Annual Report 2011

Travel24.com

Tag für Tag die besten Deals

Contents

1. Summary of Key Data

	1 January - 31 December 2011 TEUR	2010 TEUR
net sales	19,092	6,894
EBIT	2,662	1,029
annual net profit	1,878	683
net gain / net loss per share		
basic	0.92	0.33
diluted	0.88	0.33

2. Foreword

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

Financial year 2011 was characterised by the expansion, internationalisation and continued growth of the Travel24.com AG online travel business. Due to the reorganisation of online portals, efficient marketing development and successful steps in the internationalisation process, our operating result significantly improved. For financial year 2012, we expect a further development of our business.

Yours,

Armin Schauer

Leipzig, January 2012 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. The situation, however, has improved significantly due to the continued positive business development and our improved capital base.

In 2011, it was stated that the appointment of the Supervisory Board by the General Meeting on 30 July 2010 was formally incorrect. Therefore, a judiciary appointment was immediately requested on 9 December 2011 and was approved on 2 January 2012 by way of a court order. Following the judiciary appointment, the resolutions of the Supervisory Board not duly appointed were updated by way of a resolution of confirmation. Despite this, all mandatory meetings were held according to the Supervisory Board’s by-laws, as described below.

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

The Supervisory Board has held ongoing discussions in its meetings with the Managing Board on business development and the future strategic orientation of the Company. It has also regularly advised the Managing 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.

There were no conflicts of interests of Managing and Supervisory Boards members that have to be disclosed immediately to the Supervisory Board and about which the General Meeting has to be informed.

In the year under review, the Supervisory Board dealt in particular with the internationalisation of business.

In financial year 2011, four joint meetings were held. Two meetings were held in the first half of 2011, and two were held in the second half of the year. None of the members of the Supervisory Board was absent during the Board’s meetings in financial year 2011. The Supervisory Board did not form any committees in financial year 2011.

On the occasion of the Supervisory Board meeting on 18 February 2011, the Annual Report 2010 was discussed with the Managing Board as well as the auditor. The Supervisory Board agreed to the Managing Board’s and the auditor’s comments for the annual financial statements and approved the annual financial statements 2010 according to Article 172 AktG (German Stock Corporation Act).

Changes to the Supervisory Board

Supervisory Board member Markus Mair resigned from the Supervisory Board and was substituted by Detlef Schubert.

Corporate Governance

The Supervisory Board constantly monitored the compliance of the corporate governance standard. In the meeting on 5 April 2010, the Chairman of the Supervisory Board and the Managing Board had already discussed the changes to the recommendations by the German Corporate Governance Code Government Commission in the version dated 18 June 2009 which was published in the electronic Federal Gazette on 5 August 2009. In this meeting, the Managing and Supervisory Boards issued the declaration of conformity according to Article 161 of the AktG. This declaration is made permanently accessible to shareholders on the Company's website.

Annual Financial Statements 2011

According to the vote by the General Meeting, the Supervisory Board appointed BDO AG, Wirtschaftsprüfungsgesellschaft, Leipzig, to audit the annual financial statements of Travel24.com AG. The single-entity financial statements 2011 prepared by the Managing Board according to the provisions of the *Handelsgesetzbuch* (HGB – German Commercial Code) as well as the management report, including bookkeeping, were audited by BDO AG, Wirtschaftsprüfungsgesellschaft, Leipzig. The annual financial statements were issued with an unqualified auditor's 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 (including the valuation options used) and the management report, taking the audit reports by the auditor 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. The Supervisory Board shares the Managing Board's opinion. The documents were discussed in detail with the Managing Board in the Supervisory Board meeting on 27 February 2012. The auditor also attended these discussions and reported on key audit results for the Company and provided supplementary information. After its own in-depth review of the documents, the Supervisory Board ascertained that the audit report is in line with legal requirements and did not raise any objections. It approved the audit reports. Therefore, the Supervisory Board approved the annual financial statements prepared by the Managing Board in its meeting on 27 February 2012. The annual financial statements 2011 of Travel24.com AG were thus approved according to Article 172 AktG.

The Supervisory Board would like to thank the Managing Board for the high degree of commitment they showed and the work they performed in the year just ended.

Daniel Kirchhof

Leipzig, February 2012 (Chairman of the Supervisory Board)

4. Business Development

Travel retail

In financial year 2011, the Company further developed the sale of holidays and flights.

The number of travel bookings also increased significantly, and the Company's growth exceeded the Internet business growth rates of more than 20%.

