

DATE: July 17, 2008
TO: Directors
FROM: Scott Tomer, CEO
RE: Franchise Press Release



I realize that many of you want more information about our July 14th announcement of the potential use of a franchise model at YTB. While there are some things we are unable to comment on at this time, the intention of this letter is to answer many of the questions posed by our Reps and RTAs. I also want to provide you with correct information regarding the rumors, misrepresentations and untruths being circulated on the Internet.

But first, let's talk a little history. Our goal from day one has been to become the world's largest Internet travel company. In 2007 we were recognized as the 26th largest seller of travel in America and we are in the top 10 of those that are Internet based. While we are delighted with these results, we believe the franchise model will enable even faster growth. Here are some important points for you to know and remember.

The founders of YTB learned direct sales from Art Williams and built one of the largest organizations in his company. We know how to build a successful sales force that will stand the test of time and the facts supporting this claim are easy to substantiate. 27 years later, my brother still operates a very successful business inside what is now known as Primerica Financial Services.

We know how to recruit, build a sales force and sell products and services using the direct sales or network marketing approach. We are convinced this is the best marketing system ever created and we are **ABSOLUTELY COMMITTED** to continuing the use of this system with YTB. While there will be changes to the process as it relates to the sale of franchises, the downline genealogy and network marketing division will remain intact.

People may question our decision but no one can question our commitment to this industry or our people. Many factors, none more important than the protection of our Reps' and RTAs' futures, and many months of due diligence preceded our July 14th announcement. I'd like to share some of our thoughts with you.

Our commitment to becoming a world class travel company will be supported in the franchise system with additional tools and training for those who choose to actively pursue the travel business. The operations manual available to franchisees will provide details of the critical aspects of how to successfully operate their franchise.

We believe a franchise model of our existing business will be easier to comprehend and more readily accepted by the general public. Since franchising is recognized as a traditional business

model in virtually all developed countries, YTB's timeline for global expansion will be accelerated. Additionally, franchising will allow us to rapidly diversify the products and services offered by our franchisees. This will enable YTB to more quickly attain our goal of becoming a major distribution channel for products and services sold in the U.S. and abroad.

Now let's discuss how this will affect our existing RTAs. We anticipate everything that currently exists for RTAs will be in the franchise model and any additional products offered through the franchise will be available to RTAs should they elect to become franchisees.

We also anticipate providing favorable terms to those RTAs who convert to the franchise model although we have not decided on those details as of this date. If RTAs elect not to become franchisees, they will be able to continue with no change to their status with all income opportunities and privileges they currently enjoy.

I acknowledge outsiders will question this decision. We've been questioned before. Many so called industry experts doubted our ability to sell travel, but they can't argue with the fact that we sold \$414 million of it last year.

We became a publicly traded company in 2004 and the skeptics said we would never make it. People said we were crazy to introduce a Reps' "Bill of Rights" at the 2005 "Your Time to Build" national convention. It was unheard of in our industry. No one had ever guaranteed earnings for its Reps prior to the 2006 "Business of Champions" YTB convention, but that didn't stop us from introducing the Success from Home Magazine program with its \$6,000 Guarantee. We became members of the Direct Sales Association in 2007 and added the "First Amendment to the Bill of Rights" at the "Cleared for Take Off" National Convention to the dismay of our detractors.

We've never asked nor do I care about the opinion of our competitors and skeptics. Let them say what they will. So what if they don't agree with what we do. While it disturbs me that they make inaccurate, deceitful, slanderous and outright fraudulent statements about YTB in an attempt to recruit people, I refuse to respond. What I do know is this. YTB is responsible for more travel sales through YTB Travel Network than all of the other network marketing companies selling travel combined. I stand on our record of Rep and RTA protections and challenge any of them to step up and compete.

We're building a company for the ages and I am proud to be in business with you.

By: 
Scott Tomer
Chief Executive Officer
YourTravelBiz.com

APPROVED FRANCHISE STATEMENTS

For the RTA:

- We anticipate everything that currently exists for RTAs will be in the franchise model.
- Any additional products offered in the franchise model will be available to RTAs should they elect to become franchisees.
- We anticipate providing favorable terms to those RTAs who convert to the franchise model although we have not decided on the details.
- If RTAs elect not to become franchisees, they can continue with no changes to their status with all income opportunities and privileges they currently enjoy.
- An Operations Manual will detail the critical aspects of how to successfully operate the franchise (not yet approved).

For the Rep:

- While there will be changes to the process related to the sale of franchises, the downline genealogy and network marketing division will remain intact.

General Statements:

- We believe a franchise model of our existing business will be easier to comprehend and more readily accepted by the general public.
- Our commitment to becoming a world class travel company will be supported in the franchise system with additional tools and training for those who choose to actively pursue the travel business.
- Franchising will allow YTB to diversify the products and services offered by its franchisees more quickly.
- Since franchising is recognized as a traditional business model in almost every country, YTB's timeline for global expansion will be accelerated.
- Franchising will enable YTB to rapidly attain its goal of becoming a major distribution channel for products and services sold in the US and abroad.