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12 February 2007

For immediate release

**MERGER OF MYTRAVEL GROUP PLC AND THOMAS COOK AG TO CREATE A
LEADING INTERNATIONAL LEISURE TRAVEL COMPANY**

- The boards of MyTravel and KarstadtQuelle are pleased to announce that they have agreed the terms of a recommended merger of MyTravel and Thomas Cook. The parent company of the Enlarged Group will be named Thomas Cook Group plc, headquartered in the UK and listed in London. The Merger is expected to create significant value for shareholders.
- The Enlarged Group will have leading positions in the UK & Ireland, Germany, Scandinavia, Benelux, France and Canada. The Enlarged Group will also benefit from a portfolio of excellent brands, an experienced management team with a proven track record and a diverse geographic spread, which together will provide a strong platform for growth.
- MyTravel and Thomas Cook believe that the annualised pre-tax cost benefits arising from a combination of the businesses will be at least £75 million per annum once the full benefits of the Merger are realised.
- The terms of the Merger will result in the Enlarged Group being 52 per cent. owned by KarstadtQuelle and 48 per cent. owned by the shareholders of MyTravel (calculated on a fully diluted basis).
- The Enlarged Group will be led by a board drawn from MyTravel, Thomas Cook and KarstadtQuelle, complemented by additional independent non-executive directors. The audit, remuneration and nomination committees will be chaired by independent non-executive directors. The Board will be independent of KarstadtQuelle and will include a strong and experienced executive management team.
- The Enlarged Group will be chaired by Thomas Middelhoff, CEO of KarstadtQuelle and Chairman of Thomas Cook, deputy chaired by Michael Beckett, Chairman of MyTravel, and managed on an interim basis by Joint Chief Executives Peter McHugh, Chief Executive of MyTravel, and Manny Fontenla-Novoa, Chief Executive of Thomas Cook.
- The Merger will be effected through the acquisition by NewCo of both MyTravel and Thomas Cook (MyTravel by means of a scheme of arrangement). It is expected that the Merger will be completed by June 2007.

- The Merger is conditional on the approval of MyTravel Shareholders. Shareholder approval will be sought at the Court Meeting and the Extraordinary General Meeting to be convened in due course. The directors of MyTravel intend unanimously to recommend to MyTravel Shareholders that they vote in favour of the Merger, as they intend to do in relation to their own shareholdings.
- In addition, the Merger is conditional on, among other things, competition clearances and completion of the transaction between KarstadtQuelle and Lufthansa pursuant to which KarstadtQuelle has agreed to acquire the 50 per cent. of Thomas Cook which it does not already own, which is itself conditional only on EU anti-trust clearance and the approval of Lufthansa's Supervisory Board.
- As a result of agreeing the Merger, MyTravel and KarstadtQuelle have agreed not to pursue any competing transaction.

Commenting on today's announcement, Michael Beckett, Chairman of MyTravel said:

"This transaction gives MyTravel shareholders the opportunity to participate in the significant value creation being offered by industry consolidation. Thomas Cook is a household name and the joining of the two groups will create an even stronger force in this highly competitive market. The Enlarged Group, which will be based in the UK and listed in London, will benefit from a strong and independent board and an experienced executive team.

"The new team is committed to realising significant benefits for the shareholders of the Enlarged Group".

Thomas Middelhoff, CEO of KarstadtQuelle and Chairman of Thomas Cook said:

"We are delighted to see the merger of two such well established industry players which we are sure will achieve significant value creation for us as shareholders from this geographically diverse portfolio of companies. We look forward to being a long-term, committed investor in the Enlarged Group.

"The Thomas Cook team is looking forward to building and growing the Enlarged Group together with the MyTravel team. The combined organisations will offer customers unrivalled choice and quality for their holiday and leisure time in all of the markets in which we operate."

This summary should be read in conjunction with the full terms of the following announcement. Appendix II contains definitions of certain terms used in this summary and the following announcement.

A meeting for analysts and investors will be held today at 9.00am for 9.30am at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED.

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The distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction.

This announcement has been prepared for the purposes of complying with English law, the Listing Rules, the rules of the London Stock Exchange and the City Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of any jurisdiction outside the United Kingdom.

This announcement does not constitute an offer to purchase, sell or exchange or the solicitation of an offer to purchase, sell or exchange any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Merger or otherwise, nor shall there be any purchase, sale or exchange of securities or such solicitation in any jurisdiction in which such offer, solicitation or sale or exchange would be unlawful prior to the registration or qualification under the laws of such jurisdiction.

This announcement does not constitute a prospectus or prospectus equivalent document. MyTravel Shareholders are advised to read carefully the formal documentation in relation to the Merger once it has been despatched.

The NewCo Shares may not be offered or sold in the United States absent registration under the US Securities Act or an exemption therefrom. NewCo has not registered and does not intend to register any NewCo Shares under the US Securities Act. Any NewCo Shares will be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof.

