HolidayCheck GROUP

Q2

INTERIM REPORT FOR THE FIRST HALF OF 2016 OF HOLIDAYCHECK GROUP AG

KEY FIGURES GROUP

		First half 2016	First half 2015	Change in percent	2Q 2016	2Q 2015	Change in percent
REVENUE AND EARNINGS							
Revenues	in EUR million	55.0	54.7	0.5%	24.9	24.3	2.5%
EBITDA	in EUR million	1.0	1.6	-37.5%	0.3	-0.2	–
Operating EBITDA	in EUR million	0.2	4.1	-95.1%	-0.2	0.5	–
EBIT	in EUR million	-1.8	-1.7	–	-1.1	-1.8	–
Financial result	in EUR million	0.1	-0.7	–	0.1	-0.4	–
EBT	in EUR million	-1.7	-2.3	–	-1.0	-2.2	–
Consolidated net profit/loss from continuing operations	in EUR million	-1.7	-3.0	–	-1.0	-2.3	–
Consolidated net profit/loss from discontinued operations	in EUR million	0.1	17.3	–	-0.3	17.1	–
Consolidated net profit/loss	in EUR million	-1.6	14.3	–	-1.3	15.1	–
Earnings per share from continuing operations	in EUR	-0.03	-0.05	–	-0.02	-0.04	–
Earnings per share from discontinued operations	in EUR	0.00	0.30	–	-0.01	0.29	–
Earnings per share	in EUR	-0.03	0.25	–	-0.02	0.26	–

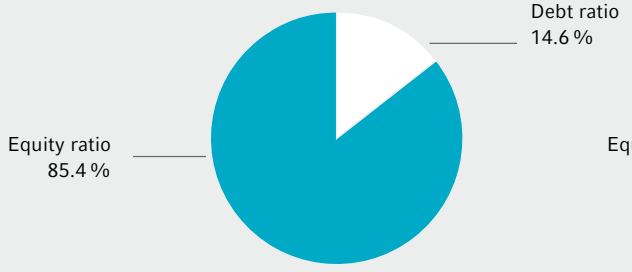
		First half 2016	First half 2015	Change in percent
CASH FLOW				
Cash flow from operating activities	in EUR million	-8.0	-2.8	-
Cash flow from investing activities	in EUR million	-1.6	25.0	-
Cash flow from financing activities	in EUR million	-21.7	-27.1	-

		First half 2016	First half 2015	Change in percent
EMPLOYEES (FROM CONTINUING OPERATIONS)				
Average number of employees (FTEs)		384	373	2.9%

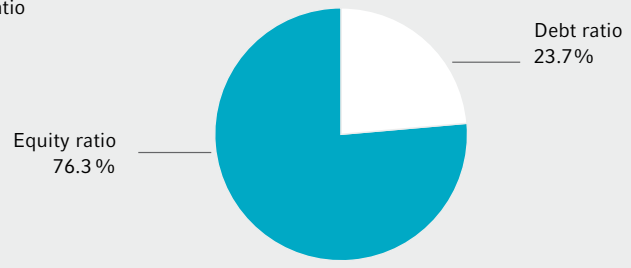
		30 June 2016	31 December 2015	Change in percent
KEY CAPITAL MARKET DATA				
Equity ratio	in percent	85.4%	76.3%	11.9%
Debt ratio	in percent	14.6%	23.7%	-38.4%

		30 June 2016	31 December 2015	Change in percent
ASSETS AND CAPITAL STRUCTURE				
Total assets	in EUR million	196.0	221.4	-11.5%
Non-current assets	in EUR million	138.2	138.4	-0.1%
Current assets	in EUR million	57.8	83.1	-30.4%
thereof cash	in EUR million	32.2	63.7	-49.5%
Equity	in EUR million	167.3	168.9	-0.9%
Debt	in EUR million	28.7	52.6	-45.4%

DEVELOPMENT OF EQUITY RATIO AND DEBT RATIO

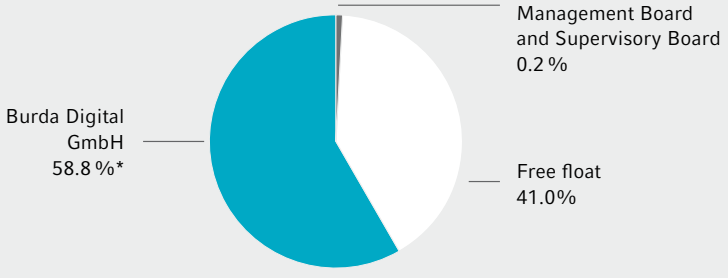


AS AT 30 JUNE 2016



AS AT 31 DECEMBER 2015

SHAREHOLDER STRUCTURE AS AT 30 JUNE 2016 (ROUNDED)



* As at 4 June 2014; no guarantee of completeness


Meteovista
Webassets B.V.
International weather portal
19
Zeist, The Netherlands
zoover
Webassets B.V.
Largest hotel rating community in the Benelux region
46
Zeist, The Netherlands
HolidayCheck GROUP
HolidayCheck Group AG
One of Europe's leading digital companies for holidaymakers
16
Munich, Germany
HolidayCheck Solutions GmbH
Development of software solutions and technologies for hotel rating and booking platforms
67
Munich, Germany
HolidayCheck
HolidayCheck AG
Largest hotel rating community in the German-speaking countries
224
Bottighofen, Switzerland; Poznan & Warsaw, Poland
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HolidayCheck AG
Rental car comparison portal
12
Bottighofen, Switzerland
Employees first half 2016 (full-time equivalent)
Locations

CONTENTS

LETTER TO SHAREHOLDERS

DEAR SHAREHOLDERS,

It's now official. A proposal to change our trading name to HolidayCheck Group AG was approved by a large majority of the shareholders and proxies who attended Tomorrow Focus AG's annual general meeting in Munich on 16 June. The decision means that the successfully implemented strategy of focusing on our holiday brands, especially HolidayCheck, is now reflected in the company's name. The change took effect on 21 June 2016 when the corresponding entry was made in the commercial register.

REVENUE GROWTH AND INCREASED MARKET SHARE DESPITE TOUGH CONDITIONS

We are still facing the biggest crisis to hit the European travel market for many years, mainly as a result of numerous terrorist attacks in countries such as Turkey. This has created a tangible sense of insecurity among many holidaymakers and produced a major geographical shift in terms of resort selection. While Egypt, Tunisia and Turkey in particular have become less popular, other destinations – above all Spain, but also Portugal, Greece and Bulgaria – have seen a considerable increase in bookings. As in the first quarter, package holiday bookings in Germany declined by between 5 and 10 percent overall in the second quarter of 2016 based on the company's own estimates.

Despite these tough market conditions, we nevertheless managed to generate a modest increase in revenue and again increased our share of the Central European travel market by a substantial margin.

LARGE RISE IN NUMBER OF HOTEL RATINGS

The hotel ratings uploaded by holidaymakers for holidaymakers are the centrepiece of our travel portals HolidayCheck and Zoover, and we are particularly delighted to see that the number of ratings has increased sharply in the first half of 2016 – by 16 percent at HolidayCheck and by as much as 81 percent at our Dutch hotel ratings portal Zoover.

This achievement was mainly due to the successful redesign of the two forms used to upload ratings on the basis of 'A/B tests'. These allow us to gear our products and services more and more effectively to the needs of holidaymakers thanks to continuous testing.

NEW HOLIDAYCHECK WEBSITE UP AND RUNNING

Another example of this approach is HolidayCheck's new desktop home page, which was launched in June. Its success is clear from the latest 'bounce' and 'conversion' rates, both of which have improved compared with the previous version.

MANAGEMENT BOARD OF HOLIDAYCHECK GROUP AG
Dr Dirk Schmelzer (CFO), Georg Hesse (CEO), Timo Salzsieder (COO) from left to right

HOLIDAYMAKERS FIRST

The achievements outlined above are merely the first steps on our way to becoming the most holidaymaker-friendly company in the world. As we continue to refine our products and services, we remain totally focused on making it even easier for people to find and book the right holiday. That way, we aim to translate our vision into reality one step at a time.

SOLID FINANCIAL BASIS WITH A HEALTHY BALANCE SHEET

Financially, we are in an extremely strong position to meet this challenge. At the end of the first quarter we repaid the last of our outstanding bank loans, and we now have an equity ratio of 85 percent with funds of around EUR 32 million available to spend.

Yours sincerely

The Management Board

INVESTOR RELATIONS REPORT FOR THE SECOND QUARTER OF 2016

DEAR SHAREHOLDERS,

The shareholders and proxies who attended the annual general meeting of Tomorrow Focus AG in Munich, Germany, voted by a large majority in favour of a resolution to change the company's trading name to HolidayCheck Group AG. Since the entry in the commercial register on 21 June 2016, the company's successfully implemented strategy of focusing on its holiday brands, especially HolidayCheck, is now also reflected in its name.

All the other resolutions on the annual general meeting agenda were also approved by clear majorities. Around 83 percent of the company's share capital with voting rights was represented at the meeting.

Dr Dirk Altenbeck, Dr Thomas Döring, Dr Andreas Rittstieg, Aliz Tepfenhart and Stefan Winners were re-elected to the Supervisory Board. They were joined by newly elected member Alexander Fröstl, General Manager of iLX GmbH. He succeeds Holger Taubmann, who stepped down from the Supervisory Board at his own request at the end of the annual general meeting. Following the shareholders' meeting, the Supervisory Board re-elected Stefan Winners as its Chairperson.

Resolutions to approve the actions of the Management Board and Supervisory Board were also passed by large majorities.

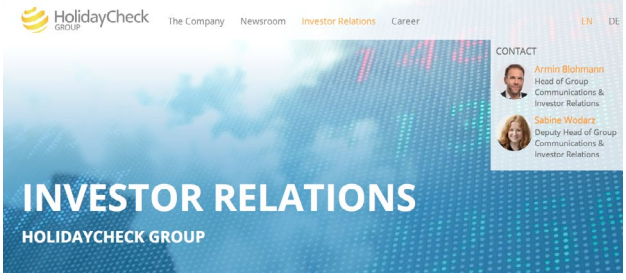
A detailed breakdown of the voting results for each agenda item and a transcript of the presentation made to the shareholders at the general meeting can be found on our new online presence at *www.holidaycheckgroup.com* under the heading *Investor Relations*.

