

Date: 9 August 2007
On behalf of: Travelzest plc (“Travelzest” or the “Group”)
Embargoed until: 0700hrs

Travelzest plc

Acquisition of Captivating Cuba

Travelzest plc, the British online travel group offering specialist travel programmes, is pleased to announce the acquisition of Captivating Cuba Limited (“Captivating Cuba”), a specialist UK tour operator offering holidays to Cuba.

Travelzest has agreed to pay £10,001 for Captivating Cuba and will invest in the business to repay loans (£242,000) and provide additional working capital. The business reported a small loss in the last financial year and Travelzest has already identified a number of initiatives that it believes will result in the acquisition being earnings enhancing in 2008.

Captivating Cuba offers tailor-made holidays and escorted tours. It has a team of highly-experienced sales staff based in the UK, all of whom know Cuba in depth and are able to use their local knowledge and expertise to provide detailed advice on planning a holiday to Cuba. They are supported by a team of representatives and administration staff in Cuba.

Commenting on the acquisition, Chris Mottershead, Travelzest’s Chief Executive, said:

“Cuba is a fascinating Caribbean island providing customers with the opportunity to visit Havana, a city with a unique atmosphere and character together with some of the most beautiful sandy beaches in the world. While it has grown in popularity for British travellers over the last few years, Canadians represent the largest number of visitors to, this, the largest of the Caribbean islands.

“Captivating Cuba is a good example of a business with great potential. It already sells over 3,500 holidays a year to the UK market and by linking with itravel2000.com, our Canadian operation, we will be able to exploit this opportunity further and deliver strong organic growth over the coming years.”

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Background information on Travelzest plc

Travelzest is a British on-line travel group with high quality brands offering specialist holiday programmes and services.

Chris Mottershead, 48, the Group Chief Executive who founded the Travelzest concept in April 2005, has extensive experience in the travel industry and in working for both large and small organisations. He was managing director of TUI UK between 2001 and 2004 with responsibility for Thomson Holidays, Lunn Poly, Travelhouse and other travel businesses based in the UK. During that time, he steered the company through one of the most difficult periods for travel and still achieved record profits. Prior to this, he was President and CEO, North American Leisure Group, Airtours plc. He originally joined Airtours in the UK in 1993 where his role initially was Finance Director of Airtours Holidays. He later became Managing Director

of Airtours Holidays in 1998. He joined Airtours from Aspro Travel & Inter European Airways where he was Group Finance Director.

The Group currently comprises:

itravel2000.com

itravel2000.com was founded in 1994 and is an online travel agent specialising in the sale of travel and travel related products. Sales are made through various internet web sites and a customer call centre located in Mississauga, Ontario. The greater proportion of itravel2000.com's business is winter-based, thus providing counter-seasonal revenue to the predominantly summer-based revenues of Travelzest's businesses in Europe.

www.itravel2000.com

Holiday Express

Holiday Express is one of the UK's leading on-line travel businesses. It specialises in both on-line travel fulfillment services and online travel sales. Holiday Express' retail business (acting as travel agent), provides package holidays, charter flights and ski booking services, accounts for the vast majority of its revenue and the remainder of its revenue is generated through acting as a tour operator. Holiday Express owns a number of travel website domain names, including:

- www.holiday.co.uk

- www.flight.co.uk

Fair's Fare

Fair's Fare was established in 1995 and is the UK's leading firm of airfare analysts, offering a unique travel planning service to both private and business clients. The company seeks out the very best financial options, on all major airlines, but primarily for long-haul travellers in the first and business class cabins of the world's leading airlines.

VFB Holidays

VFB Holidays is a long established, award winning tour operator, which provided holidays for approximately 24,000 passengers in its last financial year. VFB is currently contracted with the owners of approximately 350 holiday cottages throughout France for the summer season, and has booking arrangements with over 150 hotels, most of which are privately owned and are located in rural or semi-rural locations. VFB specialises in cottage holidays in France, but also has a number of other holiday programmes including: France à la Carte (hotel accommodation), Corsica, Short Breaks, Escorted Tours and River Cruises.

www.vfbholidays.com

Best of Morocco

Best of Morocco is a tour operator specialising in high quality, tailor-made holidays to Morocco for individuals or small groups. It provides a personalised service and it's highly experienced and knowledgeable staff help each customer select the hotels / resorts from their large range which are appropriate for the customer's desired style of holiday. Best of Morocco is the premier agent for the Marathon des Sables, a foot race that takes place in Morocco in April each year, covering some 230km. Best of Morocco provides the largest contingent of runners for the race each year.

www.bestofmorocco.co.uk

Peng Travel

Peng Travel was formed in 1971 to arrange naturist holidays for the UK market. Since then, it has grown to become Britain's biggest naturist tour operator. It has unrivalled experience of naturist areas worldwide and has selected only the best. The range of naturist holidays offered is unmatched by any other British tour operator.

www.pengtravel.co.uk

Faraway Holidays

Faraway Holidays was launched by Travelzest in August 2006. It offers tailor-made holidays to many of the world's top exotic destinations in the Far East, Middle East, Indian Ocean, South Pacific and South America. Every destination offered by Faraway Holidays will have been visited by at least one member of the sales team, ensuring that customers receive informed and knowledgeable advice when planning their holiday.

www.farawayholidays.co.uk

Tapestry Collection

Travelzest acquired the assets of Tapestry Holidays and has launched a revitalised brand consisting of the very best of the Tapestry range. The Tapestry Collection has initially showcased the very best of Turkey and Crete featuring many of the most popular hotels, apartments and villas from the original Tapestry programme, together with some exciting new properties.

www.thetapestrycollection.com

The Wow House Company

Wow House Limited, trading as The Wow House Company, is a specialist UK accommodation provider offering an exclusive portfolio of large, prestigious houses to rent for short breaks in the UK. The company also offers a comprehensive event planning service for corporate and special occasions.

www.thewowhousecompany.co.uk