

Date: 17 November 2009
On behalf of: Travelzest plc ('Travelzest', 'the Company' or 'the Group')
Embargoed until: 1130hrs

Travelzest plc

▪ Trading Update and Group Restructuring

Travelzest (AIM: TVZ), the UK and Canadian holiday retailer, is pleased to provide the following trading update and details on the Group's restructuring initiatives.

The Board of Travelzest announces that it anticipates underlying trading for the year ended 31 October 2009 to be in line with its expectations.

Canadian Operations

Operations in Canada continue to improve with an increase in consumer demand in the market after slightly lower summer trading levels. Restructuring of the operations at itravel2000 has resulted in a more efficient and productive business. Integration of The Cruise Professionals into the new structure continues and we anticipate improved operating performance as a result.

UK Operations

The restructuring of the UK operations, detailed below, will provide much needed strategic refocus on retail distribution, product and sales operations. Summer trading was slightly behind expectations; however we continue to see improvements in operational efficiencies that we believe will provide stronger operational results going forward.

Nishma Robb steps down as Group Distribution Director

The Board announces that Nishma Robb has today resigned as the Group Distribution Director. Ms Robb will remain on the Board and an employee of the Company until 31 January 2010.

Details of Group Restructuring

The executive management team has been focused on restructuring operations to align the Group with current market opportunities. The Group's tour and retail operations have been merged to ensure resources and knowledge are shared throughout the Group. This will broaden the product offering to the Group's combined client base. A new retail distribution strategy that will expand the market presence of Travelzest's unique brands and products is also being pursued. To facilitate this process, the following four new positions have been created, each reporting to Jonathan Carroll, CEO, and Jack Fraser, COO/FD of Travelzest:

- Stuart Morris, previously Vice President of Marketing of itravel2000, has been appointed Group Vice President of Marketing for the Canadian and UK Operations. itravel2000 is the leading online holiday portal in the Canadian market and Stuart's role is to leverage this experience across the Group, promoting all products in both the UK and Canadian markets. He is also leading the redevelopment of Travelzest's retail distribution in the UK market.

- Nick Wrightman, previously General Manager of Tapestry Collection, a leading tour operator for Turkey, has been appointed Vice President of Product (UK Operations). Nick's extensive experience with successfully managing supplier relationships will assist with the unification of Travelzest's products and development of new lines.
- Steve Diederich, previously Managing Director of Best of Morocco/Faraway Holidays, a leading tour operator to Morocco and the Far East, has been appointed Vice President of Sales Operations (UK Operations). Steve will be using his previous experience in managing sales and customer service requirements to improve the strength and consistency of Travelzest's UK customer service offering.
- Jonathan Blizzard, previously General Manager of JMB and WOW House, has been appointed General Manager (UK Operations). Jonathan's responsibility will be to improve the overall efficiency of operations in the UK as product, sales and distribution functions are unified.

The Board believes that this new management structure will create a more cohesive offering across its product portfolio and deliver significant improvements to the customer's booking experience.

The restructuring of the Group's infrastructure is progressing well with further substantial cost efficiencies expected. Once completed, Travelzest will have centralised its UK based operations into three offices from seven, enabling the Group to maximise resources and cross selling opportunities.

Jonathan Carroll, Travelzest's Chief Executive Officer, commented:

"Our Canadian operations have performed exceptionally over the year considering the difficult market conditions. We are particularly happy with the team and their dedication to working through these difficult times."

"We are very excited about the new management team we have put together for both the UK and Canada and are looking forward to a stronger performance from our operations with the new structure in place."

Jack Fraser, Travelzest's Chief Operating Officer and Financial Director, added:

"We are very happy with the progress we have made in restructuring our business and have set a clear structure and direction for the Group. The fully integrated platform we are developing will assist us in building a stronger and more unified offering."

"We would also like to take this opportunity to thank our exceptional team of managers for their hard work and the great commitment they have shown to the Group. We are now well positioned as a Group and are all focused on a new vision to drive the Company forward."

- Ends -

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Notes to Editors:

The Travelzest group currently comprises:

Canadian Operations

itravel2000.com - itravel2000.com

The Cruise Professionals - www.cruiseprofessionals.com

UK Operations

Holiday.co.uk – www.holiday.co.uk

Flight.co.uk – www.flight.co.uk

Best of Morocco - www.bestofmorocco.co.uk

VFB Holidays - www.vfbholidays.com

Peng Travel - www.pengtravel.co.uk

Faraway Holidays - www.farawayholidays.co.uk

The Malaysia Experience - www.malaysiaexperience.co.uk

Tapestry Collection - www.thetapestrycollection.com

The Wow House Company - www.thewowhousecompany.co.uk

Captivating Cuba - www.captivatingcuba.com

JMB Travel - www.jmb-travel.co.uk

Fair's Fare - www.fairsfare.com