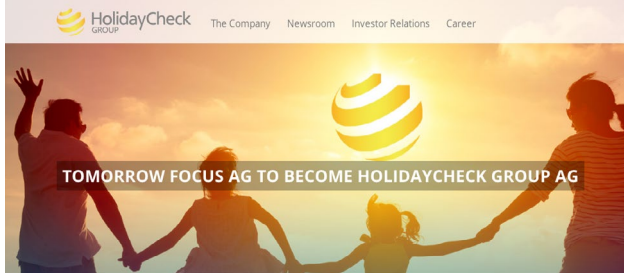
As well as information about the general meeting, you will find a wealth of information about the company at www.holidaycheckgroup.com. For example, our website contains current company reports and presentations covering important investor events and roadshows.

For regular and fascinating insights into the world of HolidayCheck Group, you can also visit our social media channels on Facebook, Twitter, or XING. We are always delighted to welcome new followers.

Yours sincerely

Armin Blohmann





The new homepage of the HolidayCheck Group

INVESTOR AND PUBLIC RELATIONS CONTACT

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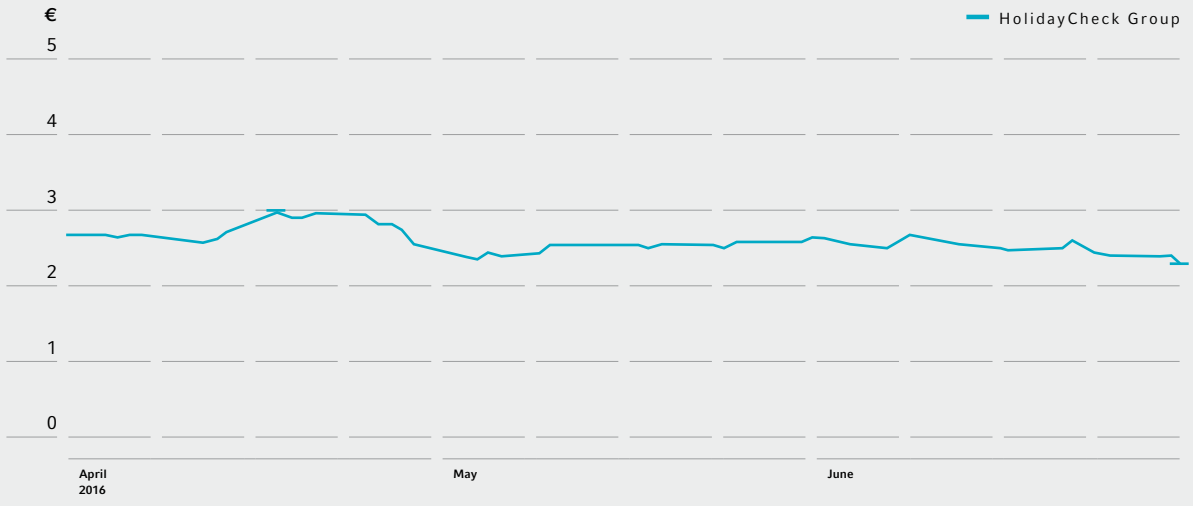
www.holidaycheckgroup.com **www.facebook.de/HolidayCheckGroup** **www.twitter.com/HolidayCheckGrp**

HOLIDAYCHECK GROUP SHARE PRICE PERFORMANCE FOR THE SECOND QUARTER OF 2016



KEY HOLIDAYCHECK GROUP SHARE DATA

Key HolidayCheck Group share data	
German securities code (WKN)	549532
ISIN	DE0005495329
Stock exchange symbol	HOC
Stock exchange segment	Prime Standard
Indices	CDAX, Technology All Share, Prime All Share
Designated Sponsor	HSBC Trinkaus
Number of shares at 30 June 2016	58,313,628 no-par value bearer shares
Market capitalisation at 30 June 2016	EUR 160.4 million

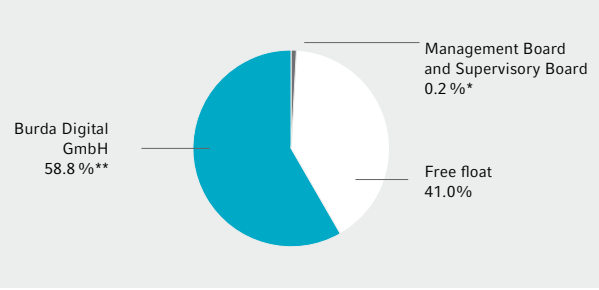
HolidayCheck Group-share price performance on the Xetra trading platform	
Starting price second quarter 2016	EUR 2.75
Second quarter 2016 low	EUR 2.38
Second quarter 2016 high	EUR 3.00
Closing price second quarter 2016	EUR 2.38
Second quarter 2016 share price performance	-13.5 %

LATEST HOLIDAYCHECK GROUP SHARE PRICE RATINGS BY ANALYSTS*

	Recommendation	Price target
Bankhaus Lampe Research	hold	EUR 3.20
Deutsche Bank	hold	EUR 2.50
HSBC Global Research	hold	EUR 2.60
Warburg Research	hold	EUR 3.10

* As at 11 July 2016, no guarantee is assumed for completeness of the information provided.

SHAREHOLDER STRUCTURE (ROUNDED)



* As at 30 June 2016 ** As at 4 June 2014
No guarantee is assumed for completeness

HOLIDAYCHECK GROUP AG MANAGEMENT REPORT FOR THE FIRST HALF OF 2016

1. GROUP STRUCTURE AND BUSINESS MODEL

1.1 Organisational structure

HolidayCheck Group AG, a joint-stock company under German law (Aktiengesellschaft) with its registered office in Munich, Germany, is the parent company of the HolidayCheck Group, an Internet group with operations in Central Europe. We have been an exchange-listed company for around sixteen years.

As part of a strategy of realignment towards business activities in the holiday sector, all the Group's operating companies outside the Travel and Other segments were sold over the course of financial 2015 with the exception of organize.me, whose main assets were then sold in the first quarter of 2016, and MeteoVista.

The Group's holiday brands occupy leading positions in their respective markets. In the first half of 2016 our average total workforce was 384 full-time equivalents (FTEs) based at five locations in Germany, the Netherlands, Poland and Switzerland.

1.2 Segments

Since the beginning of financial 2016, the Management Board has managed the Group on the basis of key indicators for the entire business rather than on a segment basis. As such, the business is no longer divided into segments.

1.3 Description of business operations

The HolidayCheck Group comprises on the one hand a number of operating companies that mainly generate revenue from transaction-based online business models in the fields of travel and weather.

HolidayCheck AG (based in Bottighofen, Switzerland) and WebAssets B.V. (based in Zeist, Netherlands) operate a range of hotel rating and holiday booking portals that generate revenue in the form of commission for package tours and hotel bookings and from website links that take visitors to other booking portals.

The core sales markets for these web portals are Austria, Belgium, Germany, the Netherlands, Poland and Switzerland.

WebAssets B.V. also operates advertising-based weather portals. Its main source of revenue is online advertising, and its core sales markets are Belgium, Germany and the Netherlands.

The other main component of the HolidayCheck Group is the non-operating company HolidayCheck Group AG (based in Munich, Germany), which generates no significant amounts of external revenue.

In the first half of 2016, the HolidayCheck Group achieved total consolidated revenue of EUR 55.0 million compared with EUR 54.7 million in the first half of 2015.

1.4 Research and development activities

Development activities are conducted on a decentralised basis within the Group companies.

To a large extent, HolidayCheck Group AG's subsidiaries draw on their own development resources. The work performed by Group employees in this field is capitalised as software developed in-house, while the remaining work is recognised as personnel costs. Whenever subsidiaries make use of externally supplied development services, that work is also capitalised, while the remaining development costs are recognised under other expenses. In general, there are no specific research expenses.

2. ECONOMIC REPORT

2.1 Macro-economic and industry situation

2.1.1 Macro-economic situation

Deutsche Bank's Global Market Research unit anticipates moderate economic growth in the HolidayCheck Group's core sales markets over the current financial year.

After adjusting for inflation, Dutch gross domestic product (GDP) is forecast to increase by 1.3 percent and Belgian real GDP by 1.2 percent. Austria is expected to put on 1.1 percent and Switzerland 1.0 percent, again after adjusting for inflation. According to the experts at Deutsche Bank, Germany is set to lead the way with anticipated real GDP growth of 1.7 percent. The GDP figures quoted above are based on estimates

MANAGEMENT BOARD OF HOLIDAYCHECK GROUP AG
Dr Dirk Schmelzer (CFO), Georg Hesse (CEO), Timo Salzsieder (COO) from left to right

published by Deutsche Bank's Global Market Research unit on 25 July 2016.

2.1.2 Industry situation
Total industry revenue in the core markets targeted by our holiday portals showed a significant year-on-year decline in the first half of 2016. According to our own estimates, this downturn particularly affected overall package holiday sales in Central Europe, which suffered an unusually steep decline of around ten percent compared with the first half of 2015. One of the main factors in this downturn was the series of terrorist attacks in Belgium, France and Turkey, which led to a heightened sense of insecurity among holidaymakers. Out of the main package holiday destinations for Central European holidaymakers, Spain above all recorded a strong increase in bookings. By contrast, countries such as Egypt, Tunisia and Turkey were badly affected by the general reluctance to make holiday bookings. Competitive pressures in our core sales markets remained persistently high.

Despite this, based on assessments by the companies concerned, the HolidayCheck Group's travel portals were able to increase their respective market shares.

These assessments are based on the company's own estimates.

2.2 Business developments and performance
Given the industry's current difficulties, the Group's first-half results present a satisfactory picture. As expected, revenue at WebAssets B.V. was down on the previous year. This was mainly due to the sale of Zoover's and Tjingo's travel agency operations and the almost complete discontinuation of WeerOnline's B2B activities. Nevertheless, HolidayCheck AG once again increased its share of the German package holiday market by a significant margin in the first half of 2016. By contrast, partly as a result of focusing on the much larger package holiday business, the Hotel Only business lost some of its share of a generally weak market. Total consolidated revenue for the first half-year rose by a modest 0.5 percent from EUR 54.7 million in 2015 to EUR 55.0 million in 2016. Group EBITDA for the first six months declined by 37.5 percent year on year from EUR 1.6 million to EUR 1.0 million.
The Group's equity ratio rose from the year-end figure of 76.3 percent to 85.4 percent as at 30 June 2016. This was mainly due to loan repayments.

2.2.1 Business developments
Annual general meeting approves resolution to change trading name from Tomorrow Focus AG to HolidayCheck Group AG
The shareholders and proxies who attended the annual general meeting of Tomorrow Focus AG in Munich, Germany, on 16 June 2016 voted by a large majority in favour of a resolution to change the company's trading name to HolidayCheck Group AG.

The decision means that the company's successfully implemented strategy of focusing on its holiday brands, especially HolidayCheck, is now reflected in its name. The change took effect on 21 June 2016 when the corresponding entry was made in the commercial register.

