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RCG Companies To Acquire OneTravel, Inc. For \$25.5 million
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CHARLOTTE -- RCG Companies Incorporated, a diversified travel and leisure company, announced that it has entered into an agreement to acquire 100% of the outstanding stock of OneTravel, Inc.. RCG operates SunTrips, one of the largest leisure-travel tour operations in the U.S., and 1-800-CHEAPSEATS, a full service online and offline travel company.

The terms of the acquisition provide for a total purchase price of \$25.5 million, with \$2.5 million paid as a deposit at signing, \$10.5 million paid in cash at closing and \$12.5 million paid in the form of a six-month convertible promissory note. The note is convertible into common stock of RCG, subject to shareholder approval. The conversion price will be determined on the closing of the transaction, but will be no greater than \$2.25 per share. RCG has the right to extend the maturity of the convertible note by up to six months upon payment of an extension fee to the note-holders. RCG and OneTravel expect the transaction to close within 30-60 days.

OneTravel is a privately held provider of online and offline discount travel products and services, offering its customers the ability to search for and book a full range of travel products. OneTravel also has proprietary dynamic packaging search engine technology that allows its customers to customize their own vacations by combining air, hotel and land options.

OneTravel operates a direct-to-consumer business through a variety of Web sites. In addition to OneTravel.com, it operates 11thHour.com, CheapSeats.com and DiscountHotels.com. OneTravel also provides technology solutions and support services that enable other businesses to operate in the online travel arena. Through OneTravel's long-standing partner program, OneTravel has developed turnkey solutions for organizations such as The Travel Channel, Sam's Club and SideStep. OneTravel generated gross bookings of approximately \$94 million in 2004 from all operations, which accounts for approximately \$8.2 million of revenue under generally accepted accounting principles.

President and Chief Financial Officer of OneTravel, Inc., Philip Ferri, stated, "We are very excited about the acquisition and becoming an integral part of RCG. Our management team is looking forward to working with Will and the RCG team. We believe that the combination of RCG and OneTravel will create a strong platform for growth in the online travel market and provide significant value to the company's shareholders, customers and partners."

Libra Securities, LLC acted as financial advisor for OneTravel in connection with the sale.

RCG also announced that it has completed a convertible debenture offering, which provided the necessary financing to fund the OneTravel deposit plus additional working capital for the Company. The net proceeds of the financing were approximately

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\$5.6 million, the details of which are reflected in the Company's 8-K filing.

HPC Capital Management of Atlanta, Georgia, was the placement agent for the financing.

About RCG Companies Incorporated

RCG Companies Incorporated (www.rcgcompanies.com) derives a majority of its revenues from its travel business subsidiaries, Flightserv, Inc., which delivers leisure and vacation travel packages under the SunTrips(R) brand, and Farequest Holdings, Inc., which is a leading online and offline provider of a full range of travel services operating under the name 1-800-CHEAPSEATS. RCG's other wholly owned subsidiary, Logisoft Corp., operates in the software and information technology services sector.



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