This announcement contains statements about MyTravel, KarstadtQuelle and Thomas Cook that are or may be forward looking statements. All statements other than statements of historical facts included in this announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "should", "may", "anticipates", "estimates", "synergies", "cost savings", "projects", "strategy" or words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) the expected timetable for completing this transaction, future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects of MyTravel, KarstadtQuelle, Thomas Cook or the Enlarged Group; (ii) business and management strategies and the expansion and growth of MyTravel, KarstadtQuelle, Thomas Cook or the Enlarged Group's operations and potential synergies resulting from the Merger; and (iii) the effects of government regulation on MyTravel, KarstadtQuelle, Thomas Cook or the Enlarged Group's business.

These forward looking statements are not guarantees of future performance. They have not been reviewed by the auditors of MyTravel, KarstadtQuelle or Thomas Cook. These forward looking statements involve known and unknown risks, uncertainties and other factors which may cause them to differ from the actual results, performance or achievements expressed or implied by such forward looking statements. These forward looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors are cautioned not to place undue reliance on the forward looking statements, which speak only as of the date they were made. All subsequent oral or written forward looking statements attributable to MyTravel, KarstadtQuelle or Thomas Cook or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward looking statements included in this announcement are based on information available to MyTravel, KarstadtQuelle and Thomas Cook on the date hereof. Investors should not place undue reliance on such forward looking statements, and we undertake no obligation to publicly update or revise any forward looking statements.

MERGER OF MYTRAVEL AND THOMAS COOK TO CREATE A LEADING INTERNATIONAL LEISURE TRAVEL COMPANY

1. INTRODUCTION & THE MERGER

The boards of MyTravel and KarstadtQuelle today announce a proposed merger of MyTravel and Thomas Cook to create a leading international leisure travel company.

The boards of MyTravel and KarstadtQuelle believe that the Merger offers significant benefits for their shareholders and customers. This transaction presents MyTravel and Thomas Cook with the opportunity to lead sector consolidation in the UK.

Following the Merger, KarstadtQuelle, which has agreed to acquire all of the shares in Thomas Cook which it does not already own, will hold 52 per cent. of the Enlarged Group, with existing MyTravel Shareholders holding 48 per cent. (calculated on a fully diluted basis).

MyTravel and KarstadtQuelle have established a new company, NewCo, which will effect the Merger by acquiring each of MyTravel and Thomas Cook (MyTravel by means of a scheme of arrangement). The Merger is to be effected pursuant to a Merger Agreement between MyTravel, KarstadtQuelle and NewCo. NewCo will be named Thomas Cook Group plc and listed and headquartered in London. Completion of the Merger is expected to take place by June 2007.

The Merger is subject to the approval of MyTravel Shareholders and relevant competition clearances. The Merger is also conditional on, among other things, completion of the sale of Lufthansa's 50 per cent. stake in Thomas Cook to KarstadtQuelle, the details of which are set out below. The board of MyTravel intends unanimously to recommend that MyTravel Shareholders vote in favour of the Merger at the Court Meeting and the Extraordinary General Meeting to be convened in due course.

2. INFORMATION ABOUT MYTRAVEL

MyTravel Group plc is a major player in some of the world's most active markets for package holidays and other leisure travel services. The company was established in the UK in 1972.

MyTravel played a leading role in the development of package holidays, which have become an extremely popular form of leisure travel, bought by almost 20 million people each year in the UK alone. MyTravel's 17 brands in the UK include Airtours, Going Places and Direct Holidays.

MyTravel Northern Europe is the region's most successful tour operator, with businesses in Denmark, Finland, Norway and Sweden. The group's leading brands include Ving, Tjaereborg and Sunwing Resort. MyTravel North America's main business is tour operating in Canada and its leading brand is MySunquest.

The group has a fleet of 31 aircraft which are deployed across its markets. MyTravel Airways UK achieved the best on-time performance of any charter airline in winter 2005/06 and summer 2006.

Having completed its financial restructuring in December 2004, MyTravel has made significant progress towards completing its turnaround successfully. For the year ended

31 October 2006, the Group reported its first profit before tax since 2001, delivering an improvement of over £60 million on the prior year.

In 2005/06, MyTravel took 5.5 million passengers on holiday and employed an average of 12,947 staff worldwide.

For the financial year ended 31 October 2006, MyTravel reported sales of £2,797 million (2005: £2,910 million), earnings before interest, tax, depreciation and amortisation (including MyTravel's share of results of associates and joint ventures) of £88 million (2005: £62 million), earnings before interest and tax (before exceptional items and including MyTravel's share of results of associates and joint ventures) of £62 million (2005: £51 million) and profit before tax of £44 million (2005: loss of £17 million).