All the other resolutions on the agenda at the annual general meeting were also approved by clear majorities. Around 83 percent of the company's share capital with voting rights was represented at the meeting.

Dr Dirk Altenbeck, Dr Thomas Döring, Dr Andreas Rittstieg, Aliz Tepfenhart and Stefan Winners were re-elected to the Supervisory Board. They were joined by newly elected member Alexander Fröstl, General Manager of iLX GmbH. He succeeds Holger Taubmann, who stepped down from the Supervisory Board at his

own request at the end of the annual general meeting. Following the shareholders' meeting, the Supervisory Board re-elected Stefan Winners as its Chairperson.

Resolutions to approve the actions of the Management Board and Supervisory Board were also passed by large majorities.

The precise voting results for each agenda item and the presentation accompanying the annual general meeting are available on the new website www.holidaycheckgroup.com under the heading Investor Relations.

HolidayCheck Group AG sells assets of subsidiary organize.me GmbH in two asset deals
On 1 February 2016 HolidayCheck Group AG sold all the main assets of organize.me GmbH in two asset deals for a total of EUR 1.1 million. organize.me GmbH previously operated an online document storage service and a scanning app. The company's business-to-business (B2B) activities and assets were sold to a third party (EUR 1,000 thousand), whereas parts of its business-to-customer (B2C) operations will be reused within the Group (EUR 80 thousand). The B2C online storage services and app were closed down on 29 February 2016.

HolidayCheck Group AG opts for early settlement of earn-out receivables from the sale of shares in Cellular GmbH
In April 2016 HolidayCheck Group AG concluded a settlement agreement with the buyers of Cellular GmbH in respect of their remaining earn-out obligations. Under the terms of the agreement, the buyers settled all their obligations through a payment of EUR 0.7 million. This receivable had been recognised for the first time at the repayment value as at 31 March 2016. The income of EUR 0.7 million generated by the deal was allocated to discontinued operations.

2.2.2 Performance

2.2.2.1 Income
Following the Group's successful strategic realignment, the Management Board took the decision to change the structure of the consolidated statement of income beginning in financial 2016. The new structure is designed to provide a clearer and more informative picture of the Group's business activities. The figures for the previous year have been adjusted accordingly. Further details can be found in section 2.2 of the notes to the consolidated financial statements.

2.2.2.1.1 Total operating income
At EUR 58.7 million, total operating income for the first half-year rose by 1.2 percent in 2016 compared with the figure of EUR 58.0 million in the same period of 2015.

Total operating income for the second quarter of 2016 stood at EUR 27.1 million, up 5.9 percent on the corresponding figure of EUR 25.6 million in 2015.

Consolidated revenue for the first half-year was up by a small margin of 0.5 percent from EUR 54.7 million in 2015 to EUR 55.0 million in 2016. At EUR 24.9 million, the second-quarter total was 2.5 percent higher compared with EUR 24.3 million in the same period of 2015.

As expected, revenue at WebAssets B.V. in the first half of 2016 was down on the previous year. This was mainly due to the sale of Zoover's and Tjingo's travel agency operations and the almost complete discontinuation of WeerOnline's B2B activities. Over the same period, however, HolidayCheck AG once again increased its share of the German package holiday business by a significant margin in an extremely weak market environment. By contrast, partly as a result of focusing on the much larger package holiday business, the Hotel Only business lost some of its share of a generally weak market. Overall, HolidayCheck AG achieved a modest increase in revenue in the first half of 2016.

At EUR 1.7 million, **other income** in the first six months of 2016 was unchanged year on year. The second-quarter figure rose by 100 percent from EUR 0.5 million in 2015 to EUR 1.0 million in the current financial year. This was mainly due to non-recurring income of EUR 0.4 million from the reversal of liabilities.

Other own work capitalised in the first half of 2016 stood at EUR 2.0 million, an increase of 25 percent compared with the figure of EUR 1.6 million in the same period of 2015. In the second quarter, other own work capitalised rose by 50 percent from EUR 0.8 million in 2015 to EUR 1.2 million. The increase was mainly due to the first-time capitalisation of software developed in-house at WebAssets B.V.

2.2.2.1.2 EBITDA

Marketing costs rose by 18.6 percent from EUR 25.3 million in the first half of 2015 to EUR 30.0 million in the period under review. At EUR 12.9 million, the second-quarter figure was 13.2 percent higher compared with EUR 11.4 million in 2015. This was mainly due to price increases and a large-scale marketing campaign by Zoover in the Netherlands. The combination of marketing tools used within the Group is continuously monitored and adapted in order to keep costs under control.

First-half **personnel costs** were EUR 15.0 million compared with EUR 18.6 million in the same period of 2015, a reduction of 19.4 percent. At EUR 7.2 million, second-quarter personnel costs were down by 18.2 percent compared with EUR 8.8 million in 2015. Personnel costs linked to ongoing business operations fell by 9.9 percent in the first half-year period to EUR 15.4 million and by 18.9 percent in the second quarter to EUR 7.3 million. In the first half and second quarter of 2016, however, the Group recorded income of EUR 0.4 million and EUR 0.1 million respectively from long-term incentive plans and pensions. By comparison, in the first half and second quarter of 2015 these items produced expenditure of EUR 1.5 million and income of EUR 0.3 million respectively. The figures for 2015 also included non-recurring expenses of EUR 1.0 million in respect of settlements.

At EUR 12.8 million, **other expenses** in the first half of 2016 were up by a small margin of 2.4 percent compared with EUR 12.5 million in the same period of 2015. In the second quarter, other expenses rose by 16.4 percent from EUR 5.6 million in 2015 to EUR 6.7 million. This was mainly due to an increase in the figure for work and services purchased.

At EUR 1.0 million, **EBITDA** for the first half of 2016 was down 37.5 percent year on year (first half 2015: EUR 1.6 million). Second-quarter EBITDA rose from minus EUR 0.2 million in 2015 to EUR 0.3 million in the current financial year.

2.2.2.1.3 Calculation of operating EBITDA from EBITDA

The following table provides additional information on exceptional items that have an impact on EBITDA and therefore on consolidated net profit/loss (in each case before discontinued operations). It shows the method of calculating operating EBITDA, which we use as a key performance indicator.

Operating EBITDA for the first half of 2016 was EUR 0.2 million compared with EUR 4.1 million in the same period of 2015. The second-quarter figure was minus EUR 0.2 million (second quarter 2015: EUR 0.5 million).

CALCULATION OF OPERATING EBITDA FROM EBITDA

	1 JANUARY 2016 TO 30 JUNE 2016 EUR million	1 JANUARY 2015 TO 30 JUNE 2015 EUR million	1 APRIL 2016 TO 30 JUNE 2016 EUR million	1 APRIL 2015 TO 30 JUNE 2015 EUR million
EBITDA	+1.0	+1.6	0.3	-0.2
Minus: income Plus: expenses from personnel obligations linked to long-term incentive plans and pension provisions	-0.4	+1.5	-0.1	-0.3
Minus: income from the reversal of liabilities	-0.4			
Plus: Settlement expenses		+1.0		+1.0
Operating EBITDA	0.2	4.1	-0.2	0.5

2.2.2.1.4 Other items in the consolidated statement of income

Depreciation, amortisation and impairment charges declined by 12.5 percent from EUR 3.2 million in the first half of 2015 to EUR 2.8 million in the period under review and by 12.5 percent from EUR 1.6 million in the second quarter of 2015 to EUR 1.4 million in the second quarter of the current financial year. This was mainly due to impairment charges at the end of financial 2015.

EBIT for the first half of 2016 stood at minus EUR 1.8 million compared with minus EUR 1.7 million in the same period of 2015. Second-quarter EBIT was minus EUR 1.1 million (second quarter 2015: minus EUR 1.8 million).

The **financial result** in the first half of 2016 stood at EUR 0.1 million compared with minus EUR 0.7 million in the same period of 2015. The financial result in the second quarter of 2016 stood at EUR 0.1 million compared with minus EUR 0.4 million in the same quarter of 2015.

This was due to reductions of EUR 0.6 million and EUR 0.4 million in financial expenses in the first half-year and second quarter respectively, primarily as a result of lower interest expenses for loans.

EBT stood at minus EUR 1.7 million in the first half of 2016 (first half 2015: minus EUR 2.3 million). EBT in the second quarter of 2016 was minus EUR 1.0 million (second quarter 2015: minus EUR 2.2 million).

The **tax result** for the first half of 2016 was EUR 0.0 million compared with minus EUR 0.7 million in the same period of 2015. The corresponding figure for the second quarter was EUR 0.0 million in 2016 compared with minus EUR 0.1 million in the previous year. This was due to a decline in local results at HolidayCheck AG and WebAssets B.V. and the resulting fall in actual tax expenses.

Consolidated net profit/loss from continuing operations was minus EUR 1.7 million in the first half of 2016 (first half 2015: minus EUR 3.0 million). The corresponding figure for the second quarter was minus EUR 1.0 million (second quarter 2015: minus EUR 2.3 million).

Consolidated net profit/loss from discontinued operations was EUR 0.1 million in the first half of 2016 compared with EUR 17.4 million in the same period of 2015. The corresponding figure for the second quarter was minus EUR 0.3 million compared with EUR 17.1 million in the same quarter of 2015. The first half-year and second-quarter figures for 2015 include accumulated non-recurring income of EUR 20.5 million from the disposal of Tomorrow Focus Publishing GmbH.

Consolidated profit/loss from all operations was minus EUR 1.6 million in the first half of 2016 compared with EUR 14.3 million in the same period of 2015. Second-quarter consolidated profit/loss stood at minus EUR 1.3 million in 2016 compared with EUR 15.1 million in the previous year.

Group comprehensive income for the half-year period under review was minus EUR 1.6 million compared with EUR 14.3 million in the first half of 2015. The corresponding figure for the second quarter of 2016 was minus EUR 1.3 million (second quarter 2015: EUR 15.1 million).

Consolidated earnings per share from continuing operations stood at minus EUR 0.03 in the first half of 2016 compared with minus EUR 0.05 in the same period of 2015. The second-quarter figure for 2016 was minus EUR 0.02 compared with minus EUR 0.04 in the same quarter of 2015.

Consolidated earnings per share from discontinued operations came to EUR 0.00 in the first half of 2016 compared with EUR 0.30 in the same period of 2015. The second-quarter figure for 2016 was minus EUR 0.01 compared with EUR 0.30 in the second quarter of 2015.

Consolidated earnings per share from all operations were minus EUR 0.03 in the first half of 2016 compared with EUR 0.25 in the same period of 2015. The second-quarter figure for 2016 was minus EUR 0.02 compared with EUR 0.26 in the second quarter of 2015.