5. Investor Relations

The total of voting rights of Travel24.com AG amounted to 2,033,585 as of the end of December 2011.

As of 31 December 2011, the shareholder structure is the following:

	voting rights	percentage
Unister Group	1,931,966	95.00
Free Float	101,619	5.00
Total	**2,033,585**	**100.00**

6. Outlook

In 2012, Travel 24.com AG plans to further expand its business with a view to increasing sales and revenue. The main focus is on internationalising the business on the British and French markets as well as developing the German-speaking markets. Further business segments are still in the planning stages.

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7.1 Report of Travel24.com AG, Leipzig

for the financial year from 1 January to 31 December 2011

7.1.1. General

In the financial year just ended, the sector saw a satisfactory business development of the German online travel business which was particularly marked by a further increase in holiday bookings. This trend is due to a continued shift from travel agency bookings to online distribution.

7.1.2. Economic environment

General development

Despite political changes in some of our target countries, the European debt crisis and the possibility of an economic crisis, the general economic environment in the source markets relevant for Travel24 was stable.

The online tourism and travel market

In 2011, the German online tourism market grew by around 20% (according to the relevant technical provider Traveltainment). The trend towards online booking also continued in the Swiss market - our second key market. Growth in the early booking season (particularly from January to March) was just as strong as in the last minute season (particularly from June to September).

7.1.3. The Company's strategy

Financial year 2011 was characterised by the development of portals well as the extension of our sales and marketing activities, resulting in a considerable increase of sales and revenue.

Travel24.com AG became an important stakeholder in online travel distribution with international orientation.

In 2011, the national travel retail business was again largely assured by the contractual relationship with Unister GmbH, Leipzig, a subsidiary of Unister Holding GmbH, Leipzig. 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, which has been updated as of 1 January 2011. Furthermore, Travel24.com AG benefits from the conditions of Unister GmbH in the services sector and makes the best possible use of synergies.

Based on this know-how, the Company's business has also been extended to international markets (Austria, Switzerland, Netherlands, UK). The Company uses maximum synergies for its activities: where possible, the presentation in the different markets is identical. If required, the websites are adapted to the market requirements. In fulfilment for example, contracts with external suppliers are concluded in order to ensure the market know-how relevant for retail. The expansion into other markets is under way. To do so, the Company chooses a cost minimising approach based on the central management by Unister Group. For this purpose, a dynamic packaging technology that can be used on an international level is also being developed. In addition to the Unister flight and hotel booking application, this technology is designed to support our foreign business in 2012 on a sustainable basis.

Supported by the Unister Group, the Company is well prepared for further developing its business.

7.1.4. Course of business

Travel retail

In 2011, the Travel24.com AG travel business saw continued growth: The online travel retail business in Germany, Switzerland and Austria was further developed due to ongoing website improvements. In the Netherlands and in the UK the successes achieved were rather small.

The portfolio of the German-speaking portals covers all major German tour operators with a daily selection of up to 100 million last-minute offers and travel packages as well as over 200,000 hotels and more than 750 airlines with scheduled, chartered and budget flights. Furthermore, a business travel application, numerous additional products such as rental cars and assurances as well as a comprehensive travel news section and a new hotel video section were added to the online offer of www.travel24.com. All travel services can be booked easily and comfortably online at www.travel24.com or using the booking hotline. Any hotels and travel packages of all major operators as well as holiday homes, cruises and various additional services can also be booked in the Netherlands. In the UK Travel24 was one of the first providers to launch the new Traveltainment Dynamix technology which combines hotel and flight products into travel packages.

The Company's growth exceeded the travel business Internet market level of about 20%. As in previous years, bookings focused on last minute and travel package offers as well as on the sale of hotel products through the TravelTainment booking technology. This also applies for the foreign markets.

Flight retail

The flug24.de flight business has been stabilised on a high profitability level. Compared to previous year, sales were once again increased.

Marketing

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 marketing are key factors for being successful.

Users

In 2011, the marketing aiming at the German-speaking markets has been significantly extended. TV advertising as well as an increase in online activities contributed to a considerable rise in sales. Our online marketing included various activities such as search engine marketing, newsletter promotion, the targeted use of banner ads both online as well traditionally, and so-called affiliate marketing. All marketing tools were continuously optimised and adjusted to the relevant markets in the second half of the year.

This resulted in a considerable rise in user numbers.

