

Date: 17 December 2010
On behalf of: Travelzest plc ('Travelzest', 'the Company' or 'the Group')
Embargoed until: 0700 hrs

Travelzest plc Pre-close Trading Update

Highlights:

- 10% increase in departures for Summer 2010
- 15% increase in advance bookings for Winter 2010/2011 departures
- Launch of new online unified travel store www.travelzest.com
- Launch of new travel superstores in itravel2000
- Renewal of loyalty program partnership between Petro Canada and itravel2000
- Consolidation of five remote UK offices into new customer service centre in Cheltenham
- Consolidation of six inventory management systems into one new system

[Travelzest](#) (AIM: TVZ), is pleased to provide the following pre-close trading update and update on the Group's restructuring initiatives ahead of its preliminary results for the year ending 31 October 2010. Travelzest expects to release its full year results in late January 2011.

Overview

The Board of Travelzest announces that it anticipates that the underlying trading for the year ended 31 October 2010 will be in line with Board expectations.

The Group, both in Canada and the UK, has performed well in difficult economic markets with an overall 10 percent increase in departures for summer 2010. Advance bookings for winter 2010/2011 departures are up 15 percent (both increases are compared to the corresponding period in the previous year).

Canadian Operations

The Group's operations in Canada continue to build upon its market leading position despite the challenging market conditions. This has been bolstered by the continued success of the regional network and product expansion, as well as through further penetration into the dynamic packaging market. These actions continue to drive growth in passenger numbers and an improvement in summer departures. This reinforces the Group's progress towards its strategic goal of reducing the winter dependency and achieving a year round consumer offering. Growth in average retail value and margins has also provided improved performance for the division.

This division has also gained strong cost and efficiency benefits from the reorganisation of the operational structure within itravel2000 and The Cruise Professionals.

itravel2000 also renewed a partnership with Petro Canada for loyalty card members to redeem and earn points when they book with itravel2000.

The Cruise Professionals were again awarded 'Top producing Agency Worldwide' for 2010 with Crystal Cruises, and for the 11th year in succession named by Conde Nast in their list of the World's 135 Top Travel Specialists.

UK Operations

As reported in our Interim Results Statement of 29 June 2010, the launch of Travelzest's new state of the art customer service centre in Cheltenham has resulted in the consolidation of five offices from various locations in the UK into one facility. The new facility is interlinked with Travelzest's Canadian Operations allowing for advanced call routing and data network sharing, plus the implementation of a new reservations and inventory system. This has combined the six legacy systems used and will provide a simplified and more efficient platform from which our merchant products can be distributed. These measures have created a greatly improved structure for our UK operations that the Board believes are both scalable and more efficient to manage.

This new infrastructure has also made it possible to launch the new '[Travelzest Holidays](#)' website. The new site presents a revitalised product offering which is in line with consumer demand and will offer all of Travelzest's merchant products, third party products and new product lines as we expand our offering. The Board believes the new marketing and distribution strategies will provide improved performance and increased market share in the coming periods.

The UK economic market has presented a challenging environment for our UK Operations. Coupled with the division's numerous restructuring and refocusing initiatives, the division has continued to experience difficulties in capturing market share and maintaining margins. The Board believes with the continued development of the organisation and launch of new marketing initiatives, the division will now show improved performance.

VFB Holidays, was voted favourite tour operator by 'Which?' members in the consumer champion's holiday survey results.

Corporate Operations

Net debt for 31 October 2010 is estimated to be in line with Board expectations.

Travelzest continues to look at acquisition opportunities in its various areas of operations.

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

"Following a year of extensive and rapid operational restructuring, we are thrilled to be building on our extensive database of customers using our newly updated and efficient systems in order to drive growth. The restructuring of the operations to create a more productive and efficient group will provide continued benefits as the Group grows and now allows us to bring together the strength of each operation under a unified team culture with a common goal."

"The newly integrated and restructured systems ensure that we can now cross sell our UK and Canadian offerings efficiently to each market, and with this in mind I am very optimistic that we can enhance shareholder value in the short to medium term."

"On behalf of the Board, Jack and me, we would like thank our team members across the Travelzest Group for their continued support, dedication, and exceptional performance over the past year. Without the strength the team that has supported our new strategies, we could not have accomplished the results and managed all the changes that have been implemented in the last year."

- Ends -

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Notes to Editors:

About Travelzest

[Travelzest plc](#) (LSE:TVZ.L) is a dynamic travel group, with a collection of online travel retailers and specialized merchant operators, with operations in five countries. Included in the Travelzest agency family are [Travelzest Holidays](#), [itravel2000](#), [The Cruise Professionals](#), [holiday.co.uk](#), [flight.co.uk](#), [Fair's Fare](#), [Wow House](#), and in the Travelzest merchant family are [Best of Morocco](#), [VFB Holidays](#), [Peng Travel](#), [Faraway Holidays](#), [The Malaysia Experience](#), [Tapestry Collection](#), [Captivating Cuba](#), [JMB Travel](#). Travelzest is traded on London's AIM Exchange under the symbol TVZ.