2.2.2.2 Asset and financial position

2.2.2.2.1 Financial position

Cash flows

The following section contains an analysis of cash flows from operating, investing and financing activities in the first half of 2016 and the first half of 2015.

Net cash from operating activities in the first half of 2016 was minus EUR 8.0 million compared with minus EUR 2.5 million in the same period of 2015. This was partly due to a decline in operating EBITDA.

Another factor is that in the previous year the Group's discontinued operations generated net cash from operating activities totalling EUR 4.0 million (see section 5.d of the notes).

Net cash used in investing activities stood at minus EUR 1.6 million in the first half of 2016 (first half 2015: EUR 25.0 million).

The main reason for this year-on-year fall was a cash inflow of EUR 29.9 million in 2015 from the disposal of Tomorrow Focus Publishing GmbH.

In addition, the figure for the first half of 2015 included cash outflows of EUR 1.0 million for investment in intangible and tangible assets at the Group's discontinued operations. Cash outflows therefore declined to EUR 3.1 million.

Net cash from financing activities stood at minus EUR 21.7 million in the period under review compared with minus EUR 27.1 million in the first half of 2015.

The above total for 2016 includes payments of EUR 3.1 million in settlement of cash-pool liabilities to jameda GmbH, which was deconsolidated in the previous year (first half 2015: EUR 3.1 million in settlement of cash-pool liabilities to Tomorrow Focus Publishing GmbH) together with the corresponding out-of-period transaction costs of EUR 2.7 million; cash outflows of EUR 14.5 million (first half 2015: EUR 20.2 million) in repayment of loans; and payments of EUR 2.1 million to settle earn-out obligations linked to the purchase of the remaining shares in WebAssets B.V. (first half 2015: earn-out payments of EUR 3.9 million linked to jameda GmbH).

CASH FLOWS

	1 JANUARY – 30 JUNE 2016 EUR million	1 JANUARY – 30 JUNE 2015 EUR million
Cash flow from:		
operating activities	-8.0	-2.5
investing activities	-1.6	25.0
financing activities	-21.7	-27.1

As a result, cash and cash equivalents at the end of the first half of 2016 stood at EUR 32.2 million, up from EUR 22.2 million at the end of the same period in 2015.

2.2.2.2.2 Asset position

On the assets side of the consolidated balance sheet, **non-current assets** as at 30 June 2016 stood at EUR 138.2 million. This figure was almost unchanged compared with the 2015 year-end total of EUR 138.4 million.

At EUR 57.8 million, **current assets** as at 30 June 2016 were 30.4 percent lower compared with the figure of EUR 83.1 million as at 31 December 2015.

While trade receivables increased by EUR 8.5 million in the first half of 2016 for seasonal reasons, cash and cash equivalents in particular fell by EUR 31.5 million to EUR 32.2 million as a result of cash outflows, partly in settlement of loans totalling EUR 14.5 million (for details see above under section 2.2.2.2.1 Financial position).

At the same time, the assets of discontinued operations held for sale fell by EUR 0.9 million to EUR 0.0 million following the disposal of the assets of organize.me GmbH.

On the liabilities side of the consolidated balance sheet, **equity** as at 30 June 2016 was EUR 167.3 million, down by just 0.9 percent from the year-end figure of EUR 168.9 million.

At the end of the period under review, the equity ratio stood at 85.4 percent compared with the year-end figure of 76.3 percent. This increase was mainly due to a sharp fall in debt.

At EUR 7.9 million, **non-current liabilities** as at 30 June 2016 were 4.8 percent lower and therefore slightly down on the year-end figure of EUR 8.3 million. This was mainly due to a revaluation of the non-current component of the long-term incentive plan at the end of the period.

As at 30 June 2016, **current liabilities** stood at EUR 20.8 million, a substantial 53.0 percent drop compared with the year-end total of EUR 44.3 million.

The main factor here was a reduction in liabilities to banks from EUR 15.2 million to EUR 0.0 million following the repayment of bank loans.

At the same time, other liabilities declined from EUR 11.9 million to EUR 6.0 million. This was mainly due to the settlement of earn-out obligations towards the pre-takeover shareholders of WebAssets B.V., payments linked to personnel liabilities in the form of bonuses and settlements, and the settlement of fees incurred in relation to the sale of jameda GmbH. The reduction in liabilities to affiliated entities from EUR 3.4 million to EUR 0.1 million is due to settlement of the cash-pool liability towards jameda GmbH.

The figure for **total liabilities** ended the period 45.4 percent lower at EUR 28.7 million compared with the year-end figure of EUR 52.6 million.

Total assets fell by 11.5 percent from EUR 221.4 million at the end of 2015 to EUR 196.0 million as at 30 June 2016.

The relationship between items in the balance sheet shows a shift towards a higher equity ratio. Current liabilities are covered entirely by current assets, while non-current assets are covered entirely by equity and non-current liabilities.

3. EVENTS AFTER THE BALANCE SHEET DATE

No further events occurred after the end of the first half of 2016 that were of material significance to HolidayCheck Group AG.

4. REPORT ON EXPECTED DEVELOPMENTS, OPPORTUNITIES AND RISKS

4.1 Report on expected developments

4.1.1 Expected macro-economic developments

For the current year, Deutsche Bank's Global Market Research unit anticipates moderate economic growth in the HolidayCheck Group's core sales markets. Inflation-adjusted gross domestic product (GDP) in the Netherlands is expected to grow by 1.3 percent. Deutsche Bank's analysts forecast inflation-adjusted growth in Belgian GDP of 1.2 percent. Again after adjusting for inflation, Austrian GDP is forecast to grow by 1.1 percent and Switzerland's GDP by 1.0 percent. According to the Deutsche Bank experts, the fastest growth will be in Germany, where inflation-adjusted GDP is expected to rise by 1.7 percent.

The GDP figures quoted above are based on estimates published by Deutsche Bank AG's Global Market Research unit on 25 July 2016.

4.1.2 Expected industry developments

In light of the sharp decline experienced by the industry in the first half of 2016, HolidayCheck Group AG now expects total industry revenue in the core sales markets served by its holiday portals to end the year between approximately 5 and 10 percent down on 2015. Further terrorist attacks, especially in Mediterranean holiday regions, and any continuation of political unrest, above all in Turkey, would probably extend the downward trajectory of industry sales that marked the first half of this year. At the beginning of 2016, the company had anticipated moderate growth in its core sales markets.

At the same time, the company expects competitive pressures to remain high, at least in the short term, despite the bankruptcy of Unister Travel. In the medium term, a possible trend towards consolidation could lead to some easing of the competitive situation and consequently to a reduction in marketing expenditure as well as increasing revenue.

Although HolidayCheck AG is based in the Swiss town of Bottighofen, it generates most of its sales revenue in the euro area. However, important costs such as salaries and rents are paid in Swiss francs, so any appreciation in the Swiss franc vis-a-vis the euro will have a negative impact on the Group's earnings. In order to hedge this currency risk, the company entered into a number of currency forward contracts in January 2016. It also maintains cash holdings in Swiss francs to reduce its exposure to currency risk.

The above assessments of expected industry developments are based on the Group's own estimates.

4.1.3 HolidayCheck Group

Looking ahead at financial 2016, the Management Board will concentrate on laying the foundations for the sustainable and successful development of the HolidayCheck Group and its brands with a view to maximising and harnessing the market opportunities they offer.

For the financial year 2016, our forecast for the HolidayCheck Group is based on the expectations of macro-economic and industry developments in financial 2016 laid out in this report. The potential effects of legal and regulatory issues have not been factored in to these forecasts.

4.1.3.1 Revenue

In spite of the difficulties currently facing the industry, the conditions for positive revenue growth in financial 2016 remain quite good. One important factor in achieving this will be the moderate economic recovery forecast for the Group's core markets in the German-speaking region (Germany, Austria and Switzerland) and in the Benelux countries (Belgium, The Netherlands, Luxembourg). In addition, measures to strengthen organic investment in existing and new products and services at the portals operated by HolidayCheck und Zoover, especially in the field of package holidays, should begin to have a positive impact on the Group's revenue growth in the second half of 2016. At present it is not possible to estimate the likely impact of developments at Unister Travel GmbH over the medium to long term on existing competitive pressures in Germany. Unister Travel GmbH, the parent of various companies including the travel portal Ab-in-den-Urlaub.de, initiated preliminary insolvency proceedings in July.

The current widespread reluctance to book holidays in response to the tense security situation in major tourist regions, especially Turkey, is likely to weigh further on revenue growth.

In total, after adjusting for acquisitions and disposals, the Management Board believes that the revenue of the HolidayCheck Group could be increased in financial 2016 by a percentage figure in the middle single digits (and therefore above the industry average as in the first six months) compared with the previous year. The figure for total revenue in financial 2015 was EUR 104.4 million.

Looking further ahead to financial 2017 and beyond, greater investment in the products and services offered by our holiday and travel portals should provide a firm basis for the HolidayCheck Group to deliver sustainable revenue growth above the market average.

4.1.3.2 Profitability

In the view of the Management Board, the above-mentioned investment in products and services will have a positive impact on consolidated revenue and thus on the HolidayCheck Group's operating EBITDA in the medium to long term. For the current financial year, the Management Board expects operating EBITDA to at least reach the break-even point despite planned spending on investment and its strategy of increasing market share. Further information on operating EBITDA can be found in section 2.2.2.1.3 of this report under the heading Calculation of operating EBITDA from EBITDA.

4.1.3.3 Capital structure

With regard to its capital structure, the HolidayCheck Group has set itself the following objective for financial 2016:
As in the previous year, HolidayCheck Group AG aims to keep its equity ratio (equity / total capital x 100 percent) to at least 40 percent in the long term. The figure for financial 2015 was 76.3 percent.

4.1.4 Overall assessment of likely developments

In light of the sharp decline experienced by the industry in the first half of 2016, HolidayCheck Group AG now expects total industry revenue in its core sales markets to end the year as a whole roughly 5 to 10 percent down on 2015. We also expect the persistently high competitive pressures to continue.

However, partly in view of the significant increases in our share of the package holiday market over the first six months, we anticipate that in percentage terms the Group's organic revenue in financial 2016 will rise year on year by an amount in the middle single digits.

The Management Board expects Group operating EBITDA to at least reach the break-even point despite planned investments in products and services and the strategy of increasing market share.

The potential effects of legal and regulatory issues have not been factored in to these forecasts. In response to the opportunities and risks outlined in the 2015 Group management report (from page 62 onwards), the actual results of the HolidayCheck Group (formerly Tomorrow Focus Group) may vary in either direction from this forecast.

4.2 Opportunities and risk report

Since the beginning of the current financial year there have been no significant changes within the HolidayCheck Group (formerly Tomorrow Focus Group) in terms of risks and opportunities that might affect its future performance.

