structure does no longer exist!

## 2. Foreword

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

In the third quarter of 2010, the travel business of Travel24.com has been further extended. Marketing action included a further development of TV presence for travel24.com in Germany. Furthermore, lastminute24.com was launched successfully. At the same time, the internationalisation of the online business was prepared.

Thus, the Company was once again able to increase sales and achieve a positive result.

Yours,

Leipzig, November 2010

Jan Valentin  
CEO Travel24.com AG

### 3. Business development

#### Travel retail

In the third quarter 2010, the online sales business has been sustainably developed on the basis of the measures taken during the first two quarters: TV advertising, increasing online activities (SEM, Affiliate etc.) as well as the improvement of the website, which now can be considered as state-of-the-art, contributed to a considerable rise in sales. The flight business on flug.24.de has been stabilised on a high sales and profitability level.

#### Internet

In the third quarter 2010, the number of visits on travel24.com increased significantly compared to previous year (from 0.33 million to 3.8 million), the same applies for page impressions. Flug24.de counted 3.8 million visits.

The number of bookings on our travel sites also increased significantly during the last minute season – by more than 500%. Thus, the Company's growth exceeded the travel business Internet market level of about 20%. The economic basis can be considered as stable whereas the stationary travel business continues to show a weaker development than the online business.

#### Marketing and IT

The travel business during the third quarter was once again 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 makes the best possible use of the new shareholder's synergies and know-how.

### 4. Outlook

Travel 24.com AG plans to continue extending and internationalizing its business significantly with a view to increasing sales and results. Therefore, travel24.nl was launched subsequent to the end of the period under review. 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 clear positive result and cash flow will be reached in financial year 2010.

#### 4. Interim financial statements of Travel24.com AG as of 30 September 2010

ASSETS	30 September 2010 EUR	31 December 2009 EUR
<b>A. fixed assets</b>		
I. intangible assets		
concessions, industrial property rights and similar rights and values	1,534.60	0.00
II. tangible assets		
other fixtures and fittings, tools and equipment	0.00	0.00
III. financial assets		
other loans	0.00	0.00
	<b>1,534.60</b>	<b>0.00</b>
<b>B. current assets</b>		
I. accounts receivable and other assets		
1. trade accounts receivable	805.69	0.00
2. accounts receivable from affiliated companies	1,308,741.62	265,250.27
3. other assets	48,856.27	210,548.89
II. cash balance, bank balances and cheques	273,553.14	308,147.32
	<b>1,631,956.72</b>	<b>783,946.48</b>
<b>C. deferred expenses and accrued income</b>	<b>0.00</b>	<b>172.55</b>
<b>D. balance of the accumulated deficit not covered by the shareholders' equity</b>	<b>0.00</b>	<b>1,259,158.64</b>
	<b>1,633,491.32</b>	<b>2,043,277.67</b>

LIABILITIES	30 September 2010 EUR	31 December 2009 EUR
<b>A. shareholders' equity</b>		
I. share capital	2,033,585.00	1,787,461.00
II. additional paid-in capital	2,913,974.00	2,011,726.00
III. accumulated deficit	-4,375,116.40	-3,799,187.00
	<b>572,442.60</b>	<b>0.00</b>
<b>B. accrued expenses</b>		
1. provisions for taxes	733,000.00	387,000.00
2. other provisions	48,039.14	117,000.00
	<b>781,039.14</b>	<b>504,000.00</b>
<b>C. liabilities</b>		
1. bonds		
- thereof convertible EUR 0 (prior year TEUR 763)	0.00	1,190,201.00
2. accounts payable to banks	9.95	
- thereof with a residual term of up to one year: EUR 10		
3. trade accounts payable	108,607.50	334,234.53
- thereof with a residual term of up to one year: EUR 108,608		
4. accounts payable to affiliated companies	0.00	0.00
5. accounts payable other	171,392.13	14,842.14
- thereof from taxes: TEUR 3,368 (prior year TEUR 11)		
- thereof from social security: EUR 2,399 (prior year TEUR 0)		
	<b>280,009.58</b>	<b>1,539,277.67</b>
	<b>1,633,491.32</b>	<b>2,043,277.67</b>