Revenues and continuation forecast

In financial year 2011, revenues from the retail of holidays and flights amounted to TEUR 19,092, compared to TEUR 8,982 in 2010. The 2010 annual result of TEUR 1,023 was significantly improved to TEUR 1,878 (+ TEUR 855).

The balance sheet also improved in financial year 2011. The Company's equity increased from TEUR 912 to TEUR 2,790 (equity ratio of 60%).

7.1.5. 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 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.

In financial year 2011, four risk management meetings were held.

The operative business continues to benefit from the management and technology support provided by Unister Group. However, this also results in a dependency from Unister Group.

7.1.6. Concluding declaration according to Article 312 section 3 AktG

We declare that, based on the circumstances known to us at the time when the transactions with the controlling company, Unister Holding GmbH, and affiliated companies were entered into, Travel24.com AG Leipzig received an appropriate consideration for each transaction and that no other measures were undertaken or omitted.

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

There were no events of particular significance subsequent to the balance sheet date.

7.1.8. Disclosures pursuant to Art. 289 Section 4 HGB

For disclosures pursuant to Art. 289 section 4 HGB, see Notes to the financial statements.

7.1.9. Accounting-related internal control and risk management system pursuant to Art. 289 Section 5 HGB

The main characteristics of the Travel24.com AG accounting-related internal control and risk management system are the following:

There is a clear management and corporate structure within the Company. The functions of the essential accounting-related fields Accounting, Taxes and Controlling as well as Investor Relations are clearly defined. The responsibilities are clearly attributed.

The financial systems used are protected against unauthorised access through appropriate IT facilities. Where possible, standard software is used.

All departments and functions involved in the accounting process are appropriately equipped both in qualitative and quantitative terms. The completeness and accuracy of booking data received or passed is permanently reviewed, for example through random sampling. The software used enables programmed plausibility checks, for example within payment runs.

The four-eyes principle is permanently applied with all accounting-related processes. Appropriate controls (Supervisory Board) have been implemented with regard to the correctness and reliability of internal and external accounting.

The accounting-related internal control and risk management system described above ensures that corporate issues are correctly recognised on the balance sheet, processed and considered and included in the accounting process. Appropriate staff, the use of adequate software as well as clear statutory and corporate requirements form the basis of a proper, consistent and continuous accounting process.
The definition of responsibilities as well as different control and monitoring structures assure a concrete and responsible accounting process. In this way, corporate events are recognised, processed, documented and accounted for correctly and in due time pursuant to legal requirements. At the same time, it is ensured that assets and liabilities are correctly determined, accounted for and assessed in the annual financial statements, and that reliable and relevant information is provided in due time.

7.1.10. Forecast

Travel24.com AG is on the way to solid growth. With an 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 rather make short-term decisions, and we therefore expect a strong last minute business for financial years 2012 and 2013, as experienced in 2011.

The market entry in new European markets may be connected with market specific risks. These include incorrect or insufficient technical market penetration on the product side, necessary adaptations of the marketing mix, and insufficient performance of partners in product and fulfilment as well as specific cyclical factors which are likely to affect business. Global risks such as terrorist attacks and major environmental (political) changes affecting the general willingness to travel remain imminent.

However, the macroeconomic and industry-specific market environment is in favour of a positive development. In spite of the economic crisis, online business in Europe has shown a positive development in recent years, and we expect this trend to continue in 2012 and 2013.

On the basis of the assumptions made for the core business (technology, product, sales, marketing and fulfilment), the Company expects a strong and profitable growth of sales in online travel retail in existing markets as well as a successful entry and development in the expansion markets in 2012 and 2013.

For financial year 2012, we expect a further increase in annual profits in the existing business areas as well as a profitable operation of business in the new markets. For 2013, the Managing Board also expects a continued positive development of results.

Leipzig, 10 January 2012

Armin Schauer Thomas Gudel

7.2 Financial Statement of Travel24.com AG: Leipzig

7.2.1 Balance Sheet of Travel24.com AG as of 31 December 2011

ASSETS	31 December 2011 EUR	31 December 2010 EUR
A. fixed assets		
intangible assets		
concessions, industrial property rights and similar rights and values	7,634.60	1,534.60
	7,634.60	**1,534.60**
B. current assets		
I. accounts receivable and other assets		
1. trade accounts receivable	7,594.08	0.00
2. accounts receivable from affiliated companies	4,833,983.81	2,023,495.83
3. other assets	22,449.70	36,904.45
II. bank balances	35,254.31	9,924.83
	4,899,281.90	2,070,325.11
C. deferred expenses and accrued income	47,153.21	2,500.00
	4,954,069.71	**2,074,359.71**