A detailed review of material risks and opportunities can be found on page 62 of the annual report for 2015, which can be downloaded from the Internet at *www.holidaycheckgroup.com* under the heading Investor Relations/Reports. Printed copies are also available free of charge from the company on request.

5. EMPLOYEES

The average headcount for the HolidayCheck Group in the first half of 2016 was 384 full-time equivalents (FTEs). The corresponding average figure for the first half of 2015 (continuing operations only) was 373 FTEs.

The HolidayCheck Group's personnel costs fell to EUR 15.0 million in the first half of 2016 compared with EUR 18.6 million in the same period of 2015.

6. NOTES AND FORWARD-LOOKING STATEMENTS

Definitions

All mentions of 'HolidayCheck Group AG' or 'HolidayCheck Group' in this management report relate to the HolidayCheck Group.

Forward-looking statements

This management report contains statements relating to future business and financial performance and future events or developments concerning the HolidayCheck Group that may constitute forward-looking statements. These statements may be identified by words such as 'expects', 'looks forward to', 'anticipates', 'intends', 'plans', 'believes', 'seeks', 'estimates', 'will', 'project' or words of similar meaning. We may also make forward-looking statements in other reports, in presentations, in material delivered to shareholders and in media releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on current expectations and certain assumptions of the HolidayCheck Group management team, and are, therefore, subject to various risks and uncertainties. Numerous factors, many of which are beyond the control of the HolidayCheck Group, nevertheless affect its operations, performance, business strategy and results and could cause the HolidayCheck Group's actual results, performance or achievements to be materially different from those expressed or implied in such forward-looking statements or anticipated on the basis of historical trends. These factors include in particular, but are not limited to, the matters described in section 4.2 of the 2015 annual report of the Tomorrow Focus Group (now the HolidayCheck Group) under the heading Risks.

Further information about risks and uncertainties affecting the HolidayCheck Group can be found in this annual report and in our most recent earnings release, both of which are available on our website at *www.holidaycheckgroup.com*. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, the actual results, performance or achievements of the HolidayCheck Group may vary materially from those described in the corresponding forward-looking statements as being expected, anticipated, intended, planned, believed, sought, estimated or projected. The HolidayCheck Group neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals shown, and percentages may not precisely reflect the absolute figures.

7. RESPONSIBILITY STATEMENT BY THE LEGAL REPRESENTATIVES IN ACCORDANCE WITH SECTION 37Y, NUMBER 1 OF THE GERMAN SECURITIES TRADING ACT IN CONJUNCTION WITH SECTION 297, PARAGRAPH 2, SENTENCE 4 AND SECTION 315, PARAGRAPH 1, SENTENCE 6 OF THE GERMAN COMMERCIAL CODE

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements as at 30 June 2016 give a true and fair view of the assets and liabilities, financial position and profit or loss of the HolidayCheck Group, and the Group management report includes a fair review of the development and performance of the business and the position of the HolidayCheck Group, together with a description of the principal opportunities and risks associated with the expected development of the HolidayCheck Group.

Munich, Germany, 5 August 2016

Georg Hesse
Chairperson of the Management Board
(Chief Executive Officer)

Timo Salzsieder
Member of the Management Board
(Chief Operating Officer)

Dr Dirk Schmelzer
Member of the Management Board
(Chief Financial Officer)

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2016

ASSETS	30 June 2016 € ,000	30 June 2015 [1] € ,000	31 Dec 2015 € ,000
NON-CURRENT ASSETS			
Intangible assets			
Intangible assets acquired for valuable consideration	18,128	22,024	18,638
Internally generated intangible assets	9,164	9,841	7,801
Goodwill	100,182	103,551	100,182
	127,474	**135,416**	**126,621**
Property, plant and equipment (tangible assets)			
Land, land rights and buildings	18	21	20
Other plant, furniture and fixtures	2,599	2,830	3,164
	2,617	**2,851**	**3,184**
Financial assets			
Shares in affiliated entities	4	4	4
Other loans	6,270	1,350	6,713
	6,274	**1,354**	**6,717**
Receivables and other assets			
Other assets	641	734	640
	641	**734**	**640**
Deferred taxes	**1,205**	**1,036**	**1,189**
TOTAL NON-CURRENT ASSETS	**138,211**	**141,391**	**138,351**
CURRENT ASSETS			
Receivables and other assets			
Trade receivables	23,166	25,685	14,747
Receivables from affiliated entities	188	345	
Income tax receivables	105	113	416
Other assets	2,126	1,681	2,792
	25,585	**27,824**	**18,417**
Cash and cash equivalents	**32,208**	**21,942**	**63,702**
Held-for-sale assets of discontinued operations	0	29,601	946
TOTAL CURRENT ASSETS	**57,793**	**79,367**	**83,065**
TOTAL ASSETS	**196,004**	**220,758**	**221,416**

Note

1) Adjusted for the effects resulting from the application of IAS 8; explanation in the notes (2.2)

EQUITY AND LIABILITIES	30 June 2016 € ,000	30 June 2015 [1] € ,000	31 Dec 2015 € ,000
EQUITY			
Subscribed capital	58,314	58,314	58,314
Capital reserves	84,808	84,808	84,808
Other reserves	-1,658	-2,552	-1,684
Consolidated retained earnings	25,836	174	27,423
	167,300	**140,744**	**168,861**
TOTAL EQUITY	**167,300**	**140,744**	**168,861**
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions for pensions	1,024	2,124	1,001
Deferred taxes	5,370	5,743	5,236
Liabilities to banks	0	10,000	0
Trade payables	0	58	38
Other liabilities	1,506	4,121	1,991
TOTAL NON-CURRENT LIABILITIES	**7,900**	**22,046**	**8,266**
CURRENT LIABILITIES			
Other provisions	870	866	964
Liabilities to banks	0	24,751	15,214
Trade payables	13,771	9,756	12,471
Liabilities to affiliated entities	112	44	3,424
Income tax liabilities	44	1,111	260
Other liabilities	6,007	12,052	11,858
Liabilities related to held-for-sale assets of discontinued operations	0	9,388	98
TOTAL CURRENT LIABILITIES	**20,804**	**57,968**	**44,289**
TOTAL LIABILITIES	**28,704**	**80,014**	**52,555**
TOTAL LIABILITIES	**196,004**	**220,758**	**221,416**

CONSOLIDATED STATEMENT OF INCOME

FOR THE PERIOD 1 JANUARY TO 30 JUNE 2016

	1 JAN - 30 JUNE 2016 € ,000	1 JAN - 30 JUNE 2015 € ,000 [1]	1 APR - 30 JUNE 2016 € ,000	1 APR - 30 JUNE 2015 € ,000 [1]
Revenue	55,034	54,681	24,886	24,265
Other income	1,693	1,735	1,035	475
Other own work capitalised	1,979	1,572	1,165	821
Total operating income	**58,706**	**57,988**	**27,086**	**25,561**
Marketing costs	-29,979	-25,283	-12,864	-11,353
Personnel costs	-14,974	-18,619	-7,220	-8,782
thereof current benefits	*-15,367*	*-17,077*	*-7,321*	*-9,000*
thereof long-term incentive plans and pensions	*393*	*-1,542*	*101*	*218*
Other expenses	-12,780	-12,501	-6,675	-5,640
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**973**	**1,585**	**327**	**-214**
Depreciation, amortisation and impairment	-2,759	-3,239	-1,445	-1,611
Earnings before interest and taxes (EBIT)	**-1,786**	**-1,654**	**-1,118**	**-1,825**
Financial income	294	117	137	101
Financial expenses	-223	-787	-17	-454
Financial result	**71**	**-670**	**120**	**-353**
Earnings before taxes (EBT)	**-1,715**	**-2,324**	**-998**	**-2,178**
Actual taxes	113	-718	157	-99
Deferred taxes	-108	22	-122	24
Tax result	**5**	**-696**	**35**	**-75**
Consolidated net income/loss from continuing operations	**-1,710**	**-3,020**	**-963**	**-2,253**
Consolidated net income/loss from discontinued operations	**123**	**17,332**	**-338**	**17,388**
Consolidated net income/loss	**-1,587**	**14,312**	**-1,301**	**15,135**
Consolidated net income/loss attributable to				
equity holders of the parent company	-1,587	14,312	-1,301	15,135
	-1,587	**14,312**	**-1,301**	**15,135**
	€	€	€	€
Basic and diluted earnings per share from continuing operations	**-0.03**	**-0.05**	**-0.02**	**-0.04**
Basic and diluted earnings per share from discontinued operations	**0.00**	**0.30**	**-0.01**	**0.30**
Average number of shares outstanding	**58,313,628**	**58,313,628**	**58,313,628**	**58,313,628**

Note: 1) Adjusted for the effects resulting from application of IAS 1. Explanation in the notes (2.2)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD 1 JANUARY TO 30 JUNE 2016

	1 JAN - 30 JUNE 2016 € ,000	1 JAN - 30 JUNE 2015 € ,000	1 APR - 30 JUNE 2016 € ,000	1 APR - 30 JUNE 2015 € ,000
Consolidated net income/loss	**-1,587**	**14,312**	**-1,301**	**15,135**
Items subject to possible reclassification to the statement of income in the future	**26**	**4**	**31**	**-7**
Currency translation differences	-12	4	-12	-7
Cash flow hedges	38	0	43	0
Changes in fair value recognised in equity	*-31*	*0*	*5*	*0*
Recognised in the statement of income	*78*	*0*	*48*	*0*
Deferred taxes on cash flow hedges	*-9*	*0*	*-10*	*0*
Other comprehensive income	**26**	**4**	**31**	**-7**
Consolidated comprehensive income/loss	**-1,561**	**14,316**	**-1,270**	**15,128**
Consolidated comprehensive income/loss attributable to				
equity holders of the parent company	-1,561	14,316	-1,270	15,128
	-1,561	**14,316**	**-1,270**	**15,128**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FROM 1 JANUARY TO 30 JUNE 2016

	Equity attributable to equity holders of the parent company				
			Other reserves		
	Subscribed capital € ,000	Capital reserves € ,000	Reserves for the revaluation of defined-benefit pension plans € ,000	Reserves for currency translation € ,000	Reserves for cash flow hedges € ,000
1 January 2015	**58,314**	**84,808**	**-448**	**-2,108**	**0**
Net income/loss according to consolidated statement of income	0	0	0	0	0
Other comprehensive income/loss according to consolidated statement of comprehensive income	0	0	0	4	0
Consolidated comprehensive income	**0**	**0**	**0**	**4**	**0**
Change in reporting entity	0	0	0	0	0
30 June 2015	**58,314**	**84,808**	**-448**	**-2,104**	**0**
1 January 2016	**58,314**	**84,808**	**482**	**-2,108**	**-58**
Net income/loss according to consolidated statement of income	0	0	0	0	0
Other comprehensive income/loss according to consolidated statement of comprehensive income	0	0	0	-12	38
Consolidated comprehensive income	**0**	**0**	**0**	**-12**	**38**
30 June 2016	**58,314**	**84,808**	**482**	**-2,120**	**-20**