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

	Q 3 2010 (1.7. - 30.09.) EUR	Q 1 - Q 3 2010 (1.1. - 30.09.) EUR
1. revenues	2,699,035.32	6,893,691.88
2. other operating income	0.00	37,485.52
3. purchases		
a) expenses for third party services	-2,301,021.15	-5,599,491.78
4. personnel expenses		
a) wages and salaries	-5,593.82	-5,593.82
b) statutory welfare contributions and expenses relating to pension plans and for support payments	-1,423.34	-1,423.34
5. depreciation of property, plant and equipment and intangible assets		
6. other operating expenses	-130,136.38	-285,196.17
7. income from other securities and loans receivable held as financial assets		
8. interest and similar income	183.00	277.20
9. depreciation and amortization of financial assets and marketable securities	0.00	-9,000.00
10. interest and similar expenses	0.00	-0.05
<b>11. result from ordinary activities</b>	<b>261,043.63</b>	<b>1,030,749.44</b>
12. extraordinary income		
13. extraordinary expenses	-750.00	-1,609.80
<b>14. extraordinary result</b>	<b>-750.00</b>	<b>-1,609.80</b>
15. income taxes	-94,000.00	-346,013.40
16. other taxes	0.00	103.00
<b>17. net profit / loss</b>	<b>166,293.63</b>	<b>683,229.24</b>
18. loss carried forward	-4,541,410.03	-5,058,345.64
19. transfer from treasury stock reserve	0.00	0.00
20. proceeds from equity cut	0.00	0.00
<b>21. accumulated loss</b>	<b>-4,375,116.40</b>	<b>-4,375,116.40</b>

### 5.3. Cash flow statement from 1 January to 30 September 2010

		1. 1. - 30.09.
		2010
		EUR
net income / net loss		683,229
(+)	depreciation and amortisation	0
(+)	net interest income	0
(+/-)	increase / decrease in provisions	277,039
(+/-)	gains (-) / losses (+) on the disposal of fixed assets	0
(+/-)	change in net working capital	-2,141,700
(+)	non-cash items	
<b>net cash used in operating activities</b>		<b>-1,181,432</b>
(-)	purchase of property, plant and equipment	-1,535
(+)	proceeds from sale of equipment / repayment of loans	0
<b>net cash generated through / used in investing activities</b>		<b>-1,535</b>
(+)	payment to share capital	246,124
(+/-)	payment to additional paid-in capital	902,248
(+)	payments on other financing instruments	0
(+)	interest received	0
(-)	interest paid	0
<b>net cash provided by financing activities</b>		<b>1,148,372</b>
<b>net decrease / increase in cash and cash equivalents</b>		<b>-34,594</b>
cash and cash equivalents at the beginning of the period		308,147
cash and cash equivalents at the end of the period		273,553

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 September 2010

### Travel24.com AG

#### Statement of changes in shareholders' equity

(in EUR, with the exception of figures per share)

	number of shares issued	share capital ordinary shares	treasury stock	additional paid-in capital	net loss	total
<b>As of 31 December 2009</b>	<b>1,787,461</b>	<b>1,787,461</b>	<b>0</b>	<b>2,011,726</b>	<b>-5,058,346</b>	<b>-1,259,159</b>
Capital increase for cash						0
Payment to additional paid-in capital				410,000		410,000
Equity cut & reverse share split						
Convertible bond warrants						
Expenses for procurement of equity						
Capital increase through conversion of convertible bonds	246,124	246,124		492,248		738,372
Issue of stock options and partial deferred expenses for remuneration from stock options						
Net profit / net loss of the reporting period					683,229	683,229
<b>As of 30 September 2010</b>	<b>2,033,585</b>	<b>2,033,585</b>	<b>0</b>	<b>2,913,974</b>	<b>-4,375,116</b>	<b>572,443</b>

## 5.5. Notes to the interim financial statements

### Information on general accounting and valuation principles

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

The interim financial statements have neither been reviewed by auditors nor audited within the meaning of Article 317 of the Handelsgesetzbuch (HGB).

### Information on single items

Intangible assets of fixed assets include two Internet domains (Travel24.co.uk und travel24.nl) purchased in the third quarter.

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 – 1,609), income taxes only affect the result from ordinary activities.

Other provisions comprise the following:

	31 December 2009	appropriation	usage	dissolution	30 September 2010
	EUR	EUR	EUR	EUR	EUR
legal advice	23,100	0	0	0	23,100
personnel provisions	46,000	40,580	44,630	36,328	5,622
annual financial statement	42,900	10,000	37,302	500	15,098
legal advice	5,000		781		4,220
other	0	0	0	0	0
<b>total</b>	<b>117,000</b>	<b>50,580</b>	<b>82,713</b>	<b>36,828</b>	<b>48,039</b>

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):

	1.10. - 31.12.2010	2011	2012	2013	2014	30.09.2015
	EUR	EUR	EUR	EUR	EUR	EUR
office rent	0	0	0	0	0	0
services/consulting fees	21,000	84,000	84,000	84,000	84,000	56,000
<b>total</b>	<b>21,000</b>	<b>84,000</b>	<b>84,000</b>	<b>84,000</b>	<b>84,000</b>	<b>56,000</b>

## **Investor Relations**

### Share capital and conversion rights

The total of voting rights of Travel24.com AG amounted to 2,033,585 at the end of the third quarter. All conversion rights have expired.

