

22 May 2009

Travelzest plc (“Travelzest” or the “Company”)

Trading update

Travelzest plc, today announces the following trading update.

The Board of Travelzest announces that, following a full reforecast of the Company’s businesses, it now expects that trading in the second half of this financial year to 31 October 2009 will be behind the Directors’ original expectations, although not significantly so.

The Board remains confident that, as a whole, sales in the Company’s Canadian businesses will grow slightly, however, general economic conditions continue to affect demand in both the UK and Canada and the increasingly late bookings of consumers make forecasting for the second half difficult.

Trading at VFB, the Company’s French focussed holiday cottage business has been affected by adverse currency movements since the start of the current financial year. This reduction in volume has been partially offset by an increase in volume from the Company’s Turkish offering via Tapestry Travel.

The Board has commenced a review of the cost structure of each of its businesses to ensure that all appropriate areas to reduce costs are identified and necessary action taken.

The Board anticipates that the Company has, in the current financial year, incurred exceptional costs in respect of the relocation of certain of the Group’s premises in both Canada and UK, the permanent reduction in operating expenses, and the write-off of commissions receivable from a Canada tour operator that ceased trading in April 2009. The Directors do not anticipate that this cessation by a Canadian tour operator will affect future trading levels.

The Board expects to publish its results for the six months ended 30 April 2009 in July 2009.

END

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