	Equity attributable to equity holders of the parent company		
	Consolidated retained earnings € ,000	TOTAL € ,000	TOTAL EQUITY € ,000
1 January 2015	**-15,073**	**125,493**	**125,493**
Net income/loss according to consolidated statement of income	14,312	14,312	14,312
Other comprehensive income/loss according to consolidated statement of comprehensive income	0	4	4
Consolidated comprehensive income	**14,312**	**14,316**	**14,316**
Change in reporting entity	935	935	935
30 June 2015	**174**	**140,744**	**140,744**
1 January 2016	**27,423**	**168,861**	**168,861**
Net income/loss according to consolidated statement of income	-1,587	-1,587	-1,587
Other comprehensive income/loss according to consolidated statement of comprehensive income	0	26	26
Consolidated comprehensive income	**-1,587**	**-1,561**	**-1,561**
30 June 2016	**25,836**	**167,300**	**167,300**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD 1 JANUARY TO 30 JUNE 2016

		1 JAN - 30 JUNE 2016 € ,000	1 JAN - 30 JUNE 2015 € ,000
CASH FLOW FROM OPERATING ACTIVITIES			
	Consolidated net profit/loss	-1,587	14,312
	Adjustments for translation of net profit/loss after taxes to inflows/outflows		
–	Financial income	-294	-113
+	Financial expenses	223	834
+	Depreciation, amortisation and impairment [1]	2,760	7,929
+/–	Proceeds generated by disposals recognised in income of discontinued operations	-670	-20,534
+/–	Balance of personnel costs and payments resulting from long-term incentive plans and stock-option programmes	-540	117
–/+	Unrealised gains and losses on financial assets	-76	26
–/+	Changes in deferred taxes	108	250
+/–	Changes in provisions for pensions	23	328
=	**Operating income before changes in net working capital**	**-53**	**3,149**
–/+	Gains/losses from disposal of non-current assets	-69	-12
–/+	Increase/decrease in assets not attributable to investing or financing activities	-7,567	-8,938
+/–	Increase/decrease in liabilities not attributable to investing or financing activities	793	6,248
–/+	Changes in receivables from/liabilities to affiliated entities as well as other long-term investees and investors	77	-1,673
+/–	Other non-cash expenses/income	-263	-86
=	**Changes in net working capital**	**-7,029**	**-4,461**
=	**Cash from current operations**	**-7,082**	**-1,312**
–	Interest expenses	-921	-1,183
=	**Net cash from operating activities**	**-8,003**	**-2,495**
CASH FLOW FROM INVESTING ACTIVITIES			
+	Cash inflow from disposal of tangible and intangible assets	1,057	2
–	Cash outflow for investment in tangible and intangible assets	-3,104	-4,887
+	Cash inflow from interest	0	4
+	Cash inflow from disposal of financial assets	417	225
+/–	Cash inflow/outflow from disposal of previously consolidated entities less cash aquired [2]	0	29,896
–	Cash outflow for transaction costs arising from the disposal of previously consolidated entities [3]	0	-261
=	**Net cash used in investing activities**	**-1,630**	**24,979**

		1 JAN - 30 JUNE 2016 € ,000	1 JAN - 30 JUNE 2015 € ,000
CASH FLOW FROM FINANCING ACTIVITIES			
–	Cash outflow for payment of cash pool liabilities to entities deconsolidated in the previous year [4)]	-3,149	-3,061
–	Cash outflow for the repayment of loans	-14,500	-20,180
+	Out-of-period purchase price payments relating to the disposal of deconsolidated entities [5)]	696	42
–	Out-of-period cash outflow for transaction costs arising from the disposal of deconsolidated entities [6)]	-2,667	0
–	Cash outflow for the payment of purchase price liabilities relating to shares in previously consolidated entities [7)]	-2,100	-3,858
=	**Net cash used in financing activities**	**-21,720**	**-27,057**
VALUATION-RELATED CHANGES IN CASH			
+/–	Change in value of cash due to closing rate changes	-6	2
+/–	Exchange rate-related revaluation or devaluation of currency holdings	-140	86
=	**Valuation-related changes in cash**	**-146**	**88**
=	**Net increase/decrease in cash and cash equivalents**	**-31,499**	**-4,485**
+	Cash and cash equivalents at the beginning of the financial year [8)]	63,707	26,640
=	**Cash at the end of the period**	**32,208**	**22,155**
	thereof cash and cash equivalents from continuing operations	32,208	21,942
	thereof cash and cash equivalents related to held-for-sale assets from discontinued operations	0	213

Additional information

In the financial year 2016, there were tax outflows of EUR 465 thousand (2015: EUR 2,509 thousand) and tax inflows of EUR 193 thousand (2015: EUR 19 thousand).

Note

1) An amount of € 1 thousand (2015: € 4,690 thousand) from discontinued operations is included in the figure shown for amortisation, depreciation and impairment losses.
2) The Group received a cash inflow of EUR 26,835 thousand from the disposal of BurdaForward GmbH (formerly TOMORROW FOCUS Publishing GmbH) and its subsidiaries. The amount shown includes the proceeds from disposal, adjusted for cash disposed of.
3) To a large extent the amount shown for 2015 includes the transaction costs paid in connection with the disposal of BurdaForward GmbH (formerly TOMORROW FOCUS Publishing GmbH)
4) In 2016, there was a cash outflow to balance cash pool obligations vis-à-vis jameda GmbH. In financial 2015, the item refers to the balancing of cash pool obligations of the disposed BurdaForward Group after its deconsolidation.
5) This item includes a subsequent purchase price payment of EUR 26 thousand relating to the sale of shares in jameda GmbH in the financial year. Furthermore, the amount includes earn-out payments of EUR 670 thousand due to the sale of shares in Cellular GmbH in 2014. In financial 2015, the amount shown of EUR 42 thousand refers to subsequent purchase price payments in connection with the sale of shares in Cellular GmbH in financial 2014.
6) The amount shown for 2016 refers mainly to transaction costs paid in connection with the sale of shares in jameda GmbH.
7) The item refers to earn-out instalment payments in connection with the purchase of the remaining shares in WebAssets B.V. In financial 2015, the amount refers to maturing earn-out instalment payments related to the purchase of shares in jameda GmbH.
8) This item includes cash from continuing operations of EUR 63,702 thousand and cash from discontinued operations of EUR 5 thousand.

HOLIDAYCHECK GROUP AG, MUNICH, GERMANY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2016

1. GENERAL DISCLOSURES

HolidayCheck Group AG (formerly TOMORROW FOCUS AG), a joint-stock corporation under German law with its registered office in Munich, Germany (also referred to below as 'HCG' or 'the company'), is the parent company of the HolidayCheck Group, an Internet group with operations in Central Europe.

2. PREPARATION OF THE FINANCIAL STATEMENTS - ACCOUNTING BASIS AND STANDARDS

This interim consolidated report was drawn up in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union. In line with the provisions of IAS 34 Interim Financial Reporting, the consolidated interim report condenses or omits certain information and disclosures that are usually contained in annual financial reports.

Accordingly, the financial statements contained in this interim report do not contain all the information and disclosures that are required under IFRS rules for the consolidated financial statements at the end of the financial year.

The accounting and valuation methods adopted for these interim consolidated financial statements are essentially the same as those applied to the full consolidated financial statements at the end of the previous financial year. A full description of the accounting principles used can be found in the notes to the financial statements in our 2015 annual report. The report can also be downloaded at *www.holidaycheckgroup.com*.

When preparing the interim consolidated financial statements, the Management Board has to make assumptions and estimates that affect the level and recognition of balance-sheet assets and liabilities, income and expenditure and contingent liabilities. All such assumptions and estimates are based on premises that were valid on the reporting date and as a general rule were calculated using the same methods as those applied for the 2015 Group annual report. The actual values may differ from these assumptions and estimates if developments subsequently vary from those anticipated on the balance sheet date.

Although some parts of our business are seasonal, this does not affect the comparability of the consolidated quarterly financial statements as a whole. Any major effects during the reporting period are noted in the summary of the interim report or in the subsequent explanations.

The consolidated financial statements have been drawn up in euros. Unless otherwise indicated, all amounts are shown in EUR thousand (EUR '000).

2.1 Accounting method and valuation

There follows a list of new or revised IASB standards that became mandatory in financial 2016.

NEW OR REVISED STANDARDS OF IASB

	APPLICABLE FROM [1]	ENDORSED BY EU
Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016	Yes
Amendments to IAS 1 Disclosure initiative	1 January 2016	Yes
Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016	Yes
Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants	1 January 2016	Yes
Amendments to IAS 27 Equity Method in Separate Financial Statements	1 January 2016	Yes
Annual Improvements to International Reporting Standards (2012-2014 cycle)	1 January 2016	Yes

1) Date first applicable in EU

The changes had no significant impact on the consolidated financial statements of HCG.

The following standards have been adopted by the IASB but were not applied to the shorter interim consolidated financial standards as at 30 June 2016 as they are not yet mandatory. HCG does not generally apply standards before they become mandatory even though certain standards provide for this option.

NON-APPLIED NEW/OR REVISED STANDARDS OF IASB

	APPLICABLE FROM [1]	ENDORSED BY EU
Amendments to IFRS 10, IFRS 12 and IAS 28: Applying the Consolidation Exception	1 January 2016	No
Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017	No
Amendments to IAS 7 Disclosure initiative	1 January 2017	No
Amendments to IFRS 9 Financial Instruments	1 January 2018	No
IFRS 15 Revenue from Contracts with Customers	1 January 2018	No
IFRS 16 Leases	1 January 2019	No
Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018	No

1) Date first applicable in EU

The current view of HolidayCheck Group AG is that the above standards and interpretations will have no impact or only a minor impact on the Group's income, financial situation and assets.

2.2 IAS 1 and IAS 8 disclosures

Changes to the structure of the consolidated statement of income

Following the Group's successful strategic realignment, the Management Board took the decision to change the structure of the consolidated statement of income beginning in financial 2016. The new structure is designed to provide a clearer and more informative picture of the Group's business activities. The figures for the previous year have been adjusted accordingly.

Under this new management approach, future reports will additionally contain the key indicators 'total operating income' and 'EBITDA'.