### 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](http://www.travel24.com) according to Article 161 AktG and will be renewed on an annual basis.

## **Employees**

Travel24.com AG employed an average of 3 employees in the first three quarters of financial year 2010.

## **Events subsequent to the balance sheet date**

The shares created through conversion have been admitted for official trading in Prime Standard at the Frankfurt Stock Exchange on 8 November 2010.

## **6. Interim management report**

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

#### **Revenue**

In the first three quarters of 2010, revenue from travel and flight retail as well as advertising amounted to TEUR 6,894.

#### **Result**

The Company generated an EBIT of TEUR 1,029 from operating business resulting in net profits for the first three quarters of TEUR 683 with the full income tax charge (TEUR 346).

#### **Cash and cash equivalents**

Liquidity slightly decreased from TEUR 308 to TEUR 274 in the period under review.

#### **Notes to the balance sheet**

The Company's share capital as of 30 September 2010 amounted to EUR 2,033,585.

The Company's equity increased due to a payment to additional paid-in capital carried out by the principal shareholder Unister Holding GmbH (TEUR 410), net profits (of TEUR 683) and conversion of convertible bonds to share capital and additional paid-in capital (TEUR 738).

Thus, the deficit not covered by equity (TEUR 1,259) has been eliminated in the first half of the year. As of the balance sheet date on 30 September 2010, the Company's share capital is positive (TEUR 572).

Provisions in the amount of TEUR 781 include provisions for taxes amounting to TEUR 733. The calculation of provisions for taxes was again 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 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 taxes are calculated without accounting for the losses carried forward until the situation will be clarified.

Due to the measures mentioned above, the balance sheet has been considerably improved as of 30 September 2010. The share capital is positive, and the Company's liabilities in the amount of TEUR 1,539 at the beginning of the year were reduced by TEUR 1,259 to TEUR 280.

#### **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, the 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 purposes – completely eliminating the negative equity and/or the deficit not covered by equity – has been reached during the first half of the year.

## 6.3 Opportunity and risk report

Due to increasing customisation to the Internet as a booking medium, the online travel market records significant growth even in times of economic slowdown. The pressure on prices is however stable: Our clients are looking for the best offer for their money, and our providers wish to minimize their distribution costs. Clients make short-term decisions, and we therefore expect a stronger last minute business for financial years 2011 and 2012, as experienced in 2010.

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. A competitive product range, effective applications for dynamic pricing and packaging as well as efficient online marketing are key factors for being successful. Our online marketing includes various Search Engine Marketing activities such as SEA (i.e. advertising offers in google, yahoo and other search engines) and SEO (optimisation of websites in order to achieve a good position in the search results). Activities such as newsletter promotion and the distribution of banner ads are also essential: either through traditional banner campaigns or through affiliate pages that include promotion on a permanent basis and will be compensated for subsequent bookings. Therefore, the retargeting of existing users becomes more and more important: Banners are displayed to users that have already visited the page. All ad types are subject to a permanent change in technologies and the market power of the existing stakeholders (such as google or large affiliate networks).

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 makes the best possible use of the synergies and know-how provided by Unister Group. The aforementioned business has a positive effect on net worth, financial position and results of operation of the Company.

Furthermore, Travel24.com AG and Unister Holding GmbH created a VAT group as of 1<sup>st</sup> July 2010, which facilitates the accounting process within the group as it is no longer required to include value added tax.

## 7. Securities held by the Managing Board and Supervisory Board

As of the balance sheet date on 30 September 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>
<b>Managing Board</b>		
Jan Frederik Valentin (CEO)	0	0
Thomas Gudel	0	0
<b>Supervisory Board</b>		
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, November 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
31 August 2010	Publication of Half-Year Report Q2 / 2010
25 November 2010	Publication of Nine-month Report Q3 / 2010
29 April 2011	Publication of Annual Report 2010
29 April 2011	Analysts' Conference 2011
10 May 2011	General Meeting 2011

## 10. Publication Details

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Travel24.com AG  
Barfußgässchen 11  
04109 Leipzig

WKN: A0L 1NQ  
ISIN: DE000A0L 1NQ8

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