As at 31 October 2006, MyTravel had net funds of £70 million, gross assets of £953 million and equity attributable to equity holders of the parent of £(199) million.

3. INFORMATION ABOUT THOMAS COOK

Thomas Cook AG is the second largest European travel group with leading positions in the UK & Ireland, Germany, France, Benelux and Eastern Europe. It comprises 33 tour operating brands, approximately 2,400 travel agencies, a fleet of 66 aircraft, and a workforce of 19,775 full time employees. The main brands include Thomas Cook, Thomas Cook Signature, Neckermann and Condor. Thomas Cook traces its origins back to 1841 when Thomas Cook pioneered leisure travel.

On 8 February 2007, KarstadtQuelle announced that it had agreed to acquire from Lufthansa the 50 per cent. of Thomas Cook which it does not already own. The only conditions to completion of this transaction are EU anti-trust clearance and Lufthansa Supervisory Board approval. Completion is expected to occur in April 2007.

For the financial year ended 31 October 2006, Thomas Cook AG reported sales of Eur 7,780 million (2005: Eur 7,661 million), earnings before interest, tax, depreciation and amortisation of Eur 385 million (2005: Eur 375 million) and net income of Eur 171 million (2005: Eur 105 million). As at 31 October 2006, Thomas Cook AG had net cash of Eur 56 million, gross assets of Eur 3.96 billion, a gross pension deficit of Eur 416 million and shareholders' equity of Eur 774 million (net of minorities of Eur 33 million).

In the year to 31 October 2006, UK & Ireland contributed Eur 2,483 million of sales (2005: Eur 2,502 million) at an earnings before tax margin of 5.1 per cent. (2005: 4.5 per cent.). This represented 32 per cent. of Thomas Cook AG's 2006 sales, with 46 per cent. being generated in Germany (including the Condor Airline) and 21 per cent. from Benelux and France.

4. INFORMATION ABOUT KARSTADTQUELLE

KarstadtQuelle AG, headquartered in Essen, Germany, is one of Europe's leading retail companies with a number one or two market position in each of its core activities: department stores, mail order and tourism. In the 2005 financial year, KarstadtQuelle generated sales of Eur 15.5 billion and adjusted earnings before interest, tax, depreciation and amortisation of Eur 544.1 million, including the contribution from Thomas Cook. It employs 68,200 full-time staff.

KarstadtQuelle has operations in retail under the brands KarstadtQuelle and KarstadtSport (over 130 stores in Germany); in mail ordering with brands Quelle and neckermann.de; and in the leisure and travel industries with Thomas Cook.

5. **BACKGROUND TO AND REASONS FOR THE MERGER**

The combination of MyTravel and Thomas Cook is expected to create significant shareholder value for both MyTravel and KarstadtQuelle shareholders through substantial cost savings, particularly in the UK. In addition, the combination provides both sets of shareholders with certainty that they will benefit from consolidation.

In particular, the Enlarged Group will benefit from:

- Leading positions in the UK & Ireland, Germany, Scandinavia, Benelux, France and Canada;
- A strong portfolio of complementary and industry leading brands, coupled with broader distribution reach to serve all segments of the travel market from budget to premium customers; and
- Greater earnings stability through the increased geographic spread of the Enlarged Group.

In addition, the Merger is achieved without the Enlarged Group incurring any additional financial leverage, thereby reducing the operating risk of the group as well as retaining financial flexibility going forward.

6. **STRATEGY FOR THE ENLARGED GROUP**

The Enlarged Group will be uniquely positioned to provide its customers with outstanding holiday experiences and its shareholders with industry leading profitability.

Going forward, the key strategic focus of the Enlarged Group will be on:

- Integrating the businesses and delivering significant synergies;
- Strengthening the Mainstream tour operating model through continued operational improvements and quality product delivery;
- Growing its independent travel segment through an asset-light business model; and
- Extending the Enlarged Group's financial services offering, leveraging Thomas Cook's strengths in this area.

7. **SYNERGY BENEFITS**

The boards of MyTravel and Thomas Cook believe that the annualised pre-tax cost benefits arising from a combination of the businesses will be at least £75 million per annum once the full benefits of the Merger are realised. It is expected that the full synergies will be realised within 24-30 months of Completion.

The synergies are expected to be derived from the following key areas:

- Organisational consolidation;
- Cost reductions;
- Leveraging of economies of scale; and
- Realisation of operational efficiencies.

A detailed integration plan will be finalised prior to Completion. Further details will be provided in the Prospectus.

8. **BOARD OF DIRECTORS, MANAGEMENT AND ORGANISATION**

The proposed Board of the Enlarged Group will be drawn from the boards of MyTravel, Thomas Cook and KarstadtQuelle, supplemented by additional independent non-executive directors to be appointed by the Board as soon as practicable. MyTravel and KarstadtQuelle believe that the proposed structure results in an independent Board with a strong and experienced executive management team.