To facilitate a year-on-year comparison, the following adjustments have been made to the consolidated statement of income for the first half of 2015:

ADJUSTMENT OF PREVIOUS YEAR'S FIGURES OF THE CONSOLIDATED STATEMENT OF INCOME TO THE NEW STRUCTURE

	PREVIOUS YEAR'S FIGURES 1 JANUARY - 30 JUNE 2015 € ,000	RECLASSIFICATIONS 1 JANUARY - 30 JUNE 2015 € '000	NEW STRUCTURE 1 JANUARY - 30 JUNE 2015 € ,000
Revenue	54,681		54,681
Other income	1,735		1,735
Other own work capitalised	1,572		1,572
Total operating income	**57,988**	**0**	**57,988**
Marketing costs	0	-25,283 [1]	-25,283
Personnel costs	-17,472	-1,147 [2]	-18,619
of which current benefits			*-17,077* [2]
of which long-term incentive plans and pensions			*-1,542* [2]
Materials costs	-4,671	4,671 [3]	0
Other expenses	-34,258	21,757 [4]	-12,501
Other taxes	-2	2 [5]	0
EBITDA	**1,585**	**0**	**1,585**
Depreciation, amortisation and impairment	-3,239		-3,239
EBIT	**-1,654**	**0**	**-1,654**
Financial income	117		117
Financial expenses	-787		-787
Financial result	**-670**	**0**	**-670**
EBT	**-2,324**	**0**	**-2,324**
Actual taxes	-718		-718
Deferred taxes	22		22
Tax result	**-696**	**0**	**-696**
Consolidated net profit/loss from continuing operations	**-3,020**	**0**	**-3,020**
Consolidated net profit/loss from discontinued operations	**17,332**	**0**	**17,332**
Consolidated net profit/loss	**14,312**	**0**	**14,312**
Consolidated net profit/loss attributable to			
equity holders of the parent company	14,312		14,312
	14,312	**0**	**14,312**

1) Previously, marketing costs were shown under the heading 'other expenses'. Beginning in financial 2016, however, they will be shown as a separate item ('Marketing costs') in order to reflect their greater importance following the Group's realignment.
2) Previously, 'other personnel costs' were shown under 'other expenses' but are now recognised under 'personnel costs'. Under the new structure, 'personnel costs' will be separated into 'current benefits' and 'long-term incentive plans and pensions'.
3) The item 'materials costs' (excluding work and services purchased) was previously shown as a separate item. Following the Group's realignment, however, it is now less important and will therefore be shown in the new structure under 'other expenses'.
4) Under the new structure, the item 'other expenses' will include 'materials costs' (see footnote 3) and 'other taxes' (see footnote 5). 'Marketing costs' (see footnote 1) and 'other personnel costs' (see footnote 2) will be shown separately or included in 'personnel costs' respectively.
5) 'Other taxes' will now be shown under 'other expenses' rather than as a separate item.

Change to procedure for recognising intragroup transactions between continuing and discontinued operations
Intragroup transactions with discontinued operations were previously eliminated by the company on the basis of an economic perspective. In terms of presentation, no adjustment was made compared with the consolidated figures in cases where trade relationships with discontinued operations or with third parties were ended in respect of future periods. If trade relationships between continuing and discontinued operations were maintained after disposal, the situation was presented on a pre-consolidation basis (gross presentation).

The International Financial Reporting Interpretations Committee (IFRIC) published an agenda decision on the presentation of intragroup transactions with discontinued operations on 12 January 2016. According to this agenda decision, neither IFRS 5 nor IAS 1 contains rules that take precedence over the rules on consolidated financial statements in IFRS 10. It specifies that two procedures are admissible for the presentation of intragroup transactions between continuing and discontinued operations:

Procedure 1
Eliminate the intragroup transactions in accordance with IFRS 10.B86(c) without adjustments.

Procedure 2
Eliminate the intragroup transactions taking account of adjustments in order to show the impact of the transactions on the continuing operation after disposal of the discontinued operation in accordance with IFRS 5.30 (net presentation).

In the year under review, intragroup transactions within the Holiday Check AG Group were eliminated using the second of these two procedures. The retrospective adjustment had no impact on net profit/loss from discontinued operations. In the balance sheet it led to a reduction of EUR 4,592 thousand in the receivables from affiliated entities and a corresponding reduction in liabilities related to held-for-sale assets from discontinued operations as well as a reduction of EUR 4,965 thousand in the item 'liabilities to affiliated entities' and a corresponding reduction in held-for-sale assets from discontinued operations.

3. SEGMENT REPORTING

Business segment reporting is laid out in such a way as to conform to the method of in-house reporting to the principal decision-making body. The latter is responsible for decisions on the allocation of resources to business segments and for the evaluation of their profitability. The Management Board of HCG constitutes the principal decision-making body.

Over the course of financial 2015, as part of a strategy of realignment, HCG sold all its operating companies outside the Travel segment with the exception of MeteoVista and organize.me.

Starting in financial 2016, the Management Board will therefore manage the Group on the basis of key indicators for the entire business rather than on a segment basis. As such, the business will no longer be divided into segments. Accordingly, this half year report does not contain a separate segment report.

SCOPE OF CONSOLIDATION AS AT 30 JUNE 2016

COMPANY	PRINCIPAL PLACE OF BUSINESS	SHARE-HOLDING in percent
HolidayCheck Group AG	Munich, Germany	-
HolidayCheck AG	Bottighofen, Switzerland	100.00
HolidayCheck Polska Sp. zo.o. [1]	Warsaw, Poland	100.00
Tomorrow Travel Solutions GmbH	Munich, Germany	100.00
Tomorrow Travel B.V.	Zeist,Netherlands	100.00
WebAssets B.V. [2]	Zeist, Netherlands	98.00
Zoover Media B.V. [3]	Zeist, Netherlands	100.00
Zoover International B.V. [3]	Zeist, Netherlands	100.00
Zoover GmbH [3]	Cologne, Germany	100.00
Meteovista B.V. [3]	Zeist, Netherlands	100.00
SARL Zoover France [3]	Paris, France	100.00
Zoover International B.V. Holland Filiaal [3] [4]	Malmo, Sweden	100.00
Zoover Internet Teknolojileri Tuzim Ticaret Ltd. [3] [4] [5]	Kusadasi, Turkey	95.00
Zoover Italia SARL [3] [4] [5]	Monza, Italy	95.00
Zoover Travel B.V. [3]	Zeist, Netherlands	100.00
TF Digital GmbH	Munich, Germany	100.00
organize.me GmbH	Munich, Germany	100.00

1) Indirect shareholding via HolidayCheck AG
2) A minority shareholder owns a 2 percent stake; at the same time a put/call option is in place for buyback purposes.
3) Indirect shareholding via WebAssets B.V.
4) Non-consolidated affiliated entity due to its minor importance
5) Company in liquidation

4. REPORTING ENTITY

The condensed interim consolidated financial statements include all companies over which HolidayCheck Group AG exerts direct or indirect control in terms of financial and business policy.

The above table lists all the companies included in the interim consolidated financial statements of HolidayCheck Group AG:

HolidayCheck Group AG opts for early settlement of earn-out obligations from the purchase of additional shares in WebAssets B.V.
In February 2016 HolidayCheck Group AG concluded a settlement agreement with the pre-takeover shareholders of WebAssets B.V. in respect of its remaining earn-out obligations. Under the terms of the agreement, HolidayCheck Group AG settled all its obligations (except a retained amount of EUR 100 thousand as security) through a payment of EUR 2,100 thousand. The obligation was already valued at the repayment figure in the 2015 financial statements.

5. DISCONTINUED OPERATIONS AND SALE OF SUBSIDIARIES

a) Sale of and withdrawal from publishing business
The annual report of HolidayCheck Group AG for the financial year 2015 contains full details of its withdrawal from the publishing business. These details are included in the information and disclosures presented below on account of the obligation to provide comparative figures for the previous year.

b) Withdrawal from subscription business
The annual report of HolidayCheck Group AG for the financial year 2015 contains full details of its withdrawal from the subscription business. These details are included in the information and disclosures presented below on account of the obligation to provide comparative figures for the previous year.

HolidayCheck Group AG sells assets of subsidiary organize.me GmbH in two asset deals
On 1 February 2016 HolidayCheck Group AG sold all the main assets of organize.me GmbH in two asset deals for a total of EUR 1,080 thousand. The company's

business-to-business (B2B) activities and assets were sold to a third party (EUR 1,000 thousand), whereas parts of its business-to-customer (B2C) operations will be reused within the Group (EUR 80 thousand). The B2C online storage services and app were closed down on 29 February 2016.

As at 31 December 2015, these assets were classed as 'held for sale'. Following the sale, however, this classification was no longer applicable.

c) Withdrawal from B2B activities in 2014
The annual report of HolidayCheck Group AG for the financial year 2014 contains detailed information on the withdrawal from B2B activities. Under the terms of an agreement dated 12 April 2016, the buyers agreed to settle their earn-out obligations before the specified date. This produced subsequent income of EUR 670 thousand.

d) Impact on the consolidated financial statements
Given their importance to the earnings, asset and financial position of HolidayCheck Group AG, the above-mentioned subsidiaries and Group business units that have been sold constitute discontinued operations within the meaning of IFRS 5.

Owing to their classification as discontinued operations, the former Publishing and Subscription segments have been wound up. Their contribution to earnings has been combined and shown separately as consolidated net profit/loss from discontinued operations.

The following table below shows a breakdown of consolidated net profit/loss from discontinued operations:

CONSOLIDATED NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS FOR THE FIRST HALF OF 2016

1 JANUARY – 30 JUNE 2016	B2B ACTIVITIES € ,000	SUBSCRIPTION € ,000	TOTAL € ,000
Revenue	0	4	4
Other income	0	73	73
Other own work capitalised	0	0	0
Expenses	0	-113	-113
Earnings before interest and taxes (EBIT)	**0**	**-36**	**-36**
Financial result	0	0	0
Attributable income tax expense	0	0	0
Earnings after taxes	**0**	**-36**	**-36**
Profit/loss from sale of discontinued operations	670	-511	159
Attributable income tax expense	0	0	0
Net profit/loss from discontinued operations	**670**	**-547**	**123**
Earnings per share (EUR)	0.01	-0.01	0.00

Consolidated comprehensive income from continuing operations in the first six months of 2016 (including other comprehensive income) stood at minus EUR 1,684 thousand. Comprehensive income from discontinued operations was EUR 123 thousand.