LIABILITIES	31 December 2011 EUR	31 December 2010 EUR
A. shareholders' equity		
I. share capital	2,033,585.00	2,033,585.00
II. additional paid - in capital	2,913,974.00	2,913,974.00
III. accumulated deficit	-2,156,928.83	-4,035,259.47
	2,790,630.17	**912,299.53**
B. accrued expenses		
1. provisions for taxes	1,727,247.62	909,000.00
2. other provisions	220,227.73	59,655.63
	1,947,475.35	**968,655.63**
C. liabilities		
1. advance payments received for projects	55,633.00	0.00
2. trade accounts payable	62,023.06	115,807.14
3. accounts payable other	98,308.13	77,597.41
- thereof from taxes EUR 34,903.64 (prior year EUR 65,943.37)		
- thereof from social security EUR 0.00 (prior year EUR 579.79)		
	215,964.19	**193,404.55**
	4,954,069.71	**2,074,359.71**

7.2.2 Statement of income of Travel24.com AG, Leipzig from 1 January to 31 December 2011

	1 Jan. - 31 Dec. 2011 EUR	1 Jan. - 31 Dec. 2010 EUR
1. revenues	19,092,469.12	8,981,831.36
2. other operating income	32,349.08	56,003.28
3. purchases		
expenses for third party services	-15,834,658.78	-7,150,304.63
4. personnel expenses		
a) salaries and wages	-330,803.44	-39,982.09
b) statutory welfare contributions and expenses relating to pension plans and for optional support payments thereof for pension plans: EUR 383.46 (p.y. EUR 0.00)	-67,024.38	-9,851.18
5. other operating expenses	-230,825.14	-293,706.10
6. interest and similar income	117,234.29	1,267.22
thereof affiliated companies EUR 116,955.06 (p.y. EUR 0.00)		
7. interest and similar expenses	-18,033.26	-0.19
8. **result from ordinary activities**	**2,760,707.49**	1,545,257.67
9. income taxes	-882,376.85	-522,274.50
10. other taxes	0.00	103.00
11. **net loss / profit**	**1,878,330.64**	**1,023,086.17**
12. loss carried forward	-4,035,259.47	-5,058,345.64
13. **accumulated loss**	**-2,156,928.83**	**-4,035,259.47**

7.2.3 Cash flow statement of Travel24.com AG, Leipzig
from 1 January to 31 December 2011

		1. 1. - 31.12. 2011 TEUR	1. 1. - 31.12. 2010 TEUR
profit / loss		1,878	1,023
(+/-)	increase / decrease in provisions	979	464
(-/+)	increase / decrease in trade accounts receivable and other assets which are not allocated to investment or financing activities	-2,848	-1,586
(+/-)	increase / decrease in trade accounts payable and other liabilities which are not allocated to investment or financing activities	22	-156
cash flow from operating activites		**31**	**-255**
(-)	acquisitions of intangible assets	-6	-2
cash flow from investment activities		**-6**	**-2**
(+)	proceeds from additions to equity (increase of equity, disposal of shares, etc.)	0	411
(-)	outflows from the repayment of loans and financial credits	0	-452
cash flow from financing activities		**0**	**-41**
net decrease / increase in cash and cash equivalents		**25**	**-298**
cash and cash equivalents at the beginning of the period		10	308
cash and cash equivalents at the end of the period		35	10

7.2.4 Statement of changes in equity of Travel24.com AG, Leipzig from 1 January to 31 December 2011

	number of shares issued	share capital ordinary shares	additional paid-in capital	net loss	total
	St□ck	EUR	EUR	EUR	EUR
As of 31 December 2009	**1,787,461**	**1,787,461.00**	**2,011,726.00**	**-5,058,345.64**	**-1,259,158.64**
Payment to additional paid-in capital	0	0.00	410,000.00	0.00	410,000.00
Capital increase through conversion of convertible bonds	246,124	246,124.00	492,248.00	0.00	738,372.00
Net profit / net loss of the reporting period	0	0.00	0.00	1,023,086.17	1,023,086.17
As of 31 December 2010	**2,033,585**	**2,033,585.00**	**2,913,974.00**	**-4,035,259.47**	**912,299.53**
Net profit / net loss of the reporting period	0	0.00	0.00	1,878,330.64	1,878,330.64
As of 31 December 2011	**2,033,585**	**2,033,585.00**	**2,913,974.00**	**-2,156,928.83**	**2,790,630.17**