The proposed Board will be chaired, as Non-Executive Chairman, by Thomas Middelhoff (currently CEO of KarstadtQuelle and Chairman of Thomas Cook), with Michael Beckett (currently chairman of MyTravel) being appointed as Non-Executive Deputy Chairman.

The proposed executive team is:

| | Position on Board of the Enlarged Group | Current Position |
|----------------------|--|-------------------------|
| Peter McHugh | Joint Chief Executive Officer | CEO of MyTravel |
| Manny Fontenla-Novoa | Joint Chief Executive Officer | CEO of Thomas Cook |
| Ludger Heuberg | Finance Director | CFO of Thomas Cook |
| John Bloodworth | Head of UK | Head of UK, MyTravel |

The Joint Chief Executive Officers will, as well as retaining joint overall responsibility for the Enlarged Group, focus in particular on the following areas:

Peter McHugh will focus on integration and synergy planning, finance, and investor relations; and

Manny Fontenla-Novoa will focus on managing the business, synergy implementation, budgeting, group strategy and marketing, and group human resources.

The appointment of Joint Chief Executive Officers is an interim solution to ensure the continuity of the business, whilst minimising disruption and to help facilitate the successful integration of the groups and achievement of synergies. Peter McHugh will stay with the Enlarged Group until 31 December 2007.

In addition to the Chairman and Deputy Chairman, the Board will include seven non-executive directors. Peter Diesch (CFO of KarstadtQuelle) will be a non-executive director. David Allvey, Roger Burnell and Angus Porter (currently independent non-executive directors of MyTravel) will be appointed to the Board. Three other independent non-executive directors will be appointed by the Board as soon as practicable.

The Enlarged Group will have an audit committee chaired by David Allvey and nomination and remuneration committees chaired by Michael Beckett. Each Board committee will have not fewer than three independent non-executive directors and not more than two non-executive directors representing KarstadtQuelle.

The Relationship Agreement (summarised below) sets out the agreement between MyTravel and KarstadtQuelle as to the governance arrangements for NewCo that will apply following completion of the Merger.

9. **EMPLOYEES**

MyTravel and Thomas Cook attach great importance to retaining the skills and expertise of their management and employees. The boards of MyTravel and Thomas Cook believe that, although the combination of similar functions will necessarily lead to some operational restructuring, the increased size and strength of the Enlarged Group will offer attractive career prospects for its employees.

The existing employment rights of employees of both MyTravel and Thomas Cook will be fully safeguarded.

10. **DIVIDEND POLICY**

MyTravel and KarstadtQuelle anticipate that the Enlarged Group will be in a position to pay, post Completion, a dividend in respect of the year ending 31 October 2007. Dividend policy will be set by NewCo's Board, not all of whom have yet been appointed. Details will be set out in the prospectus.

11. **CURRENT TRADING AND PROSPECTS**

11.1 MyTravel

- Winter 2006/07
 - Winter trading has progressed as expected, being affected in all markets by mild weather and, in Canada, by very competitive trading.
- Summer 2007
 - Summer trading for the UK has accelerated since MyTravel's last report in December. Bookings are now 6% behind last year compared to 11% behind in December 2006 on an expected capacity reduction of 6%. MyTravel had sold 40% of its capacity as at 4 February 2007 which is the same position as last year. The average selling price is flat. Overall management believe it is still too early to predict the outturn for the Summer;
 - In Northern Europe, Summer trading has started satisfactorily with bookings down 2.8% on similar levels of capacity compared with last year. MyTravel had sold 29% of its capacity as at 4 February 2007, which was similar to last year.

Average selling prices have increased by 3.5%. Overall it is still too early to predict the outturn for the Summer; and

- Summer trading in North America is at a very early stage.

11.2 Thomas Cook

Since the end of the 2006 financial year, trading at Thomas Cook has been in line with Thomas Cook management's expectations.

Trading conditions for the Winter 2006/07 season have generally been as anticipated. The number of UK passengers increased for the Winter 2006/07 season by 6% compared to the year before with average selling prices up 3%. Passenger numbers in Continental Europe for Winter 2006/07 are on the same level as last year with average selling prices having increased by 3%.

Summer 2007 bookings are still at an early stage being 40% booked in UK and 33% in Continental Europe. Compared to this time last year, UK passenger numbers are at equal levels, with average sales prices increased by 1%.

Summer 2007 bookings in the Continental European markets remain 5% under prior year due to shifts in booking trends, but average selling prices have improved by about 4%.

Management expects trading conditions in Summer 2007 later season to significantly improve compared to last year and expects margins over both seasons to be in line with expectations.

The directors of Thomas Cook remain confident about the outlook for the 2007 financial year.

