

FOR IMMEDIATE RELEASE

Pharos Capital Leads Follow On Round in Travel Holdings, Inc.

Second-round investment to be used for expansion overseas

Nashville, Tenn., October 26, 2005 –Pharos Capital Group, LLC of Nashville and Dallas, Texas announced today that it has made a second round investment in its portfolio company, Travel Holdings, Inc. Pharos invested \$8 million in this round, adding to its \$5 million initial investment in September 2004. Pharos' investment comes out of its Pharos Capital Partners II, L.P. and Pharos Capital Partners II-A, L.P. funds.

Existing investors BEV Capital and Massey Burch Partners also invested in the round. The expansion capital will be used for adding local sales and product procurement offices in Europe, Asia-Pacific and South America.

Travel Holdings is an innovative and diverse travel distribution company headquartered in Orlando and with technology operations in Tel Aviv. The company serves customers in 122 countries and integrates with every segment of the travel industry including retail, wholesale, group, travel agents, corporate and affiliates.

Travel Holdings' Chairman, Alan Greenberg, a native of Nashville, said, "We are delighted to receive a second round of financing to help us continue to aggressively grow the company. Our partnership with Pharos has proven to be a vibrant collaborative effort that has given us the freedom to pursue innovative product and resource development."

"We have been pleased with the company's execution of its business plan and we are excited about the momentum we have seen and the company's future prospects. The online travel space is experiencing dynamic growth and we feel the company is well positioned in the industry with its vast worldwide merchant hotel network to be a major player in this sector," said Mike Devlin, Pharos Managing Partner.

About Pharos Capital

Based in Dallas and Nashville, Pharos Capital Group currently has over \$450 million in capital under management. Pharos primarily invests in companies seeking later stage equity funding for internal growth, acquisitions, management buyouts or recapitalizations across industry sectors, with particular focus on health care, business services and applied technology.

Pharos typically takes \$5 to \$15 million equity positions through staged investing in undercapitalized businesses in underserved regions across the nation. Pharos is typically the lead investor in a round, or will co-lead a financing along with other institutional investors. Pharos' investment mandate is to be value added investors who bring more than just capital to the table.

About Travel Holdings

Travel Holdings, Inc. was established in early 2004 through the merger of three firms: Tourico Holidays, Inc., LastMinuteTravel.com and Travel Global Systems. Headquartered in Orlando and with technology operations in Tel Aviv, Travel Holdings serves wholesale, consumer and trade customers in 122 countries. The company's core asset is its worldwide merchant hotel network, now exceeding 10,000 individual properties throughout the United States, Europe, South America, Asia/Pacific and Africa...likely the largest privately held merchant hotel network in the world. Travel Holdings also contracts for and markets cars, cruise, air and transfers/attractions products. The company is a multi-channel distributor, marketing its inventory through virtually every segment of the online travel sector, including retail, wholesale, group, travel agent, corporate and affiliates. Travel Holdings owns its own travel technology company, Travel Global Systems, headquartered in Tel Aviv. The company's technology backbone includes a comprehensive inventory allocation system/back office, dynamic packaging, extranet tool, caching system and direct connect capabilities through Web Services.

###

Contact:

Caroline Luz

Owen Blicksilver Public Relations

203-656-2829

caroline@blicksilverpr.com