7.2.5 Notes to the financial statements of Travel24.com AG, Leipzig

for the financial year from 1 January to 31 December 2011

1. General

Travel24.com AG, Leipzig - hereinafter referred to as "the Company" - was founded by the adoption of the Articles of Association on 22 February 1996 and recorded in the commercial register at Munich Local Court on 27 February 1996. By resolution of the General Meeting on 31 August 2009, the Company's place of business was transferred to Leipzig due to the acquisition by Unister Holding GmbH. The Company is registered at Leipzig Local Court with the Commercial Register number HRB 25538. Since 15 March 2000, the Company's shares have been listed on Frankfurt Stock Exchange (Prime Standard, until 31 December 2002: *Neuer Markt)*.

On the occasion of the General Meeting on 30 July 2010, the purpose of the Company was amended as follows (Art. 2 sec. 1 of the Articles of Association):

> "The purpose of the Company is the commercial operation in the travel and leisure business (including all services and project developments related thereto), shareholding in travel operating companies, hotel and leisure business companies as well as in travel agencies and through other services both in own organisations or in affiliated companies as well as the centralised and consistent management of affiliated companies."

As of 1st July 2010, Travel24.com AG and Unister Holding GmbH created a VAT group.

The Company's financial statements as of 31 December 2011 comply with the accounting principles of the HGB and the supplementary provisions of the Stock Corporation Act.

The statement of income has been prepared according to the total cost accounting method.

Travel24.com AG is a "medium-size" corporation pursuant to Art. 267 section 1 HGB. The Company however is considered as "large-size" corporation pursuant to Art. 267 section 3 HGB in conjunction with Art. 264d HGB since it covers an organised market according to Art. 2 section 5 of the Securities Trade Act by issuing securities according to Art. 2 section 1 sentence 1 of the Securities Trade Act.

2. Summary of essential accounting and valuation principles

The annual financial statements were prepared according to the going concern principle. The reorganisation of the Company has been fully completed in the previous year. Since financial year 2010 profitable and sustainable revenues have been generated which will be continued in the following years. The accumulated deficit decreased from TEUR 4,035 to TEUR 2,157 due to the result from operations.

Intangible assets comprise purchased Internet domains not amortised due to lacking planned depreciation.

Receivables and other assets were balanced at their nominal value. If there was doubt as to their collectability or if there were identifiable risks, direct deductions in value were carried through. Uncollectible receivables were immediately recognised in profit or loss. The lowest value principle was applied.

Cash and cash equivalents were assessed at their nominal value.

On the balance sheet date according to the commercial register entry dated 2 January 2012, the share capital amounts to EUR 2,033,585.00.

Provisions were recognised for any identifiable risks and doubtful liabilities in the amount that was necessary according to reasonable commercial judgement.

Liabilities were assessed at the amount to be repaid.

On the assets side, expenses incurred before the balance sheet date are accounted for as deferred expenses and accrued income, insofar as they constitute expenses for a certain period after this date.

3. Notes to the balance sheet

3.1 Assets

Based on the total acquisition and production costs, assets developed as follows:

Travel 24.com AG, Leipzig

Development of assets from 1 January to 31 December 2011

	acquisition or production costs				depreciations				residual book values	
	01.01.2011 EUR	inflow EUR	outflow EUR	31.12.2011 EUR	01.01.2011 EUR	inflow EUR	outflow EUR	31.12.2011 EUR	31.12.2011 EUR	31.12.2010 EUR
I. intangible assets										
concessions, industrial property rights and similar rights and values	1,534.60	6,100.00	0.00	7,634.60	0.00	0.00	0.00	0.00	7,634.60	1,534.60
II. financial assets										
1. shares in affiliated companies	4,852,160.00	0.00	4,852,160.00	0.00	4,852,160.00	0.00	4,852,160.00	0.00	0.00	0.00
2. shares in associates	5,334,137.79	0.00	5,334,137.79	0.00	5,334,137.79	0.00	5,334,137.79	0.00	0.00	0.00
3. loans to associated companies	4,087,532.00	0.00	4,087,532.00	0.00	4,087,532.00	0.00	4,087,532.00	0.00	0.00	0.00
	14,273,829.79	0.00	14,273,829.79	0.00	14,273,829.79	0.00	14,273,829.79	0.00	0.00	0.00
	14,275,364.39	6,100.00	14,273,829.79	7,634.60	14,273,829.79	0.00	14,273,829.79	0.00	7,634.60	1,534.60