12. **MERGER AGREEMENT, RELATIONSHIP AGREEMENT AND DETAILS OF THE MERGER**

MyTravel, KarstadtQuelle and NewCo have entered into a Merger Agreement, which sets out the terms on which NewCo will acquire each of MyTravel and Thomas Cook. In addition, MyTravel and KarstadtQuelle have agreed the terms of a Relationship Agreement which will regulate the relationship between NewCo and KarstadtQuelle, as shareholder in NewCo, following completion of the Merger. This agreement deals with, among other things, the governance arrangements for NewCo.

These agreements are summarised in Appendix 1.

The key terms and conditions of the Merger are:

- NewCo will acquire Thomas Cook in consideration for the issue of 52 per cent. (calculated on a fully diluted basis) of the share capital of NewCo to KarstadtQuelle;

- NewCo will acquire MyTravel in consideration for the issue of 48 per cent. (calculated on a fully diluted basis) of the share capital of NewCo to MyTravel Shareholders. This acquisition will be effected by means of a scheme of arrangement of MyTravel pursuant to section 425 of the Companies Act;
- the Merger is subject to clearance under the EC Merger Regulation; and
- the Merger is subject to the approval of MyTravel Shareholders at the Court Meeting and the Extraordinary General Meeting to be convened in due course.

NewCo will be named Thomas Cook Group plc and will, on completion of the Merger, be listed on the London Stock Exchange.

A circular and prospectus will be despatched to MyTravel Shareholders in due course. It is expected that completion of the Merger will take place by June 2007.

A description of the circumstances in which the Merger Agreement may be terminated (and a termination fee may become payable) is set out in Appendix 1.

As a result of agreeing the Merger, MyTravel and KarstadtQuelle have agreed not to pursue any competing transaction.

13. **RULE 9 WHITEWASH**

Following completion of the Merger, KarstadtQuelle will come to hold 52 per cent. of the voting rights of NewCo. Under Rule 9 of the Takeover Code, a person who acquires an interest in shares which, taken together with shares in which he is already interested, carry 30 per cent. or more of the voting rights of a company must normally make a general offer for all the remaining shares in the company. However, where an obligation to make a mandatory offer under Rule 9 arises following an issue of new shares, the Panel will normally consent to a waiver of that obligation provided that, among other things, this is approved by a vote of the independent shareholders. In this case, approval for the waiver of the obligation which would otherwise arise for KarstadtQuelle to make an offer for NewCo under Rule 9 of the Takeover Code will be sought from MyTravel Shareholders at the Extraordinary General Meeting.

14. **SETTLEMENT, LISTING AND DEALING**

Application will be made to the UK Listing Authority for the NewCo Shares to be admitted to the Official List and to the London Stock Exchange for such shares to be admitted to trading on the London Stock Exchange's market for listed securities. It is expected that admission to the Official List will become effective and that dealings, for normal settlement, in the NewCo Shares will commence on the day on which the Merger is completed. Further details on settlement, listing and dealing will be included in the circular and prospectus to be sent to MyTravel Shareholders in due course.

15. **RECOMMENDATION OF THE BOARD OF MYTRAVEL**

The directors of MyTravel, who have been so advised by UBS, consider the terms of the Merger to be fair and reasonable. The directors have also been advised by Credit Suisse and Tricorn. Credit Suisse has a financial advisory relationship with KarstadtQuelle and, as a consequence, is not, with respect to the Merger, an independent adviser for the purposes of Rule 3 of the City Code. Credit Suisse and Tricorn also consider the terms of the Merger to be fair and reasonable. In providing their advice, UBS, Credit Suisse and Tricorn have taken into account the directors' commercial assessments.

The directors of MyTravel consider that the Merger is in the best interests of MyTravel Shareholders as a whole. Accordingly, the directors intend unanimously to recommend that MyTravel Shareholders vote in favour of the resolutions to be proposed at the Court Meeting and the Extraordinary General Meeting, as they intend to do in respect of their own beneficial holdings amounting to 1,261,705 MyTravel Shares (0.27 per cent. of the issued share capital of MyTravel).

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This announcement does not constitute an offer to purchase, sell or exchange or the solicitation of an offer to purchase, sell or exchange any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Merger or otherwise, nor shall there be any purchase, sale or exchange of securities or such solicitation in any jurisdiction in which such offer, solicitation or sale or exchange would be unlawful prior to the registration or qualification under the laws of such jurisdiction.

This announcement does not constitute a Prospectus or prospectus equivalent document. MyTravel Shareholders are advised to read carefully the formal documentation in relation to the Merger once it has been despatched.

The NewCo Shares may not be offered or sold in the United States absent registration under the US Securities Act or an exemption therefrom. NewCo has not registered and does not intend to register any NewCo Shares under the US Securities Act. Any NewCo Shares will be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof.

