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travel.com.au to own 100% of lastminute.com.au

travel.com.au (ASX: TVL), a pioneer in online travel in Australia, today announces that it has acquired the remaining 25.1% stake in Lastminute.com Australia Pty Limited.

The purchase price is AU\$4.75m, of which half is payable on settlement and the remainder in 12 months under an unsecured 9% promissory note.

The TVL Group will not exercise its option to put its shares to Lastminute Network Limited. Instead, TVL will move to 100% ownership of lastminute.com.au and lastminute.co.nz. Importantly, all existing put and call options and restraints of trade will cease to exist.

Established as a 74.9%/25.1% joint venture between TVL and lastminute.com in 2000, lastminute.com.au is now a leading Australian accommodation and lifestyle website.

Managing director of TVL, Adam Johnson, says, "The lastminute.com.au brand has a strong presence and heritage in Australia and we believe it is a brand with great potential locally.

"As full brand owner, we will have the total benefit of the growth potential of the brands in Australasia and will focus on further tailoring the offering to the Australian market."

TVL will have exclusive ownership of, and rights to use, the lastminute.com.au and lastminute.co.nz brands in the Australasian market only, subject to maintaining certain brand values.

No ongoing licenses, fees or residual ownership interests, including options to buy back, are in place. Transitional agreements exist under which, inter alia, lastminute.com will provide continuity of supply of lastminute.com international content and residual systems.

As part of the transaction, the company name lastminute.com Australia Pty Limited will officially be changed to lastminute.com.au Pty Limited.

For the past four months, TVL has traded profitably at the EBITDA line and continuation of this trend would enable the purchase to be funded with minimal or no external financing. As a result, there is no short term need to raise equity to fund the purchase.

TVL has performed consistently over the previous 12 months with year on year revenue growth (estimated Q4FY07 over Q4FY06) of 28%.

Subject to continuation of present market conditions, directors are targeting 30-35% revenue growth in FY08 with the Group's EBITDA/Revenue margin increasing to 14-16% by year end and continuing to improve thereafter as the company achieves further scale.

-Ends-

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