3.2 Receivables, other assets and deferred items

Receivables from affiliated companies comprise the following:

	EUR
Receivables from Unister GmbH, Leipzig	5,598.584.79
Liabilities to Unister GmbH, Leipzig	- 933,331.46
After offsetting	4,665,253.33
Receivables from Unister Holding GmbH, Leipzig	168,730.48
Total receivables from affiliated companies	4,833,983.81

According to the offsetting and interest provision of the contract concluded between Unister GmbH and the Company on 3 January 2011, receivables and liabilities are offset as of the quarterly balance sheet dates, and interest shall be paid on the remaining balance at the Euribor rate plus 0.5%.

All receivables, other assets and deferred items have a residual term of less than one year.

3.3 Equity, convertible bonds and profit-sharing rights

3.3.1 Share capital

The Company's share capital in the amount of EUR 2,033,585.00 pursuant to Art. 4 of the Articles of Association, is divided into 2,033,585 no-par value shares. The shares are bearer shares. Therefore, the Company will only be notified about changes in holdings if these are subject to notification requirements.

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

	percentage
Unister Holding GmbH, Leipzig (direct and indirect)	95.00

3.3.2 Authorised Capital

3.3.2.1 Authorised Capital 2009

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 893,730.00** (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 the following specific conditions:

- 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 residual amounts,
- if 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, i.e. EUR 178,746.10; with regard to exceeding the 10% range, the exclusion of subscription rights has to be considered due to other rights according to Article 186 (3) sentence 4 AktG:
- as it is necessary to grant the bearers of convertible bonds, or conversion privileges or option rights a subscription right to the extent to which they are entitled to after exercising the conversion privilege or option right.
- Entry of this resolution in the commercial register was made on 21 October 2009. As of the balance sheet date, the Authorised Capital 2009 amounts to EUR 893,730.00.

3.3.2.2 Authorised Capital 2010

The Managing Board was empowered by resolution of the General Meeting on 30 July 2010, subject to the approval of the Supervisory Board, to increase the Company's share capital by a maximum of EUR 90,170.00 (Authorised Capital 2010) by no later than 30 July 2015 through issue of 90,170 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 the following specific conditions:

- 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 residual amounts,
- if 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, i.e. EUR 196,780.00; with regard to exceeding the 10% range, the exclusion of subscription rights has to be considered due to other rights according to Article 186 (3) sentence 4 AktG:

- as it is necessary to grant the bearers of convertible bonds, or conversion privileges or option rights a subscription right to the extent to which they are entitled to after exercising the conversion privilege or option right.

Entry of this resolution in the commercial register was made on 6 December 2010. As of the balance sheet date, the Authorised Capital 2010 amounts to EUR 90,170.00.

3.3.3 Contingent Capital

Pursuant to the entry in the commercial register dated 7 December 2010, Contingent capital 2004/II amounts to EUR 8,213.00.

3.3.4 Equity Capital

For the development of equity capital in financial year 2011 as well as a detailed summary of items, see the statement of changes in equity.

Entry of the increase in share capital by EUR 246,124.00 to EUR 2,033,585.00 in the commercial register was made on 7 December 2010. The share capital was increased due to the increase of contingent capital adopted on 5 July 2004.

As of the balance sheet date on 31 December 2011, the Company’s equity capital is positive (EUR 2,790,630.17).

3.4 Provisions

Tax provisions comprise the following:

	31 December 2010 EUR	usage EUR	dissolution EUR	appropriation EUR	31 December 2011 EUR
corporate tax 2009	176,000.00	0.00	0.00	0.00	176,000.00
corporate tax 2010	241,000.00	33,058.00	0.00	0.00	207,942.00
corporate tax 2011	0.00	0.00	0.00	383,942.00	383,942.00
solidarity tax 2009	10,000.00	0.00	0.00	0.00	10,000.00
solidarity tax 2010	13,000.00	1,818.19	0.00	0.00	11,181.81
solidarity tax 2011	0.00	0.00	0.00	21,181.81	21,181.81
trade tax 2009	201,000.00	0.00	0.00	0.00	201,000.00
trade tax 2010	268,000.00	0.00	0.00	0.00	268,000.00
trade tax 2011	0.00	0.00	0.00	448,000.00	448,000.00
total	**909,000.00**	**34,876.19**	**0.00**	**853,123.81**	**1,727,247,62**

In financial year 2011, 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. TEUR 92,411 as of 31 December 2010. 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.