This announcement contains statements about MyTravel, KarstadtQuelle and Thomas Cook that are or may be forward looking statements. All statements other than statements of historical facts included in this announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "should", "may", "anticipates", "estimates", "synergies", "cost savings", "projects", "strategy" or words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) the expected timetable for completing this transaction, future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects of MyTravel, KarstadtQuelle, Thomas Cook or the Enlarged Group, (ii) business and management strategies and the expansion and growth of MyTravel, KarstadtQuelle, Thomas Cook or the Enlarged Group's operations and potential synergies resulting from the Merger; and (iii) the effects of government regulation on MyTravel, KarstadtQuelle, Thomas Cook or the Enlarged Group's business.

These forward looking statements are not guarantees of future performance. They have not been reviewed by the auditors of MyTravel, KarstadtQuelle or Thomas Cook. These forward looking statements involve known and unknown risks, uncertainties and other factors which may cause them to differ from the actual results, performance or achievements expressed or implied by such forward looking statements. These forward looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors are cautioned not to place undue reliance on the forward looking statements, which speak only as of the date they were made. All subsequent oral or written forward looking statements attributable to MyTravel, KarstadtQuelle or Thomas Cook or any of their respective members, directors, officers or employees or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward looking statements included in this announcement are based on information available to MyTravel, KarstadtQuelle and Thomas Cook on the date hereof. Investors should not place undue reliance on such forward looking statements, and we undertake no obligation to publicly update or revise any forward looking statements.

APPENDIX I

Key Merger Terms and Conditions

The Merger Agreement

Key terms

Under the Merger Agreement:

- KarstadtQuelle has agreed to sell all of the issued share capital of Thomas Cook to NewCo in consideration for the issue of 52 per cent. (calculated on a fully diluted basis) of the share capital of NewCo to KarstadtQuelle; and
- NewCo has agreed to acquire all of the issued share capital of MyTravel in consideration for the issue of 48 per cent. (calculated on a fully diluted basis) of the share capital of NewCo to MyTravel Shareholders. This acquisition will be effected by means of a scheme of arrangement of MyTravel in accordance with section 425 of the Companies Act.

Conditions

The material conditions to completion of the Merger are:

- completion of the transaction pursuant to which KarstadtQuelle has agreed to acquire from Lufthansa the 50 per cent. of Thomas Cook which it does not already own;
- approval at the Court Meeting of the proposed scheme of arrangement of MyTravel by a majority in number of the MyTravel Shareholders present and voting representing not less than 75 per cent. by value of the MyTravel Shares voted by such shareholders;
- the passing of the requisite resolutions by MyTravel Shareholders at the Extraordinary General Meeting which will follow the Court Meeting;
- the approval of the Court;
- admission of the NewCo Shares to be issued pursuant to the Merger Agreement to the Official List and to trading on the London Stock Exchange;
- the Merger having been cleared by the European Commission under the EC Merger Regulation;
- the Panel granting dispensation from the requirements of Rule 9 in respect of the issue of NewCo Shares to KarstadtQuelle; and
- MyTravel having obtained consent from the providers of its bonding and letter of credit facilities, or replacement facilities having been arranged.

Other provisions

The Merger Agreement contains mutual undertakings by MyTravel and KarstadtQuelle that, pending Completion, MyTravel and Thomas Cook will carry on business in the normal course. The Merger Agreement also contains mutual warranties by NewCo (in respect of the business of MyTravel) and KarstadtQuelle (in respect of the business of Thomas Cook). These warranties are subject to customary limitations. In particular, no claims may be made in respect of the warranties given by KarstadtQuelle unless the value of such claims exceeds £55 million and no claims may be made in respect of the warranties given by NewCo unless the value of such claims exceeds £50 million.

Pursuant to the Merger Agreement, MyTravel has agreed that it will not solicit or engage in any negotiations regarding any alternative transaction that would be inconsistent with implementing the Merger.

Termination

KarstadtQuelle may terminate the Merger Agreement if, at any time prior to the conclusion of the Court hearing to sanction the proposed scheme of arrangement of MyTravel:

- there is a breach of any of the warranties given by NewCo in respect of the MyTravel Group which is material in relation to the MyTravel Group taken as a whole in the context of the Merger; or
- there is a material adverse change in the business, financial or trading position or prospects of the MyTravel Group which is material to the MyTravel Group taken as a whole in the context of the Merger.