CONSOLIDATED NET PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS FOR THE FIRST HALF OF 2015

1 JANUARY – 30 JUNE 2015	PUBLISHING [1] € ,000	SUBSCRIPTION € ,000	TOTAL € ,000
Revenue	10,400	16,293	26,693
Other income	681	355	1,036
Other own work capitalised	170	500	670
Expenses	-10,969	-20,309	-31,278
Earnings before interest and taxes (EBIT)	**282**	**-3,161**	**-2,879**
Financial result	-12	-39	-51
Attributable income tax expense	-151	-121	-272
Earnings after taxes	**119**	**-3,321**	**-3,202**
Profit/loss generated from sale of discontinued operations	21,182	0	21,182
Attributable income tax expense	-648	0	-648
Net profit/loss from discontinued operations	**20,653**	**-3,321**	**17,332**
Earnings per share (EUR)	0.35	-0.06	0.30

1) Adjustment according to IAS 8, see note 2.2.

In the first half of 2015, consolidated comprehensive income from continuing operations (including other comprehensive income) stood at minus EUR 3,016 thousand. Comprehensive income from discontinued operations was EUR 17,332 thousand.

There is no change in the presentation of cash flows attributable to the operating, investing or financing activities of discontinued operations. These are shown in the consolidated statement of cash flows for the first half of 2016 and 2015. As required, cash flows from discontinued operations are also presented in detail in the notes to the financial statements.

The following table contains a breakdown of cash flows from discontinued operations:

CASH FLOW FROM DISCONTINUED OPERATIONS FOR THE FIRST HALF OF 2016

1 JANUARY – 30 JUNE 2016	B2B ACTIVITIES € ,000	SUBSCRIPTION € ,000	TOTAL € ,000
Net cash flow from operating activities	0	-101	-101
Net cash flow from investing activities	0	1,000	1,000
Net cash flow from financing activities	670	-5,790	-5,120
Net cash from discontinued operations	**670**	**-4,891**	**-4,221**

CASH FLOW FROM DISCONTINUED OPERATIONS FOR THE FIRST HALF OF 2015

1 JANUARY – 30 JUNE 2015	PUBLISHING [1] € ,000	SUBSCRIPTION € ,000	TOTAL € ,000
Net cash flow from operating activities	2,666	1,341	4,007
Net cash flow from investing activities	29,287	-678	28,609
Net cash flow from financing activities	-3,019	0	-3,019
Net cash flow from discontinued operations	**28,934**	**663**	**29,597**

1) Adjustment according to IAS 8, see note 2.2.

6. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Intangible assets
Intangible assets include capitalised goodwill and other own work capitalised for the development of mobile applications and website redesign. In respect of own work capitalised a total of EUR 1,979 thousand was recognised for the period up to 30 June 2016 (30 June 2015: EUR 1,572 thousand).

Equity
Changes in the equity of the parent company's owners are shown in the consolidated statement of changes in equity.

Authorised capital
At the general meeting of shareholders on 12 June 2013, it was decided to nullify Authorised capital 2010/I, last valued at EUR 21,204,957 and at the same time to authorise the Management Board, subject to Supervisory Board approval, to undertake one or more increases in the company's share capital until 11 June 2018 of up to EUR 14,578,407 in exchange for cash and/or non-cash contributions (Authorised capital 2013/I). The Management Board is authorised to exclude shareholders' statutory subscription rights.

Contingent capital
The general meeting of shareholders of 16 June 2015 adopted resolutions to cancel Contingent capital 2010/I totalling EUR 4,842,070 and create Contingent capital 2015 of EUR 11,600,000. This contingent capital is intended to service conversion and option rights. The authorisation is valid up to 15 June 2020.

Treasury shares
The general meeting of shareholders of 16 June 2015 renewed the company's authorisation, granted by the general meeting of shareholders of 16 June 2010 and expired on 15 June 2015, to acquire its own shares. The Management Board is therefore authorised to acquire shares in the company worth up to a total of 10 percent of its share capital. The authorisation is valid up to 15 June 2020.

Share-based remuneration
Since 2011, virtual shares have been issued to members of the Management Board and other employees of HCG and its subsidiaries under a long-term incentive programme (LTIP). The virtual shares entitle the holder to a cash payment based on the average share price over the last one hundred stock exchange trading days up to the relevant payment date. There is no automatic entitlement to shares in HolidayCheck Group AG. Under the terms of the LTIP, virtual shares are granted in annual tranches (up to and including 2015). There is no link between these tranches.

The following table shows the amounts recognised for the LTIP in the interim consolidated financial statements for the first six months of 2016:

OTHER LIABILITIES

	31 DECEMBER 2015 EUR '000	REVALUATION EUR '000	30 JUNE 2016 EUR '000
Liabilities from share-based payments with cash settlement	2,140	-598	1,542
Total	**2,140**	**-598**	**1,542**

Derivative financial instruments
The Group employed currency forwards to hedge cash flows denominated in Swiss francs (CHF) against possible exchange rate risks. The future transactions covered by these hedges will be realised at different points over the rest of the financial year.

Since these transactions meet the conditions for recognition as cash-flow hedges and appear in the balance sheet accordingly, the corresponding negative fair value of the effective portion of the hedging instruments (EUR 24 thousand) was recognised directly in equity.

The accumulated profit or loss from changes in the fair value of hedging transactions, as shown in the reserve for hedging transactions, was then transferred to the statement of income when the underlying transaction itself affected the statement of income or when the cash flows associated with the underlying transaction were recognised in profit or loss or if the hedged transaction was cancelled.

Some of these currency forwards matured in the first six months of 2016 and were therefore recognised in the statement of income (EUR 78 thousand). Changes to the fair value of the remaining currency forwards came to minus 31 thousand.

Up to 30 June 2016, a corresponding unrealised gain of EUR 38 thousand was recognised under other comprehensive income with due regard for deferred tax of minus EUR 9 thousand.

Liabilities to banks
The table shown below gives a breakdown of the liabilities to banks.

The remaining tranches of the bonded loan were repaid as scheduled on 9 March 2016 together with the due interest.

The syndicated loan agreement is due to expire in 2019 and until then provides a flexible arrangement allowing HCG to borrow up to EUR 50,000 thousand. As at the reporting date, HolidayCheck Group AG had drawn EUR 0 thousand from the total available.

Financial expenses
The financial expenses of EUR 223 thousand (first half 2015: 787 thousand) relate to interest expenses. These also include expenses from compounding in the sum of EUR 7 thousand (first half 2015: EUR 51 thousand) and financing-related interest expenses of EUR 216 thousand (first half 2015: EUR 736 thousand).

LIABILITIES TO BANKS

	30 JUNE 2016 € ,000		31 DECEMBER 2015 € ,000	
CARRYING AMOUNT	CURRENT	NON-CURRENT	CURRENT	NON-CURRENT
Bonded loans	0	0	14,500	0
Syndicated loan	0	0	0	0
Other liabilities to banks	0	0	714	0
	0	**0**	**15,214**	**0**

FINANCIAL LIABILITIES

	CARRYING AMOUNT € ,000		FAIR VALUE € ,000	
	30 JUNE 2016	31 DECEMBER 2015	30 JUNE 2016	31 DECEMBER 2015
Financial liabilities				
Derivatives	24	93	24	93
Contingent consideration	100	2,200	100	2,200

Additional disclosures on financial instruments
The above table shows the carrying amounts and fair values of financial assets and financial liabilities.

The fair value of cash flow hedges is shown as EUR 24 thousand as at 30 June 2016. The term of the interest rate swap shown in the previous year's balance sheet at EUR 93 thousand was identical to that of the bonded loan and therefore ended on 9 March 2016.

Financial instruments recognised at fair value are divided into various classes in accordance with IFRS 7.

These are known as the three levels of the fair value hierarchy and are defined as follows:

- level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities to which an entity has access on the balance sheet date;
- level 2 inputs: other inputs (i.e. not quoted level 1 prices) that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from other prices);
- level 3 inputs: information for the asset or liability that is not based on observable market data (unobservable inputs).

There have been no transfers between the different levels of the fair value hierarchy.

The following table shows the hierarchy of financial instruments measured at fair value as at 30 June 2016:

HIERARCHY OF FINANCIAL INSTRUMENTS

30 JUNE 2016	CARRYING AMOUNT € ,000	FAIR VALUE € ,000			
		LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Financial liabilities					
Derivatives	24	24	0	0	24
Contingent consideration	100	0	0	100	100

CHANGES IN THE RECURRENTLY ASSESSED VALUE OF THE FINANCIAL LIABILITIES

	2016 EUR '000
As at 1 January	2,200
Effect from disbursement of earn-out obligation	-2,100
Total profit or loss - recognised in financial expenses	0
As at 30 June	**100**

The table shown above illustrates the changes in the recurrently assessed value of the financial liabilities attributed to level 3 of the measurement hierarchy.

The figure for contingent consideration includes an earn-out obligation of EUR 2,200 thousand from the acquisition of additional shares in WebAssets B.V. Following a payment of EUR 2,100 thousand in February 2016, all the corresponding claims have now been settled (with the exception of EUR 100 thousand retained as security).

There has been no change from 31 December 2015 in the classes into which assets and liabilities have been broken down. Valuation methods and key assumptions are equally unchanged. These are detailed in section 10.23 of the notes to the 2015 consolidated financial statements, which also contains (under section 10.22) a detailed overview of the financial instruments employed by HCG, financial risk factors and the management of financial risks.

7. RELATED PARTIES

Transactions with related entities primarily involved services as defined by IAS 24.21c. All such transactions were concluded on arm's length basis.

In total, transactions with related parties in the first six months of the financial year involved trade receivables valued at EUR 310 thousand and trade payables valued at EUR 499 thousand. The discontinued operations of the former Subscription segment accounted for trade receivables valued at EUR 0 thousand and trade payables valued at EUR 7 thousand.

As at 30 June 2016 receivables and payables from current transactions with related parties amounted to EUR 188 thousand and EUR 112 thousand respectively.

Munich, Germany, 5 August 2016

HolidayCheck Group AG

Georg Hesse
Chairperson of the Management Board
(Chief Executive Officer)

Timo Salzsieder
Member of the Management Board
(Chief Operating Officer)

Dr Dirk Schmelzer
Member of the Management Board
(Chief Financial Officer)

IT IS OUR VISION TO BECOME THE MOST **HOLIDAYMAKER-ORIENTED** COMPANY IN THE WORLD.

GEORG HESSE, CEO HOLIDAYCHECK GROUP AG

FINANCIAL CALENDAR 2016*

September

8 SEPTEMBER 2016

db access Eurpean TMT Conference
in London, Great Britain

20 SEPTEMBER 2016

Berenberg and Goldman Sachs Fifth
German Corporate Conference 2016
in Munich/Unterschleißheim, Germany

November

08 NOVEMBER 2016

Publication of the 3Q 2016 interim report
(German version; English version will
follow a few days later)

NOVEMBER 2016

Analysts' meeting at the German Equity Forum 2016
in Frankfurt am Main, Germany

** provisional dates*

LEGAL NOTICE

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