However, on 26 January 2011, the European Commission decided that the reorganisation clause under German corporate tax law (KStG Art. 8 c sec. 1a) does not comply with the European state aid law. On 7 April 2011, the Federal Republic of Germany filed an action against this resolution with the European Union (legal matter T-205/11). As a result, the provisions for taxes are calculated without accounting for the losses carried forward for reasons of commercial prudence.

Other provisions as of 31 December 2011 developed as follows:

	31 December 2010 EUR	usage EUR	dissolution EUR	appropriation EUR	31 December 2011 EUR
income risks	10,000.00	10,000.00	0.00	107,000.00	107,000.00
legal advice	15,400.00	0.00	0.00	40,515.50	55,915.50
annual financial statements	28,206.41	23,949.63	4,256.78	23,964.83	23,964.83
interest on tax provisions	0.00	0.00	0.00	17,415.00	17,415.00
personnel provisions	6,049.22	6,048.93	0.29	11,812.40	11,812.40
other	0.00	0.00	0.00	4,120.00	4,120.00
total	**59,655.63**	**39,998.56**	**4,257.07**	**204,827.73**	**220,227.73**

3.5 Liabilities

The residual terms of liabilities are as follows:

	with a residual term of		31 December	
	up to 1 year	more than 5 years	2011	2010
	EUR	EUR	EUR	EUR
advance payments received for projects	55,633.00	0.00	55,633.00	0.00
trade accounts payable	62,023.06	0.00	62,023.06	115,807.14
other current liabilities	98,308.13	0.00	98,308.13	77,597.41

The liabilities are unsecured.

4. Notes to the statement of income

4.1 Revenues

Revenues include commissions from travel retail amounting to TEUR 10,951, other commissions from additional travel services amounting to TEUR 470 as well as revenues from flight retail amounting to TEUR 7,671.

In the year under review, expenses incurred by the creation of provisions for cancellation risks (TEUR 107), which were accounted for as other operating expenses in the previous year, are accounted for as revenues. For the calculation of cancellation risks a historic cancellation quota is used.

4.2 Other operating income

Other operating income includes revenues from the release of liabilities (TEUR 27) and provisions in the amount of TEUR 4.

4.3 Other operating expenses

Other operating expenses comprise expenses relating to other periods in the amount of TEUR 54, which predominantly refer to value-added tax in 2009.

4.4 Income tax charges

The income tax charge of TEUR 882 only applies to the result from ordinary activities as the extraordinary result was not applicable in the year under review.

5. Other disclosures

5.1 Other liabilities, contingent liabilities

The contractual obligations are as follows:

	2012 EUR	2013 EUR	2014 EUR	2015 EUR	2016 EUR
services / consulting fees	720,000	720,000	720,000	720,000	720,000

Other liabilities solely refer to liabilities to affiliated companies.

There are not contingent liabilities as of 31 December 2011.

5.2 Average number of employees in the year under review

The average number of employees was 13.3 (previous year 4.3).

5.3 Auditor's fees

The auditor's fee was recognised as an expense in financial year 2011. Including the reimbursement of expenses, it consisted of:

a) annual audits TEUR 19 (previous year TEUR 19),

b) other confirmatory and evaluation services TEUR 0 (previous year TEUR 0),

c) tax consultancy services TEUR 0 (previous year TEUR 0),

d) other services rendered to the parent company or its subsidiaries TEUR 0 (previous year TEUR 0)

5.4 Corporate structure

According to the distribution of ownership, the Company is included in the consolidated financial statements of Unister Holding GmbH, Leipzig as of 31 December 2011. The consolidated financial statements of Unister Holding GmbH are published in the electronic federal gazette.
Travel24.com AG's annual financial statements and management report are also published in the electronic federal gazette.

5.5 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.

By resolution dated 18 February 2011, the Managing Board and Supervisory Board of Travel24.com AG 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 18 June 2009, notified on 5 August 2009, since the last declaration of conformity up to including 1 July 2010 and as from 2 July 2010, the recommendations of the "Government Commission on the German Corporate Governance Code" in the version of 26 May 2010 notified on 2 July 2010 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 have been made permanently accessible to shareholders on the Travel24.com AG homepage at www.travel24.com and will be renewed on an annual basis.