KarstadtQuelle may also terminate the Merger Agreement if, at any time prior to the Court hearing to sanction the proposed scheme of arrangement of MyTravel (to the extent a deadline is not otherwise specified):

- MyTravel breaches its obligations not to solicit a competing transaction;
- the shareholder circular relating to the proposed scheme of arrangement of MyTravel is not posted by 21 May 2007;
- the resolutions of MyTravel Shareholders to be proposed at the Court Meeting and Extraordinary General Meeting are not passed by 28 June 2007 (unless there is a delay in the expected EU anti-trust clearance timetable);
- any resolution to approve or facilitate a competing transaction is passed by MyTravel Shareholders or a competing transaction becomes unconditional;
- MyTravel breaches its obligations in relation to implementation of the Merger or conduct of business prior to completion of the Merger; or
- any member of the board of MyTravel withdraws, qualifies or changes his recommendation to MyTravel Shareholders (save where he does so following a breach of the warranties given by KarstadtQuelle or a material adverse change in

the business, financial or trading position or prospects of the Thomas Cook Group which, in either case, is material to the Thomas Cook Group taken as a whole in the context of the Merger and providing that KarstadtQuelle may not exercise this termination right for a period of five days from the date on which the relevant withdrawal, qualification or change is made).

In addition, KarstadtQuelle may terminate the Merger Agreement if the proposed scheme of arrangement of MyTravel is not sanctioned by the Court within 35 days of satisfaction of the conditions to completion of the Merger.

MyTravel has agreed to pay KarstadtQuelle a termination fee of £10 million (inclusive of VAT) if the Merger Agreement is terminated in the circumstances set out above (other than a material adverse change in the business, financial or trading position or prospects of the MyTravel Group).

MyTravel may terminate the Merger Agreement if, at any time prior to the conclusion of the Court hearing to sanction the proposed scheme of arrangement of MyTravel:

- there is a breach of any of the warranties given by KarstadtQuelle in respect of the Thomas Cook Group which is material in relation to the Thomas Cook Group taken as a whole in the context of the Merger; or
- there is a material adverse change in the business, financial or trading position or prospects of the Thomas Cook Group which is material to the Thomas Cook Group taken as a whole in the context of the Merger.

MyTravel may also terminate the Merger Agreement if, at any time prior to the Court hearing to sanction the proposed scheme of arrangement of MyTravel, KarstadtQuelle breaches its obligations in relation to implementation of the Merger or conduct of business prior to completion of the Merger.

In addition, the Merger Agreement will terminate automatically if the acquisition by KarstadtQuelle from Lufthansa of the 50 per cent. of Thomas Cook which it does not already own is not completed by 30 April 2007 or if the relevant acquisition agreement is otherwise terminated by Lufthansa.

KarstadtQuelle has agreed to pay MyTravel a termination fee of £10 million (inclusive of VAT) if the Merger Agreement is terminated in the circumstances set out above (other than a material adverse change in the business, financial or trading position or prospects of the Thomas Cook Group).

Relationship Agreement

The Relationship Agreement enshrines the principle agreed between the parties that, following completion of the Merger, NewCo will operate independently from KarstadtQuelle and in accordance with the highest standards of corporate governance best practice. It also sets out the agreement of the parties regarding the composition of the Board of NewCo as follows:

- KarstadtQuelle will be entitled to appoint two non-executive directors;

- for so long as KarstadtQuelle holds 40 per cent. or more of the voting shares of NewCo, KarstadtQuelle may appoint one of its nominated non-executive directors as Chairman of NewCo. If KarstadtQuelle holds less than 40 per cent. of the voting shares of NewCo, the Board will appoint the Chairman but the appointment must be approved in advance by KarstadtQuelle;
- the Board, excluding the Chairman, will include a majority of independent non-executive directors;
- for so long as KarstadtQuelle holds 40 per cent. or more of the voting shares of NewCo, the CEO will be appointed by the Board, with the prior consent of KarstadtQuelle. If KarstadtQuelle rejects three candidates nominated by the Board, KarstadtQuelle may nominate a candidate whose appointment will require the support of a majority of the Board including at least three independent non-executive directors. If this process does not lead to an appointment, the question will be resolved by shareholders (including KarstadtQuelle);
- other directors (executive and non-executive) will be appointed by the Board;
- removal of directors will require a resolution supported by 80 per cent. of the Board (including at least one non-executive director appointed by KarstadtQuelle) or a shareholder resolution;
- on all matters relating to appointment and removal of directors (other than the two non-executives appointed by KarstadtQuelle), KarstadtQuelle's votes will be limited to 40 per cent. of the total number of votes that could be cast (reduced to reflect the disenfranchisement of part of KarstadtQuelle's holding); and
- the audit, remuneration and nominations committees will include up to two non-executive directors appointed by KarstadtQuelle and not fewer than three independent non-executive directors. Each of these committees will be chaired by an independent non-executive director.