5.6 Managing Board and Supervisory Board

In financial year 2011, the members of the **Managing Board** were:

Jan-Frederik Valentin, Leipzig	(Chairman)	commercial employee	until 30 September 2011
Armin Schauer, Cleeberg	(Chairman)	commercial employee	from 1 October 2011
Thomas Gudel, Königstein im Taunus		commercial employee	

The Managing Board members received no remuneration.

Supervisory Board of the Company

Pursuant to Article 95 AktG (in conjunction with Article 8 of the Articles of Association), the Supervisory Board of Travel24.com AG comprises three members.
After completion of the transfer of the last shares from the options rights agreed during the reorganisation period to Unister GmbH, former Supervisory Board member Mag. Markus Mair, Managing Board member of the previous shareholder Aktieninvestor.com AG, resigned from the Supervisory Board. Since the Supervisory Board was uncertain as to the duration of the period of office of its other members and the proper appointment of the Supervisory Board, the Local Court of Leipzig, upon request of the Managing Board and by resolution dated 2 January 2012, appointed the following Supervisory Board members:

- Mr Daniel Kirchhof Dipl. Kfm., Leipzig

- Mr Detlef Kurt Schubert State Secretary (ret.), Leipzig
- Mr Oliver Schilling Dipl. Kfm., Leipzig

In the constitutive meeting on 10 January 2012, Daniel Kirchhof was appointed as Chairman of the Supervisory Board und Oliver Schilling was appointed as his deputy.

In 2011, the Supervisory Board members received no remuneration.
In the year under review, expenses relating to other periods in the amount of TEUR 4 were incurred for former Supervisory Board members of Travel24.com AG (previous year TEUR 0).

As of the balance sheet date on 31 December 2011, the shares and options held by members of the Managing and Supervisory Boards under the employee participation programme were as follows:

	shares	options
Managing Board		
Armin Schauer	0	0
Thomas Gudel	0	0
Supervisory Board		
Daniel Kirchhof	0	0
Oliver Schilling	24,556	0
Detlef Kurt Schubert	0	0

Leipzig, 12 January 2012

Armin Schauer Thomas Gudel

7.3. Declaration by the legal representatives

To the best of our knowledge, we declare that, according to the principles of proper consolidated reporting applied, the annual financial statements provide a true and fair view of Travel24.com AG's net worth, financial position and results of operations, that the 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 development are described.

Leipzig, 12 January 2012

Armin Schauer Thomas Gudel

7.4. Auditor's opinion

We have audited the annual financial statements of Travel24.com AG, Leipzig, comprising the balance sheet, statement of income, notes to the financial statements, cash flow statement and statement of changes in equity as well as the management report and bookkeeping for the fiscal year from 1 January to 31 December 2011. Bookkeeping as well as the preparation of the financial statements and the management report under German commercial law are the responsibility of the Company's legal representatives. Our responsibility is to express an opinion, based on our audit, on the financial statements including bookkeeping and on the management report.

We conducted our audit in accordance with Article 317 of the HGB and in compliance with the German 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 financial statements (based on the applicable accounting standards) and the management report are free of material misrepresentations and present a true and fair view of the assets, the financial position and results of operation 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 provided in accounting, the financial statements and the management report. The audit includes assessing the accounting principles used and the significant estimates made by the Company's legal representative, as well as evaluating the overall presentation of the financial statements and the 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.

In our opinion, based on the results of our audit, the financial statements comply with the legal requirements and convey a true and fair view of the Company's assets, financial position and results of operation. The management report is in line with the annual financial statements, provides an accurate view of the Company's situation and accurately reflects the opportunities and risks of the future development.

Leipzig, 12 January 2012
BDO AG
Wirtschaftsprüfungsgesellschaft

Dr. Hammer	ppa. Funk
Auditor	Auditor

8. Key corporate announcements 2011

Ad hoc announcements according to Art. 15 WpHG

1 September 2011	Changes to the Managing Board 2012
30 September 2011	Changes to the Managing Board as of 1 October 2011

9. Financial Calendar 2012

31 March 2012	Publication of Annual Report 2011
7 May 2012	Publication of Three-Month Report Q 1 2012 (German)
14 May 2012	Publication of Three-Month Report Q 1 2012 (English)
4 June 2012	Analysts' Conference
6 June 2012	General Meeting
6 August 2012	Publication of Half-Year Report 2012 (German)
13 August 2012	Publication of Half-Year Report 2012 (English)
29 October 2012	Publication of Nine-Month Report Q 3 2012 (German)
5 November 2012	Publication of Nine-Month Report Q 3 2012 (English)

11. Publication details

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