Other key provisions of the Relationship Agreement are as follows:

- KarstadtQuelle has agreed that it will exercise its voting rights in relation to class 1 transactions in accordance with the recommendation given by the Board unless all of the non-executive directors appointed by KarstadtQuelle have dissented or abstained from such recommendation;
- NewCo has agreed that it will not (other than on the exercise of certain share options) issue any shares if the effect will be to reduce KarstadtQuelle's voting rights. If NewCo issues shares other than on a pre-emptive basis, KarstadtQuelle will have the right to subscribe for NewCo Shares at market value in order to restore the pre-existing level of its voting rights;
- KarstadtQuelle has agreed, subject to usual exceptions, that it will not acquire further NewCo Shares without prior consent of the Board (consent will be given for purchase of up to a further five per cent. of the issued share capital of NewCo unless such purchases would prejudice NewCo's ability to maintain the free float required by the Listing Rules or result in NewCo becoming a close company);
- KarstadtQuelle has also agreed that it will not, for a period of 12 months, dispose of any NewCo Shares without the prior consent of NewCo, other than:

- in each six month period after Completion of the merger, the disposal of more than five per cent. of Newco's issued share capital to a single purchaser (being a strategic purchaser or a person who has agreed to be bound by the lock-up restrictions);
- in each of the three consecutive periods of four months following Completion, the disposal of up to two per cent. of Newco's issued share capital; these disposals will be subject to orderly marketing arrangements;
- intra-group transactions; and
- acceptance of a takeover offer.

Disposals after the expiry of the 12 month period will be effected after consultation with Newco.

APPENDIX II

Definitions

The following definitions apply throughout this announcement unless the context otherwise requires:

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| "Australia" | means the Commonwealth of Australia, its territories and possessions; |
| "Board" | means the Board of NewCo; |
| "Business Day" | means a day (other than Saturday or Sunday) on which banks are generally open for business in the City of London; |
| "City Code" or "Code" | means the City Code on Takeovers and Mergers; |
| "Citigroup" | means Citigroup Global Markets Limited; |
| "Companies Act" | means the Companies Act 1985 (as amended); |
| "Completion" | means completion of the Merger in accordance with the terms of the Merger Agreement; |
| "Court" | the High Court of Justice in England and Wales; |
| "Court Meeting" | the meeting of MyTravel Shareholders to be convened by an order of the Court pursuant to section 425 of the Companies Act for the purpose of considering and, if thought fit, approving the proposed scheme of arrangement of MyTravel (with or without amendment), and any adjournment thereof; |
| "Credit Suisse" | Credit Suisse Securities (Europe) Limited; |
| "Enlarged Group" | means the group of companies comprising NewCo, MyTravel, Thomas Cook and their subsidiaries and subsidiary undertakings; |
| "Extraordinary General Meeting" | means the extraordinary general meeting of the MyTravel Shareholders to be convened in connection with the Merger; |
| "FSMA" | means the Financial Services and Markets Act 2000 (as amended); |
| "Goldman Sachs" | means Goldman Sachs International; |
| "KarstadtQuelle" | means KarstadtQuelle AG; |
| "Listing Rules" | means the listing rules of the Financial Services Authority; |

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| “London Stock Exchange” | means London Stock Exchange plc; |
| “Lufthansa” | means Deutsche Lufthansa AG; |
| “MyTravel” | means MyTravel Group plc; |
| “MyTravel Group” | means MyTravel Group plc and its subsidiaries and subsidiary undertakings; |
| “MyTravel Shareholders” | means the holders of MyTravel Shares from time to time; |
| “MyTravel Shares” | the ordinary shares of 30 pence each in the capital of MyTravel Group plc; |
| “Merger” | means the proposed merger of MyTravel and Thomas Cook as described in this announcement; |
| “Merger Agreement” | means the merger agreement dated 12 February 2007 between NewCo, MyTravel and KarstadtQuelle pursuant to which the Merger is to be implemented; |
| “NewCo” | means ShakespeareCo plc, a company formed by MyTravel and KarstadtQuelle for the purpose of effecting the Merger (and to be named Thomas Cook Group plc); |
| “NewCo Shares” | means ordinary shares in the capital of NewCo; |
| “Official List” | means the official list of the Financial Services Authority; |
| “Panel” or “Takeover Panel” | means The Panel on Takeovers and Mergers; |
| “Relationship Agreement” | means the relationship agreement to be entered into between NewCo and KarstadtQuelle pursuant to which the governance of NewCo will be regulated; |
| “Regulatory Information Service” | means any of the Regulatory Information Services approved by the Financial Services Authority and set out in appendix 3 to the Listing Rules; |
| “Thomas Cook” | means Thomas Cook AG; |
| “Thomas Cook Group” | means Thomas Cook AG and its subsidiaries and subsidiary undertakings; |
| “subsidiary” and “subsidiary undertaking” | have the meanings given to them by the Companies Act; |
| “Tricorn” | means Tricorn Partners LLP; |

"UBS" or "UBS Investment Bank"

means UBS Limited;

"UK Listing Authority" or the "UKLA"

means the Financial Services Authority of the UK in its capacity as the competent authority for the purposes of Part VI of FSMA and in the exercise of its functions in respect of admission to the Official List otherwise than in accordance with Part VI of FSMA; and

"United Kingdom" or "UK"

means the United Kingdom of Great Britain and Northern Ireland.